By Mr. SHERIDAN:

H. R. 10631. A bill to amend the Selective Training and Service Act of 1940 (S. 4164); to the Committee on Military Affairs.

By Mr. KEFAUVER:

H. R. 10632. A bill to authorize the President temporarily to transfer jurisdiction over certain national forest and national park land to the War Department or the Navy Department; to the Committee on Public Lands.

By Mr. WOODRUFF of Michigan:

H. R. 10633. A bill to provide for the economic defense of the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. DELANEY:

H. Res. 622. Resolution relating to the activities of H. G. Wells; to the Committee on Foreign Affairs.

By Mr. MILLER:

H. Res. 623. Resolution requesting certain information on cemeteries in Europe; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. JOHNSON of Indiana:

H. R. 10634. A bill for the relief of Fred Hunter; to the Committee on Claims.

By Mr. RUTHERFORD:

H. R. 10635. A bill granting an increase of pension to Myrtle I. Arnold; to the Committee on Invalid Pensions.

H. R. 10636. A bill granting a pension to Jessie M. Jones; to the Committee on Invalid Pensions.

PETITIONS, ETC.

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

9350. By Mr. LAMBERTSON: Resolution of the members of the bar of Marshall County, Kans., wholeheartedly tendering their services, as lawyers and citizens, to the President, the officials of the United States Army, or any other department of the Government, State or National, to whom they may be of assistance; to the Committee on Ways and Means.

9351. Also, petition of J. M. Mitchell and 16 other residents of Topeka, Kans., urging Congress to enact the General Welfare Act, House bill 5620, into law; to the Committee on Ways and Means.

9352. By Mr. VOORHIS of California: Petition of C. E. Robel, of Lewiston, Idaho, and 12 others, urging consideration in behalf of Senate Joint Resolution 188 and House Joint Resolution 391, that Congress assume its constitutional duty to "coin money and regulate the value thereof"; to the Committee on Banking and Currency.

SENATE

WEDNESDAY, OCTOBER 9, 1940

(Legislative day of Wednesday, September 18, 1940)

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

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

Lord of our life, and God of our salvation, in whom we live and move and have our being, both as men and nations: Enlighten our minds with the knowledge of what is right for us to do. Give us power to see our duties with a clear eye and a broad vision; and make us apt to do Thy will, that our Nation may be strong in heart and soul in those virtues which have made her truly great. 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 Tuesday, October 8, 1940, was dispensed with, and the Journal was approved.

NAMING A PRESIDING OFFICER

The Chief Clerk read the following communication:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., October 9, 1940.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. KENNETH MCKELLAR, a Senator from the State of Tennessee, to perform the duties of the Chair during my absence.

KEY PITTMAN,
President pro Tempore.

Thereupon Mr. MCKELLAR took the chair as Acting President pro tempore.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were comunicated to the Senate by Mr. Latta, one of his secretaries.

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 bills of the Senate:

S. 3612. An act to authorize the Secretary of War to accept, as loans, from States and political subdivisions thereof, funds to be immediately used in the prosecution of authorized flood-control work, and for other purposes;

S. 3786. An act to provide for the punishment of persons transporting stolen animals in interstate commerce, and for other purposes;

S. 4275. An act to increase the authorized numbers of warrant officers and enlisted men in the Army Mine Planter Service, and for other purposes; and

S. 4362. An act to provide for the completion of certain local protection works at East Hartford, Conn.

The message also announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 3907. An act for the relief of William A. Reithel;

H. R. 6083. An act for the relief of Morris Burstein, Jennie Burstein, and Adolph Burstein; and

H. R. 6091. An act for the relief of Samuel Roberts.

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 amendment of the House to the bill (S. 527) for the relief of J. J. Greenleaf.

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

H. R. 10063. An act to record the lawful admission to the United States for permanent residence of Ona Lovcikiene and children, Edmundos and Regina; and

H. R. 10440. An act for the relief of the First National Steamship Co., the Second National Steamship Co., and the Third National Steamship Co.

J. J. GREENLEAF—CONFERENCE REPORT

Mr. BARKLEY (for Mr. BURKE) submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 527) entitled "An act for the relief of J. J. Greenleaf" having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment, as follows: In lieu of the figures "$8,125" insert "$10,000"; and the House agree to the same.

PRENTISS M. BROWN,
JOHN G. TOWNSEND,
EDWARD R. BURKE,
Managers on the part of the Senate.
AMBROSE J. KENNEDY,
ROBERT RAMSPECK,
J. PARNELL THOMAS,
Managers on the part of the House.

Mr. BARKLEY. I ask unanimous consent for the present consideration of the report.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

There being no objection, the report was considered and agreed to.

SPECIAL COMMITTEE TO STUDY AND SURVEY PROBLEMS OF SMALL BUSINESS ENTERPRISES

The ACTING PRESIDENT pro tempore, under the terms of Senate Resolution 298, agreed to October 8, 1940, appointed the following Senators as members of the Special Committee to Study and Survey Problems of American Small Business Enterprises: Mr. MURRAY, Mr. MEAD, Mr. MALONEY, Mr. ELLENDER, Mr. STEWART, Mr. TAFT, and Mr. CAPPER.

LEGISLATION OF MUNICIPAL COUNCIL OF ST. THOMAS AND ST. JOHN, V. I.

The ACTING PRESIDENT pro tempore laid before the Senate a letter from the Acting Secretary of the Interior, transmitting, pursuant to law, a resolution, ordinances, etc., adopted by the Municipal Council of St. Thomas and St. John, V. I., which, with the accompanying papers, was referred to the Committee on Territories and Insular Affairs.

DISPOSITION OF EXECUTIVE PAPERS

The ACTING PRESIDENT pro tempore laid before the Senate letters of the Archivist of the United States, transmitting, pursuant to law, lists of papers and documents on the files of the Departments of the Treasury (2), Interior, and Labor; the Veterans' Administration; the Public Health Service and the Office of Education, both under the Federal Security Agency; and The National Archives, 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 ACTING PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. TOBEY members of the committee on the part of the Senate.

OFFER OF SERVICE BY MEMBERS OF THE BAR, MARSHALL COUNTY, KANS.

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a statement received by me today signed by all of the lawyers of Marysville, Kans., tendering their services as lawyers and citizens to the President and officials of the United States Army and other departments of the Government to whom these patriotic Kansans may be of assistance during the present emergency.

There being no objection, the statement was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

At this time of national emergency the members of the bar of Marshall County wholeheartedly tender their services, as lawyers and citizens, to the President, the officials of the United States Army, or any other department of the Government, State or National, to whom they may be of assistance.

W. J. Gregg; P. G. Wadham; Carroll D. Smith; Walter Y. Griffin; Kenneth R. Baxter; W. M. Shaffer; Roy W. Cliborn; R. E. O'Neil; Paul Van Villeabugh; William S. Eddy; A. L. Park; L. L. McLaughlin; E. M. Gregg; E. O. Bennett, judge, twenty-first judicial district; R. E. Ferguson; R. L. Helvering; Raymond E. Smith.

REPORTS OF COMMITTEE ON CLAIMS

Mr. BURKE, from the Committee on Claims, to which was referred the bill (S. 4287) for the relief of Charles S. Ladinsky and Moe Kanner, reported it with amendments and submitted a report (No. 2215) thereon.

He also (for Mr. BROWN), from the same committee, to which was referred the bill (H. R. 6945) conferring jurisdiction upon the District Court of the United States for the Southern District of Florida to hear, determine, and render judgment upon the claims of all persons who have claims for damages or losses allegedly resulting from the construction, further development, and improvement of the Intracoastal Waterway, Miami to Jacksonville, Fla., and for other purposes, reported it without amendment and submitted a report (No. 2216) thereon.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on October 8, 1940, that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 844. An act to simplify the accounts of the Treasurer of the United States, and for other purposes;

S. 3990. An act to transfer the essential language of section 518, title IV, of the Tariff Act of 1930, approved June 17, 1930, into the Judicial Code of the United States and to provide for its reenactment as part of said Judicial Code, to take effect from the date of its passage, including the allowance to the judges of the United States Customs Court for traveling expenses incurred for maintenance while absent from New York on official business and to repeal all acts inconsistent therewith to the extent of such inconsistency, and for other purposes; and

S. J. Res. 225. Joint resolution relating to the conditions for payment with respect to sugarcane harvested from certain plantings in the mainland cane-sugar area.

BILLS INTRODUCED

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

By Mr. WHITE:

S. 4406. A bill for the relief of Karel Lederer; to the Committee on Immigration.

By Mr. BULOW:

S. 4407 (by request). A bill to amend further the Civil Service Retirement Act, approved May 29, 1930, as amended; to the Committee on Civil Service.

By Mr. BURKE:

S. 4408. A bill authorizing the Comptroller General of the United States to settle and adjust the claim of Edgar H. Ingham; to the Committee on Claims.

By Mr. CLARK of Idaho:

S. 4409. A bill to amend the Fair Labor Standards Act of 1938; to the Committee on Education and Labor.

INVENTIONS USABLE IN CONNECTION WITH NATIONAL DEFENSE

Mr. PEPPER. Mr. President, on behalf of the Senator from Washington [Mr. BONE] and myself, I ask unanimous consent to introduce a bill pertaining to inventions usable for or against the national defense, because the Committee on Patents wishes to give consideration to the subject matter during the recess.

There being no objection, the bill (S. 4410) to protect the United States in respect of inventions usable for or against the national defense, and to protect against disclosures detrimental to the public interest of matters relating to the national defense, was read twice by its title and referred to the Committee on Patents.

HOUSE BILL REFERRED

The bill (H. R. 10063) to record the lawful admission to the United States for permanent residence of Ona Lovcikiene and children, Edmundos and Regina, was read twice by its title and referred to the Committee on Immigration.

KEY TO JUDICIAL DECISIONS (S. DOC. NO. 306)

Mr. WALSH. Mr. President, a very unusual document has recently been prepared by I. J. Lowe, Esq., an attorney with the Department of Agriculture. It is entitled "Key to the Year of Decision of Any Case in the United States Supreme Court, Federal and State Reports." This newly discovered key enables the researcher to ascertain at once the year of the decision of any case appearing in the reports of the United States Supreme Court and other Federal courts, as well as State reports, from its organization to the October term of 1939, without reference to the reports. These data will be helpful, not only to the legal profession, but also the judicial, legislative, and executive departments of the Government, and I ask that the document be made a Senate document. I have submitted the material to Justice Stone of the United States Supreme Court, and also to the Senator from Vermont ([Mr. AUSTIN] and they both state there is no publication quite like it, and that it should prove to be a useful document.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Massachusetts? The Chair hears none, and it is so ordered.

TRIBUTE TO SENATOR GLASS BY ROBERT M. HANES

[Mr. BAILEY asked and obtained leave to have printed in the RECORD a tribute paid to Senator GLASS by Robert M. Hanes, president, American Bankers' Association, before the convention assembled in Atlantic City on September 26, 1940, which appears in the Appendix.]

ADDRESS BY SENATOR JOHNSON OF COLORADO ON WAR

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD a radio address delivered by him on October 5, 1940, on the subject, Hate War, My Countrymen, which appears in the Appendix.]

ORIGIN AND DANGERS OF PEACETIME CONSCRIPTION

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD certain facts and material relative to conscription, which appears in the Appendix.]

LETTER BY SENATOR HOLT ON DANGER OF WAR

[Mr. HOLT asked and obtained leave to have printed in the RECORD a letter written by him on the danger of American involvement in war, which appears in the Appendix.]

STATEMENT BY SENATOR WILEY ON LABOR'S STAKE IN THE CAMPAIGN

[Mr. WILEY asked and obtained leave to have printed in the RECORD a statement by him on labor's stake in the campaign, to be published in the American Forum, which appears in the Appendix.]

ADDRESS BY HON. HENRY A. WALLACE AT MISSOULA, MONT.

[Mr. MURRAY asked and obtained leave to have printed in the RECORD a radio address delivered by Hon. Henry A. Wallace at Missoula, Mont., October 3, 1940, which appears in the Appendix.]

WALTER-LOGAN BILL—ADMINISTRATIVE PROCEDURE

[Mr. MALONEY asked and obtained leave to have printed in the RECORD a letter to the New York Times by Alfred Jaretzki, Jr., relative to the Walter-Logan bill, which appears in the Appendix.]

POLITICAL TYRANNY

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an editorial from the Washington Post of October 4, 1940, entitled "Political Tyranny," which appears in the Appendix.]

NATIONAL LABOR RELATIONS BOARD

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an editorial from the Washington Post of October 9, 1940, entitled, "Where Congress Failed," which appears in the Appendix.]

SUPPORT OF PRESIDENT ROOSEVELT BY DOROTHY THOMPSON

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an article under the heading "The Presidential Election; Miss Thompson Comes Out for Roosevelt," written by Dorothy Thompson and published in the Washington Post of this date, which appears in the Appendix.]

CONSIDERATION OF BILLS ON THE CALENDAR

The ACTING PRESIDENT pro tempore. In accordance with the understanding of yesterday evening at the time the Senate took a recess, the clerk will call the calendar for the consideration of unobjected-to bills.

Mr. KING. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. KING. I presume the call of the calendar will begin where the Senate concluded it yesterday?

Mr. BARKLEY. Yes; where the Senate left off yesterday.

The ACTING PRESIDENT pro tempore. The clerk will begin at Calendar No. 2324, House bill 6658.

LEASE OR SALE OF CERTAIN PUBLIC LANDS IN ALASKA

The bill (H. R. 6658) to authorize the lease or sale of certain public lands in Alaska, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

Mr. ADAMS subsequently said: Mr. President, today the Senate passed House bill 6658, Calendar No. 2324. I find on examination of the report which was filed that there is an error in the report. The bill itself is correct and should have been passed, but I should like to have unanimous consent to withdraw the report (No. 2203) as filed and be permitted to file a corrected report (No. 2214). I do that because when the bill goes to the White House for consideration, the report, as it stands, would contain an inaccuracy which I should like to have corrected.

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

USE OF CERTAIN PUBLIC LANDS IN ALASKA FOR PARK AND OTHER PURPOSES

The bill (H. R. 7252) to authorize the Secretary of the Interior to sell or lease for park or recreational purposes, and to sell for cemetery purposes, certain public lands in Alaska, was considered, ordered to a third reading, read the third time, and passed.

Mr. HOLT subsequently said: Mr. President, when Calendar No. 2325, House bill 7252, was called, I intended to make a suggestion to the Senator from Colorado [Mr. ADAMS]. The bill authorizes the Secretary of the Interior to sell or lease for park or recreational purposes, and to sell for cemetery purposes, certain public lands in Alaska. I believe the bill would be strengthened if we were to allow the Government to sell or lease the Secretary of the Interior to Alaska for recreational or cemetery purposes. [Laughter.]

LANDS IN DEATH VALLEY NATIONAL MONUMENT

The bill (H. R. 8646) to authorize the exchange of certain patented lands in the Death Valley National Monument for Government lands in the monument was considered, ordered to a third reading, read the third time, and passed.

WATER SUPPLY, PETERSBURG, ALASKA

The bill (H. R. 9173) for the protection of the water supply of the town of Petersburg, Alaska, was considered, ordered to a third reading, read the third time, and passed.

ORGANIZATION BY STATES OF MILITARY UNITS

The bill (H. R. 10495) to amend section 61 of the National Defense Act of June 3, 1916, by adding a proviso which will permit States to organize military units not a part of the National Guard, and for other purposes, was announced as next in order.

The ACTING PRESIDENT pro tempore. This bill was considered on the call of the calendar yesterday and went over on objection. Is there objection to its present consideration?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and insert:

That section 61 of the National Defense Act of June 3, 1916, be amended to read as follows:

"No State shall maintain troops in time of peace other than as authorized in accordance with the organization prescribed under this act: *Provided*, That nothing contained in this act shall be construed as limiting the rights of the States and Territories in the use of the National Guard within their respective borders in time of peace: *Provided further*, That nothing contained in this act shall prevent the organization and maintenance of State police or constabulary: *Provided further*, That under such regulations as the Secretary of War may prescribe the organization by and maintenance within any State of such military forces other than National Guard as may be provided by the laws of such State is hereby authorized while any part of the National Guard of the State concerned is in active Federal service: *Provided further*, That such forces shall not be called, ordered, or in any manner drafted, as such, into the military services of the United States; however, no person shall, by reason of his membership in any such unit, be exempted from military service under any Federal law: *And provided further*, That the Secretary of War in his discretion and under regulations determined by him is authorized to issue, from time to time, for the use of such military units, to any State, upon requisition of the Governor thereof, such arms and equipment as may be in possession of and can be spared by the War Department."

Mr. THOMAS of Utah. Mr. President, this is the home guard bill, which the Senate discussed yesterday. The Sena-

tor from Vermont has an amendment to offer to perfect the bill.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

Mr. AUSTIN. I move that the committee amendment be amended on page 3, in line 3, by inserting after the word "prescribe," the words "for discipline in training."

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 3, line 3, after the word "prescribe", it is proposed to insert the words "for discipline in training."

Mr. ADAMS. Mr. President, is the question on the amendment to the amendment?

The ACTING PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Vermont [Mr. AUSTIN] to the committee amendment.

Mr. ADAMS. I desire to say a few words on the bill.

Mr. WHITE. Mr. President, I desire to express my complete concurrence with the amendment offered by the Senator from Vermont. I think it should be adopted in order to cure a defect in the proposed legislation.

While I am on my feet, I wish to make a further suggestion to those in charge of the bill. It seems to me that the initial two or three lines of the committee amendment should be recast. I assume the bill will go to conference, and that there will be an opportunity in conference to recast it. The purpose of the bill, as I understand, is to confer upon the States the right to maintain troops within their borders in time of peace. The amendment starts out in this wise:

No State shall maintain troops in time of peace—

And so forth. That follows, I take it, the constitutional provision. It seems to me that it should be drafted as an affirmative declaration or an affirmative grant to the States of the right to maintain troops in time of peace. It is merely a matter of drafting, but I think it is very definitely the right way to go at it.

Mr. THOMAS of Utah. Mr. President, the reason the wording referred to is used is because the bill follows the language of the National Defense Act of 1916, and this bill will become an amendment to the National Defense Act of 1916. Since 1916 there have been so many regulations and so much experience with the National Guard that it was deemed by the committee best to follow the language which has become the guiding language of the organization since that date.

The ACTING PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Vermont [Mr. AUSTIN] to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The ACTING PRESIDENT pro tempore. The question is on the committee amendment as amended.

Mr. ADAMS. Mr. President, I find myself compelled to vote against the bill. I did not object to its being taken up, but it seems to me that the bill involves a false assumption of Federal power. The bill assumes that a State may not organize or maintain any form of armed or organized force except with the consent and permission of the Federal Government. The opening line of the committee amendment is in accordance with the Constitution, which provides that:

No State shall, without the consent of Congress * * * in time of peace, keep troops.

That is entirely correct, but the distinguished Senator from Vermont, for whose learning and knowledge I have the utmost regard, and who is a far greater expert upon these subjects than I could be, answered an inquiry yesterday to the effect that a State had no right to maintain any form of armed organized force except with the consent of the Federal Government, and he interpreted the provision of the Constitution which I have read from the bill and which he quoted from the Constitution as going that far. The Senator from Texas [Mr. CONNALLY] raised the question yesterday as to the interpretation of the word "troops" in the constitutional provision.

In the few minutes at my disposal today I made a very hasty search of the authorities, and I find that there are several authorities supporting the position which the Senator from Texas took; in other words, that the prohibition against the maintenance of troops by the States in time of peace does not include the Organized Militia of the States.

This amendment, starting out with the correct statement, then proceeds to say, in the second part, that the States may not maintain any form of organization except under such regulations as the Secretary of War may prescribe. Not only is the Congress assuming the authority, but we are assuming to give to the Secretary of War the power to say to my State and your State, "You may not organize any home guard, any militia, unless you have the consent of the Secretary of War and the consent of Congress."

In that part of the bill I cannot concur. I must, therefore, vote against the bill, because it is founded upon what I think is a violation of a very fundamental provision not only of the Constitution but of the rights of the States, which antedated the Constitution, and which were in no way limited or restricted by the Constitution when it was adopted.

Mr. THOMAS of Utah. Mr. President, I do not want to argue this case, but I do want to say that all the Senator from Colorado has said was, of course, extremely germane when the National Defense Act of 1916 was being considered and enacted.

Mr. ADAMS. Mr. President, may I interrupt the Senator?

Mr. THOMAS of Utah. I shall be glad to be interrupted.

Mr. ADAMS. I recognize that the National Defense Act of 1916 has the same false premise underlying it; but the fact that the Congress in 1916 assumed something in violation of the Constitution does not justify us in doing the same thing again. The fact that the 1916 act contains these provisions is one of the reasons why I have not objected to taking up the bill, because it is not adding something new; it is merely reaffirming a false doctrine.

Mr. THOMAS of Utah. Mr. President, I very much doubt whether the act of 1916 was contrary to the Constitution. The purpose of the act of 1916 and the purpose of the act of 1920, which is the National Defense Act under which we are operating, was, in time of emergency and in time of war, quickly to make a unit of the armed forces of the United States by creating out of the various groups and branches of the armed forces, such as the National Guard, the great Army of the United States. Since the Federal Government moved into the States and changed the ordinary State militia, the armed force, the National Guard, into a quasi- or a half-national organization, and laid down the policy that the second line of defense should always be the National Guard, the close relationship between the National Guard and the Federal forces of the Regular Army has been maintained, and been very satisfactorily maintained.

The National Defense Act of 1916 did not destroy in any way, and of course could not destroy, any constitutional right. I completely agree with the Senator from Colorado in that respect; but it did not, even in practice, as interpreted, destroy the State's right to have its own troops. In fact, if we will read it, we will see that that is so:

Provided—

After the first statement—

That nothing contained in this act shall be construed as limiting the rights of the States and Territories in the use of the National Guard within their respective borders in time of peace.

That language maintains complete command of the National Guard in the Governor in time of peace; and Federal recognition there constitutes only what the amendment of the Senator from Vermont has made it constitute now. The Federal Government does the training, and does the disciplining, and furnishes the uniforms and the matériel.

The act continues:

Provided further, That nothing contained in this act shall prevent the organization and maintenance of State police or constabulary.

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

The ACTING PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from North Carolina?

Mr. THOMAS of Utah. I shall be glad to yield.

Mr. BAILEY. I understand the Senator is explaining, rather than contending, that notwithstanding the passage of the 1916 act and this bill, the States' rights to have such militia as they desire to have, independent of these measures, are not impaired to any degree.

Mr. THOMAS of Utah. I think that is absolutely the case; and today the problem is a practical problem of that kind. There is no question that the States may go ahead and organize their own militia, and equip their own militia, and pay for their own militia; but the States have become dependent upon the Federal Government for matériel, for uniforms, for pay during drill periods, and it is because of that dependency that they again find themselves financially dependent on the continuation of the National Guard when their own forces are called into service. It is a very practical situation.

Mr. BAILEY. I should like to say to the Senator on that point, if he will permit me, that the States are not financially dependent upon the Federal Government. They are in that posture; but the States collectively have all the wealth the National Government has. We have simply fallen here into a habit of depending upon the borrowed money of the Federal Government—that is, the credit of the Federal Government—in lieu of proceeding courageously to our duty of levying taxes in the States to discharge their functions, and levying taxes in the United States to discharge the Federal functions.

It is not a case of being dependent; it is a case of being unwilling to levy the necessary taxes, and, of course, there will be an end to that. We shall come to the point where the taxes must be levied by the States.

Mr. THOMAS of Utah. Probably I should have said a case of having become dependent.

Mr. BARBOUR. Mr. President——

The ACTING PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from New Jersey?

Mr. THOMAS of Utah. I shall be glad to yield.

Mr. BARBOUR. I hesitate to interrupt the junior Senator from Utah again; but a moment ago I heard a reference to constabulary and State police. I did not hear the question, and I am not quite sure that I understood the answer.

In connection with the remarks of the Senator from Colorado as to a prohibition against having organized forces in the States, I ask the Senator from Utah whether that would interfere with constabulary or State police?

Mr. THOMAS of Utah. No; the amendment carries the same provision that is carried in the National Defense Act of 1916, and reads as follows:

Provided further, That nothing contained in this act shall prevent the organization and maintenance of State police or constabulary.

Mr. BARBOUR. I thank the Senator.

Mr. ADAMS. Mr. President, if I may make a statement, it is not prohibited, but what the bill asserts is the right of the Federal Government to prohibit if it wishes. In other words, in this bill the Congress is most graciously saying to the State, "While you have no right to organize militia without our consent, we will permit you to do it provided it complies with the regulations of the Secretary of War."

Mr. BARBOUR. Mr. President——

Mr. THOMAS of Utah. I yield to the Senator from New Jersey.

Mr. BARBOUR. I do not want to encroach on the time of the Senator from Utah. I merely wish to be sure that there is nothing in the proposed legislation which would prevent the States from doing everything they reasonably should do in relation to constabulary or State police.

Mr. THOMAS of Utah. If there were anything in this measure which would prevent that, I think no Member of the United States Senate would support it, for the simple reason that it would destroy the sovereignty of the State in the control of its own police force.

Mr. ADAMS. Mr. President, I desire to add merely a word to emphasize the fact that this bill contains the assertion that the State's sovereignty may not, in and of its own right, maintain any Military Establishment or any militia, because it says, after reciting that the States may not have troops—which we all concede—

That under such regulations as the Secretary of War may prescribe—

"Under such regulations as the Secretary of War may prescribe"—

the organization by and maintenance within any State of such military forces other than National Guard as may be provided by the laws of such State is hereby authorized.

In other words, in this bill we are asserting the absolute right of the Federal Government to forbid the organization within the State of military forces of a kind differentiated from troops or a standing army. As I have said, I think that is the assertion of a right which does not exist in the Federal Government. Of course, the assertion of the right by Congress does not affect the constitutional rights of the States; but I do not want to see passed a bill by which Congress asserts the fact without my own feeble vote going against it.

Mr. THOMAS of Utah. Mr. President, I am glad to have an expression of that kind. This amendment becomes necessary because of the way in which the Army and the National Guard have grown up and have developed. We all know that by various acts of Congress the size of the guard is limited. It becomes essential to increase the size of the guard. How to do that without destroying the limits which are already in existence was the problem facing the writers of this amendment, and we think we have done it by the way in which it is drafted.

Mr. ADAMS. Mr. President, may I have unanimous consent to submit as part of my remarks citation of a few authorities which I will have in the course of a half hour?

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

The authorities submitted by Senator ADAMS are as follows:

MINNESOTA *v.* WAGENER (1898) (42 L. R. A. 749 AT 751)

Under our Military Code the active militia or National Guard are organized and enrolled for discipline and not for military service, except in times of insurrection, invasion, and riot. The men comprising it come from the body of the militia of the State and when not engaged, at stated periods in drilling or training for military duty, they return to the usual avocations, subject to call when public exigencies require it, but may not be kept in service, like standing armies, in times of peace. While enrolled as soldiers of the State for the purposes aforesaid they are neither troops, within the meaning of section 10 of article I of the Federal Constitution, or a standing army, within the meaning of section 14 of the Bill of Rights in the State constitution (*Dunne* v. *People*, 94 Ill. 120, 34 Am. Rep. 213).

DUNNE *v.* THE PEOPLE (1879) (94 ILL. 120, SYLLABUS NO. 7)

The organization of the active militia of the State is not in violation of that clause of the Federal Constitution which withholds from the States the right to keep troops in time of peace. Such a militia is not embraced in the term "troops" as used in the Constitution. The State militia is simply a domestic force, as distinguished from the Regular troops, and is only liable to be called into service when the exigencies of the State make it necessary.

DUNNE *v.* THE PEOPLE (1879) 94 ILL. 120 AT 138

An objection broader in its scope than either of those noted is, that the active militia organized under the statute comes within the prohibition of the second clause, section 10, article 1 of the Constitution of the United States, which withholds from the States the power to keep "troops" in time of peace. Our understanding is, the organization of the active militia of the State conforms exactly to the definitions usually given of militia. Lexicographers and others define militia, and so the common understanding is, to be "a body of armed citizens trained to military duty who may be called out in certain cases but may not be kept on service like standing armies in time of peace." That is the case as to the active militia of this State. The men comprising it come from the body of the militia, and when not engaged at stated periods in drilling and other exercises, they return to their usual avocations, as is usual with militia, and are subject to call when the public exigencies demand it. Such an organization, no matter by what name it may be designated, comes within no definition of "troops," as that word is used in the Constitution. The word "troops" conveys to the mind the idea of an armed body of soldiers, whose sole occupation is war or service, answering to the Regular Army. The organization of the active militia of the State bears no likeness to such a body of men. It is simply a domestic force as distinguished

from regular "troops," and is only liable to be called into service when the exigencies of the State make it necessary.

DUNNE *v.* THE PEOPLE (1879) (94 ILL. 120 AT 126)

The section of the Constitution cited (Art. I, sec. 8, div. 15) does not confer on Congress unlimited power over the militia of the States. It is restricted to specific objects enumerated, and for all other purposes the militia remain as before the formation of the Constitution subject to State authorities. Nor is there any warrant for the proposition that the authority a State may exercise over its own militia is derived from the Constitution of the United States. The States always assumed to control their militia, and, except so far as they have conferred upon the National Government exclusive or concurrent authority, the States retain the residue of authority over the militia they previously had and exercised. And no reason exists why a State may not control its own militia within constitutional limitations. Its exercise by the States is simply a means of self-protection.

The States are forbidden to keep "troops" in time of peace, and of what avail is the militia to maintain order and to enforce the laws in the States unless it is organized. "A well-regulated militia" is declared to be "necessary to the security of a free State." The militia is the dormant force upon which both the National and State Governments rely "to execute the laws, * * * suppress insurrections, and repel invasions." It would seem to be indispensable there should be concurrent control over the militia in both governments within the limitations imposed by the Constitution. Accordingly, it is laid down by text writers and courts that the power given to Congress to provide for organizing, arming, and disciplining the militia is not exclusive. It is defined to be merely an affirmative power, and not incompatible with the existence of a like power in the States; and hence the conclusion is the power of concurrent legislation over the militia exists in the several States with the National Government.

In the official annotated edition of the United States Constitution appears the following:

The organization and maintenance of an active State militia is not a keeping of troops in time of peace within the prohibition of this clause. This clause contemplates the use of the State's military power to put down an armed insurrection too strong to be controlled by civil authority, and the State concerned must determine what degree of force the crisis demands. (*Presser* v. *Illinois* (116 U. S. 252); *Luther* v. *Borden* (7 How. 45); *New Hampshire* v. *Louisiana* (108 U. S. 76).)

Mr. KING. Mr. President, I am not a member of the committee reporting the bill under consideration and have had but little opportunity to examine it. Because of the position of my colleague, for whose honesty and integrity I am glad to vouch, I am inclined to support it; or at least I desire to ascertain upon what grounds I may be justified in giving it my support. The bill was under consideration for a short time yesterday, and I then expressed some misgivings as to the merit or necessity of the measure; indeed, when the bill was brought to my attention by the Senator from Colorado I expressed some misgivings as to its constitutionality. I had not read the bill and was not aware of its provisions nor acquainted with any of the objectives sought, but in the discussion which ensued I was inclined to believe that it impinged upon the rights of the States and was not in consonance with the second amendment to the Constitution.

I indicated that some of the great leaders following the drafting of the Constitution were dissatisfied with some of its provisions, believing that the power conferred upon the Federal Government was too great. Accordingly, as Senators know, demands were made for amendments to the Constitution of the United States, and as a result of this agitation and the demands made various amendments were urged and adopted. Obviously, there were some who believed that the Constitution interfered with the rights of the various States to organize, regulate, and maintain a militia, and for that reason the second amendment to the Constitution was urged and adopted. I am not satisfied that the bill before us—much as I should like to support it—does not interfere with the rights of the States with respect to their regulation, organization, and so forth, of a State militia. I fear that this measure—though it might incorporate the provisions which are found in existing law—confers too much authority upon the Federal Government, and interfers with the rights of the States to organize, regulate, and maintain a militia. Senators will recall that this amendment forbids any infringement of the rights of the State to provide for a well-organized militia, and that the purpose of such a militia, among other things, is necessary for the protection and security of the State and of the right of the people to keep and bear arms.

Our forefathers knew of the dangers of large standing armies. They had developed within the various States before the Federal Government was formed militia organizations and had provided for their regulation, maintenance, and support.

I appreciate the fact that we have gone a long way since the amendment to the Constitution was adopted in centralizing authority in the Federal Government. The most extreme Federalist in the days of Hamilton would be surprised if he were now to visit this mundane sphere and witness the form and character of our present political system. He would behold not a Federal Government but a National Government; he would behold a strong centralized and powerful National Government exercising functions and authority far in excess of what the framers of the Constitution believed that the Government which they had organized was authorized to exercise.

The founders of this Republic had experienced the evils of a powerful central government, and they determined to establish a Government with limited powers—with checks and balances, in order that the people of the various States might be protected. They determined that local self-government should be preserved. They knew that only through the States could liberty and freedom be preserved; that individuals could operate in and through their States and the local subdivisions of their States. They knew that under a powerful centralized government their liberties would be restricted. They were not unacquainted with history, with the rise and fall of nations, and the causes which had led to the destruction of local self-government and of the freedom and liberty of individuals. They had been subjected to the authority of an oppressive government and to unjust exactions of monarchial rule. They were opposed to standing armies and believed that their liberties would be preserved under virile and active States and local governments.

Notwithstanding the restrictions imposed upon the Federal Government, it is apparent that little by little those restrictions have been and are being whittled away. More and more authority is taken over by the Federal Government, and more and more are the people adopting policies that weaken their States and diminish their rights and, indeed, their liberty. They are shirking responsibilities which rest upon their States and upon their local subdivisions. More and more the people are adopting policies which extend the power of the Federal Government; indeed, weaken its authority as a Federal Government and constitute it a powerful National Government.

Students of our Government who are familiar with history and the encroachment of governments upon individuals are manifesting concern over the increase in authority of the Government and the acquiescence of the people in such encroachment. When local self-government is weakened, the authority of the general or central government is increased. That increased authority manifests itself in measures which augment the power of the central government and its bureaucratic agencies and which tend toward state socialism. There are some of our citizens who believe that the best interests of the people would be subserved by the Federal Government taking over private enterprise and exercising control over the lives of the people. There are some Americans who support policies looking to state socialism and which, if increased, will culminate in the Federal Government owning and operating substantially most industries. There are some Socialists in our midst who believe that the Government should take over all industry and that the people should look to the Federal Government for employment, and, indeed, for direction in all material and industrial activities.

They are willing to destroy our form of government and to superimpose upon the people a system of state socialism. It is obvious that there is a movement in our country today to augment the power of the Government. There is a growing feeling that we do not need a Federal Government but a unitary government, with the States performing merely the functions of inactive satellites, having their existence in and

being within the periphery of the influence and power of a strong national state.

The Senator from North Carolina [Mr. BAILEY] indicated a moment ago that the States are not relying upon themselves to levy taxes for the purpose of maintaining their respective State governments. Undoubtedly that observation is true. Many of the States are not meeting their obligations or those of their political subdivisions, and are appealing to and relying upon the Federal Government to meet their deficits, and to take over, in part, duties and obligations which, under our form of government, belong to the States.

I think it will be conceded that demands are being made upon the Federal Government by the States and their political subdivisions for contributions for the maintenance of institutions belonging to the States and their political subdivisions. The statement is not infrequently heard that Senators and Congressmen are merely errand boys to obtain from the Federal Government funds, contributions, and benefits to be used to meet obligations of the States, and to carry out responsibilities which, under our form of government, rest exclusively upon them.

I know that any appeal for a renaissance of States' rights, and for the protection of local State government, and individualism will fall upon deaf ears.

The Democratic Party for years, proclaimed itself as the defender of the rights of the States and of individual liberty. The strength of the party grew out of the fact that it was preserving local self-government, that it was the protector of the individual, and that it was the enemy of all movements which sought to undermine the States and to aggrandize the Federal Government. The Democrats accepted the philosophy of Jefferson and the great leaders of the South, as well as some of the strong pillars of democracy in the North. We hear but little today about the philosophy of Jefferson and John C. Calhoun, one of the greatest political philosophers our country has ever produced. We now get some of our political philosophy from socialism.

I admit that when our country is at war the authority of the Federal Government is more pervasive and its responsibilities are increased, but even when our country is at war, there are rights and liberties of which the people may not be deprived.

There may be usurpation in times of war as there has been usurpation by the Federal Government in times of peace.

If our Government is to be preserved, it must be a constitutional government, a federal government, and a democratic government; and it must remain as a symbol of liberty and justice, not only to those within its borders but to the people in all parts of the world.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The ACTING PRESIDENT pro tempore. The question now is on the engrossment of the amendment and the third reading of the bill.

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

The ACTING PRESIDENT pro tempore. The question now is, Shall the bill pass?

Mr. ADAMS. Mr. President, I wish to be recorded as voting against the bill.

Mr. JOHNSON of Colorado. Mr. President, is this the home-guard bill?

The ACTING PRESIDENT pro tempore. It is.

Mr. JOHNSON of Colorado. I wish to make a brief statement in regard to it. I do not expect to oppose the enactment of the bill, but the organization of the home guard is just as useless as giving a hitch hiker three thumbs. The bill is not necessary at all.

The Congress and the States have worked out a formula for the operation of the National Guard in the States. It has been difficult and it has taken a long time to work it out satisfactorily, but it has been done. We became engaged in a constitutional argument yesterday on the floor of the Senate, which indicated how difficult it is to provide for the operation of a military unit within a State and harmonize all its parts with the Federal interests.

The only thing that is necessary, the only thing that is required, is for the War Department or the Federal Government not to call all the National Guard officers out at one time. Leave a company of them, or leave a few of them, in each State to function while the rest of the Guard are gone, and let the group which is left behind take their training at some subsequent time. That is all that is needed.

But an effort is made, by the enactment of a law of the kind proposed, to provide an entirely new military organization. The bill does not provide for an expansion of the National Guard, or anything of that kind, but sets up a new military organization within the States, which is bound to cause a conflict between the National Guard and the new organization when the National Guard returns home.

So long as the committee was willing to put into the proposal a requirement that no State military organization should be set up without a State law, naturally not very much harm could come from it, for vigilante committees could not operate in a State. So that difficulty is removed. But when one reads the bill he will be suprised at the plan of operation between the Federal Government and the States.

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

Mr. JOHNSON of Colorado. I yield.

Mr. RUSSELL. The Senator referred to the plan of operation between the Federal Government and the States set up in the bill. What has concerned me so much about the bill is the lack of any plan of operation or cooperation between the State authorities and the Federal Government. The bill provides in one part that the Secretary of War shall prescribe the rules and regulations for the operation of the military organization, and in another that it shall be governed by State law. I was just wondering what would happen if the Secretary of War should say, as to a single State, that it must have a thousand men enlisted in the unit, and the State law should provide for 5,000. There is nothing in the bill, as I read it, that would determine which should control—the regulation of the Secretary of War or the act of the State government.

Mr. JOHNSON of Colorado. There is nothing in the bill which would control that, and that is why I say the formula for the operation of the proposed organization cooperatively between the Federal Government and the State Government is left hanging in the air, just as the Senator from Georgia states.

That is the difficulty of it; but the pitiful thing is that the bill is not necessary at all. We still have the National Guard. We are not in war. The War Department can leave sufficient numbers of the National Guard at home to take care of all the needs of the States. No one can deny that. Part of the National Guard ought to be left at home instead of setting up the new military organization as proposed under the provisions of the bill.

The ACTING PRESIDENT pro tempore. The question is, Shall the bill pass?

The bill, H. R. 10495, was passed.

The ACTING PRESIDENT pro tempore. Without objection, Senate bill 4175 will be indefinitely postponed.

USE OF CERTAIN PARTS OF THE PUBLIC DOMAIN

Mr. THOMAS of Oklahoma. Mr. President, a few days ago House bill 9705 was passed over upon objection of the junior Senator from Kansas [Mr. REED].

The ACTING PRESIDENT pro tempore. What is the calendar number of the bill?

Mr. THOMAS of Oklahoma. It is No. 2238. I have discussed the matter with the junior Senator from Kansas, and he is not willing to agree to the Senate committee amendments. The bill relates in the main to the State of Utah, and I do not desire to be responsible for holding up or blocking a bill which has passed the House, and has likewise been approved by the Senate committee, with amendments. So I ask that the bill be considered on the theory that I shall ask that all committee amendments be rejected so the bill,

if it is agreeable that it shall be passed, will be passed as it was passed by the House.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Oklahoma for the immediate consideration of House bill 9705?

There being no objection, the Senate proceeded to consider the bill (H. R. 9705) to make more effective use of certain parts of the public domain, and for other purposes, which had been reported from the Committee on Indian Affairs with amendments.

Mr. THOMAS of Oklahoma. Mr. President, I ask that the amendments of the committee be disagreed to.

Mr. ADAMS. Will the Senator explain the bill?

Mr. THOMAS of Oklahoma. The bill relates in the main to Utah. It provides for amending the Ute Indians, of Utah, jurisdictional act of June 28, 1938, for the addition of certain lands to a reservation in Utah, and authorizes the institution of suits in the Court of Claims by the Ute Indians to assert their rights against the Government. Those are the provisions of the House bill. If the Senate shall disagree to the Senate committee amendments the Utah Indians in question will, under the House bill, be permitted to go into the Court of Claims to assert their rights against the Government.

A Senate committee amendment provides that the Cherokee Indians of my State likewise would have the right to go into the Court of Claims to assert rights they have or think they have against the Government. The junior Senator from Kansas, however, does not wish this to become an omnibus bill, and inasmuch as the amendment was placed in the bill by the Senate committee I shall ask that the amendment be disagreed to.

Another amendment relates to other tribes of Indians, giving them the right to go into the Court of Claims to assert their claims against the Government. It is not in the nature of a Court of Claims bill, but is somewhat similar. Inasmuch as I ask that the amendments be disagreed to, I presume the Senate will not be interested in knowing in detail about the amendments, other than what I have stated.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma asks that the committee amendments be not agreed to.

Mr. ADAMS. Mr. President, on page 19 of the bill, in section 2, is a Senate amendment limiting the exchange of lands to the State of Utah. It seems to me that inasmuch as the bill has to do with the State of Utah, as the Senator stated, he ought not to object to limiting this exchange of lands to the State of Utah. Some of us do not want this broad authority given to the Secretary of the Interior to exchange certain lands for lands in our States.

Mr. THOMAS of Oklahoma. Mr. President, my effort is wholly to bring about the passage of the House bill, on the theory that if we do not pass the House bill it will probably be too late to obtain a conference, and to obtain any legislation now. The bill can go over until later in the session, after election perhaps, and it can then be taken up. I am willing to have the bill taken up on its merits, if we can get an agreement, and consider the amendments, and agree to such as we can reach an agreement upon, or disagree to such as we cannot reach an agreement upon. I am trying to act in accord with the demands of the junior Senator from Kansas.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. WHEELER. As I understand, the bill was never considered by the House Indian Affairs Committee at all.

Mr. THOMAS of Oklahoma. The Senator is correct. The bill went to the House Public Lands Committee.

Mr. WHEELER. The Senate has passed, as I understand, several bills permitting certain Indian tribes to go into the Court of Claims, and the House has held up all those bills.

Mr. THOMAS of Oklahoma. Most of them; not all.

Mr. WHEELER. Practically all of them, as I understand. There are pending on the calendar several bills granting permission to the various tribes of Montana to go into the Court of Claims. All those bills have been held up. In this case a Court of Claims bill was tacked onto a House bill. It had no reference at all to the subject which was originally covered. I feel that this is not the way to legislate. I feel it is just as appropriate for the Senate Indian Affairs Committee to tack Court of Claims bills onto other bills as it was to tack on a bill to another bill pending in the Public Lands Committee of the House, and for that reason I shall object at this time until I have an opportunity to look into the matter further.

The ACTING PRESIDENT pro tempore. Objection is heard, and the bill will be passed over.

AMENDMENT OF DISTRICT OF COLUMBIA UNEMPLOYMENT COMPENSATION ACT

The bill (H. R. 10322) to amend further the District of Columbia Unemployment Compensation Act was considered, ordered to a third reading, read the third time, and passed.

FIRST, SECOND, AND THIRD NATIONAL STEAMSHIP COS.

The bill (S. 4400) for the relief of the First National Steamship Co., the Second National Steamship Co., and the Third National Steamship Co. was announced as next in order.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. BURKE. Mr. President, a similar bill, House bill 10440, should be substituted for the Senate bill.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Nebraska that House bill 10440 be substituted for the Senate bill, and that the House bill be now considered?

There being no objection, the Senate proceeded to consider the bill (H. R. 10440), an act for the relief of the First National Steamship Co., the Second National Steamship Co., and the Third National Steamship Co., which was read twice by its title.

The ACTING PRESIDENT pro tempore. The question is on the third reading and passage of the bill.

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

The ACTING PRESIDENT pro tempore. Without objection, Senate bill 4400 is indefinitely postponed.

OVERTIME COMPENSATION FOR EMPLOYEES OF THE WAR DEPARTMENT, ETC.

The bill (S. 4208) establishing overtime rates for compensation for employees of the War Department, its field services, the Panama Canal Zone, and for other purposes, was announced as next in order.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. DANAHER. Mr. President, there is no objection whatever to the bill, so far as I now know. I should like to have some member of the committee, however, explain whether or not its provisions would supplement the provisions of other legislation in which we undertook to deal with prevailing rates of labor, and generally dealing with construction items of that sort in the Canal Zone.

Mr. THOMAS of Utah. Mr. President, I think the answer to that question is, "Yes," although the word "supplement" is hardly the right word. We have passed a measure providing for an 8-hour day and a 40-hour week for the ordinary workers in Government arsenals and those now doing defense work. Other workers are on an annual wage. In order to make the pay during this time consistent the Senate committee amendment is necessary. Its adoption will make it possible for the Secretary of War to administer the work in arsenals, and other work, in such a way that there will be real understanding and fairness to all concerned.

Mr. BARKLEY. Mr. President, will the Senator yield at that point?

Mr. THOMAS of Utah. I yield.

Mr. BARKLEY. I have just received a letter from the Secretary of War concerning the bill, which I should like to have read at this time, with the Senator's permission.

Mr. DANAHER. I shall be glad to hear it.

The ACTING PRESIDENT pro tempore. The clerk will read.

The Chief Clerk read as follows:

WAR DEPARTMENT,
Washington, October 9, 1940.

Hon. ALBEN W. BARKLEY,
United States Senate, Washington, D. C.

MY DEAR SENATOR: The War Department deems it urgent that S. 4208 be enacted into law as soon as possible. This bill in effect sanctions the employment of certain key personnel at the arsenals on an overtime basis, and its passage would speed up considerably production of munitions at the arsenals. It has been reported out of the Committee on Military Affairs.

Sincerely yours,

HENRY L. STIMSON,
Secretary of War.

Mr. DANAHER. I thank the Senator from Utah. I simply wished to make sure that there was no relaxation of the protection previously written into law during the session.

Mr. THOMAS of Utah. That is correct.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 4208) establishing overtime rates for compensation for employees of the War Department, its field services, the Panama Canal Zone, and for other purposes, which had been reported from the Committee on Military Affairs with an amendment, to strike out all after the enacting clause and insert:

That notwithstanding the provisions of any other law, compensation for employment in excess of 40 hours in any administrative workweek computed at a rate not less than one and one-half times the regular rate is hereby authorized to be paid at such places and to such monthly, per diem, hourly, and piecework employees of the field services of the War Department and the field services of the Panama Canal whose wages are set by wage boards or other wage fixing authorities, and also to professional and subprofessional employees, and to blueprinters, photostat and rotaprint operators, inspectors, storekeepers, toolkeepers, and shop superintendents of the CAF service, as defined by the Classification Act of March 4, 1923 (42 Stat. 1488; 5 U. S. C., ch. 13), as amended, as shall be designated from time to time by the Secretary of War or the Governor of the Panama Canal, as the case may be, and the Secretary of War and the Governor of the Panama Canal are authorized to prescribe for their respective services, regulations for overtime employment for said employees or any of them: *Provided*, That in determining the overtime compensation of the foregoing per annum Government employees the pay for one day shall be considered to be one three-hundred-and-sixtieth of their respective per annum salaries.

SEC. 2. The provisions of this act shall be effective during the national emergency declared by the President on September 8, 1939, to exist, and shall terminate June 30, 1942, unless the Congress shall otherwise provide.

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 establishing overtime rates for compensation for employees of the field services of the War Department, and the field services of the Panama Canal, and for other purposes."

LILLIAN M. REYMONDA

The bill (H. R. 7916) granting 6 months' pay to Lillian M. Reymonda was considered, ordered to a third reading, read the third time, and passed.

BILL INDEFINITELY POSTPONED

The ACTING PRESIDENT pro tempore. House bill 10391, to increase the authorized numbers of warrant officers and enlisted men in the Army Mine Planter Service, and for other purposes, was passed by the House on October 7, and is on the Secretary's desk. Yesterday the House passed an identical Senate bill, Senate bill 4275, without amendment. If there be no objection, House bill 10391 will be indefinitely postponed. The Chair hears no objection, and the order is made.

DEFINITION OF CERTAIN COMMON CARRIERS BY WATER

Mr. KING. Mr. President, at the last call of the calendar a measure which had been reported from the Committee on Territories and Insular Affairs by its distinguished chairman, the Senator from Maryland [Mr. TYDINGS], was passed over. I refer to Senate Joint Resolution 296, Calendar No. 2247. I ask unanimous consent to recur to that measure.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Utah?

There being no objection, the Senate proceeded to consider the joint resolution (S. J. Res. 296) to define common carriers by water engaged in certain commerce with the Virgin Islands of the United States, and for other purposes.

Mr. KING. The joint resolution was unanimously reported by the committee.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That for the purposes (1) of this resolution; (2) of the Shipping Act, 1916, as amended (U. S. C., title 46, sec. 801; 39 Stat. 728, ch. 451, approved September 7, 1916); and (3) of the Intercoastal Shipping Act, 1933, as amended (U. S. C., title 46, sec. 843; 47 Stat. 1425, ch. 199, approved March 3, 1933), every common carrier by water between ports in the States, Territories, districts, and possessions of the United States and ports in the Virgin Islands of the United States, or between ports in the said Virgin Islands, shall, while engaged in commerce between such ports, be deemed to be (a) a common carrier by water, and (b) a common carrier by water in foreign commerce, as defined in and subject to the terms of the said Shipping Act, 1916, as amended, but shall not be deemed to be a common carrier in interstate commerce as defined in said act.

SEC. 2. This resolution shall expire on the date of the going into effect of the coastwise laws of the United States as to the Virgin Islands of the United States by proclamation of the President under authority of the act of April 16, 1936 (U. S. C., Supp. IV, title 46, sec. 877; 49 Stat. 1207).

The preamble was agreed to.

FARM VIEWS OF WENDELL L. WILLKIE

Mr. GILLETTE. Mr. President, I ask unanimous consent to have printed in the RECORD as part of my remarks an editorial from Wallaces' Farmer of October 5, 1940, dealing with the farm views of Candidate Willkie.

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

[From Wallaces' Farmer of October 5, 1940]

NO ACREAGE CONTROL FOR WILLKIE

Every farmer in the Corn Belt would like to think that the farm program had been taken out of politics, and that one political party would work just as hard as the other to support and improve the present program. That was why many farmers listened with strained interest to Wendell Willkie's farm speech at Omaha last week.

In spite of Willkie's earlier description of the A. A. A. as an "irresponsible experiment" and of A. A. A. cooperators as "victims * * * on a dole"; in spite of the Republican platform's denunciation of production control, and in spite of the attempt by Republican Members of the House to wipe out corn-loan funds, a great many Corn Belt farmers still hoped that Willkie would rise above his party platform, his party supporters, and his own past utterances to give some real assurance to agriculture that the troubled period ahead would not find farmers deserted by their Government as they were after the crash of 1929.

That was what farmers hoped for. What they got was something different.

Willkie, it seemed, believes that the farmers are the backbone of the Nation, that farmers deserve more income, that family farms are fine, and that domestic and foreign markets for farm products should be expanded.

"But how are you going to do it?" listening farmers asked the radio.

Mr. Willkie went on to say that business recovery was vital to agriculture, and he added that his pledge to revive industry was "just as important to the farmer as it is to the factory worker or the businessman." Then he continued:

"And I know how to fulfill it."

There he left listening farmers in suspense. He said nothing about how he intends to bring complete industrial recovery to America.

The American farmer needs larger markets, said Mr. Willkie. At home, "it will be my policy to develop new industries."

What industries?

Again farmers were left to guess.

He will try to increase the export market.

How? By taking notes in payment? By importing more gold? Or by the only sound method, importing more goods in payment? If the latter, what goods? Whose tariffs will he reduce?

Once more, farmers can only guess what he means to do.

"Special treatment must be accorded these (export) commodities," said Mr. Willkie.

What kind of special treatment? Export subsidies? Domestic price fixing? A two-price plan?

Farmers can only guess.

Surplus commodities purchases to feed the poor will be continued, said Mr. Willike. But how will these purchase be made? Will the Government continue to step into the market at times and places where a surplus is beating down prices, and by judicious purchases keep prices fairly stable? If that is Mr. Willkie's intention, why are practically all grain and commodity speculators supporting him? Is he fooling them, or fooling the farmers?

Farmers can only guess.

Mr. Willkie declared that he liked some parts of the present farm program. He specified which parts.

Willkie said he favored the food-stamp plan. But listening farmers remembered that Mr. Willkie's Republican Congressmen on May 9 voted 128 to 18 to kill parity payments.

Willkie said he favored the conservation program. But listeners remembered that Republicans in Congress voted this spring by 131 to 22 to kill parity payments.

Willkie said he favored some kind of corn loans. But farmers could not forget that Republicans in Congress voted, on August 1, by 106 to 38, to kill corn-loan funds.

What Willkie promises the farmer is less than half of what is now being done for agriculture by the New Deal. The Republican record in Congress raises great doubt as to whether Mr. Willkie could deliver even that half. Why should any farmer want to trade a whole loaf for the promise of half a loaf?

The Willkie farm program, as outlined at Omaha, sounds painfully like the answer of a politician to the question: "How little can I promise these folks and still get their votes?"

We do not think this was Willkie's own work. Mr. Willkie is a competent lawyer, who has risen to the top of his profession as an advocate and defender of big business. Knowing nothing about agriculture, he has had to take advice on farm questions. And this advice has apparently been that he should promise farmers just enough to get by.

This is why thoughtful farmers were shocked and alarmed by the Omaha speech. By failing to endorse production control, and by ignoring the fact that the present corn-loan system will collapse without production control, Willike indicated that he does not know what it takes to make a farm program work.

It is just as if Willkie came down the road, locked at your barn, and said:

"That's a fine barn. I never saw a better weathervane. Good roof, too, though it needs some shingles. Fine hay loft. There's only one thing wrong with that barn, and that's the foundation. Tomorrow morning, I'm going to hook a tractor onto the foundation and jerk it right out from under the barn. But I wouldn't change the barn itself a bit. No, sir."

All Mr. Willkie is going to do is to take out the foundation of the farm program by leaving out acreage control.

The Corn Belt knows better, even if Mr. Willkie does not. In 1932, before production control, we had a crop of 2,933,000,000 bushels of corn in the Nation. In 1940, with production control, we are getting a crop around 2,300,000,000 bushels.

There wasn't much difference in the weather, if you take the Nation as a whole. Proof is that the average yield per acre in 1932 was 26.5 bushels; in 1940, 26.6 bushels.

The difference in the size of the 1932 and 1940 corn crops can be explained by only one thing: We have an A. A. A. in 1940; we didn't have one in 1932.

And farmers remember too well that, without production control, corn sold for 10 cents a bushel or less in Iowa in 1932. This year cooperators will be able to sell their corn at 60 cents. Things are different now.

Will they stay different?

That will depend on the November election. The present corn loan—which Mr. Willkie does not understand—and production control—which Mr. Willkie does not like—will not long survive a Willkie victory.

We suggest that farmers turn to page 14 and read the Willkie speech. See if it holds out any promise for a continuation of production control.

We urge that farmers turn to page 15 and read the text of the present Corn Loan Act. How many farmers want to trade the specific pledges of the present law for a foggy assurance that some kind of corn loans will be provided?

To find what Willkie really thinks about the farm program, it is necessary to note what he says in speeches some distance away from Iowa. At Elwood, Ind., on August 17, he classed the A. A. A. as an "irresponsible experiment" and farmers cooperating with the A. A. A. as "victims * * * on a dole." And at Yonkers, N. Y., on September 28, just 2 days after the Omaha speech, he repeated the familiar Liberty League attack about farmers "who get checks from Washington for produce they haven't grown."

This is a disappointment to many farmers, but it's just as well that they should know at last where Wendell Willkie stands. Now they can vote with their eyes open.

EXTENSION OF SUGAR ACT OF 1937

Mr. BYRD. Mr. President, when the sugar-control program was under consideration several days ago in the Senate I was unavoidably detained on account of illness in my family. I intended then to make some remarks. I ask unanimous consent to have printed in the body of the RECORD a statement of what I then intended to say and should have said had I been present.

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

Mr. President, I want to voice my protest against the payment, out of the United States Treasury, of unreasonable and colossal benefits to certain favored sugar growers, and especially those living outside of the United States proper.

It is true that a tax, in the nature of an excise tax, is paid on the production of sugar; but this tax, just as the tax on tobacco, the tax on gasoline, and many other excise taxes, are passed on to the consumer, and are, in fact, paid out of the pockets of the American people, just as other taxes are paid.

In this connection I call attention to the statement made by the Secretary of Agriculture, Mr. Wallace:

"I know that you will also appreciate the difficulty, from the standpoint of the public interest, in finding adequate justification for a policy of charging American consumers higher prices for sugar. In my letter to Senator Bulkley, referred to above, attention was called to the fact that 'It is estimated that at current prices American consumers are obliged to pay more than $350,000,000 per annum in excess of the value, at world prices, of their annual sugar supply (without allowance for the estimated net revenue of approximately $47,000,000 represented by the difference between disbursements under the Sugar Act of 1937 and receipts from the tariff and the 50-cent tax on sugar, or for the possible increase in world price that might result from changed conditions). This is equivalent to a tax of approximately $2.70 per capita on a population of 129,000,000 persons. It means on the average a levy of more than $10 per family, including that one-third of the Nation which is ill-nourished, and it represents an amount of purchasing power equal to more than 50 quarts of milk and 50 loaves of bread for each family in the United States.'"

I desire first to list the names of 43 sugar corporations obtaining more than $100,000 annually out of the Treasury of the United States. These 43 producers received an average of more than $259,000 each annually. Why, Mr. President, should the United States Sugar Corporation receive $580,319 for the year 1938 and $430,420 for the year 1937? Why should the Hawaiian Commercial & Sugar Co., Ltd., receive $516,542 annually; not to mention the Luce & Co., S. & C., receiving $560,026; the Oahu Sugar Co., Ltd., receiving $516,468; the Pioneer Mill Co., Ltd., receiving $402,466; and other large payments in the same proportion?

It is difficult for me to understand, and no one has given a satisfactory explanation as to why the sugar growers of the United States, 77,398, are receiving less than $250, annually, and these favored corporations and individuals are obtaining sums which appear to be constantly increasing each year.

The average farmer in the United States under the soil-conservation program received $86.04. The legal maximum payment under the soil-conservation program was $10,000 to any one firm, corporation, or individual in any 1 year. Why, then, should 43 sugar corporations receive more than $100,000, some ranging in excess of $500,000, and many others receiving other large payments out of the Federal Treasury, greatly in excess of the amount paid to the American farmer who produces other farm products under the soil-conservation program?

I ask unanimous consent to insert, as a part of my remarks, a list of those receiving more than $100,000, to be followed by a list of those receiving more than $10,000 under the sugar program, all of which is paid out of the General Treasury.

I intend, Mr. President, to continue to call attention to these payments, which I think have now reached a "racket," as unreasonable and unjustifiable, until Congress takes remedial action to correct these excessive subsidies costing the United States Treasury over $45,000,000 annually.

List of corporations and individuals receiving in excess of $100,000 out of the United States Treasury for sugar-program payments for the year 1938:

United States Sugar Corporation, Clewiston, Fla	$580,319
Godchaux Sugars, Inc., New Orleans, La	113,768
Ewa Plantation Co., Ewa, Hawaii	448,701
Grove Farm Co., Ltd., Puhi, Kauai	136,897
Hakalau Plantation Co., Hakalau, Hawaii	137,540
Hamakua Mill Co., Paauilo, Hawaii	150,564
Hawaiian Agricultural Co., Pahala, Hawaii	315,368
Hawaiian Commercial & Sugar Co., Ltd., Puunene, Maui	563,542
Hawaiian Sugar Co., Makaweli, Kauai	293,100
Hilo Sugar Co., Hilo, Hawaii	190,702
Honokaa Sugar Co., Haina, Hawaii	245,251
Honolulu Plantation Co., Aiea, Oahu	270,064
Hutchinson Sugar Plantation Co., Paauhau, Hawaii	118,336
Kahuku Plantation Co., Kahuku, Cahu	202,692
Kaiwiki Sugar Co., Ltd., Ookala, Hawaii	111,186
Kekaka Sugar Co., Ltd., Kekaka, Kauai	337,622
Kilauea Sugar Plantation Co., Kilauea, Kauai	104,805
Kohala Sugar Co., Hawi, Hawaii	317,153
Koloa Sugar Co., Koloa, Kauai	130,021
Laupahoehoe Sugar Co., care of T. H. Davies & Co., Ltd., Honolulu Hawaii	161,312
Lihue Plantation Co., Ltd., Lihue, Kauai	410,114
Maui Agricultural Co., Ltd., Paia, Maui	358,630
McBryde Sugar Co., Ltd., Eleele, Kauai	199,087
Oahu Sugar Co., Ltd., Waipahu, Oahu	516,468
Olaa Sugar Co., Ltd., Olaa, Hawaii	262,083
Onomea Sugar Co., Papaikou, Hawaii	211,504
Paauhau Sugar Plantation Co., Paauhau, Hawaii	118,336
Pepeekeo Sugar Co., Pepeekeo, Hawaii	119,564
Pioneer Mill Co., Ltd., Lahaina, Maui	402,466
Waialua Agricultural Co., Ltd., Waialua, Hawaii	398,956
Wailuki Sugar Co., Wailuku, Maui	221,544
Cambalache, Central, Inc., Arecibo, P. R	144,776
Coloso, Central, Inc., Coloso, P. R	125,549

Eastern Sugar Associates, Caguas, P. R.	$401,597
Fajardo Sugar Growers, Asso., Fajardo, P. R.	478,637
Gonzales Martinez, Manuel, box A, Salina	122,265
Luce & Co., S. en C., Aguirre, P. R.	560,026
Roig, Antonio, Sucesores, S. en C., Humacho, P. R.	295,605
Rubert Hermanos, Inc., San Vicente, P. R.	135,110
Russell & Co., Sucrs., Ensenada, P. R.	319,730
Serralles, J. Sucesion, Ponce, P. R.	218,798
Toa, Compania Azucarera del, Toa Baja, P. R.	103,277
Wirshing & Co., S. en C., Ponce, P. R.	104,772
Total	11,157,838

(Exclusive of 10 Louisiana payments totaling about $640,000 which were deferred pending classification of child-labor provisions of the Sugar Act of 1937.)

Forty-three corporations and individuals received an average of $259,484.

List of corporations and individuals receiving in excess of $10,000 and under $100,000 out of the United States Treasury for sugar-program payments for the year 1938:

CALIFORNIA

Aaroe & Son, A., Soledad	$10,481
Amen, Henry, Woodland	14,658
Bass, A. C., Stockton	14,179
Browning, J. L., Grimes	11,149
California Delta Farms, Inc., Stockton	24,737
Carden, Morris, Davis	10,213
Central Produce Co., Guadalupe	23,190
Empire Farms, Inc., Stockton	37,770
Evans, G. K., and Hayes, J. O., Jr., Stockton	14,984
Farmers Produce Co., Ltd., Brawley	19,982
Fujita, J., Stockton	10,026
Giffen, Russell, Mendota	11,089
Golden State Asparagus Co., George N. Edwards, receiver, Isleton	12,175
Greer, A. J., Davis	20,447
Greer, F. J., & Sons, Davis	14,697
Haines, Charles F., Hamilton City	29,681
Hanson, A. B., Santa Maria	18,008
Harris & Thomas, Woodland	11,543
Heringer Bros. & Sons, Inc., Clarksburg	31,184
Hiramatsu, N., Guadalupe	27,432
Holmes, Clarence H., Clarksburg	12,008
Hulen, C. S., Woodland	10,268
Hunt Bros., El Centro	20,280
Kelley, John C., Stockton	25,422
Lacy Bros., Stockton	33,765
Lewallen, John, Stockton	10,703
McDonald Island Farms, Inc., Stockton	24,441
Medford Island Co., Stockton	18,536
Merwin, R. E., and Yelland, R. M., Clarksburg	14,891
Mitarai, Henry, Sunnyvale	11,656
Newhall Land & Farming Co., Piru	22,908
Nishimura, George, Lompoc	11,117
Oda, Y., Woodland	10,806
Parella, C., Sacramento	10,818
Richards, Chas. R., Colusa	10,363
Roddick, A. L., Soledad	10,972
Lester Stirling Co., The, Salinas	11,865
Stuhlmuller Bros, Woodland	11,888
Totman, C., Rio Vista	11,663
Tutton, Stanley W., Stockton	10,847
Ueda, Chiyono, Stockton	11,304
United Farms Co., Salinas	10,575
Waukeena Farms, Clarksburg	10,135
Westgate, E. W., Stockton	12,353
Wetherbee, C. H., Clarksburg	14,145
Wilson, George H., Clarksburg	12,041
Woodward Island Farms, Stockton	10,212
Yen, Fong, Sacramento	16,931

COLORADO

American Crystal Sugar Co., Denver	46,897

INDIANA

Central Sugar Co., Decatur	11,459

KANSAS

Garden City Sugar Co., Garden City	17,664

MICHIGAN

Great Lakes Sugar Co., Detroit	25,420

NEVADA

Burquist, Ernest, Lovelock	12,163

OREGON

Garrison, Chas., & Son, Jamieson	11,370

UTAH

Utah-Idaho Sugar Co., Salt Lake City	20,314

WYOMING

Jones, Russel A., Sheridan	11,421
Compton, J. A., Worland	45,182

MAINLAND SUGARCANE AREA

FLORIDA

Douglas, A. B., Fellsmere	15,227
Douglas, William C., Fellsmere	10,762

FLORIDA—continued

Hooker, W. R., Fellsmere	$11,287
Kurtz, R. E., Fort Meyers	16,226
Leonard, Esther F., Fellsmere	10,669
Roberts Sugar Co., Fellsmere	10,132
Tiedtke, John, Clewiston	16,018

LOUISIANA

Alma Plantation, Ltd., Lakeland	25,984
Armelise Planting Co., Ltd., Paincourtville	15,534
Bergeron & Walton, Napoleonville	12,781
Blanchard Planting Co., Ltd., Tallieu	19,620
Burquieres Co., J. M., Ltd., Louisa	11,411
Buttram & Browne, star route B, Franklin	10,632
Caffery, John M., Franklin	19,160
Caldwell Sugars, Inc., Thibodaux	27,168
Catherine Sugar Co., Inc., Lobdell	16,284
Cypremont Stores, Inc., Franklin	11,411
Delgado-Albania Plantation Commission, Jeanerette	17,433
Devall Co., Inc., Chamberlain	14,842
Duhe, J. P., New Iberia	10,285
Farwell, Charles A., New Orleans	14,541
Foster, W. Prescott, Franklin	68,299
Gay, Edward J., P. & M., Ltd., Plaquemine	34,437
Haas Investment Co., Inc., Bunkie	19,970
Hymel-Stebbins, Inc., Reserve	17,128
Kahao, M. J., Kahns	10,731
Lavaux, T., Sons, Lucy	17,012
Laws, Harry L., & Co., Inc., Cinclare	34,131
Leche, John, Thibodaux	11,829
Lepine, J. W., Thibodaux	20,162
Levert St. John, Inc., St. Martinville	37,862
Louisiana State Penitentiary, Angola	81,069
Maryland Co., The, Inc., star route	13,075
Milliken & Farwell, New Orleans	67,322
Morris, J. R., Avoca	11,020
McCollam Bros., Ellendale	10,839
Orange Grove Planting Co., Jeanerette	14,031
Palo Alto Co., Inc., Donaldsonville	12,494
Patout, M. A., & Son, Ltd., Jeanerette	16,310
Prudential Life Insurance Co. of America, Memphis, Tenn.	11,436
Robichaux, F. A., agent for heirs of estate of E. G. Robichaux, deceased, Labadieville	22,015
Robichaux, E. G., Co., Ltd., Labadieville	20,766
Rosedale Farms, Inc., Napoleonville	10,284
San Francisco Plating and Manufacturing Co., Ltd., Lions	18,616
Shadyside Co., Ltd., Franklin	31,606
Slack Brothers, Inc., Rosedale	14,746
Soniat, Mrs. Leona S., successor of White Castle	15,814
Sterling Sugars, Inc., Franklin	58,587
Supple's, J. Sons, Plating Co., Bayou Goula	22,667
St. James Operators, Inc., New Orleans	15,047
St. Paul Bourgeois, Inc., Jeanerette	16,939
Thibaut, B. and D., Napoleonville	27,253
Triangle Farms, Inc., Belle Alliance	29,518
Union Sugars, Inc., Vacherie	10,217
Valentine Sugars, Lockport	18,374
Waguespack Plating Co., Vacherie	11,752
Westover Plating Co., Ltd., Kahns	23,891
Wilkinson, H. Sr., Port Allen	27,355

HAWAII

Gay and Robinson, Makaweli, Kauai	82,283
Honomu Sugar Co., Honomu, Hawaii	98,033
Kaeleku Sugar Co., Ltd., Hana, Maui	76,119
Rice, Wm. Hyde, Ltd., Lihue, Kauai	41,864
Waiakea Mill Co., Hilo, Hawaii	86,631
Waianae Co., Waianae, Oahu	85,961
Wailea Milling Co., Ltd., P. O. Box E, Hakalau, Hawaii	30,423
Waimanalo Sugar Co., Waimanalo, Oahu	79,108
Waimea Sugar Mill Co., Ltd., Waimea, Kauai	34,224

PUERTO RICO

Aldea Agricultural Corporation, Arecibo	11,799
Alfonso Carreras, Louis, Arecibo	10,809
Alianza, Central, Inc., Arecibo	21,818
Angel Tio, Juan, San German	17,394
Angel Tio, Juan, trustee for Juan Angel Tio and Antinio R. Matos, joint operators, San German	21,892
Angel Tio, Juan, trustee for Juan Angel Tio and Santiago Sambolin, joint operators, San German	16,781
Avalo Garcia, Juan, Juncos	11,906
Bayamon, Associacion Agricola de, Bayamon	45,233
Behn Bros. Association, San Juan	18,190
Berrios, Ramon L., box 23, Guarbo	10,402
Buena Vista Agricultural & Dairy Co., Carolina	17,230
Cabassa, Jacobo L., box 183, Ponce	40,383
Calaf, Jaime, trustee for Jaime Calaf and Federico Calaf, joint operators, Wamati	65,133
Calderon Rivera, Rafael, Caguas	25,204
Cautino, Genaro, Guayama	25,281
Cerra Becerril, Luis, box 39, Rio Piedras	15,994
Cervoni, Eduardo, trustee for the heirs of the estate of Cervoni Massari, deceased, Arroyo	10,994
Cooperativas, Agricolas: Cuatro Calles Enriqueta, Concordia, Yague, Catalina, Garonne la Nueva, Garonne la Vieja and Columbia, jointly, Arroyo	84,190

PUERTO RICO—continued

Cooperatives, Agricolas: Palma, Felicita, Providencia, and Bordelaise, jointly, Arroyo	$51,653
Esteves, Alberto, Aguadillo	23,625
Fernandez, Ortiz, Angel, trustee for Rosario Garzot and Matilde Garzot, joint operators, box 94, Naguabo	11,785
Fernandez, Faustino, box 111, Naguabo	26,822
Figuerola, Miguel, box 504, Caguas	20,301
Finlay Bros. & Waymouth Trading Co., Veg Alta	88,050
Fonalledas Cordova, Jaime, trustee for the heirs of Jaime Fonalledas, deceased, Toa Baja	34,299
Fraticello, Antonio, box 746, Arecibo	15,259
Fraticelli, Antonio, trustee for Antonio Guidicelli Grillasca and Antonio Fraticelli, joint operators, Arecibo	13,326
Garcia Mendez, M. A., post-office box 267, San German	10,092
Georgetti, Compania, S. en C., Barceloneta	88,080
Gilormini, Domingo, trustee for Otilia Lluberas Negroni, Ascuncion Negroni Albedla, Domingo Gilormini, and Sobrinos de Arturo Lluberas, joint operators, Guayanilla	36,115
Godreau & Co., S. en C., Salinas	24,321
Godreau, Elias and Ga., Sucs. de, post-office box 43, Salinas	28,948
Gonzalez & Co., Scurs. de Jose, S. en C., Guayama	77,755
Gonzalez Perez, Felix, Yauco	11,150
Gonzalez, Rafael M., box 85, Gurabo	15,804
Guillemard, A., trustee for the heirs of Mateo Fajardo Cardona, deceased, Mayaguez	77,026
Guillemard, A., trustee for the heirs of Mateo Fajardo Davilla, deceased, Mayaguez	17,545
Irizarry Cancel, Cornelio, San German	11,872
Iturregui, Nicolas, box 31, Trujillo Alto	14,495
Jayuya Development Co., box 145, Jayuya	19,152
Livingston, Clara E., Dorado	10,706
Lopez, Rafael H., Aguadilla	15,327
Lucas P. Valdivieso, Jorge, Central Pellejas, Adjuntas	12,837
Lucas P. Valdivieso, Jorge, trustee for the heirs of Lucas P. Valdivieso, deceased, box 1144, Ponce	54,525
Lucchetti Acosta, F., trustee for Juan Michel Lucchetti, Triston L. Lucchetti, joint operators, box 141, Yauco	10,046
Lugo Ramirez, Juan, San German	11,153
Maria, Ana, Sugar Co., Mayaguez	10,151
Mayaguez Sugar Co., Inc., box 569, Mayaguez	59,874
Mendez, Antonio, Naguabo	11,778
Mendez, Eduardo, Jr., trustee for the heirs of Eduardo Mendez, deceased, San Sebastian	16,546
Mercado, Mario, e Hijos, Guayanilla	87,644
McConnie, Julian O., box 716, Caguas	14,555
Nevares, Hermanos, Toa Baja	17,732
Nido & Co., box 27, Arroyo	10,099
Otilio Milan, J., Aguadilla	13,509
Padovani Giorgetti, Carlos, box 703, Mayaguez	10,822
Pepino, Asociados del, San Sebastian	46,412
Quinones, Salazar, Ernesto, box 125, San German	11,474
Quintana Colon, Domingo, Yabucoa	11,099
Quintero & Davila, Ltd., box 1658, Manati	32,745
Ramirez Rosell, Alfredo, Mayaguez	82,667
Ramirez de Arrellano, Alfredo, trustee for the heirs of Luis A. Fajardo, deceased, box 293, Mayaguez	30,680
Ramirez, Ubaldino, trustee for Ubaldino Ramirez and M. A. Garcia Mendez, joint operators, Mayaguez	10,069
Rodriguez Garzot, William, trustee for the heirs of the estate of Faustino R. Fuertes, deceased, Naguabo	10,587
Sauri, Jose, trustee for Jose Sauri and Carmen Sauri, joint operators, box 1349, Ponce	21,282
Sauri, Rafael, box 1947, Ponce	10,765
Sauri Y Subira, Corporation Azucarera, box 1390, Ponce	23,274
Semidey, Jose, trustee for Jose Semidey and Santos Semidez, joint operators, Villalba	18,123
Soller Sugar Co., Inc., Arecibo	35,939
Stella, Jesus, post-office box 46, Guayanilla	13,127
Subira, Luis Frau, trustee for Providenciz Subira, Concepcion Subira and Mario Subira Echenarria, joint operators, box 1783, Ponce	23,502
Tio, Felix E., Bayamon	12,170
Torres Troche, Julio, trustee for Allah Torres and Marino Torres, joint operators, box 61, Ponce	11,152
Vallecillo, Geronimo, box 3835, Santurce	13,143
Vannina, Central, Inc., box 395, Rio Piedras	87,599
Velazquez Rodriguez, Leoncio, box 126, Caguas	21,854
Verdaguer Hacienda, Aguirre	21,863
Victoria, Central, Inc., Carolina	55,140
Vidal, Felipe F., trustee for Venitez Sugar Co., Inc., and Jose J. Benitez y Hijos, joint operators, Vieques	48,871
Zeno, Alcides, trustee for the heirs of Dario Franceschi, deceased, and Ann A. De Zeno, joint operators, Yauco	11,196

PROPOSED RECESS ARRANGEMENT

Mr. BARKLEY. Mr. President, the calendar having been completed, I feel that it is due Members of the Senate for me to make an observation or two, to see if we can arrive at an understanding about the program for the immediate future in regard to sessions of the Senate.

As everyone knows, efforts have been made during the past few weeks to ascertain whether it would be feasible to adopt a concurrent resolution providing for a recess of the two Houses of Congress until some date in November. The date suggested was the 18th of November, which is on Monday. The 11th of November was also suggested; but, in view of the fact that the election comes on the 5th, it was felt that Senators are entitled to remain in their homes another week after the election. Therefore, we have been making an effort to ascertain whether or not it would be possible for the two Houses to recess until the 18th of November, which is the second Monday after the election.

The Senate has completed its program of necessary legislation. That does not mean that there are not bills on the calendar in which Senators are interested, and which they should be glad to have passed, but we have now completed the urgent program of legislation. Senators are anxious to know what we may do, and I am anxious that they may know what they may do, with some degree of safety and assurance.

We all know that there is a bare quorum in the city today, if there is a quorum. I doubt very much if there is. I certainly feel that there will not be one tomorrow, because it has been generally understood that in one way or another we in the Senate would arrive at an understanding about what we shall do in the next 3 or 4 weeks.

For reasons which are no doubt satisfactory to Members of the other body, it has been impossible up to this time to obtain any agreement or pass any resolution providing for a definite recess from now until any time in November. What the House will do with respect to its procedure is not a matter for our concern; but, in view of the situation, it has occurred to me that we might well enter into an understanding that we shall not transact any important business between now and the 18th of November unless in the meantime some emergency or contingency should arise which would require the presence of the Senate; and that during that period we shall meet formally every 3 days in order to comply with the Constitution—preferably on Mondays and Thursdays—with the understanding that nothing shall be done except the routine meeting and adjournment, and that Senators may be assured that advantage will not be taken of their absence for the transaction of any important business.

I am wondering if we may have such an understanding. In that connection, I wish to say that if we should pursue that course it would be necessary for some Senator to be here every third day to move a recess or adjournment, as the case may be, for 3 days. I shall take on that responsibility for part of the time, but I hope to be able to get away for a little while. However, some Senator must be here for that purpose.

I wish to couple with the suggestion the assurance on my part that if any emergency should arise requiring the presence of the Senate, I shall take the responsibility and the initiative in conferring with the minority leader, the Senator from Oregon [Mr. McNARY], or in his absence, with the Senator from Vermont [Mr. AUSTIN], his able, courteous, and gentlemanly assistant, to determine whether or not any emergency exists which requires the presence of the Senate.

That sort of agreement need not be in the form of an order of the Senate. If Senators who do not think we ought to adjourn for a definite period feel that something has arisen which makes it necessary that the Senate be present as a body, we shall see that Senators are notified.

I should like to have the views of the Senator from Vermont with respect to the suggestion I have made.

Mr. AUSTIN. Mr. President, the minority views respecting this subject are very definite. They were formulated some time ago in a conference and are substantially to the effect that the Congress should remain in session during the present emergency. It is my duty, therefore, to adhere to that policy in whatever I may say or do with respect to this matter.

If I correctly interpret the proposal, it has in it an element which departs from that policy to a certain extent. I ask whether or not my interpretation is correct. If we should agree to the proposal exactly as made, would the effect of it be a recess until the 18th of November, subject, however, to the meetings to be held every third day, at which certain business could be transacted and certain other business could not be

transacted, namely, important business could not be transacted but unimportant business could be transacted. Is that a correct interpretation of the proposal?

Mr. BARKLEY. Of course, that sort of an interpretation would lead to the question, What is important and what is not important? My suggestion contemplated only the necessary formal business, to meet and adjourn. That would not bar the introduction of bills, I presume, on the days when the Senate was in session or the presentation of resolutions, or it would not, and probably ought not, bar the reception of messages from the House of Representatives, if that body is still in session, so that they could be received here; but the Senate would not be expected to legislate.

Mr. AUSTIN. Mr. President, that clarifies the proposal a good deal for me, because I think that the responsibility of passing upon what is important and what is not important might result differently than we now intend it.

Mr. BARKLEY. I should not want the agreement to involve the understanding that anybody is to be permitted to determine whether any proposition is important or unimportant. My thought is that during this period, unless some exigency requires the calling of the Senate together, there shall be no legislation at all.

Mr. AUSTIN. May I inquire, Mr. President, if the distinguished leader of the majority would, upon request of the floor leader of the minority, and upon ascertaining the facts represented and believed to justify the calling into action of the Senate, give a notice of, say, 3 days to Senators, so that a quorum could be convened for the transaction of business during the period intervening between now and the 18th of November?

Mr. BARKLEY. Let me see if I understand the Senator. Do I understand him to inquire whether, upon the request of the minority leader, the Senate should be called back?

Mr. AUSTIN. My suggestion was not so limited and arbitrary as that.

Mr. BARKLEY. I want to find out just what it is.

Mr. AUSTIN. If I can repeat it, I will do so. It was this: Would the majority leader, upon the request of the minority leader and upon ascertaining to be true the facts upon which the representation justifying the calling of the Senate into action upon any business whatever was made by the minority leader, give a notice of a reasonable time so that a quorum could be present and transact business?

Mr. BARKLEY. I would put it in this way, if the Senator will permit: If the minority leader should request or suggest that a matter had arisen which required the Members of the Senate to be present, I would, of course, at once confer with him in regard to the matter, and try to arrive at an understanding with him about it. I think, at least, I ought to be left some discretion as to conferring with the minority leader about any request he might make, which, of course, I would do in any event without any understanding to that effect. But I should like to have it in this fashion, that, upon a request of the minority leader, he and I, or whomever he might designate, either the Senator from Oregon or the Senator from Vermont, would confer immediately upon the matter which he would bring to my attention, and, if it were felt of sufficient importance to call the Members back, that a 3 days' notice would be given.

Mr. AUSTIN. Now will the Senator yield for another question?

Mr. BARKLEY. Yes.

Mr. AUSTIN. Assuming that a majority of the Members of the Senate should convene here at any time during the period from now until the 18th of November, does the Senator from Kentucky understand that there is anything about this agreement which would prevent action by a majority of the Senate here during the period from now until November 18?

Mr. BARKLEY. No; if a majority of the Senate were to assemble under a call such as we have been discussing, I would then construe the agreement to be at an end, and that the Senate could then proceed, if it desired, with legislation which was contemplated in the call for the return of the Members.

Mr. AUSTIN. Then am I correct in understanding the Senator's proposal to mean, in effect, that the Congress does remain in session during the present emergency as at other times until final adjournment, this being merely a temporary recess subject to change according to the will of the Senate?

Mr. BARKLEY. That is true.

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

Mr. BARKLEY. I yield.

Mr. WHEELER. Of course, any Senator could call for a quorum on the days the Senate was in session?

Mr. BARKLEY. Yes; there is no way by which we could prevent any Senator who happens to be here on any meeting day calling for a quorum. Of course, if there is no quorum, the only thing the Senate can do is either to send for a quorum or adjourn. It can always adjourn without a quorum.

Mr. JOHNSON of California. Mr. President——

The ACTING PRESIDENT pro tempore. Does the Senator from Kentucky yield to the Senator from California?

Mr. BARKLEY. I yield.

Mr. JOHNSON of California. Last June we merely took a recess upon the precatory editorials contained in various journals and newspapers that it was absolutely necessary for us to be present at all times and ready at all times to perform the functions that were ours. We are approaching an agreement to leave, and, instead of a plan that will enable us immediately to come together, we are leaving the situation wide open, practically adjourning, and as to that adjournment, although I have nothing to say about the matter—Senators will understand me, and I only voice one man's view—I will not consent. If we refused to adjourn last June because of the great emergency that existed then, now, a hundred times more, the result of our adjourning would be disastrous. If in June there was a condition which rendered it unwise for us to take an adjournment, now, in October, it is doubly unwise, it is a hundredfold more unwise to take an adjournment. Because of that, because it is obvious—I do not want to discuss foreign relations, and I never discuss foreign relations unless they can be discussed without any danger of one's remarks upon the floor of the Senate being taken as the remarks of the Government itself—that the situation that exists today is more delicate than any that has existed in all the time we have been here, for us to move to adjourn, in one fashion or another, for us to devise means to get out of here under some sort of left-handed arrangement, is to me unspeakable, and it ought not to be undertaken.

Mr. BARKLEY. Mr. President, I suppose that no purpose would be served by deciding what happened last June, although Senators may use that as a reason why we ought not now to adjourn, or even go home. We all know that the Senate is not going to legislate in the immediate future, so far as we can tell. What is proposed is not an adjournment; it does not take the hands of Congress off the situation. Senators and Members of the other House, too, are going home constantly. It was necessary to call back Members from their homes in order to get a quorum to vote on some matter in the other body this week. We all know that there is not going to be a quorum of the Senate here after today, if there is a quorum today. The question is a practical matter, whether we will stay here and meet every day without a quorum, with no business before us that is necessary to be transacted, or whether we may enter into this arrangement, which protects everybody, with the understanding, of course, that Members may feel some assurance and some ease if they desire to leave Washington and return to their homes.

I think that practically every Senator would like to know what he may depend upon. If we are going to be in session every day, no matter whether we transact any business or not, and somebody introduces a bill or makes a speech and Senators are at home, when they go down the street immediately they are asked why they are at home when Congress is in session. It takes a good deal of explaining to inform the average person who does not know the processes of legislation why a Senator can leave when the Congress is in session, although it is doing nothing. All we are undertaking to do is so to arrange matters that if Members wish to return to their homes, or if their situation requires their return, or if they would like to have

a short vacation, they may do so in perfect confidence that if anything arises in the meantime which requires their presence they will be brought back here as soon as it is possible to notify them.

I can appreciate that many Senators who really need to be away and ought to go away during this period of 3 or 4 weeks have some hesitation in leaving unless they can be assured that they may do so in safety. The proposal is not for my accommodation. It is a practical matter for the accommodation of Senators. If it is adopted, I do not think anything will be lost in the way of legislation, or in our joint responsibility with the executive departments in regard to any situation which now exists or which may arise in the immediate future.

Mr. JOHNSON of California. Mr. President, the Senator from Kentucky is always frank in his statement of matters of this sort. Let us be equally frank.

Of course, Senators may go away with the idea that anything they may desire can be in the future protected and can be in the future suggested by them; but no Senator can go away with the absolute certainty that some Senator will not break in here with a speech on some occasion, and then absent Senators will be met with just exactly what the Senator from Kentucky suggests.

That, however, is not the reason why the objection was made by me. The reason was that we are in a situation so near to war that it will take but a push to send us over the brink. Here is a situation so close to war that it will take only the slightest incident to bring about a war. In that condition, I say we ought not to take any 4-day, 3-day, or 2-day recesses, or any recesses at all that will take us away from this body.

Mr. BARKLEY. Mr. President, I have said all I can say about the matter. Under the circumstances, I feel that we are justified in entering into this understanding. I feel that Senators are entitled to know whether they are justified or whether they are to be criticized or condemned if they leave Washington for a few weeks in order to go to their homes or elsewhere.

I do not think anybody will lose any rights if the proposal is adopted. Of course, if the Senate is in session every day, there is no way to prevent Senators from making speeches; and sometimes it has transpired, and it might transpire again, that inflammatory speeches made here in the Senate would be as harmful to our international relations as any action that might be taken elsewhere. Even in the event of our taking 3-day recesses there is no guaranty that some Senator will not make a speech.

Mr. THOMAS of Oklahoma. Mr. President——

The ACTING PRESIDENT pro tempore. Does the Senator from Kentucky yield to the Senator from Oklahoma?

Mr. BARKLEY. I do.

Mr. THOMAS of Oklahoma. At the beginning of each session, when virtually no bills have been reported, it has been the habit to recess from time to time over 1 day or 2 days, or even 3 days. If we enter into this understanding, no Senator will be driven out of Washington. If any Senator wants to stay here, he may stay; and if occasion should arise, such Senators will be on the ground to take action, by conduct or otherwise, to see to it that other Members are brought back.

As I understand, this is entirely a voluntary proposal. Any Senator who wants to stay here and watch the situation will have the privilege of doing so.

Mr. BARKLEY. Undoubtedly that is true; and I have no doubt that some Senators will remain here. It may be more convenient for them to do so. They may not have any requirements elsewhere that will take them away. But I can assure the Senator from California [Mr. JOHNSON] and all other Senators, if my assurance is worth anything—perhaps it is not—that I, of course, expect to keep in touch with the situation, not only every 3 days but every day, so far as I can, and that there will be no trouble in getting the Senate back here on any day, after proper notice, so that Members may arrive during that interval, if the necessity for it should arise.

Mr. KING. Mr. President, I shall reluctantly agree to the suggestion made by the Senator from Kentucky. I appreciate the situation in which the Senate finds itself and understand the difficulty if not the impossibility of maintaining a quorum of the Senate in order to properly legislate. Many Senators have already departed for their homes and others have made preparations to leave Washington tonight or tomorrow. There is a feeling upon the part of many Senators that there should be an adjournment or recess for several weeks and the suggestion has been made that the Senate recess until November 18. Personally I should be glad to have measures which are pending disposed of. There are two very important measures to which I shall refer in a moment which, in my opinion, should be acted upon before any recess or adjournment is taken. One of those measures is S. 4391, which authorizes negotiations by the Government for the acquisition of certain British possessions in the Pacific, and also authorizes the President, through the Export-Import Bank of Washington, or such other Federal agency as he may designate, to make such loans and extensions of credit to the Government of Great Britain as he may deem advisable.

It also provides for reducing the amount of the indebtedness of the British Government to the United States. It also provides that after the date of the enactment the prohibitions contained in sections 7 and 8 of the Neutrality Act of 1939 and in the act entitled, "An act to prohibit financial transactions with any foreign government in default of its obligations to the United States," shall not apply with respect to the Government of Great Britain or any political subdivision thereof, or with respect to any person (as defined in either of such acts), organization, or association acting for or on behalf of the Government of Great Britain or any such political subdivision.

That bill is before the Committee on Foreign Relations and has not yet been taken up for consideration. I sincerely hope that it will receive favorable consideration at an early date and that it will also be approved by the Senate.

We all realize that conditions in the world today are most serious and that critical conditions exist in many countries. May I add that we are part of the world and may not ignore conflicts which are being waged in many parts of the world, and the conflagration which engulfs many nations and many peoples.

I appreciate the fact that our country may not escape international conflicts and I sincerely hope that the United States may not be drawn into this great conflagration. The measure which I offered refers to the Pacific Ocean and territories bordering on the ocean and emphasizes the fact that our Government has interests in the Pacific Ocean and the territories bordering upon the same. I might add that the United States and Japan are parties to treaties affecting China. Under the Nine-Power Treaty, to which the United States and Japan were signatories, the territorial integrity and the political independence of China were to be respected. It is needless to say that Japan was also a party to the Four-Power Treaty, which has to do with China and the Pacific. The United States, as well as Japan and other nations, are signatories to the Kellogg-Briand pact which imposes obligations upon the signatories to the same. These treaties are of great interest to China, and they likewise are of concern to all of the great powers. The measure which I offered calls for affirmative aid in behalf of Great Britain in the mighty conflict in which she is engaged. She is not only fighting for the liberties of the people of Great Britain but for the liberties of the American people and of democratic nations and peoples everywhere. It is obvious that if Great Britain should be conquered by the axis powers this Republic would not escape assaults at the hands of Hitler and his associates in their efforts to destroy democratic nations everywhere and, as many believe, conquer and divide the world. If Japan shall dominate the Pacific Ocean and Mussolini shall control the Mediterranean and northern Africa, and Hitler and Stalin bring Europe and other parts of the world under their authority, the Western Hemisphere, and particularly this Republic, will be called upon to meet a deadly and powerful foe.

It is obvious that nations that are seeking to destroy democracy treat with contempt all moral obligations and treaties

and solemn covenants to which they are parties. Moral and legal obligations have no place in their plans or policies. All restraints imposed by international law are disregarded and revolutionary movements which deal with international morality and justice and decent relations among nations are regarded with contempt and the foundations on which justice and freedom and international relations rest are being undermined. We read of the barbarism which existed in many countries, of the brutal and oppressive rules imposed upon helpless peoples, and yet the horrors and cruelties of the past are reappearing in countries following Nazi philosophy, and the foundations of liberty, justice, and democracy are being assailed in many parts of the world.

These are some of the reasons which prompted me to offer the resolution to which I have referred, and which I sincerely hope will meet the approval of Congress and the American people. That is one of the measures which I had hoped would be considered before a recess was taken or this Congress had adjourned.

There is another measure of importance which I think the consideration of has been unreasonably delayed by the Senate. I refer to the so-called Logan-Walter bill, which passed the House by an overwhelming majority.

When it came to the Senate it was referred to the Judiciary Committee and by that committee promptly approved and favorably reported to the Senate. Efforts to secure consideration thus far have failed, notwithstanding the merits of the measure and the Nation-wide approval accorded to it. The distinguished leader, the Senator from Kentucky [Mr. BARKLEY] has denied all appeals which have been made for its consideration. I might add that he appeared before the Judiciary Committee of the Senate and earnestly appealed to the committee to delay pressing for consideration. After giving due and respectful consideration, as was proper, to the distinguished Senator, the members of the Judiciary Committee voted to press for speedy action by the Senate. I should add that there was one absentee when the committee took the action just referred to. Efforts have been made from time to time by members of the Judiciary Committee to obtain consideration of the bill, but objections have been made by our leader and perhaps by some other Senators. In my opinion, the Senate has not fairly treated the House in refusing to take action upon this important bill, which, as I have indicated, met with such very great favor by an overwhelming majority of the Members of the House.

As I have indicated, I shall reluctantly consent to the suggestion of our leader with the understanding that as soon as the Senate shall convene, whether it be before the 18th of November or as soon as it meets, that it shall take up for consideration the Logan-Walter bill. I give notice now that efforts will be made to secure consideration of the bill when the Senate meets following the recess or adjournment.

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

The ACTING PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. KING. I yield.

Mr. BURKE. It is my understanding that the majority leader has definitely indicated not only that when we return in November he will not oppose the consideration by the Senate of the Logan-Walter bill, but that he will actively cooperate to bring it to early consideration on the floor of the Senate. The reason why all efforts were abandoned to bring up the bill now, before a recess, was that it seemed that that was a sensible solution of all the difficulties, as we have the assurance given on the floor of the Senate that the Attorney General's committee will report before the 1st of November. That was the only thing standing in the way; so all of us who were primarily interested in bringing up the bill thought we should join in this informal agreement to let it go over until November. I am very glad, however, that the Senator from Utah has made his statement of his firm insistence that the bill will be brought up at that time in one form or another.

Mr. KING. I may say that the Senator from New Mexico [Mr. HATCH], who is a member of the subcommittee of the Judiciary Committee of the Senate having charge of the bill, informed me that he had had a conference with our leader, and that he was advised that the bill could be taken up as soon as the Senate convenes in November; and with that understanding, as I understood, the Senator from New Mexico departed from the city.

Mr. President, I have only a word to add which is supplemental to what I suggested at the beginning of my remarks. Because of the critical condition in the world today, a condition which affects directly or indirectly the United States, the American people are profoundly interested in the survival of Great Britain and the protection of democratic nations. I believe that the vast majority of the American people regard Great Britain as a defender of the rights of liberty and democratic nations, and, indeed, if not a defender of the United States, at least a valiant and courageous defender of civilization and of the principles of justice and freedom of which this Republic is an exponent. However, as I have stated, notwithstanding my desire to secure prompt action upon the resolution which I have offered, I shall not oppose the request of the Senator from Kentucky.

Mr. JOHNSON of California. Mr. President——

Mr. KING. I yield.

Mr. JOHNSON of California. What is the measure to which the Senator refers?

Mr. KING. I am sure that my distinguished friend from California, always alert to matters of international as well as national importance, is somewhat acquainted with the bill, a measure which deals in part with the so-called Johnson Act. I shall not attempt to state the terms of the bill, but repeat that it is an important measure. It calls for material aid to Great Britain, for a modification of the Johnson Act, and in part for the modification of another important act. I do not care to get into an argument in regard to the merits of it.

Mr. JOHNSON of California. The Senator is getting into an argument about the merits.

Mr. KING. I have not argued it; but I shall.

Mr. JOHNSON of California. I will give the Senator plenty of opportunity.

Mr. KING. Very well. I will seize it.

Mr. BARKLEY. Mr. President, that very situation is one which induced me to suggest, when the bill was introduced a week ago, that it would be impossible to consider it at this particular time.

Mr. JOHNSON of California. Yes; but I want to make the offer to the Senator from Utah to take up the bill right now.

Mr. KING. Mr. President, if that is a challenge, if the responsibility for securing action at this time rested upon my shoulders, I should willingly accept it. But I have respect for the views which have just been announced by the leader and respect for the views of others. Many of the Senators have told me that they desire to return to their homes, and an agreement has been reached by many that they would depart, and while I should be perfectly willing and very glad to take up the bill now, it seems to me it would be futile to attempt to consider it today.

Mr. JOHNSON of California. Why bring it up, then?

Mr. KING. I did not bring it up at this time. The Senator is doing it.

Mr. JOHNSON of California. No; the Senator brought it up himself, and he is the one who spoke concerning it. If it is of such magnitude, why delay it for a couple of months? Just think of the harm that will be done, and think of the ruin that might be wrought if this bill continues for 2 months longer not acted on. And that is what is suggested by the distinguished and eloquent gentleman who has preceded me. I would not have him subjected to criticism for the world, would not have him subjected to criticism because he delayed, when the opportunity offered to bring up his bill. So I say to him, bring up the bill.

Mr. KING. Does the Senator want to have it taken up? Can he speak for the Senate? He knows I did not bring it up, and did not ask to bring it up now. On the contrary, I said that I would accede to the views expressed by our leader, and the Senator is only playing upon words, instead of trying to get at the facts.

Mr. JOHNSON of California. Does the Senator mean to say he did not bring up this subject matter?

Mr. KING. I did not ask to have it considered now.

Mr. JOHNSON of California. The Senator brought up the subject matter himself.

Mr. KING. Of course, I said that it was an important bill, that it was before the committee, and the committe was not in session. The Senator from California is a member of the committee, and he has wisdom enough to know we could not get the committee together immediately to consider the bill.

Mr. KING subsequently said: Mr. President, I submitted a few observations this afternoon in regard to the bill pending dealing with a number of matters, among them aid to Great Britain. I omitted to ask permission to insert as part of my remarks a number of articles, editorials, and clippings from various newspapers bearing upon the subject. I now ask that permission.

The ACTING PRESIDENT pro tempore. Is there objection?

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

[From Readers Digest of September 1940]

RUSH ALL POSSIBLE AID TO BRITAIN!

(By Robert E. Sherwood—playwright, author of Abe Lincoln in Illinois and the current war play, There Shall Be No Night)

The narrow waters of the English Channel are all that stands between Hitler and domination of the globe. "Today we own Germany," his Nazi legions sing, "tomorrow the whole world." A world in which Americans must realize they also have to live, and are faced with the same struggle for survival as the British.

At the outbreak of this war we insulated ourselves against every form of propaganda except the propaganda to keep us out of war. Thinking in terms of the past we rolled ourselves up with moth balls in a rug which we called neutrality. And so far we have been successful in keeping out of a European war. But now we are in deadly peril of being conquered by Hitler's world revolution.

Our people are now fully awake to this peril. Swiftly and with overwhelming public approval we are changing over to a war economy, appropriating 10 billions for defense, levying terrific taxes, gearing industry at top speed for military needs, talking of conscription, feverishly discussing the strategy of defense.

Why? Everyone of us knows why. We know that our turn comes next. In desperate haste we are undertaking draconian measures to defend ourselves against Hitler.

This spontaneous and universal determination to prepare for national defense should lead us to one inevitable conclusion:

We must rush all possible aid to Britain now. For Britain is a vital first line in our defense. While Britain holds out there is, at the best, some hope that Hitler may be stopped; and there is, at worst, the chance of stalling him off and weakening him while our own defenses are being strengthened. If we successfully help now to defend Britain we may save ourselves part of the appalling costs of our program, already adopted, for defending America later.

Instead of being paralyzed by the fear of getting into war, we should act, and act positively, upon the plain, unescapable fact that Hitler is at war with our civilization, our hemisphere, just as surely as he is at war with Britain. The dictatorships have always been at war with everything we believe in, and always will be. Their strength has been a continuous offensive. The weakness of the democracies has been to accept the defensive and beat a continuous retreat.

History shows a succession of empires built by conquest. Every one of them would have been impossible if the victims had united to give one another effective aid. Fearing to fight while they still had allies, they were annihilated one by one.

The chief bulwark between us and the world revolution is Britain's Navy. As a matter of cold, calculating self-preservation we must keep that navy fighting on our side by providing Britain with every needed ship, gun, plane, implement of war, pound of food, and shred of hope that we can give.

The question may be asked whether we can possibly give enough help to the British to enable them to hold out, whether it isn't too late. Isn't it foolish to wait until we are sure nothing can save her?

The objection may be raised: "Why should we pull British chestnuts from the fire?" This sounds shrewdly hardboiled. But how shrewd is it to let the fire burn our chestnuts merely because there are British chestnuts in the same fire? There is an even better answer to this objection. President Roosevelt, with the full support of American opinion, warned Hitler off this hemisphere. So if Hitler attacks Brazil, we shall try to pull Brazil's chestnuts from the fire. We are sworn to defend Rio de Janeiro, 5,500 miles from New York. But we won't defend London, which is only 3,300 miles from New York.

Yet those who would gladly have us rush to the aid of Brazil would abandon, to the greatest potential enemy our country has had in a century and a half, the immense industries of Great Britain, who is our best trade customer, our closest cultural associate, and at present the only active defender of our kind of civilization.

If this last bulwark of the world's system of peace and order is destroyed, we shall be left to defend ourselves in a world in which there will be only three other powers of importance, Germany, Soviet Russia, and Japan, all unscrupulous, all aggressive, all cooperating with each other, all hostile to us.

For the first time since 1783 we face the prospect of an overwhelming force aimed at our existence. Do we have to wait until the dictatorships have shut us off from most of the world's commerce and are moving against us before we admit that here is an extraordinary emergency, and that it is better to fight in support of Britain than to fight alone?

We cannot soothe ourselves with the belief that if Britain falls the British Navy—or what would by then be left of it—will continue to defend us. With brutal clarity we must consider the possible sequels of that catastrophe. If the German invasion should succeed, the British fleet might take refuge in Canada. But will Hitler, who stops at no crucifixion of human flesh or soul, stop at holding the British people as ransom for their fleet?

Let us make another grim assumption, that as Britain falls her fleet is scuttled or destroyed. Then there will stand arrayed against us the combined German and Italian Navies, plus units of the French; and furthermore Hitler will then have a shipbuilding capacity six times greater than our own. He will use it. The finest of those shipyards are British. He will use them.

Remember Czechoslovakia. At Munich, Czechoslovakia was handed over to Hitler, and with it Britain and France lost a great bastion in the first line of their defense. In May 1940, French soldiers were beaten back by new 70-ton tanks. Those huge tanks were made in Czechoslovakia by once free men who now work under the revolvers of the Gestapo.

And having been thus defeated by weapons made by their erstwhile friends the Czechs, the French in turn are forced to make weapons to be used against their erstwhile friends the British. If we refuse to help the British now, with every moral and material aid at our command, we may be the last victims in this tragic chain. If we do not act with fullest energy, we may find ourselves in time attacked and overwhelmed by warships built in British shipyards by British shipwrights who were once our friends. And a treachery which neither of us ever intended will have become simply one more of the ghastly patterns with which hell is paved.

Nor let us chloroform ourselves with the pretty notion that Hitler, once he had swallowed continental Europe and Britain, would lie down quietly and digest his conquests. If he did not attack us immediately, while we were still weak, he might come forward with peace promises and nonaggression treaties, and trade proposals and a whole forest of olive branches. We would be gullible indeed to forget that these fair words would be just as worthless as the solemn assurances and reassurances given one after another to Austria, Czechoslovakia, Poland, Norway, Denmark, Holland, Belgium, and Luxemburg.

There are those who say that we can afford to do nothing because empires like Hitler's are short-lived. But Hitler's system is drilled into old and young by the world's most thorough propaganda; the conquered are held down by efficient, ruthless force; every independent leader is quickly eliminated by the most competent and cruelly ingenious secret police the world has ever known. Hitler, though mortal, is surrounded by men abler than himself. And even if his empire should survive only 10 years, that might well be time enough in which to destroy the United States.

After a Hitler victory we could lose our skins even without invasion but by remote control. The combination of Germany, Italy, and Japan could strike us in vital spots many thousands of miles from our actual mainland. They could quickly shut off the supply of vital strategic materials. From bases in West Africa they could cripple our commerce with half of South America. They could * * * but here is what a report of the Naval Affairs Committee of the Senate, dated last May 15, said they could do:

"From all the evidence available it appears that the United States can be conquered without military conquest of continental United States. An effective blockade against our foreign commerce can be maintained at points thousands of miles from our coasts and well beyond aircraft range. Our outlying possessions will be captured and used against us as advance bases. There will be nothing to prevent the establishment of bases, by force if necessary, in this hemisphere, from which as well as from aircraft carriers, repeated bombing raids can be dispatched against our highly industrialized areas. * * *

"Under the foregoing conditions, enemy ships, except in the form of raiders, need not approach anywhere near our shores. With the loss of our outlying possessions, our foreign commerce, and subject to continual raids upon our coastal areas, our ultimate defeat is inevitable. It will be only a question of time, depending on how long our national will to further resist will hold out. Without the power to carry the fight to the enemy, there can be no alternative other than subjugation to his wishes."

The constant threat and merciless pressure of Hitler and his partners would inevitably produce a tragic reversal in our own ways of thought and living. Inevitably we would be driven into militarism; we should be forced to copy Hitler's own methods in our struggle to survive. The Nazis have established the world's most thorough despotism, trampling over the decayed body of liberty to achieve authority; we still strive to perfect the world's finest democracy. The systems are so completely opposed, and theirs is so aggressive and intolerant that, as Mussolini said, "The struggle between two worlds can permit no compromise * * * either we or they!" What Lincoln said of this country would be true of the world: "This

Government cannot endure permanently half slave and half free." In the desperate effort to remain free we should be forced to sacrifice a large part of that freedom.

And even if we could escape war with Hitler in a military sense, the differences between his totalitarian economy and ours would produce on ours profound and dreadful changes. As Walter Lippmann points out in an article elsewhere in this issue (page 106), our free, individual economy would have to compete for world trade with a gigantic and ruthless state monopoly.

As we are bound to lose many, if not all, of the things we need and cherish should Hitler win, it is clear that our vital interest demands full support of Great Britain.

What little help we are giving her now is limited by a short-sighted pretense of technical neutrality. Thus we are doing just what the lost democracies of Europe did. In their desire to avoid the short-term risk of war they allowed Hitler to overcome their outer defenses one by one. The policy of avoiding risks has brought them face to face with the supreme risk of all—that of annihilation.

Let us allay one reason for the fear which has paralyzed American action in this crisis—the fear of our people that once again we shall send an army to Europe. There is no question of this in anybody's mind. Britain has men—her needs lie elsewhere. We do not have the men to send; if we had them to send there is nowhere on the continent of Europe for them to make a landing.

But short of that there is very little we ought not to be prepared to do, and do at once. We cannot afford to continue giving to Hitler—as the isolationists insist we should—the two advantages by which all previous conquerors have won their empires: that of fighting their adversaries one by one and that of choosing the time, place, and method of the attack.

The isolationists cry that we would be in danger if we took the initiative. It would give Hitler the excuse to attack us. As if he needed any excuse to attack when he is so minded. Certainly, the action we must take would be an undeclared war. But it could not add to our danger Hitler, by every kind of propaganda, trade control, and "fifth column" activity, has long been at war against us. We are already deeply involved in the conflict—on the defensive. Our most practical course is to take the offensive, and prevent his victory, or at least make it as costly to him as we can. Above all, if Hitler wins on land, we must insure ourselves against surrender of the British Fleet. Here is the one risk, war or no war, declared or undeclared, we cannot afford to take.

And we should act at once, if only because the Japanese are still bogged down in China. Their hands are full now; but if we wait till they consolidate their hold on China we shall have to fight the Nazis and the Japanese at the same time.

Are the historians to say of us: "Because the Americans were aware of the inferiority of their armament, they would not send their ships, planes, and guns to prevent Hitler's acquiring Europe's largest fleet and Europe's largest shipyards? Because they were weak in airplanes, tanks, and artillery they made no serious attempt to keep Hitler from acquiring by his victories on land a preponderance of naval and industrial power."

The armament of the United States is woefully inadequate to fight Germany alone, but it might nevertheless be adequate to turn the tide in the defense of Britain.

The moral force of our aid, if prompt and unstinting—or even the effect of the knowledge that we were trying to give that aid—would be incalculable. It would work both ways—bringing a surge of hope to the British, and, to the German people, memories of the role we played in 1917.

In practical terms, what should our aid consist of? First and foremost, support for Britain's navy. At the tempo of the clock's hands rather than the calendar's days, we should consider sending to Britain's assistance units of our own Navy, taking all risks up to the point of not risking the loss of any vital part of it. As long as our fleet is largely intact we can hold off Hitler for time enough to replace, many times over, the planes and guns we send to Britain. We should consider taking some of the burden of convoying British ships off the shoulders of the British Navy, send our warships to chase Nazi surface raiders in our half of the Atlantic, open new ports and navy yards to British warships for fueling and repairs.

The greatest need of Britain at this moment is one which we are able to supply physically, but not legally. The law still prevents our letting the British Navy defend itself, and us, with destroyers which we have, and can spare. There are about 140 of these overage destroyers. We should amend the law so that Britain can have half of them at least. Her losses in destroyers have been heavy. These vessels are her best insurance against invasion by sea and the inroads of the submarine.

We should send planes, Britain's next most urgent need. All the planes we can spare. And redefine the word "spare" so that we shall redouble our efforts to turn them out, and produce them as if our lives depended upon it. Which is not far from being the case.

We should repeal the cash-and-carry provisions of the Neutrality Act—and as much else of that act and other laws as will leave us free to help the belligerent who is fighting our battle without helping the belligerents whose next victims we may become.

And, of course, we should be ready to receive, and call for and bring over in American ships, under American convoy if necessary, all of Britain's children whom her Government may decide to send us.

We must act so that the dreadful dirge of Europe, too little—and too late—does not ring in our ears. We must take serious risks in the hope of avoiding even more serious ones. I say "hope," not "certainty." There is only one certainty: That if Britain is defeated, no matter how safe we play, no matter how hard we try to hide behind the tattered rags of our neutrality, our turn will come next.

FOREIGN LOAN RESTRICTIONS

With the national elections only a few weeks off, it is not surprising, perhaps, that administration leaders are cool to the idea of a full-dress debate at this time on Senator KING's proposal for extending financial aid to Britain. But with the presidential candidates of both parties pledged to a policy of the utmost aid to England "short of war," it is clear that this issue is one that must be dealt with openly and frankly in the not distant future.

Senator KING's bill, introduced this week, calls specifically for a scaling down of the British World War debt, according to the formula applied in the case of Italy's debt (a formula which, on the basis of "capacity to pay," was much more lenient than that employed in the case of England); also, suspension, with respect to England, of the foreign loan restrictions contained in the Johnson Act and the Neutrality Act.

Action with respect to the British war debt can be taken at the leisure of Congress, but there can be no logical objection to proceeding without delay to repeal the existing antilending legislation. The Johnson Act never had any sound justification. This law was a product of the revulsion of the 1920's against war, and, more particularly, of an emotional upsurge predicated on a naive belief, cultivated by a small but highly vocal minority, that all wars were the work of persons interested solely in preserving their foreign investments. Today this thesis not only has no standing in general opinion, but, except in a few isolated instances, has been abandoned completely and emphatically by its own disillusioned advocates. Thus, in the case of the Johnson Act, we have the spectacle of a law surviving on the statute books long after the philosophy which created it has ceased to exist.

Hardly less anachronistic is the provision of the Neutrality Act forbidding loans to belligerent nations. A plausible case could be made for that measure when it was enacted into law, but that is no longer true today. Not, at least, if you believe, as most Americans do, with Senator KING, that "the time has come when we must do everything possible to aid England in her fight, not merely for the preservation of Britain but for the preservation of democracy."

[From the Washington Star of October 6, 1940]

SHOW-DOWN WITH JAPAN

Day before yesterday two of the highest spokesmen of the Japanese Government delivered warnings to America which, if words mean anything, amount to a practical ultimatum. Deliberately and provocatively, these officials told us to keep our hands off the Far East—or else!

Yakichiro Suma, formerly in the Japanese Embassy here in Washington and now foreign office spokesman, declared to the Japanese people in a nation-wide broadcast that recent United States moves in the Far East "clearly indicate it is taking step after step in the wrong direction, which might precipitate it into the vortex of armed conflict." The dramatic climax was reached when the Japanese Prime Minister, Prince Konoye, in an interview with the Japanese press, urged the United States to reconsider its position and "positively cooperate with axis construction of a new world order. Should the United States deliberately refuse to understand the true intentions of Japan, Germany, and Italy, and consider the triple alliance hostile to herself and challenge the axis nations, the axis would be ready to accept such a challenge and fight to the finish."

Perhaps the most significant part of this sensational episode is contained in the final paragraph of the Associated Press dispatch which carried the story. This paragraph reads: "Konoye was on his way back to Tokyo after a formal journey to the grand shrines at Ise to report his recent assumption of the premiership to Amaterasu, the sun goddess."

There, in a nutshell, we have the spirit of Japan militant. In Japanese eyes the sun goddess is no mere symbol; she is very much alive. Every Japanese devoutly believes that Amaterasu is the ancestress of the Imperial dynasty which, for 2,500 years, has uninterruptedly ruled Japan. Their divine Emperor, with the blood of the gods in his veins, is the spiritual head of the Japanese people, that "Yamato race" which itself partakes of the nature of the Divine Ancestor in that it enjoys the lasting favor of the gods and is thus raised above the level of other mortals. From earliest childhood, every Japanese is taught that the Yamato race is eventually destined to world preeminence and world dominion. This is no exaggeration; it is sober fact. And the bold leaders who now rule Japan apparently believe that great Nippon's hour of destiny has struck.

With such men, leading a people thus conditioned in a religious nationalism far transcending anything exhibited by either Nazi Germany or Fascist Italy, the very word "appeasement" is dangerous folly. Faced by these provocative challenges, our Government should not yield an inch. On the contrary, certain definite steps should be taken to checkmate their grandiose ambitions while there is yet time. Economic pressure should be wisely yet unflinchingly applied. This might take the form of new embargoes on exports to Japan and possibly on imports vital to Japanese economy. Aid should be extended to Free China. Understandings should be perfected with Britain, the Dominions, and the Netherland Indies for concerted defensive action in the Far East. Par-

ticularly, these understandings should look to possible use by our fleet of British and other naval bases in the Far East. To stand aside while Japan attempts to crush China, grab the Dutch Indies, and capture Singapore would be the height of folly. For Japan militant is insatiable.

[From the Washington Star of September 30, 1940]

RUSSIA AND THE TRIPLE AXIS

Semiofficial statements come from Berlin that the Triple Axis Powers, Germany, Italy, and Japan, have assigned Soviet Russia a definite area of leadership in their projected new world order. These reports arouse much speculation as to just where the new sphere may be located, and also as to whether Moscow had advance information of the gracious gift. Late rumor even has it that German Foreign Minister Von Ribbentrop is en route to Moscow in order to get the Soviet Government's formal assent.

At this stage it is impossible to say whether or not Stalin had been told what was about to be done. In either case there is good reason to believe that the Russian dictator is far from pleased with the new set-up. But to jump from this to the surmise that a falling-out between Russia and the axis partners impends, is to indulge in the same wishful thinking that has been so often disappointing during the past year.

Of course, Russia distrusts the Axis Powers, precisely as they distrust her—and distrust one another. All four of them, Communist and Fascist alike, follow the same basic policy of ruthless, cynical aggression. Theirs are the ethics of the wolf pack, each member of which must be forever on guard against his fellows. Between such powers genuine confidence and abiding friendship are impossible.

Yet even the most ravenous wolves work together effectively when they are after a common kill. And surely the totalitarian big four can glimpse in the offing the greatest potential loot the world has ever seen. Already Stalin has profited enormously by his association with Hitler. At the cost of one relatively minor war in Finland he has regained almost all of Russia's western borderlands lost during the revolution, inhabited by nearly 30,000,000 people. Even though no further westward expansion is possible without running afoul of Germany and Italy, there is still much to be won through agreement with the Axis Powers in the Near, Middle, and Far East.

To begin with, leaving aside the thorny question of Constantinople and the straits, there is Asiatic Turkey. The Axis Powers could yield Stalin a generous slice of Anatolia with small loss to themselves. That would safeguard Russia's Baku oil fields, now dangerously near the Turkish border. Still more important is Iran or Persia, an old field of Russian imperialistic penetration. Czarist Russia schemed there continually against Britain, seeking to reach warm water on the Persian Gulf and the Indian Ocean. In this connection, we must not forget that Stalin is a Georgian from Russian Trans-Caucasia and that he has always shown a special interest in that region. If the British Empire is smashed, Russia would be the logical heir to the middle east.

Even in the Far East, Russia could gain much without clashing too irreconcilably with Japan. Take China's inland dependencies. Already, Russia controls Outer Mongolia and has subtly penetrated the equally vast region of Sinkiang or Chinese Turkestan. Probably Tibet and some adjacent Chinese provinces might be added, if a Russo-Japanese partition of China should become practical.

These are, of course, mere speculations. Yet they indicate what may constitute the share assigned Russia by the triple axis in their grandiose redistribution of other people's property throughout the Old World.

CONTEND UNITED STATES MUST STOP JAPANESE—CORRESPONDENTS SUGGEST MEANS OF MEETING THREAT IN FAR EAST

To the EDITOR OF THE STAR:

Germany dominates the continent of Europe, possesses a military machine unrivaled in the history of the world, and has given the clearest indications of an intention to use that machine for the purpose of becoming dominant throughout the world. Japan, nourished by imports of war materials from the United States and sustained by the proceeds of exports to the United States, is on the point of establishing herself as the dominant power in the Far East and is developing all her energies to that purpose. Japan has joined forces with Germany and Italy with a view of pushing military conquest to its uttermost limits and extending economic domination to those regions where military conquest may be impracticable. There are 2 major obstacles that Japan must overcome before she can pursue her designs and become an effective partner of the Axis Powers: (1) She must win the Chinese war, where her energies are being dissipated in the conquest of 400,000,000 people, eager and able to fight but lacking the supplies and munitions necessary to carry on much longer an effective war; (2) she must acquire undisputed naval dominance in the South Pacific.

If Japan is successful in overcoming these obstacles, the course of events is marked with substantial certainty:

(a) Japan would seize and absorb Indochina, Thailand, and the Dutch East Indies.

(b) With these possessions consolidated in Japanese hands, there would be no further effective obstacle to the conquest of all British possessions in the Far East, including Australia.

(c) The most that the British could hope for as a result of the present war would be the successful defense of their island against German invasion—a defense which would be rendered even more precarious by the fact that Germany had acquired the Japanese alliance.

(d) With the Axis Powers dominating Europe and Japan dominating the East, economic control of South America by these three would be a probability, and history has shown that economic domination merges by imperceptible degrees into political domination.

In a world where the foregoing events had taken place the position of the United States would not be an enviable one. In the first place, there would be a constant necessity of maintaining a military and naval establishment of war-time proportions, with the attendant disrupting of our peacetime pursuits, dissipation of our national income in armaments and waste of the millions of valuable years in the lives of our young men in military service. Second, our foreign trade would be substantially eliminated, a condition which could not fail to affect, directly or indirectly, every person living in this country. Thirdly, the enforcement of the Monroe Doctrine would become an impossibility due to the extent of the pressure that could be exerted upon South America and the extent of our preoccupation with our own defense.

The conditions precedent to the success of Japan in her designs and in her usefulness to the Axis Powers are the conquest of China and naval dominance in the South Pacific. We can prevent both of these conditions from being fulfilled, but this can be done only by an immediate, vigorous taking of the initiative. The steps that must be taken to accomplish this result are the following:

(a) We must deprive Japan of raw materials which she must have to wage effective war. The embargo on aviation gasoline and scrap iron are steps in the right direction. They should be followed by embargoes on pig iron, copper, oil, gasoline, motor vehicles, and machinery, all of which can now be freely shipped to Japan. Moreover, there should be an embargo on imports from Japan, for without exporting to this country Japan cannot acquire the credits necessary to the acquisition of materials she must buy.

(b) We must give all possible aid to China. This means granting substantially unlimited credits to the Chiang Kai-shek government. In meeting the Japanese axis menace, it is far better that we provide, gratis if necessary, the munitions to enable the Chinese to fight than that, sooner or later, we sacrifice not only our munitions but also the lives of our young men. The Burma Road is available to transport all supplies the Chinese could purchase. English cooperation in reopening this road is a foregone conclusion since Japan joined the axis.

(c) We should arrange with Great Britain to share or assume control of the Singapore naval base and other British bases in the East, so far as this is practicable from the point of view of sound naval strategy. The United States Navy is now superior to that of the Japanese. This condition may not long continue, for it is probable that there are Japanese ships under construction adequate in numbers, tonnage, and modernity to tip the balance against us. With the United States Navy based at Singapore, Japanese conquest of the East Indies from distant bases would be a practical impossibility.

Warren A. Seavey, Barton W. Leach, Livingston Hall, Eldon R. James, Edward Thurston, James A. McLaughlin, A. James Casner, Philip W. Thayer, E. Merrick Dodd, George K. Gardner, James M. Landis.

CAMBRIDGE, MASS., *September 27.*

[From the Washington Star of October 2, 1940]

CREDITS FOR BRITAIN

In offering legislation designed primarily to remove statutory obstacles to the extension of credits to the British, and to authorize the President to negotiate for the use by this country of British bases in the Pacific, Senator KING of Utah, has taken a long and a realistic look into an uncertain future.

At this time, the Johnson Act and the Neutrality Act stand in the way of extending credits to Britain, the former prohibiting any governmental loans to nations defaulting on their old war debts and the latter barring the granting of any credits to belligerents. At the time these laws were adopted they appeared to be amply justified by then existing conditions. But times have changed, and the real measure of our security lies in our capacity to adapt our policies and our thinking accordingly.

Britain is engaged in a struggle for survival, and we have come at long last to the realization that in a very literal sense it is our war as well as hers. We know now that the defeat of the British would be a calamity of the first magnitude for us, and, with that clear understanding, our foreign policy has been deliberately directed toward the prevention of any such result. That being the case, it would be incredibly short-sighted to permit resentment over the default in the first World War debt payments to interfere with the adoption of a policy at this time which so plainly promotes our own best interests. To refuse credits or even outright gifts of munitions to the British when need arises would be closely analogous to a refusal to arm our own forces in the face of an attack, and any nation which pursues such a fantastic policy has little reason to expect to survive for long in the predatory world of today.

Nor is there any justification, under existing circumstances, for retaining the credit prohibitions of the Neutrality Act. They were approved in the belief we could stay out of the conflict if we had no financial interest in it. But the fortunes of war have made a mockery of that belief. We know now that our interest in the struggle is infinitely greater than any monetary consideration could possibly be. We know that in all but a military sense we are in the war and that we must see it through with every means at our disposal.

The exigencies of the situation are such that Congress should begin immediately to consider Senator KING's bill. No thought of

adjournment, no shallow political consideration, should be permitted to stand in the way.

Senator BARKLEY, the majority leader, has expressed the belief that the bill has no chance of passage at this session of Congress because it would "provoke a lot of debate." On the latter score he is probably correct, but it is not the function, nor has it been the habit of the Senate to dodge debate. This is a vital and an urgent matter, and it should be viewed as such by every Member of Congress.

Time and the aggressor nations are not going to wait upon the convenience of the Senate. If this matter of relaxing credit restrictions is one which calls for extended debate, the sooner the administration leaders bring it to the floor, the sooner the debate will be over. The United States is no longer so situated that we can afford to wait until each fresh emergency is upon us before we prepare to deal with it. The great weakness of the states which have fallen under the impact of totalitarianism has been that they refused to prepare in time for what was inevitably coming. If we have not yet learned that lesson, there is real cause to despair of the future.

[From the New York Herald Tribune of September 30, 1940]

BILL ASKS LOANS TO BRITAIN AND BASES IN PACIFIC—KING OFFERS MEASURE FOR SINGAPORE LEASE, DEBT CUT, AND CREDIT GRANT

WASHINGTON, September 30.—Senator WILLIAM H. KING, Democrat, of Utah, introduced a bill today to authorize the President to enter into negotiations with Great Britain for the leasing of lands and islands in and adjoining the Pacific Ocean for American bases. In the same bill he provided for the extension of loans and credit to Great Britain, the scaling down of her war debt, and the repeal of the Johnson Act so far as it affects that country.

The bill now lies upon the table of the Senate and the question of what committee it will go to is to be taken up tomorrow by Senator KING.

ACTION RESULT OF TOKYO PACT

The effect of the bill would be to legalize in advance the acquisition of leases in the Pacific such as Singapore, Hong Kong, and the islands of Malaysia, useful in the event of trouble with Japan. Senator KING said he introduced the bill with the fact of Japan's joining the Rome-Berlin axis in mind.

"I want the President to be entirely warranted in making these leases in this instance," said Senator KING.

President Roosevelt was recently criticized in both Houses of Congress and by the Republican Presidential nominee, Wendell L. Willkie, for the manner of his making a ships-for-bases arrangement with the British. No authorization by Congress was asked for.

Senator KING said he entirely approved of that deal, but wanted to insure the legality of a comparable deal in the Pacific. The Senator, who was recently defeated for renomination in the Democratic primaries, did not assert that his bill had administration backing.

One of the Democratic leaders in the Senate said today that he did not anticipate that the part of the King bill having to do with repealing the Johnson Act would be reported out at this session of Congress by the Senate Foreign Relations Committee.

JOHNSON ACT REPEAL LATER

The exigencies of the situation, such as the inability of the British to continue paying for supplies in this country with cash on hand, do not yet point to the immediate repeal of the Johnson Act. It is considered inevitable, however, that one of the early steps taken in the next session of Congress will be to repeal the act, which forbids the selling in this country of securities of any nation in default of its war debts.

Great Britain owed this country $1,411,169,427.23 as of December 31, 1939, after the original debt had been scaled down.

Senator KING seeks in his bill to scale the debt down still more by applying the same concessions as were granted to Italy because of Italy's comparative inability to pay. Great Britain only received one-fifth the debt concession that Italy received, according to Senator KING. He argued that the same concession should now be extended to a country which is fighting for democracy as had been extended to a country which is fighting against democracy.

Under the terms of the bill the Reconstruction Finance Corporation, through the United States Export-Import Bank, would be authorized to make further loans to Great Britain.

Mr. BARKLEY. Mr. President, I wish merely to state that the bill was introduced about a week ago. There are undoubtedly many in the United States who feel about the proposed legislation as does the author. But it has not been acted upon by the committee. Whether it will be I cannot say. It was obvious, I think, when the bill was introduced, that it could not be taken up in the Senate at once; and it cannot be. Everyone knows that if the committee were to report the bill to the Senate and it should be taken up, it would involve very considerable debate. We all know that. So it is a moot question now whether we shall take it up or shall not take it up. It is not in order to take it up. It is all well and good to banter one another, and dare some one to take up a bill which cannot be taken up. I have stated the situation. So I cannot assure the Senator from Utah that the bill will ever be taken up, because the committee has to act on it, it has to be brought out in the regular way, and I am not in a position to predict what the committee will do about it.

SCHOOL FACILITIES NEAR MILITARY AND NAVAL BASES

Mr. WALSH. Mr. President, if the subject matter which has been before the Senate is disposed of, I should like to submit a Senate resolution. I ask unanimous consent that I may submit the resolution, and I ask that it be reported and be given immediate consideration. It will take but a brief time.

The ACTING PRESIDENT pro tempore. The resolution will be read for the information of the Senate.

The resolution, Senate Resolution 324, was read, as follows:

Resolved, That the Secretary of the Navy and the Secretary of War are requested to make a full and complete study and investigation of all school facilities at or near naval yards, Army and Navy reservations, and bases at which housing programs for defense workers are being carried out or are contemplated, with a view to determining (1) whether such housing programs will necessitate additional school facilities, (2) whether the communities adjacent to or near such yards, reservations, and bases are financially able to provide such additional facilities, if needed, and (3) whether the Federal Government should provide such additional facilities irrespective of the financial ability of the community. The Secretaries are further requested to report to the Senate as soon as practicable the results of their study and investigation, togeher with their recommendations, if any, for necessary legislation.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. WALSH. Mr. President, the resolution speaks for itself. Army bases and naval bases are located throughout the country, frequently near communities which are exceedingly small, and the expansion of defense activities at our navy yards and other bases, especially in connection with the housing program, is resulting in raising a serious question as to how the children of the workers can be taken care of, so far as education is concerned. In view of the fact that the communities receive no taxes from the Government on these reservations, a very serious problem has arisen, particularly in those communities which are small in population and have no great wealth. The resolution seeks to obtain information for the Senate, so that it can determine whether legislation may be necessary to provide school facilities near such Government reservations.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

PROPOSED RECESS ARRANGEMENT

Mr. DANAHER. Mr. President, I wish to ask the Senator from Kentucky a few questions, if we may recur to the subject of our previous discussion.

I have in mind that within a few days the Attorney General has issued some sort of ruling, the exact purport of which I do not know, for I have not seen the language; but the ruling, according to press reports, would have the effect in many industries of absolutely denying to those industries defense contracts at a time when obviously defense needs are greatest.

Whether or not the effect of the ruling has been correctly reported I do not know, and do not say, but I can imagine a situation where any number of industries may be seriously affected, at a time when the Congress has made vast appropriations to the departments, authorizing the Army and the Navy to contract for materials, only to find that if the effect of the ruling has been correctly reported, the contractors will be debarred from either receiving contracts or proceeding under them.

I can envision, further, that the House, since the House is continuing in session, may very properly deal with that very problem. For example, the press further reports that the Attorney General was under subpena to appear before a special committee of the House yesterday afternoon. Whether he did or not I do not know.

Mr. BARKLEY. He did, and so did the Secretary of War and the Secretary of the Navy.

Mr. DANAHER. Since the Senator now states facts of which we lacked knowledge, that raises a question with reference to whether or not legislation will be recommended by the House which will be emergent in character, and on which the Senate should be available to act, it would seem to me.

I am at a loss to understand why we should adjourn at this time. I know that over the Labor Day week end we were not out of town 3 hours before we discovered, without the proposal having been submitted to the Congress in any respect, that 50 destroyers allegedly had been traded to Great Britain, Congress having no previous notice of it, and never an opportunity to consider whether it should be authorized or not.

Now we find that there is being promulgated in the press and otherwise a proposition that we shall transfer some 25 flying fortresses, 4-engine bombers, to some other power, at a time when the condition of our own defense is most precarious, when we have been engaged for nearly a year and a half in the general discussion of the subject; when we have been told that Omaha itself is only 2½ hours' bombing time from Tampico; when there is a schedule for attacking bombers to follow from Brazil to the United States; when the people of the United States are told that we must have 50,000 airplanes, our needs are so great. It is now contemplated that we transfer 25 bombers to some other power, and perhaps Congress should consider this proposition.

Within the week there was word in the Evening Star, right here in Washington, that we had 48 bombers on hand, and only forty-eight, that we were going to have sixty-eight available by January 1, that we were going to have a newly designed, longer-range, faster bomber, and therefore we should immediately get rid of these twenty-five which are servicing the United States Army today.

So I took the matter up with the Secretary of War, in writing, to ascertain what the facts were. The Secretary of War responded to me that he could not release the information to me, but that if I would come to his office I could talk to him about it.

Things have been going on in this country about which the American people do not know the facts, and Senators do not get them for public use at a time when propagandists of one kind or another are urging our entry here and our action there, all in the direction of war, which, it seems to me, threatens a situation which very properly requires the presence of the Congress here. If there be no quorum present, and if Senators have left, it seems to me they can very properly be brought back and kept on the job until the American public knows just what is going on, and every step taken which is open to us to take, to the end that we be not precipitated into this war, either in the east or in the west.

It seems to me that American national interests should be canvassed, and canvassed thoroughly right here, and we could use the intervening time very properly in having someone tell us just what our national interests demand, and what the objectives are in the foreign policy of our Chief Executive.

That is something on which we can spend more time, Mr. President, and if we can save our people from war, these intervening weeks can be well spent right here. That is my view, and such matters underlay the position which we took in our conference, and in general it was the attitude, I am sure, of the minority, that we should vote against adjournment of Congress. It seems to me the proposal for recesses until November 18, as submitted, is tantamount to nothing but an adjournment, subject to our doing nothing in the meantime.

I submit these few considerations, Mr. President, with reference to essential items in addition to the Walter-Logan bill, which I also consider of prime importance, and which may properly engage the attention of the Senate.

Mr. BARKLEY. Mr. President——

Mr. NORRIS. Mr. President, before the Senator from Kentucky replies, I should like to say that I think the Senator from Connecticut ought to insist that the very brief question he has propounded to the Senator from Kentucky be answered positively, "Yes" or "No."

Mr. BARKLEY. I will say to the Senator from Connecticut and to the Senator from Nebraska, that if what the Senator from Connecticut has said is a question, the answer is, "Yes" and "No."

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

Mr. BARKLEY. I should like to answer the Senator from Connecticut; but I will yield to the Senator from Virginia.

Mr. BYRD. As I understand the proposal of the Senator from Kentucky it is that we recess for 3-day periods, and that no legislative business shall be transacted until November 18, unless there is a call of the Senate. I should like to ask the Senator: Who would issue the call? Who would have the responsibility to call the Senate again together for legislative action?

Mr. BARKLEY. I was taking that responsibility myself, in cooperation with the minority leader.

Mr. BYRD. I have great confidence in the Senator from Kentucky, but I do not believe there is a Senator who denies that it is our constitutional right to transact business in the event an emergency arises sufficient to warrant such action, and if there is a quorum present.

Mr. BARKLEY. If the Senator entertains any fear on that subject, I can assure him that if a quorum is present on the call of any responsible Member of the Senate who has that duty to perform then, of course, we can transact business. I do not suppose that a quorum would simply come back of its own accord unless——

Mr. BYRD. That is the point I wanted to make to the Senator.

Mr BARKLEY. Unless Senators are advised they are needed.

Mr. BYRD. As I understand, the proposal is to have a gentleman's agreement, and I wish to ask the Senator if he will modify his proposal so the call will be issued upon a petition signed by 20 Members of the Senate citing the fact that there exists an emergency greater than is apparent now, which should receive legislative action promptly by the Senate. Would the Senator then, as majority leader, be willing to issue a call?

Mr. BARKLEY. Mr. President, I do not think that request is quite fair, because we all understand that any 20 Senators who might be interested in some particular bill might get together and sign a petition asking that the Senate be called together. That might create a situation which would be entirely against the views of the other 76 Senators, who might not be here at the time. I do not think that is quite a proper proposal.

Mr. BYRD. Do not let us camouflage this proposition. What the Senator is proposing is an adjournment——

Mr. BARKLEY. No.

Mr. BYRD. Because he is providing for a gentleman's agreement. I assume that if a quorum of the Senate is present Senators can act under the rules of the Senate. The Senator is providing that there shall be nothing considered until November the 18th, unless he himself issues a call. I have great confidence in the Senator, as he knows, but I think that is a responsibility which we should not place upon any one single Member of the Senate in the great crisis which I entirely agree with the Senator from California now confronts the country. Unless the Senator from Kentucky is willing to modify the request, by giving some freedom of action to the individual Senators, I for one will have to vote against the proposal.

Mr. BARKLEY. Mr. President, of course, I wish to say to the Senator from Virginia that if any situation should arise which would make any Senator of the United States Senate from any State feel that he ought to be back in Washington, then it is his duty to come, and if by such a method a

quorum should arise, Senators could, of course, nullify what we are doing here today.

Mr. BYRD. But the Senator from Kentucky well knows that there will not be a quorum, if the proposal is agreed to, unless the Senator from Kentucky issues the call. Senators are not simply going to gather here because some——

Mr. BARKLEY. No; I agree with that. I do not think they would. I do not think there would be any need for them to do so. From time immemorial this sort of an understanding has been entered into in the Senate and in the House.

Mr. BYRD. Let me call the attention of the Senator to what the Senator from California said, that the Senator from Kentucky himself urged us to vote for an adjournment last June. The judgment of the Senator was no doubt at that time in accordance with his convictions. He was wrong, and he must now admit that he was wrong, because since June we have passed the most momentous legislation that has been passed during the 7 years I have been in the Senate. The Senator may be wrong again.

Mr. BARKLEY. That very situation is one which has militated against any effort to adjourn the Congress at this time, and against any effort that seems to be effective even to recess for a certain length of time, and the very object of having the meetings after 3-day recesses is that we may keep in touch with the situation and be able to reassemble the Senate if necessary.

Mr. BYRD. But the Senator admits that there can be no business transacted. What is the use of having the Senate convene if it cannot transact business made necessary by a supreme crisis, such being prohibited by a so-called gentlemen's agreement?

Mr. BARKLEY. If the Senator agrees to this arrangement, business can be transacted.

Mr. BYRD. How can it be transacted when there is not a quorum present?

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

Mr. BARKLEY. I yield.

Mr. CLARK of Missouri. The Senator, as I understand, proposes that 3-day recesses be taken. If any Senator who happens to be here makes the point of no quorum and asks for a quorum call, and if that were done with sufficient persistence, assuming some real emergency existed, it would be exceedingly uncomfortable for those who were not present if they did not assemble.

Mr. BARKLEY. Any Senator has the right to make a point of no quorum at any time, and if a quorum is not developed, either to have the Sergeant at Arms send out for the absent Members or move to adjourn.

Mr. BYRD. I wish to get the Senator's proposal clear in my mind. His proposal was that no business be transacted during the period when 3-day recesses are to be taken, unless the majority leader of the Senate should issue a call to the Senate, and that would be a gentleman's agreement to which, if I assented to it, I would adhere.

Mr. BARKLEY. I appreciate that. I am sure the Senator would. But someone has to have a certain responsibility.

Mr. BYRD. Why should not a certain number of Senators have the same responsibility?

Mr. BARKLEY. I do not know of any instance heretofore when the Senate has been called back into session, after having recessed or adjourned, on the petition of 20 Senators or of any other number of Senators.

Mr. BYRD. Does the Senator from Kentucky know of any time before when we attempted to recess in a manner similar to that now proposed?

Mr. BARKLEY. Yes; I do. I was a Member of the House of Representatives during the World War, and when we had enacted all the legislation that was requested, Congress for a period of time took 3-day recesses. That was done while the war was in progress.

Mr. BYRD. Mr. President, was that done with the understanding that Congress would not transact business during that time, subject to the will of only one Senator?

Mr. BARKLEY. There were several times when 3-day recesses were taken covering a period of as much as 6 weeks or 2 months.

Mr. BYRD. Let me call the attention of the Senator to the fact that we were in the war during the period he speaks of, and full provision had already been made by the Congress to prosecute the war. Now, we are not in a war, but we may get into war. Now, we are under the duty to stay here.

Mr. BARKLEY. We certainly were worse off when we were in war.

Mr. AUSTIN. Mr. President, will the Senator yield to me to make a brief observation?

Mr. BARKLEY. I yield to the Senator from Vermont.

Mr. AUSTIN. I think the colloquy between the distinguished leader of the majority and myself has the sanction of honor and good faith, and would be certain to be carried out in spirit and in truth as if governed by law.

Let us assume for a moment that the Senator from Oregon [Mr. MCNARY] should request that the Senator from Kentucky [Mr. BARKLEY] call the Senate into action during this period for the reason that a war had broken out in the Pacific Ocean, which involved us, and that the Senator from Kentucky should not regard that as a cause, and should refuse to issue the call, and that thereupon the Senator from Oregon should telegraph every Member of the Senate that he had made that request, and ask them voluntarily to appear here in the Senate—what would happen? Every Senator here knows that no agreement we could enter into—and I do not expect we are going to be asked to enter into an agreement—would have more binding effect than a recess taken upon the basis of the colloquy that has already occurred, in spirit and in truth to keep the Congress in session, and at the same time accommodate its meetings to actual facts. We are dealing with realism and shall continue to do so.

Mr. BARKLEY. The Senator from Vermont does not, I am sure, suggest or entertain the notion that under the circumstances he has outlined I myself would ignore such a situation and not take the responsibility of calling the Senate back.

Mr. AUSTIN. Certainly not. I made my illustration as absurd as I could in order to make the point.

Mr. BARKLEY. I appreciate what the Senator has said.

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

Mr. BARKLEY. I yield.

Mr. CONNALLY. Let me ask the Senator from Kentucky a question. Would it meet the objections of the Senator from Virginia if the proposal were amended or modified, with respect to the matter of transaction of business, that no business would be transacted unless, upon a roll call, a quorum was developed?

Mr. BARKLEY. I have no objection to that, because that is the rule anyway, if the point is made.

Mr. CONNALLY. No business could be transacted without a quorum.

Mr. BARKLEY. No.

Mr. CONNALLY. But if there were a quorum of Senators in the city, and they wanted to attend and transact business, they could do so.

Mr. BARKLEY. I have no objection to any understanding which will accommodate Senators, or which will keep the Senate amenable to any call or duty which may devolve upon it.

Mr. CONNALLY. Such a modification would be tantamount to allowing a majority of the Senate to call the Senate back.

Mr. BARKLEY. I have no objection to the understanding that if a majority of the Senate wishes to transact business, it may do so.

Mr. AUSTIN. Mr. President, I understood that to be the Senator's original idea.

Mr. BARKLEY. It was so contemplated. It may not have been clearly stated.

Mr. CONNALLY. Mr. President, is it not true that regardless of what the Senate does, in all probability the House will adopt the system of adjourning for 3 days at a time, and

consequently we could not pass any very important legislation with the House in recess?

Mr. BARKLEY. That is true.

With respect to the comment of the Senator from Connecticut on the opinion of Attorney General Jackson in connection with the National Labor Relations Act, it seems that that opinion has been very greatly misinterpreted and misunderstood. Attorney General Jackson was informally asked for an opinion. I do not know that he was under any obligation to render an opinion, because it is my understanding that he is not required to render opinions unless they are asked for by the President of the United States. However, an informal request was made of him by a member of the National Defense Council on the question whether or not Government departments were bound by the decisions of the National Labor Relations Board. He merely responded that the Government departments are bound by such decisions until they are reversed by a competent court. That statement has been magnified into an opinion that contracts may not be awarded to any industry in the United States which has been charged with violation of the Wagner Act, and has been held by the Board to be guilty, and has taken an appeal.

In the testimony yesterday before the House committee, I think both Mr. Knudsen and Mr. Stettinius stated that they would not regard that situation as barring contracts with concerns which had been brought before the National Labor Relations Board on charges of violating the law. Assistant Secretary Patterson made the same statement. I think Secretary Knox made the same statement to the House committee. Attorney General Jackson was present; and I think they all agreed as to the proper interpretation of the opinion of the Attorney General in response to the informal request. So I do not see that that situation creates anything out of which any fear should arise so far as we are immediately concerned with legislation.

CLAIMS FOR DAMAGES IN CONNECTION WITH INTRACOASTAL WATERWAY, MIAMI TO JACKSONVILLE, FLA.

Mr. PEPPER. Mr. President, I ask unanimous consent for the immediate consideration of House bill 6945, which is a claims bill now on the desk. The House bill was reported favorably by the committee. It involves no appropriation of money, but merely confers upon the Court of Claims jurisdiction to determine certain claims.

The ACTING PRESIDENT pro tempore. What is the calendar number?

Mr. BARKLEY. Mr. President, the bill is not on the calendar. It has just been reported from the committee.

Mr. PEPPER. It is on the table, but not on the calendar.

The ACTING PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 6945) conferring jurisdiction upon the District Court of the United States for the Southern District of Florida to hear, determine, and render judgment upon the claims of all persons who have claims for damages or losses allegedly resulting from the construction, further development, and improvement of the intracoastal waterway, Miami to Jacksonville, Fla., and for other purposes.

Mr. REED. Mr. President, may I inquire what the calendar number of the bill is?

The ACTING PRESIDENT pro tempore. The bill is not on the calendar. It was reported today, and there is no calendar number.

Mr. REED. I object. I shall object to any attempt to bring up business of this character.

The ACTING PRESIDENT pro tempore. Objection is heard.

INVESTIGATION OF AIRPLANE ACCIDENT AT LOVETTSVILLE, VA.

Mr. BYRNES. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate, I report favorably, with an amendment, Senate Resolution 307, and ask unanimous consent for its present consideration.

There being no objection, the Senate proceeded to consider the resolution (S. Res. 307) submitted by Mr. McCARRAN on September 5, 1940, which had been reported from the Committee on Commerce with amendments, on page 2, line 19, after "commerce", to strike out "and"; on page 3, line 2, after "air", to strike out "commerce" and insert "commerce; and (7) the origin and accuracy of, and the responsibility for, reports to the effect that the Honorable Ernest Lundeen was under investigation by the Department of Justice at the time of his death or that in connection with such an investigation one or more agents of the Department of Justice were on board the airplane which crashed at Lovettsville, Va., August 31, 1940"; and which thereafter had been reported from the Committee to Audit and Control the Contingent Expenses of the Senate with an amendment on page 3, line 24, after the word "exceed", to strike out "$20,000" and insert "$5,000", so as to make the resolution read:

Resolved, That the Committee on Commerce, or any subcommittee thereof authorized by the chairman of such committee, is authorized and directed to make a full and complete investigation with respect to (1) the cause of the crashing of the Pennsylvania-Central Airlines Corporation airplane at Lovettsville, Va., on August 31, 1940; (2) any other crashes of, or accidents to, airplanes engaged in interstate air commerce resulting in the loss of lives; (3) the precautions taken, and the safeguards provided, by those engaged in interstate air commerce for the purpose of preventing the loss of lives of persons transported by them; (4) the adequacy of the safety regulations, air-safety devices, and inspections prescribed or provided by the Government or any department or agency thereof for the purpose of safeguarding the lives of persons transported in interstate air commerce; (5) any inefficiency in the administration by any department or agency of the Government of any of its functions relating to the safety of persons transported in interstate air commerce; (6) any other matters which such committee or subcommittee may deem it necessary to investigate for the purpose of obtaining adequate information to enable it to recommend action designed to prevent the loss of lives of persons or the loss of property transported in interstate air commerce; and (7) the origin and accuracy of, and the responsibility for, reports to the effect that the Honorable Ernest Lundeen was under investigation by the Department of Justice at the time of his death or that in connection with such an investigation one or more agents of the Department of Justice were on board the airplane which crashed at Lovettsville, Va., August 31, 1940. The committee shall report to the Senate, as soon as practicable, the results of its investigation, together with its recommendations.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-sixth and succeeding Congresses, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $5,000, shall be paid from the contingent fund of the Senate, upon vouchers approved by the chairman.

The amendments were agreed to.

The resolution, as amended, was agreed to.

The preamble was agreed to.

Mr. BAILEY subsequently said: Mr. President, under the resolution adopted a few moments ago providing for an investigation of the airplane accident at Lovettsville, Va., in which our late colleague from Minnesota, Mr. Lundeen, lost his life, the duty is imposed upon me of appointing the committee. I wish now to announce the committee. I announce as the committee the Senator from Missouri [Mr. CLARK], the Senator from North Carolina [Mr. BAILEY], the Senator from Ohio [Mr. DONAHEY], the Senator from Louisiana [Mr. OVERTON], the Senator from California [Mr. JOHNSON], and the Senator from Maine [Mr. WHITE].

Mr. JOHNSON of Colorado. Mr. President, in connection with the naming of the committee, I ask unanimous consent to insert in the RECORD at this point a letter written to the Senator from Nevada [Mr. McCARRAN] and signed by Mr. J. Edgar Hoover in regard to certain phases affecting the late Senator Lundeen.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter referred to is as follows:

FEDERAL BUREAU OF INVESTIGATION,
UNITED STATES DEPARTMENT OF JUSTICE,
WASHINGTON, D. C., *October 4, 1940.*

Hon. PAT McCARRAN,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I have observed the resolution which you introduced in the Senate on September 5, 1940, relating to a proposed

investigation of the crash of the Pennsylvania-Central Airlines' plane near Lovettsville, Va., on August 31, 1940. I have further noted that the resolution as finally submitted to the Committee to Audit and Control the Contingent Expenses of the Senate provides for inquiry into the origin and accuracy of the reports to the effect that Hon. Ernest Lundeen was under investigation by the Department of Justice at the time of his death. For your information I desire to set out the following facts in connection with the personnel of the Federal Bureau of Investigation who were passengers aboard this plane on the occasion of its crash.

You will recall that this airplane was originally scheduled to depart at 1: 45 p. m. on August 31, 1940, and that it was known as flight 19.

Aboard the ill-fated plane was Miss Margaret L. Turner, a stenographic employee of this Bureau. The records of the Pennsylvania-Central Airlines reflect that Miss Turner made her reservation on flight 19 for August 31, 1940, at 10: 45 a. m. on August 27, 1940, at which time she purchased a round-trip ticket to Cleveland, Ohio, engaging return space for the 15th of September. This trip was paid for in cash and Miss Turner was traveling not on official business but was actually on vacation leave on the occasion of this crash. I am attaching hereto a photostatic copy of the application for leave which was filed by Miss Turner on August 27, 1940.

Also aboard this plane was Special Agent Joseph J. Pesci, who was a newly appointed special agent of the Federal Bureau of Investigation and had completed on Saturday, August 31, 1940, his training as a special agent. He was under instructions to proceed to Chicago, Ill., which was to be his first post of assignment.

The Bureau has been advised by Mr. M. E. Cole, reservation manager of the Pennsylvania-Central Airlines in Washington, that a check of the waiting list of the Pennsylvania-Central Airlines indicates that Agent Pesci first called the reservation clerk for reservations at 7:30 p. m. on August 30, at which time Mr. Pesci requested reservations only from Washington, D. C., to Pittsburgh, Pa. He requested reservations on the 1:45 p. m. plane. At the time that Mr. Pesci talked to Mr. L. M. Miles, Mr. Miles made a notation on the waiting list dated August 31, 1940, to the effect that a passenger wanted transportation from Washington to Pittsburgh Saturday afternoon and then on to Chicago any time on Tuesday morning. Mr. Miles, when interviewed about this matter, stated that while he has no personal recollection of this conversation, the fact that he recorded this data on the reservation sheet indicates that the passenger inquiring had so advised him. Mr. Cole advised the Bureau agent that the last call received by the Pennsylvania-Central Airlines from Agent Pesci was at some time between 9 and 11 a. m. on August 31, at which time Mr. Pesci again advised Mr. Cole that he wanted only to go to Pittsburgh and that he would continue on to Chicago at a later date. Mr. Cole suggested to Mr. Pesci that since the flight 19 was completely sold out, he might, if he desired to take the chance, come to the airport on the possibility that a last-minute cancelation would make a seat available. Pesci advised Mr. Cole that he would do this, and it is to be noted, as will hereafter be pointed out, that Agent Pesci had completed his arrangements for a reservation to Pittsburgh prior to the time that Senator Lundeen was given a reservation on this plane.

With reference to Agent Pesci's travel, it is to be further noted that the daily report of ticket sales shows that Agent Pesci's trip was paid for by Government transportation request J-744141, the ticket being purchased from Washington to Chicago with a layover in Pittsburgh. At approximately the time the plane was scheduled to leave the Washington Airport, it was determined that a Miss C. Brubaker of Charlottesville, Va., who had a reservation on the plane, failed to claim her reservation and at that time Agent Pesci was given his space. Collaterally I may add that Agent Pesci desired to proceed to Pittsburgh by plane in order that he might stop off to see his father who was ill. The selection of the plane method of travel was made by Mr. Pesci of his own volition.

In connection with the bureau's inquiry into this matter, Mr. M. E. Cole pointed out that Agent Pesci at no time requested any information concerning Senator Lundeen and further that had Agent Pesci desired any reservations to continue on the balance of the trip which Senator Lundeen was making, or had he desired to have other agents continue on the trip, it would have been necessary for the airport to have made reservations through T. W. A. from Pittsburgh to Chicago and Minneapolis. A photostatic copy of the passenger manifest which is attached hereto indicates that Agent Pesci was only scheduled to go to Pittsburgh whereas Senator Lundeen was scheduled for Chicago and Minneapolis.

Further in this regard I am attaching hereto a copy of the Bureau's Register of Departures which is maintained at the seat of government from which it will be noted that Agent Pesci signed out of the Bureau as departing on August 31, 1940, for his headquarters at Chicago, Ill.

From Mr. M. E. Cole of the Washington Airport I have ascertained that Senator Lundeen's secretary contacted Mr. Cole between 4 and 6 p. m. on August 30, 1940, and requested a reservation on the 1: 45 p. m. plane for Chicago and Minneapolis. At this time the secretary was advised that the plane was filled and the suggestion was made that the Senator take the 5:15 p. m. plane for Minneapolis. Later Senator Lundeen himself called and demanded that he be given space on the 1: 45 p. m. plane on August 31. The Senator was informed that the plane was filled but that he would be placed on the waiting list, and in the event any cancelations were received, he would be given preference. Senator Lundeen was placed on the waiting list for the 1: 45 p. m. Pennsylvania-Central Airlines plane on August 31, but no definite space was assigned to him until a period between 11:45 a. m. and 12 noon on August 31, when a seat was assigned to Senator Lundeen for Pittsburgh, and reservations were made for him on the T. W. A. plane from Pittsburgh to Chicago. On the passenger manifest, a photostatic copy of which is attached hereto, it will be observed that the destination of Senator Lundeen is noted as being Chicago and Minneapolis. The reservation assigned to Senator Lundeen was made at about 11: 45 a. m. on August 31, 1940, and his reservations had already been made on the 5:15 p. m. plane on August 31 for the same destination.

From these facts it will be noted that Miss Margaret L. Turner, a Bureau stenographer, made her reservations and paid cash for a round-trip ticket to Cleveland, Ohio, 3 days before Senator Lundeen's secretary indicated that the Senator desired to proceed by plane to Chicago and Minneapolis. It will be further noted that Agent Pesci, on August 30, inquired for a reservation to Pittsburgh on the 1: 45 p. m. plane on August 31, 1940, on a ticket purchased from Washington to Chicago with a stop-over in Pittsburgh. It is further noted that the suggestion was made to Agent Pesci that he come to the airport in the chance of obtaining a reservation on this plane prior to the time that Senator Lundeen was assigned a seat upon the plane.

For the purpose of the record, I desire to state, without any reservation whatsoever, that neither Miss Turner nor Mr. Pesci were engaged in any investigation of Senator Lundeen at this or any other time. Miss Turner was proceeding on a vacation trip to Cleveland, Ohio. Agent Pesci was proceeding to his first office of assignment, stopping over in Pittsburgh to visit his sick father. Mr. Pesci and Miss Turner were not, to my knowledge, acquainted with each other and neither one knew the identity of the other.

While inquiring concerning this data, I also made inquiries concerning the travel of Mr. William Garbose, an attorney of the Criminal Division of the Department of Justice, who has been alleged to have been engaged with Agent Pesci and Miss Turner in conducting an investigation or surveillance of Senator Lundeen. I must point out, first, however, that Agent Pesci was not acquainted with Mr. Garbose and that Miss Turner was not acquainted with him, and I doubt that Mr. Garbose knew the identity of either Agent Pesci or Miss Turner.

According to Mr. M. E. Cole, reservation manager of the Pennsylvania-Central Airlines, Mr. William Garbose, of the Department of Justice, telephoned between 6 and 7:30 p. m. on August 30, 1940, and requested a reservation on the 11:35 a. m. plane on August 31 to Milwaukee, Wis. Mr. Garbose was advised that this plane was completely sold out but that his name would be placed on the waiting list. Mr. Garbose's name was placed on the waiting list for the 11:35 a. m. plane. There were no cancelations on this plane, however, and Mr. Garbose was unable to obtain space. He contacted Mr. Cole by telephone on the morning of August 31, 1940, and was finally given space on flight 19 after a cancelation of a previous space on this plane. It will be noted from the photostatic copy of the passenger reservation list which is attached hereto that Garbose was interested in going to Milwaukee and the airport employees obtained train schedules for him as set forth in the space-released column under No. 18. It may be further noted that the daily report of ticket sales for August 31, 1940, indicates that Mr. Garbose purchased his tickets for cash.

I thought that this data would be of some value and assistance to you in connection with this matter, and I would appreciate your bringing the contents of this letter to the attention of those of your colleagues who are interested in this matter.

Sincerely,

J. EDGAR HOOVER.

ACTIVITIES OF FOREIGN AGENTS AFFECTING NEUTRALITY

Mr. CLARK of Missouri. Mr. President, yesterday I gave notice that today, when I could obtain the floor, I intended to move to discharge the Committee to Audit and Control the Contingent Expenses of the Senate from the further consideration of Senate Resolution 186, generally known as the propaganda resolution.

I have conferred with the majority leader about the matter, and we are both convinced that it is very doubtful that a quorum is in the city at the present time. Inasmuch as a very important matter is involved in the consideration of the motion to discharge the committee, I shall not make the motion at this time, but give notice that at the first opportunity after the conclusion of the recesses I shall make the motion and press it.

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, if there be nothing further, I shall move that the Senate proceed to the consideration of executive business.

Mr. HOLT. Mr. President, does the Senator intend to move for a recess at the conclusion of the executive session? I desire to address the Senate for a short time. If the Senator will move to have an executive session, and at the conclusion of the executive session move that the Senate

resume the consideration of legislative business to allow me to discuss the matter which I should like to discuss, I shall appreciate it very much. Does the Senator object to resuming legislative session at the conclusion of the executive session?

Mr. BARKLEY. I have no objection.

I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations and a convention, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The ACTING PRESIDENT pro tempore (Mr. McKELLAR), as chairman of the Committee on Post Offices and Post Roads, reported favorably from that committee the nominations of sundry postmasters.

If there be no further reports of committees, the clerk will state the nominations on the calendar.

POSTMASTER—THOMAS E. TRULOVE

The legislative clerk read the nomination of Thomas E. Trulove to be postmaster at Inglewood, Calif., which had been previously passed over.

Mr. JOHNSON of California. Mr. President, I ask that the nomination be passed over.

The ACTING PRESIDENT pro tempore. Without objection, the nomination will be passed over.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The ACTING PRESIDENT pro tempore. Without objection, the remaining nominations of postmasters are confirmed en bloc.

That concludes the calendar.

Mr. BARKLEY subsequently said: Mr. President, earlier in the day we had an executive session and confirmed some appointees; but there are on the Executive Calendar a number of nominations of postmasters in New Jersey whose confirmations have been held up. I ask unanimous consent, as in executive session, that the postmaster nominations in New Jersey which have been held up may now be laid before the Senate, and that the nominations be confirmed.

The ACTING PRESIDENT pro tempore. There are several nominations from other States which have received the approval of the Senators from those States in all cases, including the eighty-odd from New Jersey.

Mr. BARKLEY. I ask that they all be confirmed en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations referred to are confirmed en bloc.

Mr. BARKLEY. I also ask unanimous consent that all resolutions of confirmation in the hands of the Secretary of the Senate be transmitted forthwith to the President of the United States.

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

LEGISLATIVE SESSION

Mr. BARKLEY. Mr. President, the Senator from West Virginia [Mr. HOLT] may speak in executive session if he so desires. It is not necessary to resume legislative session unless he prefers to do so.

Mr. HOLT. I prefer to speak in legislative session.

Mr. BARKLEY. I move that the Senate resume the consideration of legislative business, if any.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

OWNERSHIP OF WAR STOCKS

Mr. HOLT. Mr. President, time after time on this floor I have discussed certain individuals whom I have called "p-a-y-t-r-i-o-t-s." I have watched with much interest the record of Gov. Herbert H. Lehman, of New York, and I have noticed his activity in behalf of our involvement in war. I feel that the people of the United States have a right to know some of the background of Governor Lehman and his connection with war industries.

As we all know, Lehman Bros. own the Lehman Corporation. The Lehman Corporation is an investment trust which has money invested in various industries in this country. I find that during the year 1939, according to its portfolio of stock, the Lehman Corporation bought 3,000 shares of Bendix Aviation stock. We all know of the great amount of aviation business as a result of Government contracts. Between January 1 and July 1 of this year, the same Lehman Corporation, owned by the Lehman family, of which Gov. Herbert H. Lehman is a member, has increased its holdings of Bendix Aviation stock to 5,000 shares.

What else has it bought? In the past year the Lehman Corporation has bought 12,500 shares of Chrysler stock. We know that on the 15th of August of this year the United States Government gave to the Chrysler Corporation one order for $54,000,000 worth of tanks, and many, many smaller orders.

What else did the Lehman Corporation buy? Let us see if Lehman Corporation is disinterested in this war. Let us see why Gov. Herbert Lehman is helping to create hysteria throughout the country. He has actually said in private conversation—not publicly, of course—that he feels we should go into the war.

What else did the corporation buy? In the past year the Lehman Corporation has purchased 3,000 shares of Electric Auto-Lite stock; and between January 1 and July 1 of this year this firm increased its stock holdings of Electric Auto-Lite Corporation from 3,000 to 6,000 shares.

Why do I mention Electric Auto-Lite? Because the Electric Auto-Lite Co. makes small arms for the United States Army. Is the Lehman Corporation disinterested in this war drive?

Let us see what else the Lehman Corporation has bought. In the last year the Lehman Corporation has increased its stockholdings in Firestone Tire & Rubber by 7,100 shares. Firestone Tire & Rubber has quite a number of contracts with the Army and the Navy.

What else did the Lehman Corporation buy in the last year? It bought 10,000—not 1,000 but 10,000—shares of Yellow Truck & Coach. What do they say in their discussion of Yellow Truck & Coach stock. They say:

> Greater foreign and domestic military demand is the major factor in the earnings of this company.

Every time the United States Government gives the Yellow Truck & Coach Co. a contract it means more money for the Lehman Corporation, of which Gov. Herbert H. Lehman and his brother are large stockholders.

Mr. President, I do not want to detain the Senate long, but I am going to put in my remarks the contracts given by the United States Navy and the United States Army to the corporations of which Lehman Bros. have bought much stock in the last year.

(See exhibit A.)

LEHMAN CORPORATION INVESTS IN AVIATION

What else did they buy? They bought 76,000 shares of Aviation & Transportation Co. stock. What does Aviation & Transportation Co. stock mean? It means the Columbia Axle Co., the aviation corporation which controls Vultee Aircraft, which has an order for $35,000,000 worth of military aircraft alone. It owns Lycoming Motor Co.; it owns Stinson Aircraft. What else does the Aviation & Transportation Co. own? It has a part ownership in the New York Shipbuilding Corporation? What does the New York Shipbuilding Corporation mean in this defense item? The New York Shipbuilding Corporation has received from the United States Navy contracts for more than one-half billion—not million—but one-half billion dollars. Every time the New York Shipbuilding Corporation gets a contract from the United States Government it means money to Lehman Bros. and the Lehman Corporation.

Now let us see what else Lehman Bros. bought or the Lehman Corporation has bought in the last year. They bought 900 shares of Lockheed Aircraft. I do not think it is necessary to say any more about that. Every time Lockheed gets a contract from the Government it means money for Gov. Herbert H. Lehman.

Now let us see what else it bought. It bought 2,000 shares of Dow Chemical. We all realize the value of chemical stocks in preparation of war.

What else did Lehman Corporation buy? It bought 1,000 shares of Du Pont, which has orders for much powder from the United States Government.

What else did it buy? It bought 1,200 shares of Hercules Powder Co. stock, a company which sells powder for war purposes and which the Wall Street Journal has called a war baby.

Let us see if Lehman Corporation is entirely disinterested. Let us see if Gov. Herbert H. Lehman is disinterested in this war angle. What else did Lehman Corporation buy? It bought 1,500 shares of Monsanto Chemical Co., with its English subsidiary making money out of the war in Europe.

What else did Lehman Corporation buy? It bought 8,000 shares of Allis Chalmers, which makes engines and has unfilled orders of $25,000,000, much of which is Government. Every time the Government gives a contract in its defense drive to Allis Chalmers it means an increase in the amount of money that goes into the pocket of Governor Lehman.

Let us see what else the Lehman Corporation bought. It bought 3,000 shares of Bridgeport Brass. The Lehman Corporation did not have a cent of Bridgeport Brass stock in January 1939, I understand, but on the first day of this year we find they had 3,000 shares of Bridgeport Brass. What do we find in connection with Bridgeport Brass? We find that the United States Government has given orders for cartridges to the Bridgeport Brass Co. Every time a cartridge is produced it means more pennies for the Lehman Corporation.

Now let us see what else. I am not nearly through; I have much more that I could bring to the attention of the Senate. We all know how Fairbanks-Morse has obtained many orders as the result of the defense program. During the last year Lehman Bros. purchased 2,700 shares of Fairbanks-Morse, which has contracts with the Army and Navy. Between January 1 and July 1 of this year the Lehman Corporation increased their ownership of Fairbanks-Morse stock from 2,700 shares to 5,000 shares.

What else? Lehman Corporation has bought 5,000 shares of Mueller Brass Co. Mueller Brass Co. has quite a number of contracts with the United States Government in the defense program.

As I have said, as a part of my remarks, I am going to show these contracts, but I do not want to detain the Senate by reading them in full. But I have the exact dates and records to prove my statements.

What else has Lehman Corporation bought? It bought 500 shares of Aluminum, Ltd., and 1,500 shares of Aluminum Co. of America. I wish I could read the dozens and dozens of contracts which the Aluminum Co. has obtained from the Army and Navy of the United States.

I am advised that Lehman Corporation has since the first of the year acquired 8,000 shares of Borg-Warner. This company has been awarded several substantial defense contracts by the Army and the Navy.

What else did the Lehman Corporation buy? It bought 5,000 shares of Freeport Sulphur. We all know the value of sulphur in time of war in the production of sulphuric acid, in the making of steel and also in the development of chemicals. The Lehman Corporation bought 5,000 shares of Freeport Sulphur and 4,500 shares of Texas Gulf Sulphur, which has a direct war connection.

What else did the Lehman Corporation buy? It bought 2,300 shares of Hudson Bay Mining & Smelting Co., 700 shares of St. Joseph Lead, both war stocks.

NEGOTIATED CONTRACTS

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

The PRESIDING OFFICER (Mr. VAN NUYS in the chair). Does the Senator from West Virginia yield to the Senator from New Hampshire?

Mr. HOLT. I yield.

Mr. BRIDGES. Does the Senator know whether or not some of the companies he mentions as having acquired large Government contracts have been given them by competitive bidding or whether they have obtained them under the so-called negotiated contracts without bidding? Is he familiar with that situation?

Mr. HOLT. Yes; quite a number of them are negotiated. For instance, in the case of the Bethlehem Steel Co., I will refer first to the New York Shipbuilding Corporation, some of the stock of which is owned by Aviation & Transportation, received contracts for three light cruisers at $17,164,500 each, and were guaranteed a profit of $1,493,300 on each cruiser, and part of that profit went to Lehman Corporation because of its ownership of Transportation & Aviation stock. The New York Shipbuilding Co. was awarded this by negotiated contract, not by a competitive bid. That is the New York Shipbuilding Corporation, with which Lehman Corporation has a connection.

What else? The Senator from New Hampshire asked me if there were any other negotiated contracts. I find negotiated contracts with Fairbanks-Morse, of which Lehman Corporation owns considerable stock. I find a negotiated cotract, with profit guaranteed, to the Bath Iron Works, and in the last quarter, according to the statement of the New York Herald Tribune, Lehman Corporation has acquired 2,400 shares of Bath Iron Works stock. What kind of contracts have the Bath Iron Works? Let me indicate to the Senate. They have negotiated contracts for six destroyers at $6,267,900 each, with a guaranteed profit of $545,300 each.

BUYS STEEL STOCKS

Mr. President, I desire now to refer to the acquisition of some more war stocks by the Lehman Corporation, in which Gov. Herbert H. Lehman, whom the President called his strong right arm, is interested. Let us see what they own. They have acquired in the last year 10,000 shares of Bethlehem Steel, 6,000 shares of Republic Steel, 19,000 shares of United States Steel, 4,000 shares of Youngstown Steel, all of which are making profits out of Army and Navy contracts. The Senator from New Hampshire asked me if any of the contracts were negotiated. Let me tell him of some of the negotiated contracts.

The Bethlehem Steel Corporation, of which the Lehmans are a stockholder through Lehman Corporation, and an interested party, has received contracts—negotiated contracts, not competitive contracts—for four heavy cruisers at $21,746,600 each, and the Bethlehem Steel Corporation was guaranteed a profit of $1,871,400 on each of the cruisers to be built by it. That is not all. They had a contract for four light cruisers at $17,101,400 each, and were guaranteed a profit on that contract of $1,471,600.

What else was negotiated? Two destroyers at $6,842,200 each, with a negotiated profit of $588,800 on each of the destroyers. I call attention to the fact that this was the company of whose stock Lehman Corporation purchased 10,000 shares. Did they know, did they have any inkling from inside, that Bethlehem Steel was to get these contracts?

Let us see what else was negotiated: Two destroyers at $5,503,400 each, with a negotiated profit of $473,600 each—a negotiated profit, guaranteed by the United States Government; no risk at all; the profit guaranteed.

(See exhibit E.)

So, we may go through these things; and we find, as I say, that as the profits came into these "war baby" stocks the profits drained to Lehman Corporation, and in turn drained to Gov. Herbert H. Lehman, who has been going all over New York trying to incite hysteria for American involvement in war, knowing that when America is involved in war it means

more war business for the corporations in which he himself has a financial holding.

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

Mr. HOLT. I yield to the Senator from New Hampshire.

Mr. BRIDGES. Did the Senator happen to read the speech which Mr. Lehman, as Governor of New York, delivered to the Democratic State convention?

Mr. HOLT. No; I have been too busy to do that.

Mr. BRIDGES. I may say in passing, as long as the Senator is talking about Governor Lehman, that his reference there to the Republican candidate, and his reference to this Presidential contest as being a contest between Mr. Roosevelt and Hitler, was the cheapest demagoguery and the most reprehensible talk I have ever read. It is not in keeping with what should be the attitude of the Governor of any State of the Union, let alone the great State of New York.

Mr. HOLT. I desire to say to the Senator from New Hampshire that many of these individuals who become very patriotic and slur and call anybody pro-German who wants to look into these contracts, had better be watched very closely. I hope the American people will really look into these war contracts. They will find that a great deal of the present political move is specifically tied up with these war profits. Of course, we cannot secure an investigation now. If we ask for an investigation we are told, "You are against defense." What some of us want is plenty of defense; but we want every dollar that is spent for defense to go to defense, and not have 80 cents spent for defense and 20 cents spent for political favorites. We want real protection, but we are not going to have protection when contracts are negotiated with favored concerns whose stockholders are important parts of the Democratic machine.

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

Mr. HOLT. I yield to the Senator from New Hampshire.

Mr. BRIDGES. Perhaps the Senator will answer me on this point:

Of course, if Mr. Roosevelt, as President—that great international authority, by his own thought and regard and by the admission of some of his New Deal cohorts—had had the vision and the foresight that a President of the United States should have had, he would have been planning this preparedness program over a period of years, rather than rushing it as he has had to do in the past 2 or 3 months, and negotiating contracts. If it had been started at the proper time and done in an orderly fashion there would not have been any excuse in the world for negotiating contracts, because they could have been put out to bids, and persons could have been awarded contracts on the basis of merit and cost.

Mr. HOLT. I desire to say to the Senator from New Hampshire that this so-called speed is only an excuse to cover negotiated contracts. We all know why contracts are negotiated. They are not negotiated to increase speed. Time will prove that the war profiteering coming out of negotiated contracts at this time will make the profiteering of 1917 look small in comparison. Let me make the prediction now on the floor of the United States Senate that when the actual facts are known by the American people they will find graft and corruption and favoritism clear through and through this defense program. No; it is not some of us who are fighting for actual defense who are holding up the defense contracts. It is riddled with politics, favoritism, and, I think time will prove, with graft.

Why should these contracts be negotiated? Why should they not be let by competition? You know and I know why, and time will prove it.

But let me go back to the Lehman Corporation, because the Lehman Corporation, through Governor Lehman, seems to be so much interested in national defense. I give him credit for being intelligent. He seemed to know what corporations were to get Government contracts. Of course he is not officially connected with Lehman Corporation now. He still has his holdings there, however; and the corporation is in the family, just like some other things that I might mention, but I shall not.

Referring to what they bought, let us see:

We find that they own 700 shares of American Locomotive preferred and 9,000 shares of American Locomotive common, an increase of 4,600 shares in 1939. In 1939, American Locomotive did not pay a cent dividend on its preferred stock. In 1940, with Government contracts for gun carriages, artillery carriages, and the like, American Locomotive earned their preferred stockholders $3.35 a share, as compared to nothing in 1939.

What else do Lehman Corporation own? They own $347,000 in Baldwin Locomotive bonds, and 1,905 shares of Baldwin Locomotive preferred stock. In 1939 the preferred stock did not pay a cent dividend, but in 1940 it earned $26.80 a share. Baldwin Locomotive has received millions of dollars of Government contracts, and every time a profit is made on one of those contracts Lehman Corporation gains therefrom.

You may go on through, and you will find, as I say, corporation after corporation showing the interest of Lehman Corporation in these defense contracts.

Mr. President, I desire to put in the RECORD also a list of the holdings of Lehman Corporation as shown by their portfolio, and show the prior earnings of the stock as compared with the earnings after the corporation had received part of the war profits. (See exhibit B.) No wonder Governor Lehman traveled over New York State with the President of the United States trying to incite the idea of defense, because every time expenditures were made for defense it meant a few pennies or a few dollars for Lehman Corporation.

LEHMAN INVESTMENT IN SOUTH AFRICAN COPPER

That is not all. We find, when we start looking into the facts, according to the book on nonferrous metals by Eliott, May, Rowe, Skelton, and Wallace, that Lehman Bros. have large financial holdings in South African copper.

South Africa is a country at war. Is Governor Lehman a disinterested party? Oh, of course he is going to wave the flag to the skies. He is going to wave the flag while Lehman Corporation keeps getting dividends as the result of war contracts. That was the case in the last war; and when the elder Senator La Follette and other Senators asked for an investigation of the war contracts, they were laughed at, and the matter was passed aside; but we noticed that many of the individuals who waved the flag and called for defense in 1916 and 1917 were getting contracts and getting money therefrom. We found the profiteering long after the war, long after the taxpayers had paid the bill. Just recently a case was being tried about war profits from the war of 1917–18. Let us check these matters now. Let us not throw aside the protection for the people. Let us not duplicate the experience of the war profiteers and the making of twenty-odd thousand millionaires. We all want speed in building our defense, but it is not necessary to let down the protections which the last war proved so necessary.

I want the American people to know the background of some of these patriots—let me say again, "p-a-y-t-r-i-o-t-s," with the accent on the "p-a-y." Let us see about some of the other individuals who seem to be so particularly interested in involvement and intervention in war.

FRANK ALTSCHUL

Frank Altschul is president of the General American Investors' Co. and an officer of Lazard Fréres, which also has a connection with the Lehman family. I understand Mr. Altschul is connected with the Lehman family. What did they buy in the last year? Let us see their holdings:

One thousand seven hundred shares of Allied Chemical & Dye, 1,000 shares of Aluminum Co. of America, 4,000 shares of American Brake Shoe & Foundry, 3,000 shares of American Car & Foundry, 5,000 shares of Bendix Aviation, 10,000 shares of Bethlehem, 7,500 shares of Chrysler, 5,000 shares of Consolidated Aircraft, 8,000 shares of Du Pont, 10,000 shares of General Motors, 4,000 shares of Glenn L. Martin, 3,500 shares of Monsanto Chemical Co., 8,000 shares of United Aircraft, 12,000 shares of United States Steel, 6,000 shares of Westinghouse.

Contract after contract has been let to these corporations, and that means profit to the General American Investors Co. and to Frank Altschul, who is calling for more intervention in the war. He is a sponsor of the William Allen White Committee.

COL. HENRY BRECKENRIDGE

Another one of the individuals who has investments with companies which have contracts is Colonel Breckenridge, who called for the draft, who is going through the country trying to create a spirit of hysteria for war, and says himself that he believes we should be in the war. Colonel Breckenridge is a director of Aeronautical Securities, Inc. He was a director and founder. Let us see what they had their money invested in.

The following is a list of the increases of their holdings during the last year:

800 shares Bendix Aviation.
700 shares Douglas Aircraft.
100 shares Ex-Cell-o Corporation.
500 shares Fairchild Aviation.
100 shares Grummann Aircraft.
400 shares Irving Air Chute.
1,300 shares Lockheed.
1,200 shares Glenn L. Martin.

Every time a bomber is built it means more money to the Aeronautical Securities Co., and in turn more money for Col. Henry Breckenridge. No wonder he wants war. Let us see what else they had their money in:

500 shares North American Aviation.
200 shares Polick Manufacturing.
700 shares Sperry Corporation.
900 shares United Aircraft.
600 shares Curtiss-Wright "A."

(See exhibit C.)

As we go through those stocks, we find millions and hundreds of millions of dollars worth of contracts with profits.

FRED M'KEE AND CASKETS

It may be quite ironic to also cite another man who is treasurer of the William Allen White committee, a man by the name of Mr. Fred McKee, of Pittsburgh. He is not only treasurer for the William Allen White committee, he is treasurer for the National Casket Co. That is a good job for a man who is treasurer of a committee that wants to get us into war, because if we go to war we are going to need plenty of caskets, not to be filled by these individuals like McKee and Breckenridge and Lehman, but by American boys who have not a thing involved in the war except their lives.

Speaking of Fred McKee, I shall insert in the RECORD here from the Ohio Valley Labor News an editorial entitled "Caskets for Whom, When, and Where?" See exhibit F. It discusses how the Government is looking around for caskets. It says that Major Ginsburg is just looking around to see if we do not have to have more caskets, and it quotes him as follows:

After all, if you have 1,000,000 men under arms, even in peacetime you are going to have some casualties; some men are going to fall off trucks and have other accidents and illnesses.

That is not why they are going to have caskets, because the men are going to fall off trucks. Everyone knows they are going to have caskets because this drive is to get us into war. Men are going to be killed by cartridges made by companies from which the Lehman Corporation is getting its pennies and its dollars of profits.

I call a spade a spade here, and I intend to continue to do that, but I want to say that I am not afraid, and I challenge anyone to deny any statement I have made about this matter.

Who else is in this so-called interested group? Let us look. A few days ago when the Senator from Missouri was talking about Ward Cheney I did not know why Ward Cheney was interested in the William Allen White committee, the transfer of the destroyers, and those things. I thought I would ascertain who Ward Cheney was. I knew he was connected with Cheney Bros., who are in the silk business, but I decided to look into the matter to see what Cheney Bros. are getting out of war, getting out of the defense contracts.

WARD CHENEY

Since the war started, according to Moody's Investment Service, Cheney Bros. got a contract for $133,800 for parachute silk, another for $67,000, another for $135,000, another for $156,000, and, according to the Department of Labor, they received also contracts for the Army and Navy, one for $15,557.50, another for $18,150, another for $56,350, another for $90,225, and another for $15,400.

Those are contracts under the defense program, and Ward Cheney is out waving the flag, telling why we should go to the aid of Great Britain, and why we should have all these airplanes. Airplanes mean there must be parachutes, and parachutes mean silk, and when the Government buys silk, it buys it from Cheney Bros.

So when we look back into the record of these individuals like Governor Lehman, like Fred McKee, and like Frank Altschul, and like Ward Cheney, and many others, we see that their investments are in war stocks. The American people have a right to know these things.

When I say these things I am not fighting defense, but I want the American people to know who are getting the contracts, and show that these individuals are not interested only in the defense of America, but that they are interested also in their dividends—dividends they receive as profits from war contracts.

I do not wish to hold the Senate longer, although I have much material, and I ask to have inserted as a part of my remarks two chapters from the book War Madness, by Stephen and Joan Raushenbush, and an article in the American Federationist, the official publication of the American Federation of Labor, entitled "Dollars versus Defense." I want the American people to have the facts, and when they find out the facts they will discover why some of these individuals wanted to lift the embargo, and why these individuals want war expenditures. These patriots who are waving the flag are also stuffing dollars into their pockets, which all means the death of American boys, but more profit. American boys are being carried out into this profit-motive war.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

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

CHAPTER III—THE PROFITS IN A BIG NAVY

Once you start something you have to keep it going. Once England had acquired India it had to keep up a fleet to protect it. Then it had to build naval bases for the fleet. Then it had to get control of oil lands to fuel the fleet. Then it had to put favorable governments into those oil lands. Then it had to build naval bases to protect them. Then it had to police them and put down revolutions sometimes even by bombing insurgents. One thing led to another in the long history of imperialism.

We have started somewhat the same chain of events with the Philippine Islands as a jumping off place.

We have a swarm of shipbuilding and supply companies who live off the Navy, who live from building warships, and who constantly desire that bigger and better warships be built. We have huge steel, boiler, and electrical companies who make a pretty penny every time our Navy is increased.

It is, of course, possible that the late General Mitchell was right, and that it would take only a few airplanes to demolish any naval vessel which could be built. In that case a big navy would simply be a fraud on any nation's hopes and on the taxpayers of all naval nations. It would be nothing but a subsidy-in-error of hundreds of millions a year to the shipbuilders and the supply companies. In the fall of 1935, when the great ships of the British Fleet were gathered at Gibraltar, the Italian opinion seemed to be that a few bombers could sink them all. From the way the British acted at that time, the conclusion might be drawn that some agreed with that opinion.

Unfortunately, the decision on this question seems to rest with the naval people of the world themselves, and they are a vested interest. In all nations their way to promotion and pay rests on a constantly increasing navy. No group in such a position can be considered impartial. Military men can make mistakes. The German general staff made the colossal errors—from the angle of a desired German victory—of not forcing the attack on Paris in the early days of the World War and not bothering to secure the Channel ports when they were undefended. The French kept their soldiers in bright blue and red uniforms, walking targets, for a long while, and started to dismantle the fortress of Verdun. The English stuck to rifles and bayonets long after the machine gun had outdated those weapons.

To the lay mind the late Gen. William Mitchell's contentions that big ships are simply foolish from the military angle, has some appeal. The statesmen of England and France seem to be agreed that nothing can stop great bombers from getting over cities and blowing them up. If they are correct in that, it would seem to be only a matter of a few technological improvements in bomb sighting before the same bombers could blow up a warship with the same

ease and freedom from interruption, even at a great height in the air above the ships. And, always there is the possibility of a power dive down onto a ship, in the course of which a hundred-thousand-dollar plane plus one man might account for a forty-million-dollar battleship with a thousand men.

When England brought out her dreadnoughts in 1906, the other nations of the world, and England herself, had to begin all over again and scrap what they had. The airplane bomber may be the equivalent of the dreadnought, but the nations of the world may not yet have been allowed to find it out. If that should, by chance, be true, the nations of the world including the United States are pouring vast sums down a rat hole.

Meanwhile, however, there is money in big navies. There are vested interests which want them to grow bigger and bigger, regardless of the effect of such increases on world peace. Just as before the World War, every big-navy speech in Germany was seized on in England and was a cause for stock-market increases in British shipbuilding and steel stocks, so today the naval munitions makers of Japan appreciate to the full all our big Navy talk, nor are we slow to capitalize their big-navy talk. In fact, there might even be developed a kind of international etiquette about it. For so much provocation afforded Japan, our interests would have a right to receive a like amount in return. It would help the business on both sides of the Pacific. That kind of etiquette seemed to prevail between France and Germany before the World War. Whenever French papers could be prevailed upon or bribed to talk of new French armament, the German munitions people capitalized the news into more orders for themselves and thanked whatever gods they worshipped, and vice versa. In the end enough fear, hatred, and suspicion had been engendered so that the people of the two nations went to war readily, but in the meantime business had been good. When the war came, of course, it was better.

The way the Vickers-Electric Boat combination worked this trick in Chile and Peru has been indicated. Basil Zaharoff, who was connected with both companies, used it on Greece and Turkey. Nothing scares the people of a nation so effectively as the armaments of a neighboring nation. The people who have arms to peddle are very reluctant to admit that in this way their business differs from other kinds of business. The English businessmen who made and sold textile machinery to India probably did more to ruin England's great textile center, Manchester, than the German battleships could ever do, but the people of Manchester grow a hundred times more incensed at an increase in the German Fleet than at the activities of fellow-British manufacturers that ruined them. A new mechanical cotton picker may do more to ruin our South than the capture of all China by Japan, but the chances are that an able demagogue could arouse in the cotton pickers a hundred times more hatred and fear of the yellow peril than of the cotton picker.

During the World War the private shipyards could not make anything like the number of warships we needed. We had to set up Government yards, and tried to make ships like automobiles, on a mass-production basis. The shipbuilders, however, made some fine profits and wanted to keep on making them. After the Armistice was signed, and the war was supposedly at an end, the keels for 91 destroyers were laid down in private yards, a gift of $181,247,000 to the shipbuilders. A year later the Navy was willing to sell these ships for $100,000 apiece, completely armed, to Peru, and would have done it if the Electric Boat Co. and our own Cabinet had not objected. The submarine company was trying to sell some destroyers for $230,000 and the Cabinet held the strange notion that increased navies might cause war.

In wartime people are supposed to put their country before their own interests. The Senate munitions committee officially found "that the record of the present shipbuilding companies during the war, wherever examined, was close to being disgraceful." * * *

"They made very considerable profits. On Treasury audits they showed up to 90 percent. They secured cost-plus contracts and added questionable charges to the costs. They took their profits on these ships after the wartime taxes had been repealed. They secured changes in contract dates to avoid war taxes. They bought from the Government, very cheaply, yards which had been built expensively at Government costs. In one case this was prearranged before the yard was built. One yard did not build necessary additions until it was threatened with being commandeered. Knowingly exorbitant claims were filed against the Government for cancelation. Huge bonuses were paid to officers. Profits were concealed as rentals." * * *

"The committee finds no assurance in the wartime history of these companies to lead it to believe that they would suddenly change their spots in the case of another war."

After the Washington Naval Conference of 1922, one company (Newport News) put in a bill to the Government for $14,973,000 for stopping its construction of two cruisers and a battleship. At the same time the company's president wrote to the company's owner that he was willing to take $6,616,000. The claim for the extra $8,357,000 was just patriotism. Treasury agents figured that the net profits of this company, in 1917, were 90.6 percent, but the company and the Treasury were never able to agree on the investment figure for the company. Bethlehem Steel, which was accused by the Government of "perpetrating a gross fraud" in the cost of ships it built for the Emergency Fleet Corporation, paid a bonus to Eugene Grace, the president, of $2,887,725 during the years 1917 and 1918. Mr. Grace, reminded that the doughboys were getting $465 a year, said these bonuses had been a great inspiration to him. When we entered the war Charles Schwab made a grand gesture of offering the Bethlehem plant to the Government, but after the war Admiral Bowles was stating "We wish to place on record the fact that the Bethlehem Shipbuilding Corporation's representatives have insisted on comparatively high prices for these vessels; that they have only with difficulty been persuaded to quote us on the types of ships referred to, and their attitude has been characterized by the arbitrary refusal to stand behind delivery dates."

After the wartime building had been stopped by the Washington Conference there was a lull in naval shipbuilding until 1926. The interest of the American shipbuilders in wrecking the Geneva Naval Conference of 1927 is described in chapter IV. The extent of their interest in our having a big fleet if they didn't make all the money out of it themselves may be indicated by a letter which the vice president of Newport News wrote in 1928 to New York Ship and Bethlehem Shipbuilding, the other members of the Big Three, when the proposition was being made in Congress that half of the new cruisers should be built in the Government's own navy yards. "I think it will be better for the Government and for the shipbuilding industry to kill the Navy bill entirely rather than use it for building up further Government competition with the shipbuilding industry."

But even before we began building ships after the Geneva Conference, there was agitation for new ships. The Navy League, which was a front for the Navy on various occasions, and for the various shipbuilding and shipping interests on others, took part in this agitation. Navy Day was used as a threat against Congressmen who voted against building more ships. For years the officers of steel and shipbuilding companies were State chairmen of Navy Day. Officials of the Navy seemed to understand clearly enough that Navy Day was for the purpose of defeating such Congressmen as did not agree subserviently with the Navy's ideas about its growth. R. E. Coontz, signing himself Rear Admiral, United States Navy, wrote the Navy League: "If your office would make a map, taking the congressional districts * * * and see where the dark spots are that we have never had any votes from and send speakers particularly to those districts next October we would certainly get some results. We have made such a splendid showing in the South this last campaign that it should not be neglected, and we should attempt to regain the lost votes, particularly in Pennsylvania, New Jersey, Ohio, and Illinois."

Navy League letters in the 1920's show the purpose of Navy Day very clearly. Writing to a naval officer the League's secretary said: "I think it is particularly important that we have a good Navy Day celebration in Georgia this year, because only half of the Representatives from that State voted favorably on the Britten bill, authorizing the eight new light cruisers and the modernization of our older battleships. This is a great improvement over the previous test vote * * * and I am encouraged to believe that * * * Navy Day is partly responsible for the improvement."

When the sentiment finally was worked up to the building of new cruisers in 1927, the three big companies seem to have gotten together and decided that each would get one of three cruisers to be allotted to private yards. Bethlehem got one, New York Shipbuilding one, and Newport News received one and an additional one the Navy decided to give to the private yards. On its two, the *Augusta* and *Houston*, the first rewards from the wrecking of the Geneva Conference, Newport News made 35 percent profit. Bethlehem made 25.4 percent on the *Northampton* and New York Shipbuilding made 36.7 percent on the *Chester*.

These figures, the companies' own, were not made public until 1935. Meanwhile, the Navy had obligingly been telling committees of Congress that the profits of the private shipbuilders on these cruisers were low, specifically offering to the House Naval Affairs Committee an itemized tabulation showing that the profit to New York Ship on the *Chester* was only $983,000. A few months after that, the company, on its own figures, admitted that its profit on that ship was $2,946,706. In some other country this action by Navy officials might, at least, have called forth a reprimand, but we seem to accept the partnership of the shipbuilders with the Navy in such affairs as a matter of course.

The years 1927 and 1928 were great years for the shipbuilders. They spent money in lobbying, about $140,000 of which has been more or less accounted for, and got back millions in subsidies for a merchant marine. Later, the shipowners' counsel, the man reported to have written the Jones-White subsidy bill, told representatives of the Navy League that the shipowners ought to make a contribution. "They are all tightwads, the whole crowd. * * * They have certainly raked in enough millions to contribute $7,200 a year without feeling it at all."

There was much talk in the companies about getting bills through, placing Congressmen on the proper committees, and generally running things. Mr. Shearer was back with the triumphs of Geneva on his shoulders and claiming that "as a result of my activities during the Sixty-ninth Congress, eight 10,000-ton cruisers are under construction. Further, that owing to the failure of the tri-power naval conference at Geneva, there is now before the Seventieth Congress a 71-ship building program costing $740,000,000." He boasted that the shipbuilders were "delighted with the results," and published The Cloak of Benedict Arnold, paid for by the shipbuilders, in which Franklin D. Roosevelt, President Pendleton of Wellesley, Ralph Pulitzer, Colonel House, and others were grouped together as traitors to the country, knaves, and fools. This was the development of a technique later used most extensively. All those who doubted that ultimate wisdom and truth about national defense and peace lay with the Army, the Navy, the shipbuilders, or other munitions makers, were simply branded as pacifists, Communists, or internationalists.

Shearer was boasting that he had gone to Geneva originally at the request of Admiral Pratt, and his many other contacts with the Navy, as he later described them, generally gave the impression that he was one of the Navy's own agents, although he was paid by the shipbuilders, Mr. Hearst, and others.

It was at this time that New York Shipbuilding was having its taxes for 1922–25 lowered from $14,500,000 to $5,705,000 by a half-hour audit, and a proposed congressional investigation was welcomed by the company's vice president as follows: "Publicly, of course, we could not say other than that we welcome an investigation. * * * There is altogether too much dynamite in a congressional investigation, and we are altogether too vulnerable from the standpoint of political attack to leave anything undone which will forestall the investigation."

When more cruiser contracts were to be let in 1929, the Navy called for bids for both one and two cruisers. Unanimously the Big Three yards declined to bid on two, and each bid on one only. Newport News, which was in process of making 35 percent profit on the cruisers it had, jumped its 1927 bid by $488,000, and admitted later that it did not expect to get the ship. Bethlehem was given the *Portland* and New York Ship the *Indianapolis*. On these they made 21.8 percent and 33.4 percent profit, respectively. In 1930, Newport News made up by getting the aircraft carrier *Ranger*, and on that, too, it is doubtful whether the three companies were bidding against each other very seriously. On that, Newport News made 23.1 percent profit according to its own figures.

In 1931 the Washington representative of a company building destroyers, Bath Iron Works, of Maine, wrote about the fine zeal of the shipbuilders: "I understand this morning after the [appropriation] bill went through every east-coast yard had its representatives in Washington with their tongues hanging out and all teeth showing ready to fight for their share of the plunder, and the only thing that stopped the west-coast yards from being here was the fact that they couldn't come bodily by telegraph."

The cruiser that year was the *Tuscaloosa*.

Strange things happened. All three companies bid. Newport News found out that it would cost them $355,000 less to build it than they estimated in 1929, but instead of lowering its bid under the one it had made in 1929, it raised it $170,000. Its bid was $658,000 higher than on the ship in 1927, when it made 35 percent profit. That put it out of the running. New York Ship got the cruiser.

When 1932 came, a competitor, United Dry Dock, entered this field which was so profitable to the Big Three. Since the cruiser-building game had started in 1927 the score was Newport News, $36,488,000; New York Ship, $32,228,000; Bethlehem, $21,428,000. It was Bethlehem's turn. Bethlehem, in the face of real competition, dropped its bids $2,499,000. The two other companies dropped their bids in this one case an average of $1,242,000. It was a depression year. The difference between the first figure and the second, about $1,257,000, was the benefit to the Government in having a real competitor in the field for once. Bethlehem got the armored cruiser *Quincy* and it has been a headache to the Navy ever since.

When 1933 came, the Navy went into big business, and there was much rejoicing on all hands. Hardly had the Public Works Administration money been voted when $238,000,000 was allocated to the Navy. Instead of its being a buyer's market when honest competition could bring the price down, as it had in the one year of 1932, it was now a seller's market. There was no more nonsense about low prices, even once. The N. R. A. had been set up, and that was an excuse for high prices, although actually steel shapes were lower in 1933 and 1934 than in 1927–29, and labor only slightly over 1929. But the fact that the United States Navy needed every yard to build the ships was the main reason for the increased prices. Admiral Robinson, the Chief of Engineering, was asked: "They [the shipbuilders] were frank enough to say they were putting up the prices because of the great amount of work at the time?" He replied, "There is no question about that."

One almost needs a chart to show the way the shipbuilders jumped the prices when they knew that the Navy wanted ships badly. It was the war all over again. From 1927 to 1932 the average of all bids for one cruiser was $10,334,000. In 1933 it was $13,870,000 on the same basis, an average increase of $3,536,000. In 1934 the average fixed price bid for a cruiser had jumped to $15,219,000, an increase over the 1927–32 average of $4,885,000.

Some strange things went on in Washington early in 1933, but among the strangest were incidents connected with the shipbuilders' desire for business as usual—only more so. Shipbuilders' prices jumped greatly and jumped together.

Bethlehem had bid on the *Quincy* for $8,196,000 and now got the *Vincennes*, a duplicate, for $11,720,000, a jump of $3,524,000. United, which had entered for a brief moment as a real competitor in 1932, now gracefully dropped out with an increased bid of $5,075,000. It took some destroyers instead of a cruiser. New York Ship admitted it didn't want the *Vincennes*, although it had bid on it. It was trying to get light cruisers instead. So it bid high. Newport News was concentrating on two aircraft carriers, the *Yorktown* and *Enterprise*, and jumped its bid on this cruiser $4,150,000, which took it out of the picture.

Strangely enough bidding on the light cruisers *Savannah* and *Nashville* fitted into the bidding on the *Vincennes* like pieces of a Chinese puzzle. There wasn't much difference in the work to be done in the two types, but Bethlehem jumped its bid for a light cruiser (which it didn't want) by $1,380,000 over its bid for the *Vincennes*. Newport News admitted it was more interested in the aircraft carriers and destroyers than in the cruisers. United showed its lack of interest by bidding even higher on the light cruisers than on the *Vincennes*. The result was that New York Shipbuilding got the *Nashville* and *Savannah*.

Quite a while before the bids were opened, Clinton L. Bardo, president of New York Shipbuilding and president of the National Manufacturers Association, wrote to the chairman of the board of that company about talks between the shipbuilders and representatives of the Navy.

"* * * There was also expressed to us the desire that the builders themselves should get together and agree as far as we could upon what each would bid and then bid on nothing else. The situation as it now stands is substantially as follows:

"Newport News: The two airplane carriers.

"Bethlehem: The 10,000-ton 8-inch cruiser.

"New York Ship: A new 10,000-ton 6-inch cruiser and a distribution of the 8 destroyer leaders."

It came out that way, except that New York Ship received an additional cruiser. Another shipbuilder, Mr. Lawrence Wilder, delivered an envelope to some union leaders before the bidding with exact predictions of the low bidders.

Admirals tried to explain to the Senate Munitions Committee in 1935 that the presence of plenty of bidders meant honest competition, but the figures showed nothing of the kind.

That committee, after months of hearing about the way bids were raised and lowered to give the impression of competition when there was actually none at all, concluded that with certain exceptions "there was no hard-hitting competition" from 1927 through 1934 on most of the ships. "If there was no collusion, there was a sympathetic understanding among the big companies of each other's desires. If there were no conversations about bidding among them, there was telepathy." The result of that lack of honest competition was that the Government has far fewer ships than it would otherwise have. Or, looked at from another angle, the men in the Navy are being paid considerably less than they would otherwise get.

This business of agreement among supposed competitors to force the Government to pay a high price—and give it fewer ships for its money—is not confined to the United States. Vickers and Electric Boat Co. were doing it in other quarters of the world.

Just before Vickers took over another shipbuilding concern, Armstrong's, in 1927, it informed its American friends that it would arrange to have Armstrong put in bids on Admiralty submarines at a price "slightly above ours." Not only was the Admiralty to be fooled but the stockholders as well. "You will notice * * * that Armstrong's had to make a terrible fuss about the Merchant Shipyard, etc., which they are retaining. * * * This, it will be obvious to you, is for the benefit of their debenture and shareholders. For your own private information, the only works they are retaining are the ones we refuse to have anything to do with."

In 1932 Vickers was put in the same position by the admiralty as our shipbuilders were by our Navy in 1927—they had a lot to lose if the Disarmament Conference succeeded. Vickers was to be given an order for a large submarine which would be good only if "Geneva or some other fancy convention" in Vickers' words, did not decide that large submarines were to be abolished as offensive weapons. At the same time, Vickers was getting orders for small submarines, for their Spanish subsidiary "on the pretext that they are purely defensive," in their own language.

Meanwhile, Vickers was being told by Electric Boat to please stay out of the Brazilian market and encouraged to get into the Argentine market. "It may be our policy to support the bid of our English friends (Vickers) in the Argentine and that we may also decide to have a friendly controlled bid put in from Italy. * * * The general idea, of course, is to fix the Italian price a little higher than Vickers' price and if by any chance they should get the order, the profit will be ample to take care of them as well as Vickers and ourselves." At the same time Vickers was handling the Chilean market in the same way. "During the last few days by skillful maneuvering we have managed to get some of our competitors' prices in the Chilean competition put up."

After looking at the way our shipbuilders operated, and their way of looking at our Government as if it were something which was being run for their benefit, the munitions committee made some comments:

National defense should be provided for without profiteering or collusion.

A purely defensive Navy should not be confused with the private necessity of the shipbuilders for private profits. This is a possible consequence of the present close relations between the Navy and the shipbuilders.

Suppliers for the Navy are in a different class from ordinary Government contractors. Their activities ultimately affect our foreign policy.

The Nation should avoid a situation where the Navy goes to the shipbuilders for help in getting increased appropriations and the shipbuilders get a return from the Navy in high profits.

It is plain bad for the Navy to be dependent on those primarily interested in their own profits and "who may be unscrupulously glad to be in a position where they can wrap the flag around those private interests."

Congress must not let the people be confused between the actual needs of the Nation for national defense and the needs of shipbuilders and suppliers for profits.

Either the shipbuilders and suppliers should be policed in moves made by them to confuse public-defense needs with their own profits or the building of warships should be taken away from them.

The naval race between England and Germany before the World War was kept going by steel, shipbuilding interests, and navy leagues.

The record of the shipbuilders during the war was so bad that the committee thought they were not "exactly the right people to allow to hang around very close to the powder keg of international relations."

The private yards cost the Government from $1,569,000 to $2,116,000 a cruiser more than the navy yards.

The Navy doesn't know about private costs or profits.

The profits on the 1927–30 ships, the only ones on which figures were available, were excessive.

The private shipbuilders took advantage of the Navy's needs in 1933 and 1934 and raised prices unjustifiably.

The Navy is dependent upon the private yards for plans and instead of getting less dependent on them is growing more dependent. The statement of one officer was "The Navy's developments of 15 years were handed to the Electric Boat Co. on a silver platter." This dependence on the private yards for plans has resulted in great delay in construction of the ships.

The Navy has failed to use the navy yards as yardsticks to keep down the charges of the shipbuilders.

The shipbuilders and supply companies make up a powerful lobbying force.

The Vinson Act, decreeing that no more than 11.1 percent profit on naval work should be made, is not enforceable and can be easily evaded. The shipbuilders and suppliers have gotten together to set up a process of procedure by which they can bulldoze the Government into actually giving them more than 11.1 percent profit. "If the shipbuilders, boiler manufactures, and electrical manufacturers act in accordance with uniform rules, it will be so strong I think the Income Tax Bureau will have a hard time resisting it," were the words of Mr. Gillmor, president of Sperry Gyroscope Co.

When the Navy started letting the shipbuilders bid, beginning in 1933, at the risk of the Government as far as increases in prices were concerned, it was doing them a great favor and practically giving them cost-plus contracts.

The committee then recommended (and Senator VANDENBERG, of Michigan, introduced) two bills, one to have the Comptroller General examine the estimates and bids of private yards and navy yards and recommend to the Navy whether the bids should be accepted, or the ships should be put into navy yards. This bill (74th Cong., S. 3098) also included a provision against lobbying and proposed to make the Navy independent of the private yards in planning of the ship designs.

A second bill was also introduced (74th Cong., S. 3099) providing that the Navy should not award cruisers to private yards if they proposed to charge the Government over $500,000 more than the cruiser could be built for in a navy yard. Not more than $1,000,000 surcharge was allowed to private yards on an aircraft carrier and not more than $300,000 bounty on a destroyer.

These bills got nowhere. The Navy objected to them.

A year later a majority of the committee's members reported that they favored building all the warships in Government navy yards, leaving tankers and auxiliary craft to the private yards. In 1937 a bill to do this and to transfer other munitions manufacture from private companies to Government arsenals was introduced by Senator NYE.

CHAPTER VI—UNITED STATES PRODUCTION OF MUNITIONS

Since 1935 England has been rearming at a great rate. She felt herself obliged to do this in order to catch up with Italian and German preparations for war. It seemed to her statesmen like a race with death. After 2 years it became clear that the program was going very slowly, in spite of huge appropriations and a national desire to be armed rapidly. In 1937, Drew Pearson, in London, offered an explanation of this fact.

"The reason for Britain's arms program bogging down is not the pacifism of British leaders, but the conservatism of British industry. British factory owners still insist on 15-percent profit on arms orders, whereas France has nationalized its munitions plants, and Hitler and Mussolini squeeze the big industrialists."

To some mighty words once uttered by Chancellor Philip Snowden, "Let the world come against her, England stands there still," one might now add, "waiting for 15-percent profit."

The first reason advanced for Government production of munitions is the fact that private munitions companies hold the Government up for high profits in peacetime.

When the big Navy program began in 1933, they did it, and the Navy knew and said they were doing it, and was powerless to prevent them from doing it. Prices went up largely because the Navy needed all the shipyards. This meant that the Government got fewer ships for its money than it would have received from its navy yards, and fewer than other nations receive for their money.

Three times in 1936 the Government asked for bids on copper. According to the Walsh-Healy law the copper offered for sale to the Government had to be produced by labor working no more than 8 hours a day. The copper companies preferred not to bother to make any such provisions for their labor, and did not bid, although the copper was vital for the national defense. In spite of the law, the Navy was forced to go into the open market and bid in competition with foreign armaments companies.

In January 1937, Secretary of the Navy Swanson was quoted in the press as saying that private bids for a floating drydock for Pearl Harbor, considered a vital defense measure by the Navy, were $21,000,000, and that the price was so high the Navy would build it itself for $12,000,000.

The greater cost to the Government of building cruisers in private yards than in navy yards has been indicated in chapter III. Estimated by three government bodies, even including items only private companies need pay, such as insurance and taxes, the difference is close to $2,000,000 per cruiser.

The steel companies are no laggards, either, in charging the Government amazingly high prices. Before we entered the World War, Josephus Daniels, then Secretary of the Navy, pointed out that the price for armor plate was scandalous. Identical bids were being received from Carnegie, Bethlehem, and Midvale, at exactly the same price, $454 a ton. The Government figured it could produce that plate at $262 a ton.

In response Congress authorized the building of a Government armor-plate plant. After the war it was closed, and when cruiser building began again in 1927, this plant was not put back into action, a decision which must have pleased the steel companies greatly.

In 1936 the question of the prices for armorplate came up again, very briefly. No Navy figures were offered. The bids no longer were identical. The steel companies had learned something. But the results were still amazing. Carnegie Steel, one of the three companies which get armor-plate orders from the Navy, had secured an award of some tonnage in 1930 by a bid of $560 per ton. On this bid, according to its own figures, freely submitted, it made a profit of 58.2 percent. It cost the company $350.73 to make the steel. By the company's own figures the profit was $203.14, or 58.2 percent. It received from the Navy a little less than it had bid, $553.87 per ton.

How can a company make so much money out of the Navy on armorplate? Where were the "competitors" when such high profits were being made? They were there, bidding, making it look like competition. When Carnegie bid $560 a ton, Midvale bid $110 a ton more, $670. If Midvale had been awarded the contract, with costs the same as Carnegie's, it would have made $319.27 a ton profit, or 91 percent.

And where was the third "competitor" when Carnegie was making the pleasant profit of 58.2 percent a ton on Navy work, and when Midvale was willing to do the Navy work for 91 percent? Bethlehem was there. It was right in there, as usual, bidding its head off to get the business, in the middle of the depression. It bid $120 a ton more than Carnegie. If it had gotten the contract, with costs the same as Carnegie's it would have made over 96 percent profit.

Did Carnegie lower its bids to the Government on later demands for the same class of armor plate? It must be reported that they went up instead of down. Apparently 58 percent was not enough.

The company was asked why it had not lowered its prices to the Navy when it found out that it was making such high profits. It replied that prices were determined by competitors' prices. In other words, the company had bid too low rather than too high.

On another Navy contract—for turret armor—the company's own figures showed it made $166.72 a ton, a profit of 43.4 percent of costs. That wasn't enough, either. In 1934 it was bidding $585 a ton instead of $560, and in 1935 it raised the ante to $595.

On still another Navy contract, in 1933, it made 42.7 percent profit on a bid for $545 a ton. That wasn't enough, either. Bids in 1934 and 1935 were $40 and $50 more.

The British companies, holding up their Government's program for but 15 percent, begin to look moderate and reasonable.

Of course, most companies did not choose to present such figures to the Munitions Committee, and that committee had no staff to do the enormous accounting job involved in checking even a few profits for each company. Midvale, a Baldwin Locomotive subsidiary, developed an accounting technique which consisted of penalizing the Government for its naval holiday from 1922 to 1927. On Government business of $5,982,386 it showed profits of only $553,095 by adding to the other costs depreciation charges as high as $1,157,591. Over 21 percent of the costs were charges added to pay for the fact that the plant was idle during the years of the naval holiday.

Occasionally the Army audits costs, although these audits do not seem to find their way to Congress. One was found in the files of Sperry Gyroscope, which is a big Army and Navy supplier of stabilizers, pilots, and anti-aircraft equipment. It has licensed Germany and Japan for some of its devices and has a subsidiary in Japan. It has led the fight to abolish the 10 percent profit limitation on Navy work which was imposed a few years ago. An Army auditor found that it was making profits from 39.7 percent to 89.8 percent on an order for 108 flight indicators, an average profit of 54.6 percent of cost. On an order for 114 turn indicators for the Army Air Corps profits went as high as 91 percent, averaging 40.4 percent.

Pratt & Whitney went into the business of manufacturing airplane engines, largely for the Government, and made $11,437,250 in 8 years on a $1,000 investment. This is something like a record.

Wright Aeronautical Co., manufacturing engines, reported its own figures showing profits on sales to the Navy of 31.88 percent, 1925; 21 percent, 1926; 29 percent, 1927; 44 percent, 1928; 30 percent, 1929. On sales to the Army these unchecked figures showed profits of 93 percent, 1926; 31 percent, 1928; 18 percent, 1933.

In 1926, when Midvale was bidding against the Government arsenal at Frankford, the bids ran like this: Midvale, $102; Frankford, $68; Midvale, $96.75, Frankford, $31.74. On the 1926 awards

for projectiles the Government saved $623,296 by awarding them to Frankford.

The fact that Government production is cheaper has been recognized for some time by the Army. In 1916 the Kernan board found that the Government was manufacturing in its arsenals at a cost 18.6 percent lower than the cost charged by private companies, even before adding in a charge of 6.6 percent for Government inspection of articles made in the private factories. Since inspection by men paid for by the Government is an essential part of the final costs to the Government of private production, the actual conclusion of the Kernan board was that Government production was over 23 percent cheaper than private production. Material costing the Government $100,000,000 when bought from private companies would cost it only $77,000,000 when made in the arsenals. The difference is probably much greater now.

In 1928 the private ammunition companies persuaded the Frankford Arsenal to add to its costs all items which private companies have to add, including interest, taxes, and profits. After that was done the companies compiled their own cost figures for the manufacture of the standard Army 30.06 cartridge. The results showed Frankford's costs, including the items it does not actually have to pay, to be $23.18; Peters', $29 21; Remington's, $28.88; Winchester's, $31.67; Western's, $33.87. This comparison is especially interesting because it was made by the private companies themselves, who refused to show it to Frankford when it was completed.

The big customer of the Du Ponts for powder is the Army. In recent years it has been selling the Army over 2,000,000 pounds of powder annually, and has even been selling some to the Navy, which has its own powder plant. It has been making the Army pay to keep Du Ponts ready to work for it during a war. The company's own unchecked figures show that in 1931 they made 39-percent profit on the cost of powder sold to the Government. In 1932 it was 34.8 percent, and in 1933, 35 percent.

In spite of the fact that it is cheaper to make powder for big orders than for smaller ones, the company does not always give the Army the lowest prices. In 1932 it was offering a certain type of rifle powder to England for 54.5 cents and to Belgium for 57.6 cents, although it was charging the Army 71 cents for the same kind of powder. The agent who was offering such prices to foreign countries was, in fact, rebuked by his superiors, who said, "We cannot take the chance of this reduced figure being divulged." They told the agent that "you must arrange some plan in submitting your proposals so that you will be absolutely satisfied that the prices quoted will be regarded with the utmost secrecy." If he couldn't guarantee secrecy of the fact that the prices were so much below what our own War Department was being charged, he was advised not to quote. There was no statement that there would be a loss at the lower prices.

While any good accountant can make a high profit look like a low one, there is enough evidence available to indicate that Government production of munitions is about the only way to protect the taxpayers' pocketbook. The munitions companies are holding up the Government for almost all that they can get.

In the debate concerning Government production of munitions, of which we will hear more in the coming years, the principle of private ownership or of public ownership is not so much involved as in debates concerning power or railroads. The power of the Nation to provide for its national defense is absolute. Moreover it has already accepted the principle of producing munitions itself. Not only our own military services but those in most other large nations own their war facilities. We build half our ships in navy yards, manufacture our own field and naval guns, rifles, ammunition, powder for the Navy, part of the projectiles. The question is not one concerning the principle of governmental production; it is one concerning the advantage or disadvantage of it, in peacetime as well as in wartime.

A second reason for establishing it, is the desire to prevent militarism from growing up in this country as it did in Germany through an alliance of the munitions makers with the Army and Navy. This has been mentioned in the previous chapter. The munitions suppliers would be kept from imposing themselves on the Army and Navy for various favors. The Army and Navy, instead of having to wait for private plans for ships, or until the latest machine-guns or airplanes had been sold abroad, could have control of those matters themselves. They would be masters in their own house, instead of being forced to entertain tenants because those tenants say they are essential when war comes.

A third reason for establishing Government production of all munitions is that there would no longer be any pressure from private munitions companies to sell new inventions and military secrets abroad. This has been mentioned in chapter IV. At the moment, almost all manufacturers of new inventions patent them abroad in order that they may be protected from private manufacture of those inventions abroad. Actually this practice lets every government know the details of every new device. The danger that other munitions makers will make money by manufacturing without the formality of paying for a license is an excuse for letting every other government know what our best brains have developed. Communism of military secrets is the price of private profit. Of course, in a war, the government of every nation will pay no attention to these patents, and will take what it needs. It may even do so before a war begins, and a patent suit against a foreign government, tried in foreign courts, is no way to make money or protect inventions.

A fourth reason for governmental production is that the munitions companies hold up the Government for high prices in time of war as well as in time of peace. In time of war the Government needs them even more badly than it needed the private shipbuilders in 1933 and 1934, when cruiser prices were almost doubled. The Government wants to win the war. It needs munitions. Price is no object. The Government has few munitions factories of its own as yardsticks. It pays whatever the private manufacturers ask it to pay. Later, when the war is over, the taxpayers get around to paying the extra taxes because the munition makers were able to hold up the Government.

The story of what happened during the war is too well known now for more than a few illustrations. Midvale Steel & Ordnance (not the present Midvale Co.) files showed by company figures that the Government had paid $580 for 14-inch shells on which the cost was $300 and the profit $280, or 93 percent. Shells for 12-inch guns cost $230 and were sold to the Government for $380, a profit of 65 percent. Shells for 16-inch guns cost $551 and were sold to the Government for $900, a profit of 63 percent.

While this was going on Midvale Steel and Ordnance was telling the Government that pig iron cost it $75, when the actual cost was $51.29. They made their huge profits on the basis of that misrepresentation.

Take another case, showing the power to hold up the Government in time of war. In the fall of 1917, while the boys were being drafted, the War Department found that there was a desperate need for a huge additional powder factory. It went to the Du Ponts, who controlled about nine-tenths of the Nation's powder production, for help. It offered them liberal terms to direct the building of the plant. It offered to pay every dollar expense, to advance a million dollars on account of profit, and to have the profit go to arbitration.

But Du Ponts wanted the Government to pay more for their skill and ability. Pierre du Pont, then president, wrote that "we cannot assent to allowing our own patriotism to interfere with our duties as trustees" for the stockholders. He was one of the 10 largest stockholders at the time.

The Government threatened to build the plant itself, but it did not have the expert knowledge. Finally a contract satisfactory to the Du Ponts was given, but not until after the plant had been held up for over 3 months at a very critical time in the war. It would have made $15,000,000 a year for the Du Ponts if the war had gone on longer.

What would have happened to one of the drafted soldiers who could not assent to letting his own patriotism interfere with his duties as trustee for his family and children and had refused to go to the front, is another story. The War Department handed the company certificates of good conduct.

It would be an error to limit this custom of insisting upon what you wanted and making the Government pay for it to the munitions companies. It was so much a general wartime custom that the Munitions Committee described it as a "strike of capital."

Take Aluminum Co. of America, a Mellon organization. In the midst of the shooting it quietly approached the Government for a price of 32 cents a pound for its aluminum. That was an important war material. It asked for the increase in price partly on the ground that it was building additional plants which would be useful only during wartime and would be useless thereafter. At the time, the company said its costs were 17½ cents a pound, and the Government said they were 15½ cents. Yet it got what it wanted.

That wasn't enough. Later the company induced the Government to deduct $10,650,000 from its income on the ground that it had built wartime plants which it wasn't going to use in peacetime when production dropped off. That was getting paid twice for the same thing.

Then, on top of everything, it produced even more aluminum after the war than it did before or during it. It was paid twice for something it had no right to receive any payment for.

Much sinister, high-powered stff was worked against the Government and the taxpayers during the war, and the taxpayers are still paying for it.

The thought that there would be a little less of this if the Government produced its own munitions is another reason for Government production.

A fifth argument for it is that attempts to regulate and limit profits of private munitions companies, even in peacetime, are practically futile.

After investigating this matter the Munitions Committee made this finding: "The failure of the Navy Department to turn the navy yards into effective yardsticks by which the charges of private shipyards could be measured and kept down, has resulted in leaving the profits of shipbuilders practically uncontrolled.

"The committee finds that the Vinson-Trammell bill of 1934, limiting profits to 11.1 percent of cost, cannot be enforced without a huge police force of accountants, and that disputes concerning its interpretation, similar to those which delayed the payment of wartime taxes by the companies for 12 years, may confidently be expected.

"The committee finds that the Navy, which has no responsibility for enforcing the act, and which has no reliable figures about private costs, is in a position to allow—and according to one company has actually allowed—increased overhead charges, which can invalidate the whole attempt by Congress to limit profits. The committee notes that it was by the allowance of such theoretical overheads during the war years above actual overheads that the New York Shipbuilding Corporation was paid $2,152,976 more by the Government than it actually paid out itself.

"The committee finds that the shipbuilding industry and its subcontractors and suppliers have united in efforts to find ways to avoid the incidence of this law, and that Mr. Gillmore, president of Sperry Gyroscope, Navy suppliers, told them, 'If the shipbuilders, boiler manufacturers, and electrical manufacturers act in accordance with uniform rules, it will be so strong I think the Income Tax Bureau will have a hard time resisting it.'"

Any good accountant can work out a system of theoretical increases in costs on military work which it would take many scores of accountants many months to disprove. The Government does not have those scores of accountants working on attempts to prevent evasion of the profit-limitation law.

Another danger is that the high peacetime profits will be used to justify high wartime profits. The precedent for this has been set by a master in a case of the *United States* v. *Bethlehem Steel*. In this case Bethlehem was charged with fraud on certain ships it built for the Emergency Fleet Corporation, and the Government made the point that if the steel company were allowed to escape unpunished it would be a bad precedent for any future war. The master, giving an opinion in favor of Bethlehem, pointed to the high profits made on the 1927 and 1929 cruisers, cited above in chapter III, and said if such high profits were allowed in peacetime, obviously war profits which were less were quite allowable.

Following that logic, every minute that private munitions companies stay in the business in peacetime and run up the high profits they are now making will cost the Government millions in wartime. High profits taxes cannot touch profits which are concealed by unusual overheads, amortization allowances, and similar items if approved by the Navy in peacetime.

A sixth argument for Government operation is that it will end, to a large extent, American participation in the corruption of foreign officials, and will also end the incentive of munitions companies in America to discourage disarmament conferences, arms-control pacts and the like. The munitions peddlers will have to get some less dangerous kind of work. Life insurance is hereby suggested to them. The need for a cessation of their foreign activities has been touched on in chapters II and IV.

An astonishing discovery made by the Munitions Committee was that the cost of a plant sufficient to extend Government production of munitions into most of the combat weapons was relatively little.

For 7 months engineers of the Interstate Commerce Commission worked on this problem for the committee, and finally reported that the cost of building enough additional navy yards to let the Government build all the ships it needed, not for normal need, but for a naval race, was only $23,600,000. This figure included $6,000,000 for necessary new machinery. This figure, about the cost of one cruiser complete with armament, would provide the Navy with enough ways and machinery to enter into a considerable naval race. If such a race were not entered, the ways would still be available as a war reserve. The figure does not include the purchase of any private yard facilities.

Mr. Charles H. Spencer, Chief Valuation Engineer of the Interstate Commerce Commission, who was in charge of the study, stated that the new machinery would pay for itself very rapidly. In fact, it can be calculated that, with an average cruiser saving of $2,000,000 on a private cost of $12,000,000, the whole cost of the additional facilities might be paid for in the savings on $144,000,000 worth of work, or in a year or 2 years' time, with the present program.

The Commission engineers reported that the cost of a new machine-gun plant would be $8,800,000. A large airplane and airplane engine plant and field would cost $8,450,000. A new powder plant for the Army would cost $3,640,000.

Certain steel company figures indicate that a projectile plant might cost $7,000,000. The Government's armor-plate plant might be put into shape for less than $4,000,000. For $55,000,000 the Government would have enough to cover a great many of its needs in peacetime, including about a fourth of its airplanes and half its airplane engines, and facilities to step up a considerable amount of production in wartime.

There has never been any intent to have the Government go into the production of food and other supplies for the Quartermaster Corps. The discussion is limited to combat weapons, including warships.

No plan for Government production of combat munitions can begin to cover all the munitions needed in wartime without running into hundreds of millions of dollars, and in peacetime that is a big figure. In wartime, hundreds of millions can be thrown away fast, as the work on the Liberty engines for airplanes demonstrated. The plans being discussed in Congress are for the Government to produce in its own arsenals and yards what it needs in peacetime and to do what it did in 1917, expand into private plants of all kinds in wartime.

One objection to Government production is that the Government might find it harder to expand from an arsenal into a general manufacturing plant, such as Westinghouse or General Electric, than a private company, say Bethlehem Steel, might do. There is no question both would encounter some delay, but it would be the same kind of delay in both cases. Either Bethlehem or the Government arsenal would have to see that Westinghouse was tooled up to machine shells or whatever the job might be. There is no particular reason to believe that the Government could persuade General Electric to work on the shells less effectively than Bethlehem could persuade them.

Another objection made is that the workers in the Government plants would have political influence enough to keep the plants going although there was no need for the munitions. If that is so, then it means we will be overarming, which is not a peaceful policy. The answer is in a question of fact. Are the Army and Navy oversupplied with those things which the arsenals and navy yards produce? None of the services report themselves overloaded with anything. It is also hard to think of a few workers in any one place having one-tenth as much influence as all the munitions companies, who are united for the sake of bigger and more profitable orders and no nonsense in wartime about profit limitation.

Another objection is that the Army and Navy do not like to take on the responsibility of manufacturing munitions because they have not trained men for that purpose. That may well be true, although the commandants of the navy yards and the officers of the arsenals seem to give efficient service to the country. It may, however, be necessary for the services to employ civilian chemists and engineers and perhaps managers for new production until they have trained officers who can take over the duties of managers.

It might save the Government a great deal of money to take over the operating personnel of some of the munitions concerns, the executives (other than the sales managers), the engineers, and chemists, and designers. Take Newport News Shipbuilding Co. as an example. The know-how of the shipbuilding is in the heads of about 20 men. Their combined salaries in 1 year would not exceed $300,000, and would probably be less. At present they work for the Huntington family, absentee owners who have little interest in the business and no expert knowledge of it. The actual operators of the plant have done some amazing things to make amazing profits for that family. They are running a constant dog fight with the Government for more profits, more allowances, less taxes, less responsibility. Yet each and every one of the 20 men in those offices at Newport News would probably die for his country as gladly as the next man. It is simply the fate of munitions men not to be called upon to do this. They are considered too valuable to be sent into the firing lines.

These men could be more patriotic in the Government service than they are, in the nature of things, allowed to be in private employment. They would side with the Government in trying to get the most defense for the money instead of fighting the Government to get the most money for the Huntingtons.

The navy yards building against Newport News and other private companies can save the Government about the profit Newport News makes on a cruiser, around $2,000,000. If these 20 men were in the navy yards, using the same labor, the Government might produce ships at an even greater saving than now, and still pay these men their present salaries, and provide them with normal promotions.

The same thing might apply to some of the other munitions companies. Some of the officers on the stand practically blushed as the story came out of the bribery and pressure their subordinate officials had used to get business. Some of them would doubtless be glad to work for the Government, if they were given responsibility and a reasonable freedom from red tape. The guess is offered that they do not all enjoy the process of fleecing the Government.

A seventh and final argument for Government production is the fact that it would keep arms out of the hands of the underworld and ambitious Fascist leaders. At present there are too many companies peddling arms to the population, submachine guns, gas, reconditioned machine guns, weapons useful in the hands of American Hitlerites. Munitions companies reported that many American submachine guns were getting to Hitler when the Nazis were still fighting in the streets for power. The power to make weapons which may some day be used against the state should certainly be confined to the state.

The case for Government production of almost all the combat weapons except those precision instruments where engineering developments have become concentrated in a few minds, and perhaps some part of airplane development, is almost overwhelming.

In spite of this fact it is not improbable that the Army and Navy high officials will oppose it for years. It has been a long tradition with them to pay a high price to keep the private companies in business, ready for the next war. The proposal for extension of Government production of munitions into the remaining private fields would mean that they would have to pay for the brains of those companies instead of for their brains plus their plant. The proposal really is that it is better to have those brains with the Government than engaged in devising means of getting more money out of the Government.

From another angle, the general public will be less worried about the size of the huge Army and Navy appropriations which have been going through in recent years if it doesn't have a lingering suspicion that each appropriation bill has had a half hundred mute, inglorious Shearers smoothing the ways for it.

[From the American Federationist for October 1940]

DOLLARS *vs.* DEFENSE

Billions for defense. Steel, aircraft, shipbuilding. Guns, munitions, and explosives. Airplanes and engines. Ships, turbines, and armor plate. Tanks and trucks. Powder and bullets. One appropriation after another is sped through Congress. Thoughts of economy are thrust aside. The Nation is mobilizing its every resource in a single effort for a single purpose—defense.

Decision follows decision and is translated into action. National Guard called into service. Conscription: Hundreds of thousands of men to be called to the colors each year for 5 years. Personal plans shattered? Careers interrupted? Families broken up? Yes; but what of it? America is arming for defense. The defense must

be impregnable. Democracy must be protected against all threats. It is the one thing that matters above all else.

May, June, July, August, September. For 5 months the American people intensely and feverishly devoted themselves to the most urgent task of their generation. Time was most important and, therefore, speed most vital.

Everyone knew that. Everyone knew also that the first and foremost requirement in modern defense was to produce and to make available supplies and equipment with which defenses were to be reared.

Yet at the end of 5 months much of our production and distribution machinery was paralyzed by relative inactivity. Earnestly determined to act, industry seemed to be slowed down, its activity palsied.

Although $2,000,000,000 in defense orders were given clearance, contracts awarded, loan agreements negotiated and approved, most of this production was still on paper, not yet translated into real action in mills, plants, shops.

Of the $2,000,000,000 of cleared defense orders, only a third—$670,000,000—was shown in the cash flow from May through August which reflected defense production actually "working."

What was the trouble? The slowdown in our defense orders could not be charged to delays of bureaucracy or red tape. Punctilious procedural rules and exacting record-keeping requirements were swept aside and short cuts taken to avoid every circuit of action which appeared too long.

Was it because the Government was high-handed and arbitrary with business and industry? No. The Defense Commission and the President had met about every condition and agreed to every demand made by industry since the defense program was launched.

Was labor the bottleneck? No. Labor cooperated from the start, and no delays had been charged either to labor disputes or to labor shortages.

What happened was that in many lines of production which served as keys to defense, industry refused to move until it would receive full assurance of clear and unimpaired profit without risk.

Ships and armor plate? The Newport News Shipbuilding Co. had not been able to procure armor plate when it was scheduled to be ready. As the result the aircraft carrier *Hornet* had to be launched without its armor plate. This was due to the refusal of United States Steel and Midvale Steel to do business with the Navy under the existing profit limitation.

Powder and explosives? Well, perhaps, but only on pretty definite conditions. In the case of Du Pont de Nemours the condition was that the Government would build $20,000,000 worth of new powder plants for which the public would pay and which Du Pont would operate.

Airplanes? The Boeing Aircraft Corporation refused to sign a $32,000,000 contract for four-engined bombers until it could be quite sure that Congress would pass profit legislation which suited it.

As reported by the Associated Press: "One of the major obstacles is that the Boeing officials are unwilling to undertake a large plant expansion. * * * The exact amount of the ultimate contract cannot be determined pending final adjustment for amortization, tax, and profits purposes."

HARD BARGAIN DRIVEN

The Packard Co. would be willing to produce 9,000 Rolls-Royce Merlin motors but only if the Government would let it have $30,000,000 for a plant plus guaranteed profits on the subsequent output. That was a hard bargain, but the Defense Commission agreed to it. Even then, Packard, in line with other defense manufacturers, preferred to wait until Congress had approved the amortization and excess-profits legislation demanded by industry.

Curtiss-Wright, Pratt & Whitney, and Douglas Aircraft were also among the companies which were willing to do their part for national defense, but only as, if, and when they could do it on their own terms.

A high pace was set by some of these companies, but not so much in terms of actual production as in terms of jockeying for the position of greatest advantage.

Curtiss-Wright was one of the companies that went off to an early start in the race for defense profits. While Curtiss-Wright's manufacturing facilities were valued at only $18,291,000 at the beginning of 1940 the company completed successful negotiations for R. F. C. loans amounting to $92,000,000 to be used in the construction of plants for the manufacture of airplane engines.

With this public money the Wright Aeronautical Corporation was to construct a plant in Cincinnati with capacity to produce 12,000 air-cooled radial engines a year and a new assembly plant. The condition was that these two plants would be amortized in 8 years.

The Government was to provide the Wright company with enough engine contracts to repay the loan within the 8-year period. At that time the company would either have a cost-free plant or it could sell the plant back to the Government, in which case the Government would pay for the plant twice.

If the company failed to repay the loan under the terms of the contract, the Government would have no recourse against the company other than to take over the plant for which it had paid anyhow.

According to the Wall Street Journal, the cost of the proposed plant and its equipment was to be not more than $38,000,000. When queried by this newspaper about the "apparent discrepancy" between this cost and the amount of the loan, the Federal Loan Administrator, Jesse Jones, said that it would not "be in the public interest" to make the answer known.

In the meantime, Curtiss-Wright's profits increased almost 100 percent for 1940 over 1939 and by June 30 it had $248,668,000 of unfilled orders on its books.

In the light of these facts it is startling to note that some of the aircraft plants were operating at as low as 40-percent capacity as late as August and that the bulk of the defense aviation contracts were still in a log jam.

Industry's slow-down strike meant that the protection of armed wings against the sky raider would be delayed by months. It also meant that industry would get the asking price for the implements of defense and keep the profit, no matter how large.

What were the conditions demanded by industry as its price for helping the Government in the defense of the Nation? They were (1) amortization of new plants and equipment needed for defense production, and (2) profits-tax legislation which would leave the bulk of defense profits intact.

The demand for amortization simply called for an arrangement whereby companies building new plants or installing new equipment would be allowed to amortize these additions—or deduct their cost from tax-free earnings—within 5 years.

In other words, each year one-fifth of the cost of new plant and equipment could be deducted by defense producers from their income, before arriving at the net income on which excess-profits taxes as well as income taxes must be paid.

At the end of 5 years the plants would be completely paid off with the money received from the Government for defense orders and owned by the company outright for the company's own future production or available for resale to the Government if the Government were willing to pay twice for the same plant.

INDUSTRY DEMANDS A LAW

Although the plan obviously did not protect the public interest, speed was of the essence and the amortization policy was fully agreed to by the administration on July 10. Contrary to the administration's hopes, however, this acquiescence to industry's demands failed to produce the desired results.

What industry now demanded was legislation duly enacted by Congress, printed in black and white, and signed by the President on the dotted line. The minimum demand for settlement was an excess-profits-tax law satisfactory to industry. Until the passage of such law was fully assured, industry was determined to continue its slow-down strike.

Much of the World War profiteering was made possible by placing orders through directly negotiated contracts on the basis of cost plus a specified percentage of profit. In 1934 Congress placed a profit limit on plane and ship contracts of 12 and 10 percent, respectively.

When the Senate Naval Affairs Committee, on June 18, discovered that the Navy had let $1,000,000,000 worth of shipbuilding contracts without competitive bidding on the old basis of cost plus 10 percent, Congress acted quickly and by the "Navy Speed-Up Act" of June 28 reduced the profit limitation to 8 percent on the cost of competitively bid contracts and 7 percent on those negotiated privately.

With the new tax law on the books, the tax legislation had reached a patchwork stage and was clearly inequitable. The profits were limited only on contracts for naval vessels and airplanes, reaching the contractors as well as subcontractors, but placing no limit on profits derived from other defense contracts.

Thus, a gun manufacturer had no profit limitation on a contract for the Army but had to submit to an 8-percent profit limit to be able to deliver the same gun to the Navy.

This was bad business for the Government as well as industry, because clearly the manufacturer would prefer to devote all his attention to Army guns, and find the prospects of naval contracts to be dull and unexciting by comparison.

SEEK REPEAL OF PROFIT LIMITS

Finding this situation advantageous, industry began to press for outright repeal of profit limits on planes and ships. Having received some backing from the Defense Commission as well as the War and Navy Departments, industry was given encouragement by the House, which wrote the repeal of the 8- and 7-percent profit limitation into its version of the excess-profits-tax bill.

But the last round of the fight remained to be won on the provisions of the excess-profits-tax bill itself.

The profits-tax issue was joined in H. R. 10413, the second revenue bill of 1940, drafted by the House Ways and Means Committee and passed by the House under a gag-rule procedure on August 29.

As reported by the House, the bill contained three major provisions: (1) It suspended the 8 and 7 percent profit limitations of the Vinson-Trammell Act applicable to aircraft and naval contracts; (2) it gave statutory sanction to industry's 5-year amortization proposals; and (3) it provided for a corporate excess-profits tax, allowing two methods of exemption from the tax which the taxpayer could choose to his advantage.

The bill imposed an excess-profits tax on current profits which are over and above an exemption provided in the bill.

A corporation subject to the tax may take as its exemption (1) the amount of its average profits for the years 1936–39 or (2) a percentage figured on the basis of invested capital by means of a complex formula.

The Senate Finance Committee modified and simplified the methods of calculating the allowed exemptions, but left open to industry the choice of submitting to the least burdensome taxation.

The bill was reported to the Senate on September 12 with this alternative choice, which, in the apt language of Senator LA FOLLETTE, gives to all corporations subject to the excess-profits tax a heads-they-win, tails-the-Treasury-loses proposition.

The Senate committee also increased the regular corporation tax by 3 1/10 percent, making this applicable to all corporate incomes regardless of the size or nature of the business and regardless of the source or rate of the profits. As reported by the Senate committee, the bill largely reflected the wishes of big business.

Under its provisions, the large, prosperous corporation which consistently earns substantial profits and is most able to pay an excess-profits tax would pay little or nothing in excess taxes. Under the average-earnings method of the bill such a corporation could continue to earn 50, 100, or 1,000 percent on the invested capital without paying any additional tax on such profits.

At the same time competitors of the prosperous, established corporations would be heavily penalized by the inequitable incidence of the proposed tax. Most important of all, the proposal failed to meet the test proposed by the President in his message to Congress on July 1, when he urged Congress to enact an excess-profits tax bill to help pay for the defense program because "it is our duty to see that the burden is equitably distributed according to ability to pay, so that a few do not gain from the sacrifices of the many."

By failing to place a ceiling upon excess profits the bill failed in its purpose as a taxation measure, but apparently met the wishes of the defense contractors.

It was well-nigh miraculous to see the tax bill clear the hurdle of the Senate committee on September 11, and to find contracts long tied up in negotiations suddenly move with such speed that the War Department alone was able to announce the award and clearance of contracts for 6,800 planes by September 16.

Defense industries are entitled to a fair and equitable return on their investment incidental to defense production. They would be justified in seeking a measure of protection for expanded plants and added equipment against the risk of disuse and bankruptcy when the emergency is over. But when the whole Nation is called upon to make sacrifices, these sacrifices must be shared equally by all.

Our Government would be derelict in its duty to the American people if it wrote a rule of special privilege into our national-defense policy and into our national laws.

By yielding to speculative pressures of those who would profit from the threat of common disaster facing our entire Nation, our Government would be betraying the public interest and serving to deepen the economic inequalities, opening a way for the ultimate destruction of the system in which the American people have firm faith.

LEHMAN FAVORS INVOLVEMENT

Mr. HOLT. Mr. President, again I say, "Governor Lehman, when you were going through New York making these speeches for conscription, for aid to Great Britain, and when you were in Chicago trying to get the Democratic platform changed"—

I stop there. Many of my hearers did not know it, but they may have seen in the paper that Governor Lehman was in Chicago in connection with the foreign-affairs plank. Why? To get stricken out of the platform anything which would stop America from being involved in the war.

"Governor Lehman, I would like to know, when you were doing those things, if you did not know that the Lehman Corporation, owned and controlled by your family, was making hundreds of thousands and maybe millions of dollars out of defense contracts. Was your patriotism spelled 'p-a-y-t-r-i-o-t-i-s-m' or was it 'p-a-t-r-i-o-t-i-s-m'? Time will record, and your good strong right arm will be shown to be a good strong right arm grabbing contracts, and sticking that arm into the pocketbook of its country."

Mr. President, I ask unanimous consent to have inserted in the RECORD following my remarks certain exhibits.

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

EXHIBIT B

EARNINGS OF CORPORATIONS

Comparison of the earnings of corporations (whose stock was acquired by Lehman Corporation and which were making war profits) as shown in reports for 1938 and 1939, as well as the first 6 months of 1939, with the same period in 1940:

Earnings for years 1938–39

	1939	1938
EARNINGS		
Air Reduction	$5,076,825	$3,769,337
Dow Chemical	4,178,485	3,895,269
Du Pont	93,218,664	50,190,827
Hercules Powder	5,324,992	3,039,017
Monsanto Chemical	5,428,914	3,150,593
Bendix Aviation	4,485,972	156,048
Chrysler	36,879,829	18,798,294
Electric Auto Lite	5,653,840	1,836,150
General Motors	183,403,399	102,310,036
Yellow Truck & Coach	3,276,473	514,984
Borg-Warner	5,683,801	[1] 19,966
Bell Aircraft	9,203	65,488

[1] Deficit.

Earnings for years 1938–39—Continued

Earnings	1940	1939
Consolidated Aircraft	$1,104,327	$1,535,110
Lockheed Aircraft	3,132,918	442,111
Glen Martin	4,108,285	2,349,355
United Aircraft	9,375,473	5,426,275
NET INCOME		
Allis-Chalmers	3,719,546	2,553,946
General Electric	41,235,664	27,729,329
Westinghouse	13,854,365	9,052,774
Bridgeport Brass	459,058	[1] 251,900
Fairbanks-Morse	2,469,884	558,539
Mueller Brass	690,224	265,920
Aluminum Co. of America	36,633,389	15,563,145
Aluminum Co., Ltd	15,799,927	11,216,959
Freeport Sulphur	2,200,762	1,506,060
Hudson Bay Mining	5,249,914	4,435,432
International Nickel	36,847,466	32,399,471
Kennecott Copper	33,947,443	22,689,660
Phelps Dodge	12,278,601	8,656,824
St. Joseph Lead	5,292,907	1,331,256
Texas Gulf Sulphur	7,847,483	6,963,633
Bethlehem Steel	24,638,384	5,250,239
Republic Steel	10,671,343	[1] 7,997,825
United States Steel	41,119,934	[1] 7,717,454
Youngstown	5,004,485	[1] 658,934
American Locomotive	[1] 950,376	[1] 1,302,195
American Steel Foundries	1,368,514	[1] 1,750,235
Baldwin Locomotive	542,027	[1] 1,032,641

Earnings for 6 months 1939–40

Earnings	1940	1939
Air Reduction	$3,106,096	$2,232,595
Dow Chemical (May 31)	3,714,057	2,750,113
Du Pont	46,853,695	39,871,535
Hercules	3,293,066	2,269,470
Monsanto Chemical	3,356,475	2,217,267
Bendix Aviation	4,295,419	2,168,210
Chrysler	30,494,274	25,345,771
Electric Auto Lite	3,878,666	2,830,936
General Motors	113,575,460	100,992,531
Yellow Truck	2,721,109	1,419,861
Borg Warner	2,830,983	2,416,050
Lockheed Aircraft	2,022,619	508,861
Glenn Martin	4,291,490	967,624
United Aircraft	6,228,106	3,678,689
Allis-Chalmers	2,609,758	1,700,422
General Electric	25,981,572	16,370,192
Westinghouse	9,837,012	6,338,787
Bridgeport Brass	506,167	67,840
Fairbanks-Morse	948,177	718,397
Mueller Brass	373,544	281,536
Freeport Sulphur	1,497,811	654,995
Hudson Bay Mining	2,610,732	2,243,591
International Nickel	18,060,293	17,773,438
Kennecott Copper	24,787,364	10,112,169
Phelps Dodge	5,804,583	4,601,038
St. Joseph Lead	2,576,820	1,415,028
Texas Gulf Sulphur	4,500,973	3,264,826
Bethlehem Steel	21,698,457	6,231,986
Republic Steel	6,449,453	1,083,311
United States Steel	36,315,003	1,970,311
Youngstown	2,423,212	546,193
American Locomotive	1,178,470	[1] 931,710
American Steel Foundries	1,666,525	114,342
Baldwin Locomotive (3 months to June 30)	1,169,283	329,086

[1] Deficit.

EXHIBIT C

On October 4, 1940, there appeared in the newspapers a summary of the Army and Navy plane contracts. These showed only the contracts awarded from July 1, 1940. Note the corporations and then refer to the ownership of the stock in these companies by the individuals mentioned in speech:

A summary of Army plane orders, totaling $928,374,073, since July 1 showed that the business went to 17 concerns:

Aviation Manufacturing Corporation, Stinson Aircraft division, Nashville, Tenn., $527,517; Cessna Aircraft Co., Wichita, Kans., $900,378; North American Aviation, Inc., Inglewood, Calif., $84,192,680; Fairchild Engine and Airplane Corporation, Hagerstown, Md., $7,710,500; Consolidated Aircraft Corporation, San Diego, Calif., $100,661,342; Beech Aircraft Corporation, Wichita, Kans, $21,373,101; Stearman Aircraft Division, Boeing Airplane Co., Wichita, Kans., $8,976,043; Ryan Aeronautical Corporation, San Diego, Calif., $7,429,321; Vultee Aircraft, Inc., Downey, Calif, $36,983,415; Lockheed Aircraft Co., Burbank, Calif., $45,925,237; Boeing Aircraft Co., Seattle, Wash., $130,212,805; Bell Aircraft Corporation, Buffalo, N. Y., $19,896,668; Republic Aviation Corporation, Farmingdale, N. Y., $56,499,924; Glenn L. Martin Co., Baltimore, Md., $113,911,526; Douglas Aircraft Co., Inc., Santa Monica, Calif., $199,011,915; Curtiss-Wright Corporation, Buffalo, N. Y., $48,514,891.

AIRCRAFT ENGINES

During the same period, the Army bought $75,492,958 of aircraft engines from three concerns: Wright Aeronautical Corp., Paterson, N. J., $8,277,416; Packard Motor Car Co., Detroit, $62,448,000, and Continental Motors Corp., Muskegon, Mich., $4,727,542.

The Navy's plane program shows $262,353,172 of orders for aircraft and engines, including the $38,551,966 contracted for prior to July 1. The $75,129,763 of orders for planes went to: Spartan Airplane Co., Tulsa, Okla, $1,859,880; Stearman, $3,779,628; Naval Aircraft Factory, Philadelphia, $6,759,042; Consolidated, $20,016,699; Grumman Aircraft Engineering Co., New York, $10,584,240; Lockheed, $290,179; North American, $1,134,504; Curtiss-Wright, Buffalo, $12,598,528; Douglas, $12,743,672; Beech, $324,775, and Vought-Sikorsky Aircraft Co., New York, $324,775.

The Navy's $187,223,409 for engines went to: Continental, $1,442,272; Lycoming Motor Co., $1,527,084; Ranger Engine Corporation, $5,437,960; Wright, $2,457,060, and Pratt & Whitney, of United Aircraft Corporation, Hartford, Conn., $172,993,590.

On August 21, 1940, the Investors Service showed this interesting information on unfilled orders of certain aircraft companies: Consolidated Aircraft, $111,000,000; Douglas Aircraft, $135,000,000; Lockheed Aircraft, $137,000,000; North American Aviation, $93,000,000.

EXHIBIT D

PARTIAL LIST OF STOCK OWNED BY LEHMAN CORPORATION

Note stocks of corporations which have increased profits as result of war orders:

3,000 Bendix Aviation.
12,500 Chrysler.
5,000 Electro Auto-Lite.
35,000 General Motors.
10,000 Yellow Truck & Coach Manufacturing.
8,000 Borg-Warner.
76,200 Aviation & Transportation.
8,100 Bell Aircraft.
5,700 Consolidated Aircraft.
7,600 Lockheed Aircraft.
3,700 Glenn Martin Aircraft.
20,300 United Aircraft.

CHEMICALS

3,200 Air Reduction Co.
2,000 Dow Chemical.
5,000 Du Pont.
1,200 Hercules.
7,500 Monsanto Chemical.

MACHINERY

8,000 Allis-Chalmers.
31,000 General Electric.
12,500 Westinghouse Electric Manufacturing Co.

MANUFACTURING

3,000 Bridgeport Brass.
1,500 Colt Patent Fire Arms.
2,700 Fairbanks-Morse.
5,000 Mueller Brass.

METALS AND MINING

2,500 Aluminum, Ltd.
7,000 Aluminum of America.
5,000 Freeport Sulphur.
2,300 Hudson Bay Mining & Smelting.
12,300 International Nickel.
6,000 Kennecott Copper.
21,300 Phelps Dodge.
9,200 St. Joseph Lead.
4,500 Texas Gulf Sulphur.

OILS

240,000 shares of different corporations.

STEEL

10,000 Bethlehem.
6,000 Republic.
19,000 United States Steel.
4,000 Youngstown.

OTHER STOCKS

9,000 American Locomotive.
6,000 American Steel Foundries.
3,600 Baldwin Locomotive.

EXHIBIT E

Negotiated naval contracts from January 1, 1940, to September 1, 1940, built by corporations referred to in speech:

BETHLEHEM STEEL CO.

Four heavy cruisers, at $21,746,600 each, with a negotiated profit of $1,871,400 each.

Four light cruisers, at $17,101,400 each, with a negotiated profit of $1,471,600 each.

Two destroyers, at $6,842,200 each, with a negotiated profit of $588,800 each.

Two destroyers, at $5,503,400 each, with a negotiated profit of $473,600 each.

BATH IRON WORKS

Six destroyers, at $6,267,900 each, with a negotiated profit of $545,300 each.

GENERAL MOTORS CORPORATION

Propelling machinery amounting to $8,545,700, with a negotiated profit of $814,300.

FAIRBANKS-MORSE

Propelling machinery amounting to $3,971,500, with a negotiated profit of $378,450.

NEW YORK SHIPBUILDING CORPORATION

Three cruisers, at $17,164,500 each, with a negotiated profit of $1,493,300 each.

SPECIAL FACILITIES 11 PERCENT PROGRAM

One million four hundred thousand dollars to Bath Iron Works and $6,100,000 to Bethlehem Steel Co.

EXHIBIT F

[Editorial from Ohio Valley (W. Va.) Labor News]

CASKETS FOR WHOM, WHEN, AND WHERE

Quite by accident there slipped out the fact the other day that the United States Army is making a survey of the supply of caskets in the country and is checking up on the production facilities of casket manufacturers. This announcement did not come, of course, from the Army officers themselves. No, indeed. When the story of the survey was brought to them by newspapermen they tut-tutted it as of no moment whatever.

The fact came out at a meeting of the board of the Advertising Funeral Directors of America at the Hotel Mayflower in the Nation's Capital. Maj. A. Robert Ginsburgh in the Office of Assistant Secretary of War was asked about it. Major Ginsburgh has long had the role in the Army of handling ticklish and embarrassing problems with the press. When Patrick Hurley was Secretary of War back in the dim distant Herbert Hoover days it was Major Ginsburgh who skillfully wove the Irish wit into Pat Hurley's speeches for which they became famous. Discovery of that service by Major Ginsburgh to the debonair Irishman, Mr. Hurley, caused many a chuckle in official circles but the major came through the kidding unscathed.

So, when a newsman was directed to him on the casket-survey story, Major Ginsburgh was equal to the occasion. "Why," said the Major as reported in the Washington News of September 20, "we haven't stopped surveying the casket industry for 20 years. It is just part of our routine survey of Army necessities. We have surveyed caskets as we have artillery, airplanes, and other materials of war."

Then, apparently realizing the reporter was not falling for that line, the facile officer moved a little closer to the actualities of the situation. "After all," he said, "if you have 1,000,000 men under arms, even in peacetime you are going to have some casualties; some men are going to fall off trucks and have other accidents and illnesses." Enough fall off trucks to warrant a survey of the casket supply, Major? Surely now, Major, you don't expect us to swallow that one, do you?

Pressed in this manner, Major Ginsburgh finally popped out the truth. "Then, too," he admitted, "when you have an army you have to figure that it's going to fight some day. Fighting means casualties, and casualties call for caskets. That's all there is to it. Just simple matter of being prepared with essentials. We survey everything from armor plate to underwear." So there it is, perfectly simple, as the major says—"when you have an army you have to figure that it's going to fight some day." That's the whole military philosophy in a nutshell. That's one of the basic reasons why labor—C. I. O., brotherhoods, and most of A. F. of L.—was so earnestly opposed to the setting up of a conscript army—that and the fact that no substantial evidence has ever been presented of possibilities of military invasion of this country.

What labor and the common people of the land want to know is where and when the Army officers expect this big conscription army to fight. There have been solemn assurances from the President that no American soldier will be sent to European soil to fight. These assurances have been repeated often in Congress. Then, where? Latin America? The Orient? Labor has grounds to be worried and should keep asking questions and insisting on answers.

EXHIBIT G

Comments by the Magazine of Wall Street on some of the corporations referred to in speech as having been purchased by Lehman Corporation in their war stocks:

Allis-Chalmers: "Sizable backlog hold operation at profitable level. Will make defense equipment."

Fairbanks-Morse: "Earningse and divisions helped by naval program."

General Electric: "Orders sharply higher and arms program will boost further."

Westinghouse Electric: "Record unfilled orders to be further boosted by arms program."

American Locomotive: "Rail business improving, armament orders ahead."

Baldwin Locomotive: "Large backlog, supplemented by present and future war orders."

Hercules Powder: "A war baby and growth stock."

Monsanto Chemical: "Lower returns from English subsidiary being offset by improved domestic results."

Bethlehem Steel: "Huge shipbuilding order backlog and armament will hold operations at high levels."

Chrysler: "Handling some ordnance business."

Yellow Truck "B": "Greater foreign and domestic military demand a major factor in larger sales volume."

Freeport Sulphur: "The sharp upsurge in demand for American sulphur is in great part war-engendered."

PROPOSED RECESS ARRANGEMENT

Mr. JOHNSON of Colorado obtained the floor.

Mr. McNARY. Mr. President, will the Senator from Colorado be courteous enough to yield to me for just a moment so that I may propound an inquiry to the able Senator from Kentucky regarding what he intends to do during the remainder of the week?

Mr. JOHNSON of Colorado. I yield.

Mr. BARKLEY. Mr. President, it is my purpose to move to adjourn until Friday, and then to adjourn until Monday, and then from then on until the end of the period which has been discussed today, adjourn every 3 days from Monday to Thursday, and from Thursday until the following Monday, which is customary.

Mr. McNARY. Mr. President, I may say that I read the colloquy between the able leader and the able assistant minority leader [Mr. AUSTIN], and there has been no agreement reached at any time. I am not in accord with the position taken by the leader on the Democratic side. As I interpret his statement, while he would give notice to the minority party, or to the representative of the minority party, he, the majority leader, would be the sole judge as to whether there should be a return of the legislators to Washington, or, I may say, of the Senators to the Chamber. I would not want it to rest in that fashion. Conditions may arise, as I look across the Pacific, and they may occur earlier than we anticipate, and I think the minority should be represented with equal authority with the majority. While there was no agreement reached, from reading the colloquy I concluded that the whole matter would rest with the Senator from Kentucky. I think that is too much authority to give to one man, however able and fair he is, and I should object to that proposal. I think we ought to stay here now for a time without entering into any agreement. I shall be very happy to be coming back on Friday and again on Monday, but I would not consent on Monday to any agreement in the form in which it has been proposed. I think in fairness I should make that statement to the Senator. In the meantime we may, by discussion, come to some agreement.

Mr. BARKLEY. Apparently the minority leader does not agree with his delegated assistant.

Mr. McNARY. I think the Senator from Vermont is precisely in accord with my view, but I am speaking my own view, and that is the attitude I am taking.

Mr. BARKLEY. Very well, Mr. President. I have tried the best I could to enter into a gentleman's agreement as to our procedure in the near future. It had been my purpose, and it is my purpose now, to move to adjourn today until Friday. It was my purpose originally to move to adjourn until tomorrow in order that we might adjourn until Monday, and the change was made at the request of the Senator from Vermont [Mr. AUSTIN]. Instead of adjourning until tomorrow, we shall adjourn until Friday and then adjourn until Monday, and, following the understanding which I think we reached in the colloquy, adjourn every 3 days thereafter until the 18th of November, subject to certain exigencies that might arise. It is still my purpose to move to adjourn until Friday and then to move to adjourn until Monday, and then to move to adjourn until Thursday, and thereafter, unless some exigency arises, as suggested in the colloquy which at some length took place here this morning, to move to adjourn every 3 days.

Mr. McNARY. Mr. President, the RECORD will speak for itself. My very able assistant [Mr. AUSTIN] can speak for himself. But as I read the RECORD a few moments ago when I entered the Chamber, there was no agreement entered into that I could see.

Mr. BARKLEY. There was no order entered on the Journal of the Senate with respect to any agreement. It was a gentleman's agreement, which is frequently entered into here, and which has been entered into from time immemorial.

I wish to say to the Senator from Oregon that I have no desire or intention to act in any arbitrary way in this matter.

Mr. McNARY. I appreciate that.

Mr. BARKLEY. I would not assume the responsibility of calling the Members of the Senate back to Washington under any emergency or exigency without conferring with the Senator from Oregon or his delegated assistant. Yet I will say frankly that I do not think the minority ought to be given the power to determine whether the Senate shall be called back for the consideration of measures.

Mr. McNARY. That is a splendid courtesy, but it is not coupled with sufficient authority resting and vested in the minority.

Mr. BARKLEY. What is the authority the Senator thinks the minority ought to have over the reconvening of the Senate?

Mr. McNARY. I think any considerable group, if in their judgment a situation existed that ought to receive the attention of Congress, should have the power to do so without reposing that power arbitrarily in one person. I think if I, as the minority leader, or if the able Senator from Vermont, as assistant leader, believed that conditions existed which required our presence in this Chamber we should have the authority to call the Senate back. I stand on that. That is my personal conviction.

Mr. BARKLEY. I think there is nothing I can add to what I have said on that subject.

Mr. McNARY. I shall be very happy to agree to having the Senate adjourn to Friday, and then again adjourn to Monday, but I am opposed to the proposition that a Senator, however fair or able he is, should have the sole authority to decide that the Senate should meet, after adjournment, on Monday next, and then adjourn every 3 days thereafter until November 18.

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

Mr. BARKLEY. I yield.

Mr. BYRD. I understand the Senator from Kentucky desires that an agreement be entered into that 3-day recesses shall be taken until the 18th of November, and that the Senator from Kentucky himself shall decide what legislation can be considered during this period.

Mr. BARKLEY. I will say to the Senator that there has been no formal order entered on the Journal of the Senate with respect to our procedure during this period, and it is not customary to have a formal entry on the Journal with respect to these 3-day recesses which we frequently take. It would be rather difficult to formulate an order.

Mr. BYRD. The Senator has a very different situation here now confronting him. He is attempting to adjourn for 6 weeks in the form of 3-day recesses under a gentlemen's agreement as to legislation to be considered, and I for one wish to voice my disapproval of that method, and to say that I, as an individual Senator, will not be a party to any gentlemen's agreement that may be arrived at giving to the Senator from Kentucky the sole power to determine what legislation can be considered between now and November 18.

Mr. BARKLEY. The Senator from Virginia can pursue such course as to him seems wise, and as to him may seem to be his duty in that regard.

Mr. BYRD. I merely wanted to ask the question of the Senator because I wish clearly to understand the exact effect of his proposal when it is made. It is not a matter of record. It is proposed that it shall be a gentlemen's agreement.

Mr. BARKLEY. It is a matter of record in the discussion and colloquy which has occurred heretofore.

Mr. BYRD. If it is a matter of record, I want to have a vote on it.

Mr. BARKLEY. It is not a matter on which there can be a vote. Of course, the Senate cannot vote formally here on a matter of that sort.

Mr. BYRD. Does not the Senator appreciate that the Senate is making an important decision? Certainly the individual Senators ought to know the effect and purpose of what is being done, and I think we can vote definitely upon it.

Mr. BARKLEY. No; I do not think it is a matter on which the Senate can vote formally upon a roll call, as to whether we shall meet every 3 days, and whether when we do meet every 3 days there shall be any business transacted.

Mr. BYRD. What can be done then? The Senator makes the statement that no business will be considered except such as he thinks should be considered? Is that an obligation upon the Senate?

Mr. BARKLEY. In the first place I have made no suggestion that no business should be considered except what I consider ought to be considered. I said that during this period, unless the Senate were called back because of some exigency, there would be no business transacted.

Mr. BYRD. Unless the Senator called us back. Now I asked the Senator the question and he said he was the one with this great power, and I assume that if any one Senator is selected, he should be the one. I am not willing to leave that to any one Senator. Please understand that I am not criticizing the Senator from Kentucky, for whom I have a great regard and admiration.

Mr. BARKLEY. Mr. President, it is a very unpleasant thing for me to assume the responsibility of undertaking to call the Senate back here in case the Senate needed to be called back. But I suppose that it goes along with the position that I occupy, and it is regrettable, I suppose, that I am in that situation.

Mr. BYRD. Is it going to be the motion, or rather is it the purpose of the Senator, that no business is to be considered whatever unless he issues the call?

Mr. BARKLEY. No; the gentleman's agreement, which has always prevailed under similar circumstances would be that during these 3-day recesses no business should be transacted. On one occasion a formal order was made providing that no business should be transacted except the introduction of bills and the receipt of messages from the House, or from the President which, of course, had to be accepted and received and properly referred. But an order of that sort would be ironclad, and it would even prevent anyone from reconvening the Senate if an emergency should arise. For that reason it has seemed to me unwise to make an order on the Journal here recessing the Senate every 3 days until a given time.

Mr. BYRD. Mr. President, will the Senator answer this question? Is the proposal that he will make the same that he made originally earlier in the day? Is there no change in it?

Mr. BARKLEY. Yes; it is substantially the same.

Mr. BYRD. I will say that I intend to vote against it.

Mr. BARKLEY. I will say to the Senator there is not going to be a vote on it.

Mr. BYRD. I will ask for a quorum call.

Mr. BARKLEY. The Senator has the right to do that, and the Senator has the right to be here every 3 days from now on until the Senate is reconvened, and make a point of no quorum, and have a roll call to determine whether there is a quorum here, if the Senator wants to pursue that course.

Mr. BYRD.. I am only pursuing that course because the Senator persists in the proposal that he shall be the one to notify the Senate to reconvene to perform business and to consider some legislation which in his judgment is important.

Mr. BARKLEY. No; Mr. President, I assume no such thing. The thing we discussed this morning I think is thoroughly understood. It is an arrangement which has been frequently entered into.

If any Senator feels that the authority or responsibility I have assumed will be abused——

Mr. BYRD. Please understand that I do not assume that.

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

Mr. BARKLEY. I yield.

Mr. CLARK of Missouri. There has been much talk about a gentlemen's agreement. I should like to know what the Senator from Kentucky understands by a gentlemen's agreement.

Mr. BARKLEY. I understand that a gentlemen's agreement is an agreement entered into among gentlemen.

Mr. CLARK of Missouri. Does the Senator mean to say that he would regard it as a violation of the so-called gentlemen's agreement—and, if so, I wish now to save my exception to the gentlemen's agreement—if at any time during the period between now and November 18 any Senator should conclude that an emergency had arisen requiring the presence of a quorum of the Senate, and should make the point of order of no quorum? That is what it really is. It is called a "suggestion" in the Senate, but it is really a point of order. If any Senator should suggest the absence of a quorum and force a quorum call, disclosing the absence of a quorum, and should then move that the Sergeant at Arms be directed to request the presence of absent Senators, does the Senator think that would be a violation of the gentlemen's agreement?

Mr. BARKLEY. The question of whether or not any Senator has violated a gentlemen's agreement is a matter for the Senator himself to determine.

Mr. CLARK of Missouri. I am merely trying to find out what the gentlemen's agreement is. I claim to be a gentleman, but I do not wish to enter into any agreement——

Mr. BARKLEY. I do not undertake in advance to pass upon whether or not any gentleman has violated a gentlemen's agreement.

Mr. CLARK of Missouri. Certainly a gentleman ought to know what a gentlemen's agreement is.

Mr. BARKLEY. I think I announced earlier in the day that neither I nor anyone else could prevent any Senator from making the point of no quorum if he should desire to make it, and that under those circumstances the only thing the Senate could do would be either to send for those absent or adjourn, which may always be done in the absence of a quorum.

Mr. CLARK of Missouri. As I suggested to the Senator earlier, it is entirely possible that a Senator might make the point of no quorum, disclosing the absence of a quorum, which would make it impossible for the Senate to recess. It would then be possible only to adjourn. If such Senator should do the same thing at each succeeding meeting of the Senate, he would probably be able finally to obtain a quorum of the Senate, because most Senators who might be roaming around in their own constituencies would find it very uncomfortable to have that sort of procedure going on. What I wish to find out is whether or not, if such a situation should develop that any Senator should think a quorum ought to be present, the Senator from Kentucky considers that the Senator would be precluded from making the point of no quorum, which course is undoubtedly authorized under the Constitution of the United States.

Mr. BARKLEY. I do not interpret the arrangement into which I thought we had entered as precluding any Senator from making the point of no quorum, if he should see fit to do so.

Mr. CLARK of Missouri. That was my understanding. I merely wished to make it perfectly clear, because if there were any other implication in the understanding or gentlemen's agreement, I should not be able to agree to it.

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

Mr. BARKLEY. I yield.

Mr. DANAHER. The Senator has just this moment put his finger on the crux of the whole discussion. He referred to the arrangement into which he thought we had entered. I submit that the RECORD will show that after the Senator from Kentucky had stated the proposal, he and the Senator from Vermont engaged in a colloquy lasting about 10 minutes, while they were undertaking to understand each other. Far from concluding an agreement, the Senator from Vermont, who is present in the Chamber at this moment, will tell the Senator from Kentucky that he did not enter into any agreement with the Senator from Kentucky; and there is no gentlemen's agreement.

Mr. BARKLEY. The Senator from Vermont is able to speak for himself.

Mr. DANAHER. I call upon him to do so.

Mr. BARKLEY. I have not been informed that the Senator from Vermont has delegated the Senator from Connecticut to speak for him.

Mr. DANAHER. I call upon the Senator from Vermont to speak for himself.

Mr. AUSTIN. Mr. President, no agreement has been concluded. I have never assumed that I could conclude an agreement about this matter. All I could do was to clarify the proposal and have it interpreted, so that when the Senate should act upon it, whatever action should be taken should be based upon the proposal as interpreted and clarified by our colloquy.

Is not that the exact situation?

Mr. BARKLEY. I think the Senator has fairly stated the situation. I thought our colloquy had clarified it so that every Senator understood what to expect.

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

Mr. BARKLEY. I yield.

Mr. NORRIS. It seems to me it ought to be perfectly clear to every Member of the Senate that any Member of this body has the constitutional right to avail himself of the privilege of making the point of no quorum if he desires to take that course, gentlemen's agreement or no gentlemen's agreement. Even if every Senator present should enter into a gentlemen's agreement, and even though we should put that gentlemen's agreement on the Journal as a record of the Senate, it would not preclude any Senator, at any meeting of the Senate, from taking any course he desired to take—such, for instance, as making the point of no quorum. Such an agreement could not preclude the right of any Senator to do so. We have had such agreements before.

As I understand, a gentlemen's agreement would mean that we should agree to a certain course. Any Senator entering into the gentlemen's agreement might go back on it the next minute if he so desired. It is like a pair. We announce pairs, and let the RECORD show with whom we are paired, but neither the law nor the rules of the Senate recognize such a thing; and a Senator has a perfect right to make an agreement about a pair today, and violate it tomorrow if he wishes to do so.

It is apparent that we cannot make a gentlemen's agreement unless we can have an understanding that someone is to decide something when it comes up. So far as I personally am concerned, I do not care whether anyone is to decide it, or whether it is to be left undecided. We have certain rights which we cannot legally agree to set aside. It seems to me that it is all nonsense to continue this discussion in regard to an agreement which we have no constitutional right to make, and which, if we should make it, we could violate the next day if we so desired.

Under the circumstances, it seems to me that what we ought to do is to let the Senator from Kentucky or some other Senator make a motion to adjourn or a motion to recess. Then we may vote upon it. If we choose, we may vote it down, and not adjourn until 5 o'clock, and meet at 10 in the morning every day, if we have the votes to do so. We cannot agree that the constitutional procedure shall be abolished. It seems to me we are wasting time talking about such a proposal.

So far as I personally am concerned, I have never believed that it is necessary for the Senate to stay in session every day, or to meet every 3 days; but a majority of the Senate will determine that question. If the majority should vote the other way, no matter what I think of the action, I must abide by the result, and I shall do so cheerfully, even though it goes contrary to my own views as to what we ought to do.

I do not see any sense in staying here; but we are elected to stay here, and if the majority of the Senate shall vote to stay here every day, we must do so.

Mr. BARKLEY. Mr. President, during this whole colloquy I have never contended or suggested that any Senator was to be deprived of his constitutional rights. We all know that at any time any Senator has the right to make a point of no quorum and have a roll call to determine whether or not a quorum is present. I do not recall a single sentence which was uttered on my part or on the part of the Senator from Vermont which contemplated precluding the right of any Senator to make the point of no quorum.

Mr. NORRIS. Mr. President, will the Senator further yield?

Mr. BARKLEY. I yield.

Mr. NORRIS. I do not wish to be understood as finding fault with anything the Senator from Kentucky has said or anything the Senator from Vermont has said. I think there may be a difference of opinion about the matter; but if there is, we must go ahead in the usual way, as we do in connection with other matters.

Mr. BARKLEY. Furthermore, I wish to state that never at any time have I made the suggestion that I wanted to be the person charged with the responsibility of advising the Senate that it ought to come back. That suggestion was made to me by Senators who wanted some assurance that if an emergency should arise during the recess or adjournment of the Senate the Senate would be reconvened and a majority asked to come back to Washington.

Manifestly, under this sort of an arrangement the President could not call Congress back, because it would not be in adjournment or in recess. The Vice President would have no authority to call the Senate back into session. The proposed understanding was that if such a situation should arise that the Senate ought to be reconvened, some Member of the Senate should have some responsibility bearing on the subject to advise Senators that their presence is needed in Washington. I assured the Senator from Vermont that before taking such action I should consult either the Senator from Oregon or the Senator from Vermont, who is his very able assistant.

So far as I am concerned, if any Senator is better qualified than I to determine that matter after consultation, I am willing to designate any such Senator as the person to do it. Someone must do it if a situation should arise requiring the presence of the Senate. We cannot have a town meeting to determine whether or not such a situation shall have arisen. We cannot ask all Senators to come back to Washington to determine whether or not they ought to be here. Someone must have some judgment, discretion, and responsibility in the matter. If Senators do not wish me to assume that responsibility I am glad to yield it to anyone else who is better qualified.

Mr. McNARY. Mr. President, I stated earlier in the afternoon that I would oppose the proposition made by the able Senator from Kentucky for the reason that it vested too much power in one person to determine, upon his own fiat, whether an emergency existed. I would consider it if the minority had an equal voice, but under the circumstances I said we had better adjourn until Friday, and then on Monday probably continue in that fashion.

Mr. BARKLEY. Mr. President, I wish merely to state that I think every Member of the Senate understands the situation. It is not entirely devoid of politics, to be perfectly frank about it. It is my purpose, and Senators may govern themselves accordingly, to move to recess or adjourn until Friday; then, to move to adjourn until Monday; then to move to adjourn until Thursday, and on the following Thursday move to adjourn until the following Monday, and to proceed with that sort of course, unless some exigency arises that requires the presence of Senators. Based upon that suggestion, Senators are at liberty to pursue whatever course they desire to pursue in regard to the sessions of the Senate.

Mr. McNARY. I am glad to hear the Senator is now following my suggestion. We could have saved an hour if that had been the statement of the Senator from Kentucky at 2 o'clock. That is satisfactory. It will all depend upon the majority of the votes; if the Senator moves on Monday to adjourn until Thursday and a majority wants to meet again on Tuesday, that will be the order.

Mr. BARKLEY. Well, Mr. President, it is too bad the Senator from Oregon was not here at 2 o'clock instead of being away. I realize that the exigencies of the situation require his absence frequently from the Chamber now.

Mr. McNARY. Not so often.

Mr. BARKLEY. And I am glad to welcome him back to the Chamber so that he may register his objection to an

arrangement which had previously been entered into by his designated assistant. But I only made the suggestion with respect to the responsibilities to which he now objects on the suggestion of members of the Senate from his own side of the Chamber.

Mr. McNARY. Mr. President, I never like to carry on a running debate indefinitely, but I read the RECORD and there was no understanding entered into between the Senator from Kentucky and the Senator from Vermont. The whole thing was nebulous, uncertain, without an ending place. When I read the RECORD, I repeat, with the greatest courtesy and affection for the able Senator from Kentucky, I reached the conclusion that too much power would rest in one man to determine what is an emergency during these emergent times.

Mr. BARKLEY. Mr. President, I inquire if the Senate has concluded its business?

The ACTING PRESIDENT pro tempore. The Senator from Colorado still has the floor. He yielded for the colloquy which has taken place.

Mr. BARKLEY. It has been so long since he yielded I had forgotten about it.

Mr. JOHNSON of Colorado. I yielded temporarily.

The ACTING PRESIDENT pro tempore. The Senator from Colorado has the floor.

AVIATION CADETS IN REGULAR ARMY AIR CORPS

Mr. JOHNSON of Colorado. Mr. President, on September 16 last, after a long controversial debate, the Congress enacted the so-called Burke-Wadsworth peacetime conscription bill. Few pieces of legislation ever to come before the Congress have received the attention and interest that was accorded this legislation by the Congress and the people. While I was bitterly opposed to the principles upon which it was based, nevertheless I labored diligently day after day through many long weeks in committee in an effort to improve its provisions and make it more workable and more acceptable. I am certain that every member of the Senate Military Affairs Committee and every Member of Congress did his utmost to make it the best measure possible. On this floor on August 27 I pointed out many of its bad provisions and said that it gave us a miserable defense. The American people in time will be convinced of its utter futility. However, for the present, it is the law of the land and entitled to the support of every good citizen.

I desire to call attention now to another measure which passed the Senate by a unanimous vote on Monday, September 30. I refer to S. 4365, an act to create the grade of aviation cadet in the Air Corps of the Regular Army. It fell to my lot also to serve on the subcommittee of the Senate Military Affairs Committee whose duty it was to study and perfect this measure. For reasons which to me appear to be consistent, I find myself as enthusiastic in its support as I was in opposition to the Burke-Wadsworth bill.

When I opposed peacetime conscription, some of my constituents and friends pointed out that one should not oppose a program unless he had a better program to offer in its place. S. 4365 is my complete answer to that pertinent suggestion. The conscription bill is costing the Treasury a billion dollars a year, and will not give us one soldier skilled, trained, and capable of operating any one of our modern implements of war. On the other hand, S. 4365, at an estimated cost to the Treasury of $300,000,000 a year will give the United States 100,000 young, alert, skilled, and thoroughly trained aviators.

The Burke-Wadsworth Act represents a mossback approach to our military necessities. Twenty-five years ago a huge civilian army of foot soldiers meant great military strength, but the science of war has not stood still with the present head of our War Department; and today deadly machines of great speed and invincible power directed by a few men have replaced the big army. Modern warfare requires men of unusual skill and broad experience to operate her costly and complex machines of wholesale destruction. Progress is the most difficult thing to accept. Our reactionary Secretary of War apparently does not know it, but the bayonet is obsolete, and the Springfield rifle is on its way out. His conscripts, trained in the use of hand weapons once upon a time indispensable, will not stop a "blitzkrieg" of planes and tanks. The United States needs 100,000 first-class aviators and she does not need a million foot soldiers armed with Springfield rifles and bayonets.

This bill creates the grade of aviation cadet, and authorizes and directs the Secretary of War to establish and maintain schools for the instruction and training of aviation cadets. The cadet is to be paid a salary of $75 a month, plus a dollar a day for subsistence, and traveling expenses, while in training. He is furnished with quarters, medical care, hospitalization, his uniform, other clothing, and equipment. In addition, he is given a Government life-insurance policy in the amount of $10,000, upon which the premium is paid by the Government during the duration of his training, which will require from 6 to 9 months. After his period of training has been completed he is to be commissioned a second lieutenant in the Air Corps Reserve and automatically called to active service for a period of 7 years. While in active service he is to receive the regular pay and subsistence of a commissioned officer, and $150 clothing allowance in addition. As a commissioned officer his insurance continues if he elects to have it continue, but he must now pay the premium out of his salary. He is also paid a $500 bonus for each completed year of active service. This is in addition to any pay allowance, compensation, or benefit which he may otherwise be entitled to receive as a commissioned officer.

The opportunity to learn a useful vocation, the adequate compensation, and the promotion features of this bill will appeal to ambitious young Americans who do not relish the idea of serving in the Army for $21 or $30 a month, with no opportunity to learn anything useful. Ambitious young Americans want to learn to do important things. This modern vocational training, therefore, will prove very attractive to them, and will challenge their best efforts. I fear that the advocates of compulsory peacetime conscription completely underestimate the patriotism, courage, intelligence, daring, and especially the realistic ambition of our present-day youth.

Under this bill the Secretary of War is authorized to prescribe the regulations for the enlistment of male citizens of the United States as aviation cadets, and he may appoint enlisted men who are in the Regular Army as aviation cadets if they be otherwise qualified. The Secretary of War may at any time discharge an aviation cadet or relieve from active duty an aviation cadet holding a commission in the Air Corps Reserve, but the candidate, at the time of his appointment, must agree to serve at least 3 years on active duty, unless he is sooner relieved. After serving 3 years as a second lieutenant he will be promoted to the grade of first lieutenant, Air Corps Reserve, just as second lieutenants in the Regular Army are promoted.

I like this legislation because men enter it of their own free will and accord. They are not drafted or conscripted. In fact, there is no need for conscription, because there will be a thousand applications for every enlistment. The pay will be fairly good and the service attractive. Men have to be conscripted for bayonet service because the pay is low, and the service not attractive. Congress does not always keep in mind the realistic attitude of young America. Our young folks are not easily deceived. They are not afraid of anything and they are not gullible. They know what they want. They do not look with favor upon a year's waste of their time learning something that they do not want to learn. Anyone who has kept up with the science of war in these modern times should know the importance of aviation to the Military Establishment. Our young men know it. They understand its implications. They have a desire to have a part in it. They are challenged by its possibilities. There may be skeptics who will say that American youth will not voluntarily respond to an opportunity of this kind. As an indication and assurance that I am not too optimistic in my appraisal of what the youth of this country will do, may I give you some

pertinent statistics? There were more than 50,000 applications in our colleges last year for elementary pilot training and we could only give 25,000 of these youths training because of a shortage of facilities. Give the young men of America a chance in keeping with their ideals and ideas and they will respond magnificently.

I am indebted to The Adjutant General of the Army for the general information concerning aviation and the operation of this measure, which I shall now give you. Portions of it will be quoted directly from a statement issued by him.

Aviation, both military and civil, has made tremendous strides in the 35 years since its beginning, and has developed to such an extent that it now offers splendid opportunities to the young man about to choose a career or profession.

The great advance in the science of flying is strikingly shown by the successful trans-Atlantic, trans-Pacific, pan-American, and world flights, and by the constantly increasing use of airplanes for commercial purposes. Air mail and the commercial air-lines require the services of a considerable number of pilots, engineers, and technical personnel; the design and construction of airplanes and their accessories require competent designers, craftsmen, mechanics, and the like. These positions pay good salaries, and the specialized positions require education and training equivalent to that essential for the learned professions.

The average individual in considering aviation is likely to think of what it has to offer the pilot. At present, air-line pilots receive an average of $600 a month, and the pay of co-pilots ranges between $190 and $350 a month. This phase of aviation is not only interesting but serves as excellent training for administrative and executive positions in the industry. Aviation leaders agree that the best foundation for the majority of positions in the field of aeronautics is thorough pilot training.

A young man who decides to follow aviation as his career, and who receives the benefits of Army Air Corps flying training, will find himself in a most favorable position to seek employment in civil life either in one of the many remunerative positions in the field of aviation itself, or with one of the growing number of commercial concerns which are becoming more and more interwoven, in one way or another, with this rapidly expanding industry.

The course of instruction for an aviation cadet will require approximately 9 months, including 3 months' elementary, 3 months' basic, and 3 months' advanced training. This instruction, in addition to the flying training, includes courses in navigation, meteorology, radio, and other subjects allied with military aviation.

Upon completion of the 3 months of elementary training, the aviation cadet will be sent to Randolph Field, Tex., for 3 months' additional instruction, and, upon graduation therefrom, will be sent to Kelly Field, Tex., for the final 3 months of training.

The course of training will include approximately 215 hours in the air, during which time the student will receive instruction in all maneuvers necessary to pilot military airplanes. In addition to the pilot training, the student will also pursue academic work in specialized military subjects.

Mr. BRIDGES. Mr. President, will the Senator yield for a question?

The ACTING PRESIDENT pro tempore. Does the Senator from Colorado yield to the Senator from New Hampshire?

Mr. JOHNSON of Colorado. I gladly yield.

Mr. BRIDGES. I understand the Senator is discussing now the training of aviation cadets?

Mr. JOHNSON of Colorado. That is correct.

Mr. BRIDGES. I should like to ask the distinguished Senator from Colorado in the training of cadets and bringing them into the Army whether he intends to provide they shall enter the service as captains or whether some of them will start below that rank, and, if so, why?

Mr. JOHNSON of Colorado. I will say to the Senator that under the provisions of the bill to which I have referred a boy who has had 2 years of college would enlist for 9 months of very intensive training. If, after the 9 months of intensive training, he has proved that he is qualified he is automatically made a second lieutenant in the Reserve Corps, and serves 3 years' active service in the Reserve Corps; then he is promoted to a first lieutenant in the Reserve Corps, and, after he has served his time as first lieutenant, he retires in the Reserve Corps. That is as far as his promotion goes. So he never reaches the grade of captain.

Mr. BRIDGES. How long would it take, under the Senator's plan, for a man who enlisted in the service to reach the rank of first lieutenant, which, as I understand is a grade below a captaincy? How long would it take him to reach the grade next below a captain, which some of us thought was the rank the men who were going to enlist would attain.

Mr. JOHNSON of Colorado. He would have to have 2 years' college work, then it would take 9 months of intensive training; then, it would take 3 years as a second lieutenant; then, if he wanted to go on up, it would take him 7 years as a first lieutenant. Before he would be eligible to the grade of captain it would take, under this bill, 12 years and 9 months.

Mr. BRIDGES. I thank the Senator. It would take, then, under the Senator's bill, 12 years and 9 months for a man starting at scratch to attain the grade of captain? I think that ought to be perfectly plain to the Senate and to the country, because in the case of certain other enlistments of which we know it has not seemed to take 12 years and 9 months to attain that rank. I do not think I need to mention any names, but the short cuts to promotion and attainment certainly must be rather discouraging to the American youth who, as the Senator has pointed out in this bill, must serve 13 years to attain the grade of captain. I thank the Senator.

Mr. JOHNSON of Colorado. Mr. President, as the physical condition of flyers is of primary importance, special attention will be paid to the health of the aviation cadet. Not only will physical exercise be a part of the curriculum, but facilities will be provided for aviation cadets to engage in various forms of recreation to enable them to maintain a good physical condition.

The requirements for appointment as aviation cadets, under the rules prescribed by the Secretary of War, probably will be that candidates must be unmarried-male citizens of the United States who at the time of application have reached their twentieth but who have not reached their twenty-seventh birthday. No candidate will be appointed an aviation cadet after he has reached his twenty-seventh birthday. An applicant must present a certified document from the office of the registrar of a recognized college or university showing that he has completed satisfactorily at least 2 years of the necessary credits leading to a degree. To me the 2 years' college-work requirement is absolutely asinine and without a sound basis. There are a million boys in these United States who have never been to college but who would make exceptionally fine pilots. Why the privilege of becoming an aviation cadet should be limited to college men is beyond my comprehension—it is arbitrary and silly. Applicants must, of course, be of excellent character and must present evidence of that fact. They must be of sound physique and in excellent health.

The physical standard for flying training will be higher than that for enlistment in the Regular Army, and the examination itself will be somewhat different, particular attention will be given to those factors and functions of greatest importance in flying. In general, physical defects which disqualify for enlistment in the Regular Army will also disqualify for flying training. In addition candidates for appointment as aviation cadets will have to meet the following physical and mental requirements:

Vision 20/20 bilateral, without glasses; unimpaired ocular muscle balance; unimpaired optical organism, anatomically and mechanically; good respiratory ventilation and vital capacity; hearing 20/20 bilateral; a stable equilibrium; a sound cardio-vascular system, nervous and organic; a well-formed, well-adjusted, and coordinated physique; height, minimum 64 inches, maximum 74 inches; and integrated and stable central nervous system, combined with a temperamental constitution suitable for military flying.

It is only natural that in training of this nature involving, as it will, hazards to the individual, to other students, and to property and equipment, a number of aviation cadets will, especially in the early stages of training, be found unsuited to become military pilots, and they will be dropped. It is reasonable to anticipate that many will fail from one cause or another since the qualifications of an Army pilot are indeed very high.

During the first part of his training following the completion of the course at the Air Corps Training Center, emphasis will be placed on the graduate's flying training in a tactical squadron equipped with modern aircraft. He will go with his squadron on maneuvers in various parts of the United States, or he may receive this training in the Panama Canal, Hawaiian, Philippine, or Puerto Rican Departments, during which time he will have the opportunity to familiarize himself with Army stations outside the continental limits of the United States.

The Air Corps Reserve officer, during the period of training with tactical units of the Air Corps will have the opportunity to observe all the various phases of aviation and, in addition, to build up his flying experience toward the objective of every Air Corps Reserve officer—a total of 1,200 hours' flying time. This accomplished, he will be eligible to secure a rating from the Civil Aeronautics Authority as an air-line transport pilot.

In addition to intensive flying training, the Air Corps Reserve officer, during his tour of extended active duty, will receive instruction in air navigation, engineering, radio, and armament, and will have ample opportunity to specialize in one or more of these subjects.

After completion of extended active duty, the Reserve officer will be free to return to his normal civilian pursuits, retaining his commission in the Reserve Corps so long as he is qualified to do so. With the inevitable expansion of aviation, many positions will be available to graduates of the Air Corps in the various classes of civilian flying and with commercial companies. While in an inactive status, Reserve officers will be assigned to Reserve units in their localities, and will be eligible for assignment to active-duty training for 2 weeks each year, if they so desire.

The expansion of the Air Corps requires a number of additional Regular Army Air Corps officers, and under existing law a limited number of vacancies in the Regular Army Air Corps are available each year. Aviation cadets who possess the necessary qualifications and meet the requirements for a commission in the Regular Army Air Corps are eligible to compete in the examinations held from time to time when vacancies are available and have some chance of receiving a commission in the Regular Army and thus continuing their flying career.

There was not one vote against S. 4365 when it passed the Senate. Every Senator understood the necessity for it, and every Senator favored its wholesome and constructive provisions. The Air Corps is keen for it because it provides the trained pilots so desperately required in a good, modern, and sensible national defense. I congratulate the Senate upon its foresight and wisdom in enacting this measure. I feel very certain of the wholehearted enthusiasm with which it will be received by the youth of the country and by the public generally.

I have noted with great satisfaction that the New York Daily News, one of the world's most powerful newspapers, has been advocating for several months the military training of aviators and skilled mechanics.

Early in the next session I shall introduce and push a companion bill to provide for 100,000 mechanic sergeants along the general lines of this measure. Well-paid, skilled, and thoroughly trained career men are what we must have to operate our implements of war. It takes a long time to develop such men, and we should be at it without further delay. Drumbeats and marching soldiers stir men's souls, but if every male citizen of the United States were armed with a bayonet mounted on a Springfield rifle we still would have no defense worthy of the name. Insofar as manpower is concerned, lack of proficient pilots and skilled mechanics are the bottle necks and the weaknesses in our defenses.

When the November election is out of the way and the present period of war hysteria has passed and men return to straight thinking again, Congress will get down to business and begin training men on a large scale to perform the technical work required in our national defense. In that day the obnoxious peacetime compulsory conscription bill will be repealed and our defenses will become real and not imaginary.

ADDRESS BY HON. HENRY A. WALLACE AT PORTLAND, OREG.

Mr. BRIDGES. Mr. President, I hold in my hand a copy of the Oregon Journal of Wednesday, October 2, 1940. The headline reads:

Wallace says East foots bill.

With the following subhead:

Oregon money "free"—nominee says industries only one needing to worry about spending.

I mention that, Mr. President—and I shall take only a moment of the Senates' time—to indicate that Mr. Wallace has sounded the "hymn of hate." If there is anything we need in this country today, in the tragic time through which we are passing, it is a united America, a united Nation. The fair and able majority leader and the able Acting President pro tempore of the Senate at the moment know full well that we should have no North, no South, no East, and no West, but should have a united Nation, a united America.

Here is a man, the Vice Presidential candidate on the New Deal Democratic ticket, who is going forth today preaching the "hymn of hate" and advocating sectional division in the country. I say it should be condemned, and I am very sorry that he has fallen to this level. I ask, as part of my remarks, in order to save time of the Senate, that the complete article be inserted in the RECORD.

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

The article referred to is as follows:

[From the Oregon Journal of October 2, 1940]

OREGON MONEY "FREE"—NOMINEE SAYS INDUSTRIES ONLY ONES NEEDING TO WORRY ABOUT SPENDING

(By Ralph Watson)

Henry A. Wallace, Democratic Vice Presidential nominee and formerly Secretary of Agriculture, reached Portland late Tuesday afternoon for a formal campaign speech in the auditorium Tuesday night.

Wallace does not see any reason why anyone in Oregon, except the person who might have a large income from industrial operation, should have any worry about the national debt or the amount of money that the Roosevelt administration has spent during the last 7 years. It will not come back upon the farmer or the lands of the Willamette Valley, or of the State, he told an audience of around 1,000 gathered to hear a rear-platform address at Eugene, Tuesday afternoon.

Wallace recalled that approximately half a billion dollars of Federal money had been spent in Oregon during the last years of the Roosevelt era through W. P. A., farm payments, crop loans, and other Federal agencies. Then he assured his audience that this sum would lay no burden on the land of Oregonians.

LANDS UNTOUCHED

"It is not Democratic money we are spending," Wallace told his audience, "nor is it Republican money. It is the people's money. We collect it and we spend it. We collect it from the incomes of the big industrialists in the East as they earn it, and we distribute it, and then we collect it again and distribute it again. It will not mean an added dollar of taxes laid on your lands or your people here in the Willamette Valley unless," he qualified, "there are some industrialists here whose incomes would contribute."

Wallace spoke to between 200 and 300 people at Klamath Falls early in the morning. He was greeted by around 1,000 at Eugene, while at Salem between 1,500 and 2,000 citizens were gathered at the station to greet him, headed by the Salem High School band and a flock of banners. In the crowd were about half a hundred Portland Democrats who had motored to Salem and some of whom rode the train back to Portland, where he was received at the union station by a crowd of 1,000 persons.

DASHES FOR TRAIN

At Salem, Wallace stepped down from the train halfway up front from his rear car and when half through his address the train started and a wild dash ensued to get on board again. The train slowed down after a few feet and Wallace attempted to conclude his address but had lost his microphone, so waved his adieus as he rode slowly past.

At Salem, however, he said he would like to change the name of the Willamette Valley to Friendly Valley. He had been given a kindly welcome on his journey, he said, and he was not surprised, because it was the home of his good friend, "CHARLEY MAC, best loved of all in the United States Senate."

He had been pleased to work with McNary in the past, he said. Together they had secured relief for the hop men, for flax, but they had discovered that the "all-powerful eastern wing of the Republican Party would not aid us."

Salem was the city of churches and as such wanted peace above everything else.

WALLACE PAYS COMPLIMENT TO MCNARY IN ADDRESS

KLAMATH FALLS, October 1.—Carefully polite references to his Republican Vice-Presidential opponent, Senator CHARLES L. MCNARY, of Oregon, marked the first public remarks in this State made by Democratic Vice-Presidential Nominee Henry A. Wallace, in a rear-platform appearance at the Southern Pacific depot here this morning.

A crowd of about 300 persons was on hand to greet the former Secretary of Agriculture as his north-bound train pulled into the station at 6:40 a. m. The local people cheered and applauded as Wallace, looking fresh and rested, came on the rear platform of his special car, a wine-colored Pullman named Leif Ericson.

Introduced by Democratic National Committeeman Howard Latourette, the candidate addressed the group briefly in a conversational tone.

He remarked upon the early hour and the size of the crowd welcoming him into Oregon. He asked for the hands of Democrats present and when nearly all hands went up he said it was going to be necessary to do a "little work" on Republicans in this campaign.

Republicans, he said, are not a bad lot, and he recalled that he himself had once been a member of the G. O. P.

"My father," he said, "was a Republican Secretary of Agriculture and worked on farm problems with the senior Senator from this State, as I have."

He added that he would except from his favorable comment on Republicans those who are "hooked up" with big financial interests of the East. "But I want to be fair," he hastened to add, "and state that your senior Senator has no such connections."

Wallace said there was no time for political discussion and he would prefer to spend the time shaking hands with the early risers who turned out to see him. He got down from the rear platform and shook hands with many.

NATIONAL ECONOMIC AND DEFENSE PROBLEMS

Mr. MURRAY. Mr. President, I ask unanimous consent to address the Senate briefly.

The ACTING PRESIDENT pro tempore. Without objection, the Senator will proceed.

Mr. MURRAY. Mr. President, the serious problems confronting our country and threatening to undermine American democracy are not of recent origin. They have developed through a long period of years. In 1929 they were brought forcefully to the attention of our people by the catastrophic collapse of our economic system. That the evil economic and social conditions which brought about this collapse had been growing over a long period of our history was well known to every thoughtful person in the country.

Woodrow Wilson, in his first inaugural speech on March 3, 1913, pointed in clear and vigorous terms to the necessity of a program for the correction of these evils infesting our economy. At that time he said:

> We shall deal with our economic system as it is and as it may be modified, not as it might be if we had a clean sheet of paper to write upon; and step by step we shall make it what it should be.

And he concluded:

> Justice, and only justice, shall always be our motto.

That program of economic reform announced by Woodrow Wilson was, as we all know, interrupted by the first World War. Following that war and the wild inflation of the twenties, which ignored all protests and warnings, we were suddenly shocked by the virtual collapse of our entire American system of economy, creating widespread bankruptcy and destitution throughout the country. For 3 years thereafter a reactionary government, then in power, failed to meet the situation. It declined to intervene for the relief of the people, and permitted still further dangerous conditions to develop and continue unabated until our democratic system itself was actually endangered.

On March 4, 1933, when President Roosevelt was called to assume direction of our Government, we were in the depths of the most serious depression our country had ever experienced. Fifteen million jobless men challenged his wisdom, his courage, and his conscience. They were the victims of all these evils which had grown up in our economic system over the years. They were, of course, in nowise responsible for the position in which they found themselves. They were without work and without means of livelihood. The whole country was experiencing a panic. Industry offered no solution, and, indeed, undertook to wash its hands of the resulting dangers, taking the easy position that it was an inevitable and incurable weakness of our economic system which could not be avoided; that it would have to run its course until the downward spiral was exhausted, leaving in its wake millions of wrecked lives and broken fortunes.

This, as I say, was the situation which confronted Franklin D. Roosevelt when he took over the reins of government on March 4, 1933. He found our economic system in exactly this state of chaos. In truth, the country was dangerously close to a state of revolution, with farmers of the Nation opposing the processes of courts and threatening the lives of mortgage holders and judicial officers who sought enforcement of foreclosure decrees. He found our system of banking in a critical condition. Banks were failing by the thousands in every section of the country, with new runs commencing daily. Six thousand and thirty-five had already suspended operations, and 3,413 failed to reopen following the emergency banking holiday proclaimed by the President in an effort to save the Nation from complete financial collapse.

The desperate conditions which threatened our country 7 years ago have been vividly described by Turner Catledge in the New York Times, America's leading conservative newspaper. He said:

> Few people who live in Washington will ever forget the New Deal's natal day. That day dawned a dark one in every respect. The great depression hung over the country like a darkening cloud. Banks were closing literally by the hundreds. Life savings in banks and in securities were being blown away like so much dust. Homes and farms were going on the auction block in ever-increasing numbers. Citizens were beginning to grow desperate. Word reached Washington that morning of hungry people raiding a food store in a community of the Southwest. In another State irate citizens had forcibly stopped a foreclosure sale, and in another had actually dragged a judge from the bench and threatened to tar and feather him for decreeing the forfeit of a farmer's mortgage.

We all know the story of the intervening period, a courageous struggle by a courageous government to salvage a nation. For 7 trying years President Roosevelt has been meeting and overcoming these threatening social and economic problems. At the outset he quickly restored the confidence of the people.

As BRUCE BARTON, the Republican candidate for the United States Senate from New York, truthfully acknowledged in a statement he published in Collier's, November 5, 1938—

> Franklin Roosevelt was pretty much all right in 1932, and there was certainly nothing the matter with him on March 4, 1933. Terrified and desperate people bent their ears to the radio to hear his vibrant voice proclaiming, "The only thing we have to fear is fear itself." I remember—

Says Mr. BARTON—

> how the members of our entire office staff quit work to listen to that speech and were thrilled to the fingertips. The Almighty had raised up for America again a man in her hour of need.

Almost overnight conditions began to improve as a result of his resolute and constructive leadership. To the task of providing for the millions of destitute unemployed of the country he immediately applied himself. Within 1 month after his inauguration he asked Congress for an appropriation of $3,300,000,000 to carry out his inauguration pledge to the American people that no one in the Nation should be allowed to starve.

I take particular interest in this phase of the accomplishments of the New Deal administration. I have supported legislation for all these relief activities because I firmly believed that in time of peace or in time of war the greatest responsibility of government is to the people of the Nation. I have little patience with those who follow a different philosophy. I shall not undertake to debate such an issue.

At times I am disappointed and saddened by the course of the present campaign. President Roosevelt and his administration are receiving some of their severest criticism solely because of the humane and enlightened attitude which has been taken toward the problems of the bankrupt farmers and

destitute workers of the country. When we realize how absolutely essential the relief policies of this administration have been, I am at a complete loss to understand the reasoning of the opposition. Because of the humane program of the President, initiated by the Congress and carried out by the various agencies of the Government, we have been called radicals, dreamers, Utopians, and sometimes railed at as Socialists and Communists bent on the destruction of the Nation.

Throughout my service in the Congress I have taken a serious attitude toward these economic and social problems. My own position has always been one of deep concern in the economic problems of the Nation.

Before taking my seat in the United States Senate, I had enjoyed a broad experience in life. I had been a lawyer in my home town of Butte, Mont. I also had been interested in business and in mining, and had served as a director of banks. Prior to these experiences I had worked as a miner in the deep copper mines of the Butte mining camp. I there became familiar with the lives of the workers of my State. I knew their problems, their fears, their hopes, and their disappointments. I had been through several depressions, and had witnessed the unequal burdens borne by the workers. I was familiar with the privation, destitution, and want always associated with industrial shut-downs. As a property owner and investor, I also had my share of contacts and experiences with the national stock markets and financial institutions of New York—on some occasions much to my regret and discouragement.

Probably because I had such a varied experience in life—close contacts with highly organized labor, industry, agriculture, and Government—because I had lived for 40 years in a western mining and agricultural State, my experience equipped me and enabled me to see and understand how vital it is to the Nation to protect and encourage the great mass of Americans who make up our country, who determine its purchasing power, and who make possible the successful operation of our economic system.

As a consequence of my experience in life, I am unable to see anything in the present administration which has been harmful either to the people, or to the economic machine, or to its owners. I feel that the policies of our present administration have been designed to preserve our American system of free enterprise. In supporting this administration, I feel that I have been able to serve my own people and the people of the Nation with a clear eye, uncontrolled and uninfluenced by political or economic ties which bind or blur the judgment.

I think it is absolutely manifest that every important New Deal program created by this administration to meet the emergency has operated to the benefit and advantage of American industry and business. Admitting that some mistakes may have been made, I believe the statement I have made can be verified by every fair-minded businessman and every independent economist and student of our Government in the country. I think it must be conceded that the New Deal saved our capitalistic economy, reinforced our wavering democratic system, and restored the confidence of the people. The best economic writers in the country take this view.

The Fortune magazine—the rich man's national periodical—in September 1938 said:

> There can be no argument with Government spending for relief from the point of view of necessity; starvation and misery in the midst of what is still the most bountiful economy on earth simply cannot be tolerated.

Many nationally known editors and economists have pointed out that the various New Deal agencies, such as Public Works Administration, Work Projects Administration, Rural Electrification Administration, Reconstruction Finance Corporation, United States Housing Authority, Home Owners' Loan Corporation, Federal Housing Administration, and perhaps other agencies which I do not at the moment recall, were all, in fact, subsidies for big business. It was through the operation of these New Deal agencies that business was revived and our economic system saved from bankruptcy.

The records of the Internal Revenue Bureau show that all the big basic corporations of the United States greatly enhanced their profits under the New Deal. In fact, a great many of them made more profits in 1937 than they had made in 1929.

In the battle against the depression, the administration did not overlook the people. It rescued the farmers and workers of the Nation from destitution and want. It stabilized agriculture, and put idle men to work. We showed them that we had a democracy in this country that works.

As I talk here today, I want the people of the country to understand me. I want to try to give them a deeper understanding of a government in Washington responsive to the people. I want particularly to show that the unfair attacks made upon President Roosevelt's work-relief program in themselves explain what is operating in the minds of these critics. Obviously, only the programs which have taken the people into consideration are the ones drawing the heaviest attacks from the opposition. We hear little, if any, criticism of the Reconstruction Finance Corporation, because it bailed out the railroads, corporations, and business interests. Attacks leveled at the Federal Deposit Insurance System at its inception have wholly ceased. Although originally opposed by big finance, it is now realized that the banks of the Nation have been strengthened, and that we have today in the United States the safest and soundest system of banking in the world.

We also hear very little adverse comment on the operations of the Public Works Administration, because this relief program was aimed at stimulating and maintaining the steel, cement, copper, lumber, building trades, and other types of heavy industry. The Public Works Administration started the wheels of industry revolving, and enabled those industries to get back to the 1929 scale of profits and production. It was in reality a subsidy for big business, and therefore is not criticized. The same thing is true of the United States Housing Authority and Federal Housing Administration. They have all materially aided industry, and therefore they are not being attacked in this campaign. We all recall, however, the great hue and cry of the last Presidential campaign over Social Security, and the bitter attacks on the Triple A programs of the Department of Agriculture, designed to relieve the distress of the American farmers. We also recall the bitter assaults on the relief agencies designed to relieve unemployment and destitution among the masses.

All this propaganda against the administration has again been revived, with more bitterness than ever. They wish to undo only what this administration has done for the people. This is all because in the past years of our history, under conservative or so-called reactionary administrations, all the advantages in legislation and governmental administration, both State and Nation, have been accorded to the big financial and industrial interests of the country, the theory being that with Government aid to those on the top of the economic pyramid sufficient of the surplus prosperity may trickle down through the strata of economic life to satisfy the masses at the bottom. This administration has reversed that philosophy. Of course our opponents do not like it. After years and years of broken Republican pledges and promises to the farmers, small-business men, and laborers of the Nation, there has finally been installed in Washington an administration which actually carries out its promises, and directly provides for the welfare of the people as a whole.

So the very fact that these New Deal programs are under attack today from the reactionary elements in the country should prove to the people that those now engaged in a desperate attempt to regain control of our National Government are not in sympathy with any program for the practical benefit of the people. It requires taxes to provide such programs; and while those to whom I refer are not opposed to subsidies to big business, they are opposed to national spending to aid the people, even though in the long run it eventually benefits the economic system as a whole. They want our National Government to be again dedicated to the interests of the big financial and industrial groups of the country.

The struggle is between Main Street and Wall Street. Make no mistake about this, because this struggle over property rights and human rights has been with us since time began, and will continue as long as we adhere to a system of capitalistic enterprise.

It so happens that the people are in the driver's seat at the moment. They must be retained there if we are to bring about in this country the necessary reforms and readjustments which Woodrow Wilson planned at the commencement of his administration, and which Franklin D. Roosevelt is now seeking to accomplish for the American people.

Today we are engaged in a great national effort to prepare this Nation for total defense against any nation or group of nations which may have designs upon our way of life. We in America, I am sure, are satisfied to go about our American way of living without infringing on the rights of other nations. We will fight for that right just as our forefathers fought for the right to establish this great democratic power.

So in this picture of our everyday fight for life and the gigantic task of national defense we are now undertaking, I want the people of the country to understand the great part our Federal relief agencies have played in strengthening our internal affairs and preparing for national defense and our right to live as a free, democratic nation.

No government can successfully prosecute a war without the support of a united people. That is a lesson which the French nation learned too late. Pertinax, the great French journalist, recently said:

> The lesson to be drawn from the dreadful sequence of events in France is that no nation can attune itself to the exacting demands of totalitarian war waged against dictatorships unless it succeeds in keeping clear from all internal disturbances.

Further, he said:

> The French people had been deeply divided ever since 1934, but when war was declared we believed that some kind of national unanimity had come into its own to face the German danger. We thought that the "seamless robe" had been effectively patched up. Alas, we were mistaken. The reconciliation of all Frenchmen was merely on the surface. Deeper, the old feelings still ran vigorously.

It is here that Franklin D. Roosevelt is entitled to the eternal gratitude and loyalty of the American people. He has given our Nation a humane, liberal government; a government that recognizes human rights as well as property rights; a government seeking to correct the injustices and inequalities which have resulted from an unbalanced industrial system. The American farmer and laborer know that through the New Deal Roosevelt has sought to overcome the dangerous economic conditions of the country, where, in the midst of plenty, we find nearly a third of our population in want. In other words, the present administration has sought to raise the purchasing power of the farmer and offset the disadvantage he has suffered through a tariff system designed to subsidize industry.

While his predecessor, President Hoover, had tried to solve our problems by further subsidizing big business through enormous loans, higher tariffs, and other devices, President Roosevelt tackled the problem from the other end. He went directly to the people and told them at the outset of his administration that no man in the country would be allowed to starve, and that he would seek to bring about a more balanced economy in the country. He set up a gigantic work and relief program, and through it and other agencies he quickly pumped into the hands of the people a purchasing power which effectively turned the tide and saved the Nation from collapse. He set up a social-security program to protect the health and the morale of the people; a home-loan program to save American homes; a national-youth program to salvage American youth; and numerous other devices to relieve the distress and panic of the people. He has completely restored the confidence of the people, and has given us a united country.

To go into the accomplishment record of our principal relief agency, the Work Projects Administration, is an exciting experience, particularly in the sense of how it has improved the well-being and morale of the American people, and how greatly it has contributed toward making this a strong, united, and virile nation. Nevertheless, our opponents viciously attack this relief program. They have constantly insinuated that the projects constructed are worthless, that the relief workers are lazy and thriftless, and that the entire program should be substituted by a policy of doles or direct relief administered by the States, with national aid. They would propose to have the unemployed remain in idleness and merely feed them. These relief workers, of course, are American citizens. They are the victims of a depression for which they are in nowise responsible. I do not think the American people will accept the philosophy expressed by the opponents of the Work Projects Administration. I am confident that W. P. A. will be retained as the permanent American way of meeting the problem of unemployment and relief.

Furthermore, the program of the Work Projects Administration has created valuable assets for the Nation. Work Projects Administration workers have constructed, reconstructed, and extensively improved 550 landing fields, more than a thousand airport buildings, and nearly two and a half million feet of runways. In fact, more than 85 percent of all airport and landing-field construction in the United States during the past 5 years has been done through Work Projects Administration projects.

Let us take a look at what Work Projects Administration workers have done in the field of facilities for automobile transportation, a major part of national defense. They have constructed or improved a total of over 470,000 miles—miles—of roads and streets in the last 4½ years. In addition, they have also built over 57,000 new bridges and viaducts and rebuilt or improved over 37,000 others.

In the field of public buildings I will select two items which are definitely in the field of national defense. Work Projects Administration workers have constructed 127 new hospitals and reconstructed 1,500 others. Work Projects Administration workers have built 216 new armories and reconstructed or improved 370 others. This has involved no neglect of America's spiritual defense, to maintain which the Work Projects Administration has built or improved over 30,000 schools and nearly a thousand libraries.

The Work Projects Administration has been doing work for the Army and Navy for the past 5 years. It has worked on barracks, rifle ranges, air-training fields, and navy-yard facilities. It has done altogether nearly half a billion dollars' worth of work on projects useful to our national defense. The work of the Work Projects Administration on defense projects is now being greatly expanded. Work Projects Administration work will be found going on at nearly every Army post, naval station, camp, arsenal, and military and naval air base in the Nation.

General Marshall, Chief of Staff of the United States Army, has said:

> In the great task of preparing for national defense, the Work Projects Administration has proved itself to be an invaluable aid.

We are now realizing that the health work done in our communities by the Work Projects Administration is of importance to national defense. Dr. Thomas Parran, Surgeon General of the United States Public Health Service, says:

> America has moved forward in improving the people's health. The cooperation of the Work Projects Administration during recent years has helped greatly. But extra effort is needed to protect the health of the people during our urgent defense preparations; defense, vigorous manpower, is a vital factor in national defense. In this effort—

Says Dr. Parran—

> the Work Projects Administration will play an important part.

Dr. Parran further said:

> W. P. A. construction workers are improving the living quarters at our military camps; eliminating mosquito-breeding swamps; modernizing the sewerage and sanitary facilities both at military and naval reservations and for our cities and towns. The work being done to improve community health is, I know, of great importance to the Nation.

Donald M. Nelson, coordinator of national defense purchases, has this to say about the Work Projects Administration:

Both as a businessman and as an official of the National Defense Commission, I have come to appreciate the enormous contribution the Work Projects Administration is making to the welfare of the Nation. The work program has indeed been a good business proposition, paying dividends both in national recovery and in social betterment. I have also noted the valuable services that the army of Work Projects Administration workers has been able to perform in disaster emergencies—floods, hurricanes, droughts—when help is needed and needed quickly. Today, too, in our great emergency of national defense, the Work Projects Administration is repeating its record for quick emergency services. Work Projects Administration workers can be quickly turned to national defense work.

Charles E. Taussig, a progressive businessman and economist, has this to say:

The Work Projects Administration has been of great value in relieving unemployment and preventing needless suffering. It has been a boon to American business by helping to sustain general purchasing power, and maintaining the skills and morale of the unemployed. It has enriched our communities with every kind of needed public improvements. And now the Work Projects Administration is proving an important instrument of national defense.

In truth, there is scarcely a town in America which is not worth more physically because of the Work Projects Administration program of the New Deal. The Nation as a whole is a better nation, richer, stronger, and is today the idol of her citizens. Every community in the country has made more advancement in improving its economic and social conditions, and its educational facilities, than it could have accomplished in 50 years under the old regime.

In those fields where the works program has operated and which have become the targets of those who heckle and shout, we are again a richer nation, a happier nation, and a more cultured nation. I refer to the art programs and other "white collar" projects.

Jo Davidson, the famous sculptor, had the following to say when he returned to this country after a long absence:

Upon my return to America after several years abroad, I find, to my amazement and pleasure, that the face of the country is changed. The cities, the small towns, and the rural areas are cleaner and more beautiful. Sculpture and painting, for the first time commensurate with the vastness of our country, beautifies our public buildings. These projects—theater, music, painting, writing—small as they are in the whole program, are weaving together the various threads of our American culture for the first time in a definite program.

Is this a contribution to the welfare of our Nation, I am asked. I answer: A more basic contribution than all the airplanes and ships and armies that can ever be created. For the people who have benefited by these programs are being taught by their experiences to love this Nation of ours, and be willing to fight for it and defend it to the end.

Ned Bruce, who was directing the art program for the people of America, once said to President Roosevelt:

These pictures make me feel very comfortable about America. I do not believe that one of the artists who painted them likes either Hitler or Mussolini. I have a feeling they all know the Twenty-third Psalm. There has been—

He went on to say—

no sign of defeatism or social unrest among any of them. They have spread out before us a panorama of America, triumphant, clear-eyed, and unafraid, and I like to think that as time goes on we will continue to develop through our post offices little cultural centers where we are raising the taste of our country and helping to develop our native art.

The opposition, however, call all this art program "boondoggling." Yet it is clear to me and, I am sure, clear to you that all these programs combined under the New Deal are the things that breed loyalty and devotion to our country. A look around the world convinces us all of that premise. In Britain, where the people of the Nation repeatedly warned their leaders and masters against policies of greed, exploitation, and neglect of the masses, they are now suffering. And it is the plain people over there they must depend upon to bravely defend their Nation. In France, now fallen, discord developed over the same time-old struggle of man against property, and ended in chaos and loss of freedom because the ruling classes neglected and refused to heed the warnings of the times. In this example we see a lesson. It was a case of disunion and lack of loyalty amongst the people.

Work for the people, good housing, education, culture, vacations, health, and contentment are the first prerequisites of a strong nation. I often wonder if it ever occurred to the opposition who criticize this Government that people fighting and striving for a living might not get tired and just sit back and watch. And that is as grave a danger as revolution. When men are worn and weary of an endless struggle in which the odds are lengthened and the handicaps increased, there is danger—and great danger—to a nation.

The most terrifying question today, to me, is, What would be our present situation if there had been no New Deal? A people desperate, disillusioned, and in dire need, would have been the answer to Adolf Hitler's hopes. Instead of that, we find here a rejuvenated America. New homes, new farms, new industries, new opportunities being opened up. Safe banks, jobs for those in need, and food for those unable to work. Aid for the blind and the dependent. Salvation for the aged and pensions for workers who have contributed to industry their producing years. This is the story of the New Deal. We find the colleges filled with ambitious youth pursuing their course in life and devoted to a Nation which makes these things possible. It may not be perfect, but we want economic and social advancement—not the retrogression our Republican opponents are advocating.

I fail to see any justification in the assertions of the minority candidate for the Presidency that President Roosevelt's administration in Washington is one of defeatism and despair for America. It has been one of action, courage, and confidence in the future. Mr. Willkie asserts further that the new dealers preach a story of a nation which has reached its peak and must now level off and share the wealth that is here, neglecting the new avenues of production and prosperity. That is simply a libel against a progressive government of the people.

The record of the New Deal is not that sort of record. Our production indices in 1937 equalled those of 1929, and would have far exceeded that mark if we had had complete cooperation. Greed and avarice inspired a rapid rise in prices on behalf of industry during our fight for recovery, and finally the upward movement collapsed. This failure to continue the improved conditions in 1937 was directly caused by the fictitious price manipulations and the enormous profits exacted by industry at a time when we were seeking to spread employment. Industry had simply failed at that time to cooperate in the program. But it learned a lesson. Production today has again passed the peak of 1929, and is bound upward. Will we witness another attempt to jack up prices and destroy returning prosperity? There is a real danger, but let us hope we may find judgment and restraint in the seats of the mighty.

No; there is no truth in these attacks by Mr. Willkie. This administration has always stood for increased production and increased prosperity. But you cannot have increased production if prices go too high and people cannot afford to buy. While high prices provide more profits, they reduce production and cause unemployment. That is what happened in 1937.

It has been my good fortune to have been a member of the special committee of the United States Senate which in 1938 studied the causes of unemployment and relief. We brought before that committee some of the big industrialists, bankers, businessmen, and economists of the Nation. It was demonstrated at those hearings that these accusations, such as Mr. Willkie has made against the administration, are without any basis of fact.

There is another point I should like to touch on before I close. Mr. Willkie, the Republican candidate for the Presidency, in a frenzied effort to win votes, recently made a glaring misstatement in my home town of Butte, Mont., which I wish to consider. He flatly accused President Roosevelt of causing the recession of 1937–38. I will quote his exact lan-

guage as it appears in the Montana Standard, an Anaconda Copper Co. paper which purports to be a Democratic organ, but whose policy is controlled and directed from the Wall Street office of the company, and is advocating the election of Wendell Willkie in this campaign. Mr. Willkie in his Butte speech, said:

Many of you will remember in April 1937 that the President stated the price of commodities was too high. Bringing that point directly home to Butte, you also will remember that copper was selling at 17 cents a pound at the time and that following that statement by the President it immediately fell.

There is a direct relationship between industry and the individual and when copper fell as a result of the President's mere statement it affected the wages of every man in Butte, Mont.

The very fact that the President had enough power in his hands so that his mere statement could affect the price of copper points to the danger of centralized government.

Of course, the Republican candidate, Mr. Willkie, was very much at home with the copper interests of Montana, who have been bitter critics of the New Deal and the President. I should point out here, however, that the Anaconda Copper Co. is one of the greatest beneficiaries in the country of the New Deal program. That company was in a desperate plight when Roosevelt took over the reins of government. Its stock was selling at $3 a share, having fallen from $180. In Chicago the stock was being given away, by an enterprising merchant, with a suit of clothes to every customer. Following the New Deal, however, it was completely rehabilitated.

I am told that emissaries from the "sixth floor" headquarters in Butte met the candidate down the road and carefully prompted him in this futile attempt to deceive and befuddle the miners of Butte. But, let me say, Mr. Willkie made a grave mistake when he assumed that the miners of Montana are not familiar with the subject of commodity prices and their effect on our economy. I know miners in my home city who are better acquainted with economic realities than Mr. Willkie ostensibly appears to be, judging from his statement. I note that he slurred over this matter, seemingly in a great hurry to get over with it. Whether he was abashed by the political duplicity involved, which he had been inveigled into, or acted with entire innocence in repeating this misstatement, I am not prepared to say. Obviously, if he knew what he was talking about, he was simply engaging in an attempted deception. Under the circumstances, I must allow him the benefit of the doubt and assume that he was innocently repeating a misstatement he was furnished with.

We all know that the manipulation of commodity prices is one of the serious evils of our American economy. At the present moment the danger of a rapid price rise is seriously bothering the Government. I have adverted to this subject earlier in my remarks. It has always been difficult to restrain the natural greed for profits. In 1937, while the Government was spending billions of dollars to stimulate industry and restore employment, the big-business corporations of the country found the demand for commodities increasing rapidly. Prosperity was returning. The country was witnessing a come-back, and all that was necessary for complete recovery was honest cooperation of industry with the Government on the pump-priming experiment. It was obviously the duty of industry to maintain good wages, reasonable prices, and permit the money the Government was spending to remain in circulation. In this way we would witness increased production and increased employment. The improved industrial activity was due to Government spending, and it was unfair and noncooperative for industry to raise its prices and seek to profit out of such a program. But that is exactly what was happening.

The President, as Mr. Willkie stated, did warn industry on this matter in April 1937. He had repeatedly requested industry to hold down prices while we were fighting for recovery, but industry had gotten the start of him, and there was a rapid rise in prices in all commodities. Living costs went up and soon there was a runaway inflation on foot, which ended, as all such movements do, in collapse. Nearly all the basic corporations in the country made more profits during that brief economic spell in 1937 than they did at any time since 1929, the banner year of American prosperity. Many corporations made more profits than they did in 1929, but when the collapse came they made no effort to stem the tide or provide for the resulting unemployment. They hoarded these enormous profits, which were skimmed out of Government spending, closed down their plants and forced their workers to again join the ranks of the unemployed. Meanwhile, Wall Street rejoiced over the profits filched out of the New Deal. They had skimmed the cream off of the Government spending. By their greed they had started the whole process of inflation and brought on a serious recession with mounting unemployment throughout the country.

The President was dead right in pointing to the high price of copper in 1937, and the corporations were dead wrong in shoving prices up so high as to unbalance the essential economic equilibrium. It is clear to any intelligent person that the statement of Mr. Willkie to the effect that Roosevelt caused the recession is absolutely untrue and is a palpable effort to deceive the public. Mr. Roosevelt was attempting to stop the dangerous price advance and to induce the corporations of the country to cooperate with the Government in its carefully planned program for the stimulation of industry and reemployment of men. The miners of Butte understand this perfectly. They prefer steady, reasonable copper prices, with the mines steadily operating, providing steady employment. They are always the victims of booms and depressions. During booms they never get their fair share of the excess profits. When the depression comes they are out in the cold and get no sympathy from the profiteers. The economist of the International Union of Mine, Mill and Smelter Workers, Mr. Ben Riskin, and his staff have made a study of the recession of 1937, and he places the full blame just where the President placed it—on the Anaconda Copper Co. and other industrial organizations of the Nation who failed to cooperate with the Government.

I also wish to show that Mr. Willkie's statement was deceptive from another standpoint. He said that—

Copper was selling at 17 cents a pound at the time.

I use his exact language. He intended to leave the inference that the miners' wages were fixed upon the basis of 17-cent copper in April. That was not true at all. The price of electrolytic copper in April, according to the Department of Commerce quotations, was 0.1512—just a little above 15 cents a pound. There was a temporary flurry in the copper market in London for a few days caused by the commencement of the British armament program, and copper prices reached a temporary or momentary peak in the daily quotations in London of 17 cents. New York, being a free market, followed the English quotations; but very few sales, if any, were made at that price, and American producers realized nothing in the way of sales of copper under such quotations. Naturally, the temporary quotation had no effect whatever on wages.

Mr. Willkie is a candidate for the Presidency of the United States, and is supposed to be informed on industrial economics. Through his Butte statement he lost his reputation with the Butte miners. He proved himself not to be entitled to their confidence or support.

I am sure that the people of the country will agree that President Roosevelt is interested only in protecting and reinforcing our system of free competitive enterprise. That has been the whole theory of the New Deal. We certainly must acknowledge that his policies have constituted a sort of economic vein or artery through which new lifeblood has flowed into every phase of our national life. The very fact that all the opposition comes from a small group of well-to-do irreconcilable industrialists who spend their time in baseless abuse of the Government and organized labor is added proof that the New Deal is rejuvenating and reuniting this Nation.

The Senator from Kentucky, ALBEN W. BARKLEY, speaking in the United States Senate on the seventh anniversary of the New Deal, after reviewing the great record made by the administration in the field of human affairs, said:

And I would lose faith in America and American democracy if I did not believe that fundamentally we are all Americans first before we are partisans. But I am equally convinced—

He went on—

that when the impartial historian shall write the history of these 7 years he will say that never since the days of Lincoln has any man faced such tremendous problems, which might have bid fair to uproot and destroy the very foundations of our faith in democracy, and never has any man since Lincoln undertaken more unselfishly and more wisely to meet those problems and to master them.

Mr. President, I have no fear of the future as long as there remains a Government in Washington which understands and reckons with the problems of all the people, but I do have real fear of an administration dedicated to the policies pursued in the past and which left this Nation confused and divided. We have no assurance of any kind that the Republican Party can design any other kind of government than the one it has known and the one which is demanded by the powerful interests controlling its councils. The times are dangerous. The spokesmen of the Republican Party are giving lip service at the moment to the problems of the Nation as a whole, but their voting record in Congress and their behavior before many committees in Congress leads me to believe they are determined that the program of economic and social reform which the New Deal has given to the people will not be carried on. I say this deliberately. We must not take a chance with a party that gave us Harding and Hoover, depression and despair.

I am sure that when the smoke clears away after next November 5 this Nation will be united behind President Roosevelt. We will be united, strong, and powerful economically and able to defend our country against all the world. We will prove ourselves worthy of the trust placed in our hands more than 150 years ago when our forefathers shed their blood to the end that this Nation, under freedom, could become a reality.

PROPOSED RECESS ARRANGEMENT

Mr. BARKLEY. Mr. President, I move that the Senate take a recess until 12 o'clock noon on Friday next.

Mr. BYRD. Mr. President, I desire to make a statement.

Mr. BARKLEY. I did not know the Senator was on his feet. I withhold the motion.

Mr. BYRD. I merely wish to say that, so far as the Senator from Virginia is concerned, he recognizes no agreement, expressed or implied, with respect to legislation which may be considered between now and November 18. As the first Senator who objected to the proposal which the Senator from Virginia understood was made, that the distinguished leader of the Senate [Mr. BARKLEY] would be the sole arbiter and the sole judge of the legislation to be considered between now and November 18, I wish to say to the Senator from Kentucky that my objection was in no wise because of any lack of confidence in him. I have a high respect and admiration for him. But I did not think that the Senate of the United States should confer a responsibility of this character, at a time of acute emergency such as that which confronts this country, upon any one Senator.

I make this statement because in my judgment no agreement does exist, in view of the remarks and statements which have been made on the floor of the Senate, and I, as an individual Senator, do not recognize any gentlemen's agreement which some other Senators may later state was undertaken today in the debate in the Senate.

Mr. BARKLEY. Mr. President, it had not been my purpose to make any further statement about this situation, but in view of the statement of the Senator from Virginia and the statement of the Senator from Oregon, who is not now on the floor, I wish to say that it is my purpose to carry out the program which was discussed earlier in this session, and Senators are free to govern themselves accordingly. I intend to move a recess until Friday, and then until Monday, and then every three days to move a recess from Monday until Thursday and from Thursday until the following Monday.

I think the remarks of the Senator from Oregon [Mr. McNARY] absolve me from any agreement or any obligation in any way which had been previously entered into as a result of the colloquy between the Senator from Vermont and myself with respect to any consultation in regard to whether Senators shall be called back to Washington or not. Any Senator is free to ignore any such arrangement if he sees fit to do so, and there is no way in which any Senator can be bound by any such arrangement. But I wish to say to Senators who desire to go to their homes or elsewhere out of Washington that they are at liberty to do so if they so wish and feel that it is their duty to do so.

Whether any quorum calls will be had in the meantime I do not know, and I wish to reiterate that I do not know. I wish also to reiterate that I did not seek the responsibility of determining whether the Senate should be recalled. I only made that suggestion in response to the remarks of the Senator from Vermont, who wanted some assurance that if any exigency arose which might demand the presence of the Senate, someone would take the responsibility of notifying Senators to return.

I do not desire to inject any political note into this matter, but in view of the interjection of the Senator from Oregon, which seems to throw out the window the understanding we had as a result of the discussions between the Senator from Vermont and myself——

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

Mr. BARKLEY. I yield.

Mr. AUSTIN. I do not think the Senator from Kentucky knows that I went to the telephone, on learning that the Senator from Oregon was here, and asked him if he would not come over and read the colloquy, and take charge.

Mr. BARKLEY. The Senator responded promptly to that telephone call, and came over and read the colloquy and took charge. But I intend to follow the program which we discussed, unless some emergency or exigency shall arise to make it impossible to do so.

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

Mr. BARKLEY. I yield.

Mr. WALSH. In view of the statement of the Senator and the colloquy which has taken place, is there objection to any Senator or group of Senators at any time during the recesses, coming in and organizing a quorum and proceeding to the business of the Senate?

Mr. BARKLEY. I have heard no objection to it, if a group of Senators feel that there is an emergency. How could we control that, anyway?

Mr. WALSH. I had assumed that from the colloquy which took place.

Mr. BARKLEY. I wish to say also—and I absolve the Senator from Vermont and other Senators on the Republican side from any responsibility in this connection—that many of the Senators on the other side have been coming to me for weeks wanting to know and urging me to tell whether we were going to adjourn, or, if we could not adjourn, whether we could not recess, and, if we could not recess, whether we could not enter into the very arrangement into which we have entered.

Not a day has passed within the last 3 weeks that I have not been importuned by Senators on both sides of the aisle on the subject, in spite of the fact that some 2 or 3 months ago the Republican Senators caucused on whether there should be an adjournment. We have all realized for some time that there would be no adjournment, and that situation is not before us at this time.

I said awhile ago that there was undoubtedly some politics in this matter, and I think there is. But if the opposing party in this particular situation has no issue to present to the American people more important than whether we shall take a series of 3-day recesses, it is in a desperate situation for an issue. I absolve the Senator from Vermont and most of the other Republican Senators of any responsibility for the suggestion of any politics in connection with this matter.

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

Mr. BARKLEY. I yield.

Mr. WILEY. I am sorry that the majority leader made that statement about politics. It seemed to me earlier today that there was not much indication of it.

Mr. BARKLEY. No, not on the surface, but under cover, under the skin, and not very deep under the skin, politics entered into this whole situation.

Mr. WILEY. Of course, some people can see what they want to see, but still be mistaken. What I have in mind, Mr. President, is simply this: The newspapers this morning, and announcers over the radio, indicated that a very serious situation exists in the East, and it is becoming more serious. I was very much impressed by the colloquy which took place on the floor earlier, and I thought it indicated a rather wholesome respect on the part of Senators for each other's views.

Mr. BARKLEY. It did, up to a certain point.

Mr. WILEY. I think that even beyond the point the Senator suggests there should have been respect for the minority leader's views in this matter. He is seriously concerned, as the Senator from Kentucky is, with the welfare of the Nation, and it seemed to me there is a meeting place. Apparently there is no real business at this time before the Senate which we think we have to consider. But it seems to me that if the colloquy developed an additional understanding we could have gone to town, and that was that the majority leader or the minority leader might have been authorized to take the initiative to call the Senate here if either one or both deemed it advisable to do so. If that were done we could have had an understanding as to recesses of 3 days at a time.

I am one of those who feel that we shall be properly guarded here and guided if we recess for 3 days at a time. I felt that the remarks made by the Senator from Vermont [Mr. AUSTIN] and by the minority leader [Mr. MCNARY] earlier today developed a basis on which we could have an understanding, and all else that was needed was the other factor, that either the majority leader or the minority leader might summon us back.

When it comes to the question of playing politics, however, I feel that there have been plenty of examples of politics in the last month on both sides, and we have used this forum almost to the disgrace of the Senate in the matter of politics.

I feel that the situation in the East is such that we will be protecting the interests of the country if we provide an arrangement such as has been suggested by me, giving the minority leader and the majority leader the right to call the Senate back in session.

Mr. BARKLEY. Mr. President, I do not think it is necessary to prolong the discussion any longer. It is the only time since I have been in the United States Senate that I have heard the suggestion made that the minority leader of any party, Democratic or Republican, should have the sole right to determine whether the Senate should reassemble. I made the proposal that before I took upon myself any such responsibility I would consult with the minority leader and with his assistant, but the proposal that the minority leader alone shall determine whether we shall reassemble and send out instructions to Senators is unheard of.

Mr. JOHNSON of California. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. JOHNSON of California. I think that I perhaps began the discussion of this proposition. If it is intended to infer from that that I was playing any politics——

Mr. BARKLEY. The Senator from California was not in my mind when I made that suggestion. I exonerate him entirely from any connection with it.

Mr. JOHNSON of California. I am very glad to hear that, because I was going to say——

Mr. BARKLEY. The Senator's discussion arose very largely, I think, over some remarks made by the Senator from Utah.

Mr. JOHNSON of California. That was a different discussion.

Mr. BARKLEY. Yes.

Mr. JOHNSON of California. I was simply going to remark that in June we took only a brief vacation; we had a certain sort of recess; and we did it upon the theory that an emergency confronted us. I insisted earlier today, when first I rose, that the emergency at the present time was infinitely greater than that which existed in June, and that it lent itself to our refusal to take an adjournment or a recess at this particular time. I was going to remark that if that be politics——

Mr. BARKLEY. I have already absolved the Senator from California of playing politics in any thought I had. But we know—we might as well be frank—that in this whole discussion at both ends of the Capitol the question of whether it was good politics or bad politics for Members of the Senate or of the House to go home, was uppermost in the minds of most Members.

Mr. JOHNSON of California. I did not know that.

Mr. BARKLEY. Yes; that is true.

Mr. JOHNSON of California. I was not aware that anyone either on that side or this side, would put it upon the ground that it was of value or not of value to Members to leave the Senate at this time.

Mr. BARKLEY. I doubt if the Senator from California is as naive as he now appears to be.

Mr. JOHNSON of California. Oh, I am quite naive when it comes to dealing with the Senator from Kentucky [laughter] and I confess myself wholly at a disadvantage also.

Mr. BARKLEY. No; I absolve the Senator from California from any such disadvantage in dealing with me. This is the day of absolution.

Mr. JOHNSON of California. I rose simply to say, with some bit of indignation, that there was no thought of politics on my part. There has been in the Chamber no thought of politics in anything I have ever said.

Mr. BARKLEY. Even if the Senator were inclined to have politics in his mind—which I do not even suggest, but even if he were inclined to—there would be no necessity for it, because he has all the nominations that are possible in California [laughter], so he does not have to consider the question of politics.

Mr. JOHNSON of California. Oh, yes; but I am interested in something else besides my own contest.

Mr. BARKLEY. I realize that, and it is too bad that all other human beings are not equally disinterested.

RECESS TO FRIDAY

I now move that the Senate take a recess until 12 o'clock noon on Friday next.

The motion was agreed to; and (at 3 o'clock and 45 minutes p. m.) the Senate took a recess until Friday, October 11, 1940, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate October 9 (legislative day of September 18), 1940

UNITED STATES PUBLIC HEALTH SERVICE

The following-named dental surgeons to be senior dental surgeons in the United States Public Health Service, to rank as such from the dates set opposite their names:

Ozias Paquin, Jr., August 10, 1940.

Daniel B. Newell, September 22, 1940.

COAST GUARD OF THE UNITED STATES

The following-named officers in the Coast Guard of the United States, to rank as such from October 1, 1940:

Boatswain Ottar Skotheim, to be a chief boatswain.

Pay Clerk Marius Nordal, to be a chief pay clerk.

CONFIRMATIONS

Executive nominations confirmed by the Senate October 9 (legislative day of September 18), 1940

POSTMASTERS

GEORGIA

Annie L. Pound, Woodland.

INDIANA

Mabel A. Price, Griffin.

IOWA

Clarence B. Brooker, Ames.
John H. Gribben, Newton.
Joseph F. Courtney, Thornton.

LOUISIANA

William N. Nelson, Burrwood.
Claud Jones, Longleaf.
Amelie P. Woods, Lutcher.

MINNESOTA

Albert F. Klasen, Holdingford.

MISSOURI

Fred Hulston, Ash Grove.
Joe Melvin Hux, Essex.
John W. Johnson, Fisk.
Guy D. Maxwell, Irondale.
Mattie E. Christie, Qulin.

MONTANA

William M. Chapman, Wyola.

NEVADA

Virginia Castillo, Beatty.
Helen C. Thrasher, Gerlach.

NEW HAMPSHIRE

Addie F. Danforth, Danbury.

NEW JERSEY

George J. Imlay, Allenhurst.
John J. Sanders, Allentown.
Edwin Douglas Hill, Andover.
Woodrow W. Britton, Bayville.
Arthur C. King, Beach Haven.
Walter K. Bittle, Berlin.
Joseph A. Daly, Beverly.
Andrew R. Brugler, Blairstown.
Christian J. Hansen, Bloomingdale.
Sarah E. Bellis, Bloomsbury.
James P. Carey, Boonton.
Walter M. MacPherson, Bridgeton.
William J. Quinn, Caldwell.
Lemuel E. Miller, Jr., Cape May.
William J. Lawlor, Carteret.
Austin W. Thompson, Chester.
Aubrey H. Phillips, Clementon.
George A. Keenan, Clifton.
Margaret M. McKenna, Convent Station.
George D. Bruns, Coytesville.
Raymond A. McGrath, Cresskill.
Graham B. Coe, Delair.
John L. A. Gorman, Dumont.
Charles Roth, Jr., East Paterson.
Raymond P. Jones, Fair Haven.
Lewis D. Smith, Jr., Fort Hancock.
David A. Skelley, Fort Lee.
Cornelius S. Hoff, Frenchtown.
C. Stuart Tobin, Glen Ridge.
John Gilbert Stout, Hackettstown.
Lottie A. Cubberley, Hamilton Square.
Winifred E. Lindstedt, Helmetta.
Leo A. Degnan, High Bridge.
Walter F. Hoagland, Kenilworth.
Richard F. Holt, Kenvil.
William F. Ohnsman, Laurence Harbor.
William R. Creasy, Lebanon.
Francis W. Lyman, Lincoln Park.
Elizabeth B. Egan, Lyons.
Robert P. Cosgrove, Madison.
Walter D. Finch, Mahwah.
Raymond W. McGreevey, Manasquan.
John B. Graham, Mantua.
Estella L. McMurtry, Mendham.
Catherine S. E. Cullen, Millington.
Charles V. L. Booream, Milltown.
John T. Lloyd, Millville.
Floyd Smith, Montville.
Walter McCracken, Newton.
William D. Hand, Nixon.
Anne C. Smith, North Hackensack.
Matthew P. Fusco, Palisades Park.
Anthony V. Gross, Passaic.
Bessie M. Lippincott, Pemberton.
Anna Belle Willey, Pennsville.
Elah Collins, Pequannock.
Margaret H. Britton, Plainsboro.
George Nock, Pompton Plains.
Stephen W. Margerum, Princeton.
Charles A. Hildebrand, Ridgefield.
Fred Heckel, Ridgefield Park.
Herbert Schneider, Riverside.
Julia B. Hoaern, Robbinsville.
Eleanor Earling, Roebling.
Walter E. Riddle, Sayreville.
James Powers, Jr., Sewell.
Berkeley W. Moore, Somerville.
Thomas E. Downs, Jr., South Amboy.
Rose C. O'Hanlon, South Orange.
Otto F. Heinz, Springfield.
Richard R. Newman, Spring Lake.
Elizabeth C. Brill, Stewartsville.
Christof Lindenmayer, Stirling.
Frances B. Tonking, Tabor.
Charles W. Nolan, Union City.
Robert Freeman Kearse, Vauxhall.
Blanche F. Erricson, Villas.
James McQuilken, Jr., Waldwick.
Susan L. Kenworthy, Wanaque.
John H. Traynor, Westfield.
Edward Williams, West Point Pleasant.
Thomas H. Heslin, Wharton.
Libert A. Martinelli, Williamstown.
Martha H. Davis, Wrightstown.
Peter H. Larkins, Yardville.

NEW YORK

Harry J. Sagendorph, Claverack.
Samuel J. Hand, Genoa.
Frank E. Sowinski, Jamesport.
Fred Schweickhard, Rushville.

NORTH CAROLINA

Bascombe N. Allen, Blue Ridge.
Emily T. Walkingstick, Cherokee.
Robert C. Warlick, Jacksonville.
Harold W. Webb, Morehead City.
Jasper J. Smith, Pink Hill.
Dewey E. Edwards, Pisgah Forest.

PENNSYLVANIA

Mary F. Woods, Blain.
Roy D. Zimmerman, Cleona.
Stanley A. DeWitt, Tunkhannock.
Helen K. Kurtz, Vintage.

WASHINGTON

Ethel L. Baker, Des Moines.

WISCONSIN

William H. Meyer, Cecil.
Alex W. Quade, Jackson.
Charles J. McAfee, Montello.
Byron A. Delaney, Reedsville.

HOUSE OF REPRESENTATIVES

WEDNESDAY, OCTOBER 9, 1940

The House met at 12 o'clock noon.

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

Almighty God, we would ask with the Apostle: "Lord to whom shall we go?" Thou hast the words of eternal life. Thou art the light that strikes its pathway of gold through the ages and art still the light of the world. Heavenly

Father, the human intellect seems to be roving, like a flashlight through the night, feeling darkness everywhere. We pray for a light to guide us through the darkness, shedding its glow across a trackless desert; we beseech Thee for the mighty guiding beacon of the Christ in whom the heart and the mind of the Infinite One are revealed, who has no horizon and sees all things as they are. Do Thou endow us with the power and influence of His life—nobility of soul, purity of heart, a spirit overflowing with love, ceaseless activity in doing good, a conscience void of offense before God and man and the peace of mind that passeth all understanding, and Thine shall be the praise and glory forever. In our dear Redeemer's name. Amen.

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

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on October 8, 1940, the President approved and signed bills and a joint resolution of the House of the following titles:

H. R. 1183. An act for the relief of Ben L. Kessinger and M. Carlisle Minor;

H. R. 1912. An act for the relief of the estate of Alfred Batrack;

H. R. 2286. An act for the relief of Wasyl Kulmatycki;

H. R. 4815. An act for the relief of Henry J. Wise;

H. R. 5040. An act for the relief of Arthur Joseph Reiber, a minor;

H. R. 5314. An act for the relief of Paul J. Kohanik;

H. R. 5365. An act for the relief of John J. Murphy;

H. R. 5776. An act for the relief of Albert DePonti;

H. R. 5863. An act for the relief of the estate of James A. Rivera;

H. R. 6210. An act for the relief of George R. Stringer;

H. R. 6480. An act to amend the Agricultural Adjustment Act of 1933;

H. R. 6842. An act for the relief of Rufus E. Farmer;

H. R. 8069. An act to reform the lease for the Sellwood station of the Portland, Oreg., post office;

H. R. 8124. An act to provide funds for cooperation with public-school districts (organized and unorganized) in Mahnomen, Itasca, Pine, St. Louis, Clearwater, Koochiching, and Becker Counties, Minn., in the construction, improvement, and extension of school facilities to be available to both Indian and white children;

H. R. 9024. An act relating to the status of retired officers of the Army, Navy, Marine Corps, and Coast Guard of the United States, and to amend section 113 of the Criminal Code;

H. R. 9636. An act authorizing the conveyance to the Commonwealth of Virginia of a portion of the naval reservation known as Naval Proving Ground, Dahlgren, Va.;

H. R. 10080. An act to amend section 3493 of the Internal Revenue Code, formerly section 404 of the Sugar Act of 1937;

H. R. 10406. An act to authorize the appointment of graduates of the Naval Reserve Officers' Training Corps to the line of the Regular Navy, and for other purposes;

H. R. 10413. An act to provide revenue, and for other purposes;

H. R. 10572. An act making supplemental appropriations for the national defense for the fiscal year ending June 30, 1941, and for other purposes; and

H. J. Res. 603. Joint resolution to authorize the United States Maritime Commission to furnish to the State of Pennsylvania a vessel suitable for the use of the Pennsylvania State Nautical School, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 7784. An act for the relief of Howard R. M. Browne;

H. R. 7813. An act to safeguard the homing pigeon;

H. R. 8333. An act for the relief of Ralph W. Daggett, formerly lieutenant, Quartermaster Corps, United States Army;

H. R. 8613. An act to amend the act to provide for the retirement of disabled nurses of the Army and the Navy;

H. R. 8705. An act for the relief of Howard Mondt;

H. R. 10194. An act for the relief of the late John L. Summers, former disbursing clerk, Treasury Department;

H. R. 10354. An act for the relief of Guy F. Allen, chief disbursing officer, Treasury Department, and for other purposes;

H. R. 10527. An act to provide for an extension of the conditions under which a money allowance for quarters may be paid to certain noncommissioned officers of the Army of the United States; and

H. J. Res. 614. Joint resolution making an additional appropriation for national-defense housing for the fiscal year ending June 30, 1941, and for other purposes.

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

S. 3240. An act for the relief of the St. Nicholas Park Co.;

S. 4215. An act for the relief of Caffey Robertson-Smith, Inc.;

S. 4218. An act to extend to the Virgin Islands the provisions of certain laws relating to vocational education and civilian rehabilitation; and

S. 4240. An act to authorize the sale, under the provisions of the act of March 12, 1926 (44 Stat. 203), of surplus War Department real property.

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

H. R. 8930. An act to amend section 202 (3), World War Veterans' Act, 1924, as amended, to provide more adequate and uniform administrative provisions in veterans' laws, and for other purposes; and

H. R. 9982. An act to amend section 4551 of Revised Statutes, as amended, and for other purposes.

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 House to the bill (S. 2627) entitled "An act to empower and authorize special agents and such other employees of the Division of Investigations, Department of the Interior, as are designated by the Secretary of the Interior for that purpose, to administer oaths in the performance of their official duties."

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 3619. An act relating to changes in the administration of the National Guard of the United States bearing on Federal recognition, pay, allotment of funds, drill, training, and so forth.

PERMISSION TO ADDRESS THE HOUSE

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent that after the completion of the legislative business of today and any other special orders, I may be permitted to address the House for 5 minutes.

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

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to speak for 10 minutes at the close of the legislative business of today and following any other special orders.

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

There was no objection.

Mr. ANDERSON of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes at the close of the legislative business and following any other special orders.

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

There was no objection.

EXTENSION OF REMARKS

Mr. AUGUST H. ANDRESEN asked and was given permission to revise and extend his own remarks in the RECORD.

"DEACON WILL" M'KECHNIE

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

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

There was no objection.

Mr. McDOWELL. Mr. Speaker, my home town of Wilkinsburg, in the last 150 years, has turned out a great many men of whom we are very proud, but Wilkinsburg has never been any prouder of any of them than it is at this minute of my old friend and neighbor, "Deacon Will" McKechnie, of the Cincinnati Reds, who lives up in my hills, world champion baseball manager and world champion all-round American citizen.

PERMISSION TO ADDRESS THE HOUSE

Mr. ANGELL. Mr. Speaker, at the conclusion of today's business and following any previous special order, I ask unanimous consent to address the House for 30 minutes.

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

There was no objection.

EXTENSION OF REMARKS

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a radio address.

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

There was no objection.

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

Mr. BLAND. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. HARTER] may have permission to extend his own remarks in the RECORD.

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

There was no objection.

Mr. CROWE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including therein an article by Dorothy Thompson in the Washington Post of today.

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

There was no objection.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address by the president of Colgate University.

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

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent that I may be permitted to address the House for 10 minutes tomorrow, after the disposition of the business on the Speaker's desk and following the legislative program of the day.

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

There was no objection.

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my own remarks.

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

There was no objection.

Mr. RICH. Mr. Speaker, I have been seeing red for some time and I want all of you to see red. The danger signal of a defunct Treasury. I see red in this Government's statement that is being published every day in black by the white-faced Mr. Morgenthau. The great red deficit we are having in our daily black statements is appalling to the American people and we are not going to do anything but see red if we continue breaking down our financial structure. Then the whole Nation will be black. The reason we see red is because we have in the White House a green man in business experience who is trying to handle the affairs of this Government, and because of the fact that he has brought every New Deal Member into submission in voting for all the great expenditures of funds, and it is about time we changed the color from red to some other color if we want to keep this country of ours in a sound position where it can financially take care of national defense, of national welfare, and the happiness and contentment of the American people.

Our appropriations and contract authorizations have amounted to over $23,626,330,154 at this session, and where are you going to get the money to balance our Budget when our income will only be about $7,500,000,000, or we will be so far in the red in July 1940 and July 1941 that our very financial structure will crumble. It will be as a building builded on sand. If the winds of war materialize as we are preparing for them our house will fall. Our happiness will be gone, our Nation will be lost in poverty and trouble and what will our people then think? It is time we Americans wake up. Stop the dictatorship movement. Stop the third-term movement. Stop the war movement. It can be done on November 5 if the Americans elect Wendell Willkie as President—a man of ability, an honest American citizen whose word is good and who will respect his oath and obligation by preserving our Constitution, by enforcing our laws and by giving a sound, sensible business administration of Government affairs.

[Here the gavel fell.]

VOLUNTARY ENLISTMENTS, KOSSE, TEX.

Mr. LUTHER A. JOHNSON. 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 Texas?

There was no objection.

Mr. LUTHER A. JOHNSON. Mr. Speaker, during recent months the subject of voluntary enlistment in the Army has been frequently discussed in the House, by the press, and throughout the country generally.

The town of Kosse, Limestone County, Tex., in the district which I have the honor to represent, has made a record of which I am proud. Over 50 young men living in that town and community have, within recent months, voluntarily enlisted in the Army and Navy of the United States for the defense of their country.

According to the preliminary estimate of the 1940 census, the population of Kosse is 879. I doubt if any other town that size in the United States can match that record of patriotism in enlistments. [Applause.]

I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include a news item containing the names of these patriotic young men.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CONGRESS SHOULD NOT ADJOURN

Mr. HULL. Mr. Speaker, I ask unanimous consent to address the House for one-half minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

[Mr. HULL addressed the House. His remarks appear in the Appendix of the RECORD.]

EXTENSION OF REMARKS

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include an article by Tino Santella.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CHICKAMAUGA AND CHATTANOOGA NATIONAL MILITARY PARKS

Mr. HILL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 8512) to provide for

the acquisition of additional lands for the Chickamauga and Chattanooga National Military Parks, and for other purposes, with Senate amendments, and agree to the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 8, after "appropriated", insert "a sum not to exceed $125,000."

Page 2, lines 9 and 10, strike out "such sums as the Congress may from time to time determine."

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

Mr. RICH. Mr. Speaker, reserving the right to object, may I make a parliamentary inquiry? If we object to this unanimous-consent request, will this prohibit going ahead with the expending of this money for this particular park at this time?

The SPEAKER. That is hardly a parliamentary inquiry. The gentleman knows if money is not appropriated it cannot be spent.

Mr. RICH. Then let me ask the gentleman a question. Is the spending of this money for this Chickamauga Park necessary, in the gentleman's judgment, for national defense, or for the promotion of the welfare of the American people to the extent that it is absolutely necessary at this time?

Mr. HILL. I will answer that indirectly by saying that we passed the bill without any limitation. The Senate put on a limitation, and it seems to me we ought to agree to that limitation, because it is better than it was when it passed here.

Mr. RICH. We certainly must have been asleep at the switch when we let a bill like that go through the House.

Mr. HILL. I may say it is strange if the gentleman from Pennsylvania was asleep at the switch, because he is always awake.

Mr. TARVER. Will the gentleman yield?

Mr. RICH. I yield.

Mr. TARVER. The bill was introduced by myself. It is to provide additional land for a national park that is within my district, within which there is a reservation known as Fort Oglethorpe. There is necessity for additional acreage for military purposes in that locality. While the bill carries no appropriation whatever, and is simply an authorization, it is one which is connected with national-defense considerations. The effect of the amendment to which concurrence is being asked would simply be to modify the provision in the bill already agreed to by the House, which leaves the amount which may be appropriated unlimited, by placing what the Senate believes to be a reasonable limit.

Mr. RICH. Even though this bill does not carry an appropriation, it is the intention of the gentleman to ask for the money from the Appropriation Committee?

Mr. TARVER. Oh, to be sure. I have tried to explain to the gentleman why, in my judgment, the bill is essential to the national defense.

Mr. RICH. There is nobody I would rather favor than the gentleman from Georgia, but I cannot permit this unanimous-consent request to go through now.

Therefore, Mr. Speaker, I object.

ADMINISTRATIVE PROVISIONS IN VETERANS' LAWS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8930) to amend section 202 (3), World War Veterans' Act, 1924, as amended, to provide more adequate and uniform administrative provisions in veterans' laws, and for other purposes, with Senate amendments, and agree to the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 12, strike out "or" where it appears the first time.

Page 2, lines 12 and 13, strike out "compensation" and insert "compensation, a veteran discharged from the Army, Navy, Marine Corps, or Coast Guard for disability incurred in line of duty, or a veteran of the Army, Navy, Marine Corps, or Coast Guard in receipt of pension for service-connected disability."

Page 4, line 17, strike out all after "*Provided*," down to and including "met" in line 24, and insert "That where the death of a veteran occurred on or after March 20, 1933, and claim for burial allowance was not filed, or was filed after the expiration of the regulatory period, or was filed within the regulatory period and disallowed, the Administrator of Veterans' Affairs is hereby authorized and directed to receive and adjudicate a claim filed within 2 years after the date of enactment of this act and to grant burial allowance under the provisions of laws and regulations governing such allowance as amended by this act."

Page 8, line 6, strike out all after "to" down to and including "loans" in line 9, and insert "indebtedness existing against the particular insurance contract upon the maturity of which the claim is based, whether such indebtedness be in the form of liens to secure unpaid premiums, or loans, or interest on such premiums or loans, or indebtedness arising from overpayments of dividends, refunds, loans, or other insurance benefits."

Page 9, strike out lines 8 to 13, inclusive, and insert:

"SEC. 8. Except as provided in section 6 of Public Law No. 304, Seventy-fifth Congress, approved August 16, 1937 (U. S. C., title 38, sec. 472d), compensation authorized by section 7 of this act shall not be payable effective prior to the receipt of application therefor in the Veterans' Administration, and in no event shall compensation therein authorized be effective prior to the date of enactment of this act."

Page 10, line 3, strike out "The" and insert "Forfeiture of benefits by a veteran under the."

Page 10, after line 12, insert:

"SEC. 10. Veterans Regulation No. 11 (U. S. C., title 38, ch. 12, appendix), promulgated under the act of March 20, 1933 (Public, No. 2, 73d Cong.), is hereby amended by adding a new paragraph thereto numbered "III", to read as follows:

" 'III. The provisions of Veterans Regulation No. 11 shall apply to all claims under any of the laws administered by the Veterans' Administration: *Provided*, That the Administrator of Veterans' Affairs may release information, statistics, or reports, to individuals or organizations when in his judgment such release would serve a useful purpose.'

"SEC. 11. Notwithstanding any other provisions of law, except as provided in section 19 of the World War Veterans' Act, 1924, as amended, and in section 817 of the National Service Life Insurance Act of 1940, the decisions of the Administrator of Veterans' Affairs on any question of law or fact concerning a claim for benefits or payments under this or any other act administered by the Veterans' Administration shall be final and conclusive and no other official or any court of the United States shall have power or jurisdiction to review any such decisions.

"SEC. 12. Where any veteran suffers or has suffered an injury, or an aggravation of any existing injury, as the result of having submitted to an examination under authority of any of the laws granting monetary or other benefits to World War veterans, and not the result of his misconduct, and such injury or aggravation results in additional disability to or the death of such veteran, the veteran or his dependents shall be entitled to the same benefits as are provided for those who suffer an injury or an aggravation of any existing injury as a result of training, hospitalization, or medical or surgical treatment under the provisions of section 31 of Public Law No. 141, Seventy-third Congress, March 28, 1934. No benefits under this section shall be awarded unless application be made therefor within 2 years after such injury or aggravation was suffered, or such death occurred, or after the date of enactment of this act, whichever is the later date."

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

Mr. GOSSETT. Mr. Speaker, I make the point of order that there is no quorum present.

Mrs. ROGERS of Massachusetts. Will the gentleman withhold that for a moment?

Mr. GOSSETT. I will withhold it for the time being.

Mrs. ROGERS of Massachusetts. Mr. Speaker, reserving the right to object, I would like very much to have that brought up later in the day. I have not seen the amendments, and other members of the committee have not seen them. We are very much in favor of this bill, but we want to be sure that the bill is not hurt by the Senate amendments. We had hoped that the Senate would add as amendments the bills that the House passed some time ago.

Mr. MICHENER. Reserving the right to object, was this long epistle just read by the Clerk the Senate amendments?

Mr. RANKIN. Those were the amendments which the Clerk was reading.

Mr. MICHENER. It certainly is a complicated amendment.

Mr. RANKIN. I will say to the gentleman from Michigan that this is largely an administrative bill and was prepared and introduced at the request of the Veterans' Administration in order to iron out certain difficulties in administering veterans' loans. These amendments were put on in the Senate. The Veterans' Administration informed me that the amendments are satisfactory. Some of the veterans' organizations have got in touch with me already and have expressed their satisfaction.

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

Mr. RANKIN. I yield.

Mr. MICHENER. If the minority members of the committee who have studied it are favorable to this highly technical bill, no one else would be hardly safe in interposing an objection. The amendments, however, are so lengthy and apparently so far reaching that the committee should at least be very careful before it asks this House to pass these amendments under unanimous consent. The mere fact the Senate has put on these amendments certainly would be no reason why per se that they should be passed.

Mr. RANKIN. If I would agree to delay the procedure for a few hours, I hope the gentleman from Michigan will kindly read these amendments.

Mr. MICHENER. No; I shall not have time, but the members of the committee charged with the task certainly will.

Mrs. ROGERS of Massachusetts. Mr. Speaker, reserving the right to object, we are all very much interested in the veterans and want to be sure that what the Senate did to the bill has not injured the bill in any way.

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

Mr. RANKIN. Mr. Speaker, I will withhold my request for the time being in order to allow the Members to study the Senate amendments.

VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—META DE RENE M'LOSKEY

The SPEAKER laid before the House the following veto message from the President of the United States which was read and together with the accompanying papers referred to the Committee on War Claims and ordered printed.

To the House of Representatives:

I am returning herewith, without approval, H. R. 554, entitled "An act for the relief of Meta De Rene McLoskey."

This bill authorizes and directs the Administrator of Veterans' Affairs to pay to Meta De Rene McLoskey, mother of Arthur Lee McLoskey, formerly a member of Company I, Forty-seventh Regiment United States Infantry, who disappeared on May 7, 1918, all such installments of money which she would be entitled to receive as beneficiary of policy T-2024764. Such installments would amount to $13,800.

Arthur Lee McLoskey entered the Army March 29, 1918, and on April 2, 1918, he made application for $10,000 of war-risk term insurance naming Meta De Rene McLosky, as mother, as beneficiary. He was recorded as a deserter May 7, 1918, from Camp Mills, Long Island, N. Y. It is alleged that he has not been heard from since that date.

At the time of the soldier's disappearance there was sufficient pay due him, together with a 31-day-grace period, to have taken care of his insurance until July 31, 1918. The bill appears to be based upon the theory that, since a presumption of death attaches when there is an unexplained absence of 7 years, the death of the policyholder may be presumed to have occurred before July 31, 1918.

Under many authorities there is no presumption as to the time of death. In those cases and jurisdictions which allow any presumption as to the time of death, since the missing person is presumed to be alive during the 7-year period, death is presumed not to have occurred prior to the expiration of the period. While evidence to the contrary is admissible, no facts are available in this case to justify a finding that death occurred prior to July 31, 1918, and thus overcome the presumption.

Meta De Rene McLoskey brought suit in the United States District Court of the District of Indiana to recover war-risk insurance applied for by Arthur Lee McLoskey on the theory that his death was to be presumed from absence. This suit was dismissed by the plaintiff on June 1, 1926, after a hearing on the merits.

The Administrator of Veterans' Affairs, in recommending that the bill be not approved, advises me that its approval might be used as a precedent for many other cases where veterans have disappeared at a time when their insurance was in force and they have not since been heard from.

The provisions of this bill are identical with H. R. 4443, Seventy-fifth Congress, from which I withheld approval for the reasons indicated in my memorandum of disapproval dated June 23, 1938. No new evidence or information has been presented that would justify my approval of the present bill.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *October 9, 1940.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 229]

Allen, Ill.	Douglas	Jennings	Robertson
Anderson, Calif.	Drewry	Keefe	Robinson, Utah
Andrews	Duncan	Keller	Robsion, Ky.
Arnold	Dworshak	Kelly	Rockefeller
Barnes	Elliott	Kerr	Ryan
Barton, N. Y.	Faddis	Kilburn	Sandager
Bates, Mass.	Fernandez	Kirwan	Schaefer, Ill.
Beam	Fish	Kleberg	Scrugham
Bell	Fitzpatrick	Knutson	Sheppard
Boland	Flannery	Kocialkowski	Sheridan
Boren	Ford, Leland M.	Lemke	Short
Bradley, Mich.	Ford, Thomas F.	McGranery	Smith, Wash.
Brewster	Fries	McKeough	Starnes, Ala.
Brooks	Gibbs	McLean	Steagall
Buck	Gifford	Magnuson	Sullivan
Buckley, N. Y.	Gilchrist	Marcantonio	Sweeney
Burch	Green	Martin, Ill.	Thill
Byrne, N. Y.	Griffith	Martin, Mass.	Thorkelson
Caldwell	Hall, Edwin A.	May	Tolan
Cartwright	Hall, Leonard W.	Merritt	Wadsworth
Claypool	Harrington	Mills, La.	Wallgren
Cluett	Harter, Ohio	Mitchell	Warren
Collins	Havenner	Mott	Weaver
Corbett	Healey	Nelson	Welch
Creal	Hendricks	O'Brien	West
Cullen	Hook	O'Day	White, Ohio
Cummings	Hope	Parsons	Wigglesworth
Darden, Va.	Houston	Patton	Williams, Mo.
Darrow	Izac	Peterson, Ga.	Winter
DeRouen	Jacobsen	Pfeifer	Wolfenden, Pa.
Dies	Jeffries	Reece, Tenn.	Zimmerman
Ditter	Jenks, N. H.	Richards	

The SPEAKER. Three hundred and four Members have answered to their names; a quorum.

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

FRAME FOR PAINTING OF THE SIGNING OF THE CONSTITUTION

Mr. SECREST. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 301 to authorize the acquisition of a suitable frame for the painting of the Signing of the Constitution to be used in mounting said painting in the Capitol Building.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, how much money does this joint resolution authorize?

Mr. SECREST. It authorizes the Architect of the Capitol to secure a frame not to exceed $1,500.

Mr. WOLCOTT. A frame for the picture?

Mr. SECREST. Yes.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the Architect of the Capitol be, and he is hereby, authorized and directed to cause to be constructed or to purchase, at a price not exceeding $1,500, a suitable frame for the painting of the scene at the Signing of the Constitution by Howard Chandler Christy, now on view in the Capitol Building. Such frame shall be subject to the approval of the Joint Committee on the Library, and, when so approved, shall be used for mounting the said painting in the Capitol Building as required by Public Resolution No. 11, Seventy-sixth Congress, approved April 20, 1939.

With the following committee amendment:

Page 1, line 5, after the word "purchase", insert "without reference to section 3709 of the Revised Statutes (U. S. C., 1934 ed., title 41, sec. 5)."

The committee amendment was agreed to.

The 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.

PERSONAL PRIVILEGE

Mr. HOFFMAN. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN. Mr. Speaker, the question here raised is based on two statements. The first is a statement not made on the floor of the House but contained in the remarks of the gentleman from Illinois [Mr. SABATH] and found on pages 12563 and 12564 of the CONGRESSIONAL RECORD under date of September 24, 1940. The statement as printed in the RECORD is as follows:

Although the gentleman from Michigan has not a single word of complaint against the high-salaried Republican labor-hating officials of the great corporations, he complains—

I shall be pleased to send my memoranda to the Speaker's desk to let the Speaker look it over without my reading it. I send it to the Speaker.

The SPEAKER. Did the gentleman from Illinois ask and receive permission to extend his remarks in the RECORD?

Mr. HOFFMAN. I understand he did, but he also inserted in the RECORD a statement in which he said I had made certain statements, apparently made on the floor of the House, but which I did not make. There are two branches to this. There is a newspaper clipping on which the question is also raised.

Mr. Speaker, in view of the absence of the gentleman from Illinois [Mr. SABATH] I ask unanimous consent that the material I sent to the Clerk's desk may be inserted in the RECORD and that we wait until he does arrive, at which time we can call it up.

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

There was no objection.

AMENDMENT TO SECTION 4551 OF REVISED STATUTES AS AMENDED

Mr. BLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 9982) to amend section 4551 of the Revised Statutes, as amended, and for other purposes, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 3, line 1, after "them." insert: "This subsection shall not apply to any ferry or any tug used in connection with a ferry operation, if such ferry or tug is employed exclusively in trade on the Great Lakes, lakes (other than the Great Lakes), bays, sounds, bayous, canals, and harbors, and is not engaged on an international voyage."

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

Mr. MICHENER. Mr. Speaker, reserving the right to object, has the gentleman taken up this amendment with the committee?

Mr. BLAND. Mr. Speaker, I have taken this matter up with the gentleman from Maine [Mr. OLIVER], the gentleman from Michigan [Mr. BRADLEY], and the gentleman from New York [Mr. CULKIN], members of the committee, and they all state that the amendment should be adopted.

Mr. MICHENER. In reality the amendment is a limitation rather than an extension of the powers granted in the bill passed the other day?

Mr. BLAND. That is true.

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

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

AMENDMENT TO HOME OWNERS' LOAN ACT OF 1933, AS AMENDED

Mr. SPENCE. Mr. Speaker, by direction of the Committee on Banking and Currency, I ask unanimous consent for the immediate consideration of the bill (H. R. 9930) to amend the Home Owners' Loan Act of 1933, as amended.

The Clerk read the title of the bill.

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

Mr. MICHENER. Mr. Speaker, reserving the right to object, the gentleman from Michigan [Mr. WOLCOTT], the ranking minority member of the Committee on Banking and Currency, is present. Has the gentleman conferred with him?

Mr. SPENCE. I have conferred with him; yes.

Mr. WOLCOTT. Mr. Speaker, as I understand this bill and as I understood it when it was reported by the committee, it is to equalize a situation that exists with respect to tax exemption on Government-owned and controlled property here in the District of Columbia. In some manner the Home Loan Bank Building is not exempt, while the other buildings are and this is to equalize that situation. That is the reason it was unanimously reported by the committee.

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

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the ninth sentence of subsection (c) of section 4 of Home Owners' Loan Act of 1933, as amended, is hereby amended by striking the period at the end thereof and adding a colon and the following: "*Provided*, That any building now or hereafter owned by the Corporation in the District of Columbia and used principally as an office building of the Corporation, together with the land upon which the same stands, and all appurtenances, buildings, and land used principally in connection therewith, shall be exempt from any and all taxation heretofore or hereafter imposed."

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.

EXTENSION TO CUSTODIAL EMPLOYEES OF CERTAIN BENEFITS

Mr. MASON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 892) to extend to custodial service employees employed by the Post Office Department certain benefits applicable to postal employees, with Senate amendments thereto and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Line 9, after "reached", insert ": *Provided*, That no individual employee shall receive an increase in excess of $60 per year."

Line 14, strike out "1939" and insert "1941."

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

Mr. MICHENER. Mr. Speaker, reserving the right to object, is this the same bill that the gentleman called up the other day to which the gentleman from New York [Mr. TABER] objected?

Mr. MASON. It is, and while the gentleman from New York still thinks it is a bad bill, he has stated he would not object. This is the bill that the Post Office Committee reported unanimously. It passed the House without any objection. It was amended in the Senate in just two particulars, one that the $100 maximum increase provided for in the bill shall be reduced to a $60 maximum, and the other changing the date from 1939 to 1941.

Mr. MICHENER. The gentleman has talked with the gentleman from New York [Mr. TABER] since he objected?

Mr. MASON. I have.

Mr. MICHENER. Mr. TABER understands that the bill is to be brought up?

Mr. MASON. Yes; and he has consented to it.

Mr. ROMJUE. Will the gentleman yield?

Mr. MASON. I yield to the gentleman from Missouri.

Mr. ROMJUE. The judgment of the gentleman from Illinois [Mr. MASON] is that the gentleman from New York [Mr. TABER] probably was not thoroughly familiar with the facts in this case?

Mr. MASON. Yes.

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

There was no objection.

The Senate amendments were concurred in and a motion to reconsider was laid on the table.

AMENDING SECTION 204 OF THE TRANSPORTATION ACT OF 1920

Mr. PATRICK. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 10098) to amend section 204 of the act entitled "An act to provide for the termination of Federal control of railroads and systems of transportation; to provide

for the settlement of disputes between carriers and their employees; to further amend an act entitled 'An act to regulate commerce', approved February 4, 1887, as amended, and for other purposes", approved February 28, 1920.

The Clerk read as follows:

Be it enacted, etc., That section 204 of the act entitled "An act to provide for the termination of Federal control of railroads and systems of transportation; to provide for the settlement of disputes between carriers and their employees; to further amend an act entitled 'An act to regulate commerce,' approved February 4, 1887, as amended, and for other purposes," approved February 28, 1920, as amended by the act approved March 4, 1927 (44 Stat. L. 1446), be amended and reenacted by adding thereto the following new paragraphs (i), (j), and (k), as follows:

"(i) That the term 'deficit in its railway operating income,' as that term is used in paragraph (a), shall be construed to mean a deficiency or decrease in the carrier's railway operating income for that portion (as a whole) of the period of Federal control during which it operated its own railroad as compared with its average railway operating income for the corresponding portion of the test period, as held in Construction of the Word 'Deficit' (66 I. C. C. 765, 774)."

"(j) That the Commission is hereby authorized and directed to reopen all claims heretofore filed by carriers in compliance with its orders or regulations issued under this section and to ascertain and certify to the Secretary of the Treasury such amounts, if any, as may be payable to any such carriers under said section 204 as hereby amended: *Provided,* That the aggregate of the railway operating income of any carrier during that part of the period of Federal control during which such carrier was not operated by the Director General of Railroads plus the amount certified by the Commission under this act shall not for said period be at a rate in excess of 5¾ percent per annum of the value of the carrier's property determined by the Commission under section 19a of the Interstate Commerce Act.

"(k) This act shall take effect as of March 1, 1920, but shall not be construed as extending the time for filing claims as limited by paragraph (h) of section 204, as amended by the act of March 4, 1927."

The SPEAKER. Is a second demanded?

Mr. WOLVERTON of New Jersey. Mr. Speaker, I demand a second.

Mr. PATRICK. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

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

There was no objection.

The SPEAKER. The gentleman from Alabama [Mr. PATRICK] is recognized for 20 minutes and the gentleman from New Jersey [Mr. WOLVERTON] is recognized for 20 minutes.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield, so that I may propound a parliamentary inquiry?

Mr. PATRICK. I yield.

Mr. WOLCOTT. Mr. Speaker, according to the rules, certain days are designated on which motions to suspend the rules are in order. I surely am not opposed to this bill, but can the Chair inform the House if by any action of the House that rule has been suspended to authorize the Speaker to recognize Members to move to suspend the rules today?

The SPEAKER. Unanimous consent was granted on yesterday that the Chair may on today recognize Members to move to suspend the rules.

Mr. PATRICK. Mr. Speaker, this is a measure on which we had pretty detailed hearings before the Committee on Interstate and Foreign Commerce. The bill passed the subcommittee and the committee unanimously. This is an equitable matter that arose in 1920 and right thereafter. The purpose of the bill is simply to define the term "deficit in railway operating income" as used in the Transportation Act of 1920, and this bill is really an amendment to the Transportation Act of 1920.

When the railroads were turned back after a period of 26 months it was found that a number of short-line railroads, a few more than a hundred, had sustained a considerable loss. I shall not attempt to go into the devious causes for this, but there were a number of combined causes that brought the railroads severe losses. In writing the Transportation Act of 1920 the term "deficit in railway-operating income" became the point of decision as to whether recovery would or would not be had. Originally the Interstate Commerce Commission ruled that that would be an operating red ink deficit, and it became a technical matter as to when there was a deficit. Then they went into construction of the word "deficit," and this is reported in Sixty-sixth Interstate Commerce Commission Reports, and it was held that the word "deficit" should be construed as meaning a decrease in net railway operating income from that period. Then they receded from that interpretation, but 72 of the railroads got in under the previous interpretation and received payment of their claims.

Forty-six railroads did not get in in time and, as a result, unless they had an actual below-the-line red ink loss they got nothing. The claims they had that lapped over came to $5,417,000. The bill as now written limits the rate of return to 5¾ percent, which limits it to $1,869,353 for the whole amount involved for the 46 railways.

There perhaps are a few other points which might be mentioned, but that covers it briefly, enough to give a working idea of what is before us.

This situation has been going on all these years. Most of the railroads were in litigation on the matter. They found that all statutes of limitation had wound up, and the only door left to these short-line railways to recover what is obviously a just claim was to get legislation; therefore this amendment is now before you.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

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

Mr. VAN ZANDT. This bill does not affect present-day rates?

Mr. PATRICK. No.

Mr. VAN ZANDT. Neither does it affect the working conditions of the employees of the railroads?

Mr. PATRICK. No; it does not do anything except pay this equitable claim that unquestionably should have been paid.

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

Mr. PATRICK. I yield to the gentleman from Missouri.

Mr. COCHRAN. If this bill passes, it means that $1,869,353 will be paid out of the Treasury?

Mr. PATRICK. That is right.

Mr. COCHRAN. Will interest be allowed?

Mr. PATRICK. No.

Mr. COCHRAN. This is simply opening up the old valuation cases that have already been decided?

Mr. PATRICK. No, they have all been decided except these. Everything has been decided, sealed, signed, and delivered, except these. There were 72 railroads that got in before the Interstate Commerce Commission dropped back to the original construction of the term "deficit."

Mr. COCHRAN. Were there any decisions of any courts not favorable to the lines you seek to reimburse here?

Mr. PATRICK. The only decisions I recall that came up in our hearings were where the courts held to the ruling of the Interstate Commerce Commission.

Mr. COCHRAN. The committee report contains a letter from the chairman of the legislative committee of the Interstate Commerce Commission, Mr. Eastman, which is in small type and covers practically 2 pages. Of course, we have not had time to read it, but I notice that the following sentence appears:

For the reasons above indicated the legislative committee disapproves H. R. 10098 and recommends that it do not pass.

What are the reasons given in that letter, does the gentleman know? Of course, he must have read the letter.

Mr. PATRICK. Mr. Eastman appeared before our committee and gave us more information on this subject than any man who appeared before us. The gentleman from Texas [Mr. SOUTH], who was chairman of the committee, can throw more light on it than I can, and it may be that he would like to do so.

Mr. SOUTH rose.

Mr. COCHRAN. Mr. Eastman says in his letter that the legislative committee of the Interstate Commerce Commission recommends that the bill do not pass.

Mr. PATRICK. I will yield to the gentleman from Texas [Mr. SOUTH].

Mr. COCHRAN. Of course, there being nearly two pages of small type no one other than the committee has had an opportunity to read it, because this bill came up hurriedly.

Mr. PATRICK. He certainly did not oppose the bill.

Mr. SOUTH. I think the gentleman from Missouri will find this to be true. The bill to which Mr. Eastman's letter refers has been changed and the matter that the House is now asked to pass upon involves a great deal less money; it has certain limitations that the original bill did not have and, therefore, the objections that Mr. Eastman raised to the original bill probably would not apply to the pending bill.

Mr. COCHRAN. I have the bill in my hand that Mr. Eastman refers to, H. R. 10098, and it is beyond me to see anything in the three pages of this bill to show that there is one amendment of any kind.

Mr. SOUTH. I will say to the gentleman that it has been amended just as I have told him.

Mr. COCHRAN. I have the bill right here and there is no amendment indicated.

Mr. SOUTH. Just a minute now—the bill as originally introduced provided for several million dollars.

Mr. PATRICK. Five million four hundred seventeen thousand four hundred and eighty dollars.

Mr. SOUTH. It provided further that certain roads that had already earned 15 percent might recover further. The pending bill is less than $2,000,000 and fixes a definite maximum of 5¾ percent.

Mr. PATRICK. And that brings it to $1,869,353.

Mr. COCHRAN. The number of the pending bill is 10098.

Mr. SOUTH. I care nothing about the number.

Mr. COCHRAN. And Mr. Eastman speaks of the pending bill as 10098.

Mr. SOUTH. What is the date of Mr. Eastman's communication?

Mr. COCHRAN. It is dated June 24, 1940, and this bill was introduced June 17, 1940, and reported by the committee on August 22, 1940, without an amendment of any kind.

Mr. SOUTH. I believe the changes I am referring to have been made since that time.

Mr. COCHRAN. I may say to the gentleman from Texas that I have the bill as reported by the committee without any change whatever.

Mr. SOUTH. What is the date of it?

Mr. COCHRAN. It was reported on August 22, 1940, without one change or amendment of any kind.

Mr. SOUTH. What is the date of Mr. Eastman's letter? It is before that, is it not?

Mr. COCHRAN. Mr. Eastman's letter was written 7 days after the bill, which I hold in my hand and which we are considering, was introduced in the House.

Mr. SOUTH. Check that again—I think the gentleman may be mistaken about that.

Mr. COCHRAN. The letter is dated June 24, 1940. I read from the report. The gentleman from California [Mr. LEA] introduced the bill 7 days before that, and Mr. Eastman writes the gentleman from California [Mr. LEA] in response to Mr. LEA's letter of June 18, a day following the date when the gentleman from California [Mr. LEA] introduced the bill, in reference to the bill, H. R. 10098, and he offers objections to this measure in that letter and in the concluding paragraph states, "for the reasons above indicated the legislative committee disapproves H. R. 10098 and recommends that it do not pass," and nobody can find in this bill one amendment of any kind or any kind of a change that has been made since the gentleman from California [Mr. LEA] introduced the bill on June 17.

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

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

Mr. LEA. I think there is a misapprehension about the situation. The Interstate Commerce Commission rendered two decisions, in fact, three decisions. In 1922 the Commission rendered an exhaustive decision in which they approved of exactly what is in this bill as we now have it; that is, in the main part of the bill, and they held that the roads were entitled to be paid in proportion to what they earned during the test period. In 1924, they reviewed that decision and again reached the same conclusion. In 1925, after they had settled for 72 claims, some more claims were presented, which involved excessive amounts, and in that decision they held that a road was not entitled to recover unless it was in the red during the Federal control period. So, the Eastman statement conforms to the last decision of the Interstate Commerce Commission, but years before that the Commission recommended that the proper way to take care of this problem and settle all doubt about the law was for Congress to clarify the decisions, and that is what we are trying to do here.

Mr. COCHRAN. But let us take the last four paragraphs of Mr. Eastman's letter:

> It should be borne in mind that these claimants were not under Federal control during the period for which this compensation is sought. They were managing their own properties and their claims are based on the allegation that the control of the other railroads by the Government had an unfavorable effect on them.
>
> The payments authorized by section 204 may be regarded as a gratuity, and there is good reason to believe that Congress intended to limit them to compensation for actual loss. In any event, as above stated, there was no intention on the part of Congress in 1920 to provide any given rate of return on their investment.
>
> In conclusion, a few practical aspects of the matter should be mentioned. Quite a number of these railroad companies have abandoned their lines and gone out of business. In such instances the records would be hard to check. Furthermore, the Commission's staff of employees which handled these claims has long since been disbanded, and some of those employees are no longer in the service of the Commission. It would be difficult under present conditions to rebuild the organization necessary to a reconsideration of these claims.

Then in the final paragraph he says:

> For the reasons above indicated the legislative committee disapproves H. R. 10098 and recommends that it do not pass.

Mr. PATRICK. We can only say that Mr. Eastman appeared before the committee and testified, and it was largely the testimony that he gave which brought the whole matter to a final conclusion.

Mr. Speaker, I would like to reserve the balance of my time and hear from the minority leader of our committee, who has 20 minutes.

Mr. WOLVERTON of New Jersey. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the purpose of this bill is to correct an injustice which has resulted to certain short-line railroads as a result of the definition which has been given to the word "deficit" by the Interstate Commerce Commission.

In 1920 legislation was enacted to enable the Interstate Commerce Commission to make adjustments with the railroads of the country growing out of the Federal control of railroads during the World War. All of these adjustments with large class I railroads have been made and settled. Adjustments have also been made with most of the short lines. However, there are approximately 42 such railroads which have not as yet had any adjustment or settlement.

The difficulty with respect to these latter railroads grows out of the fact that the Interstate Commerce Commission has reversed the ruling which was the basis for the adjustments already made. The short-line railroads which would benefit by the passage of this bill are those which had filed claims, within the time required by the act, but, which had not been adjusted prior to the time when the Interstate Commerce Commission reversed itself.

It would seem fair and just that the claims of these railroads, which through no fault of their own have not been adjusted, should be adjusted on the basis of the same interpretation of the law by the Interstate Commerce Commission as originally prevailed, and, on the basis of which other adjustments of similar character were made.

If adjustments were to be made on the exact basis as previously prevailed it would require the expenditure of approximately $5,000,000. However, the Committee on Interstate and Foreign Commerce has reported the bill now under consideration which limits the recovery of losses to a 5¾-percent

basis. This method of compensation of losses decreases the amount payable to an aggregate of approximately $1,800,000.

While I am inclined to the belief that these short-line railroads, still unpaid, have much justification for the claim that they should be paid upon the same basis as the others already settled with, yet, I understand that they are willing to accept payment, on the basis provided for in this bill, as full settlement. Justice and fair dealing require that some settlement be made of this long drawn-out controversy, and I recommend the passage of this bill to accomplish the purpose.

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

Mr. WOLVERTON of New Jersey. I yield.

Mr. COCHRAN. The gentleman says the Interstate Commerce Commission reversed itself. Did it not reverse itself only insofar as the definition of the word "deficit" was concerned?

Mr. WOLVERTON of New Jersey. That is true, and that is what made the difficulty in the case and necessitates this legislation. Under the construction that the Interstate Commerce Commission now gives to the word "deficit," it precludes the payment of the claims which this bill seeks to adjust and settle. Previously the Commission defined "deficit," in a manner that has enabled all class I railroads and 70 or more short line railroads to receive payment of their claims. Then the Commission at a later date reversed its previous decision. This had the effect of preventing the short line roads, whose claims had not been adjusted, from receiving compensation on the same basis as other railroads, large and small, whose claims had been adjusted and settled before the Commission reversed itself.

Mr. COCHRAN. One more short question, please. The gentleman says this is a unanimous report from the Committee on Interstate and Foreign Commerce?

Mr. WOLVERTON of New Jersey. That is correct.

Mr. COCHRAN. This unanimous report comes in face of the adverse report of the legislative committee of the Interstate Commerce Commission upon this very bill. Is that not correct?

Mr. WOLVERTON of New Jersey. The recommendation for favorable consideration of this bill is opposite to the recommendation of the legislative committee of the Commission. Our committee cannot see justice in a position that enables the Interstate Commerce Commission to pay claims of all the large roads and most of the small roads and then reverse itself and thereby preclude other short lines, with similar claims and whose claims had not been heard, from receiving any compensation for losses sustained. Cases that are similar in character should have similarity of treatment. It is a question of equity. I assume the Interstate Commerce Commission has not recommended the passage of this bill because it wishes to stand on the reasoning contained in the opinion which reversed its first decision. The House Committee on Interstate and Foreign Commerce feels that the interpretation that made possible payment to others should apply to all, and that all should be treated alike, and that there should be no different treatment as between them.

Mr. COCHRAN. As a matter of fact, the big roads were under control of the Government, and it is a further fact that these very roads to which you want the taxpayers of the United States now to contribute over $1,800,000 were never under control of the Government. Is that not true?

Mr. WOLVERTON of New Jersey. That is not the situation.

Mr. COCHRAN. That is what the report from the Interstate Commerce Commission says.

Mr. WOLVERTON of New Jersey. That is not exactly the situation. The hearings developed that, notwithstanding the fact that some short lines may not have been under direct control of the Government, yet nevertheless they were tied in with roads that were under Federal control, and this produced conditions that caused short lines a loss of revenue, which they are entitled to be paid for, the same as the other roads which have had their claims adjusted and settled.

Mr. COCHRAN. Will the gentleman admit that this is purely a gratuity and not even a moral obligation on the part of the Government?

Mr. WOLVERTON of New Jersey. My opinion is just the opposite. I am of the opinion that it is not only a moral obligation but that it also has a legal status, based upon the interpretation given to the word "deficit" by the Interstate Commerce Commission when it originally decided the cases where payments have already been made. The cases to which this bill applies are no different in principle from those already settled.

This is not a gratuity, unless the payment of a claim rightly due is to be considered a gratuity.

Mr. COCHRAN. The gentleman's opinion, then, is in direct contrast to that of the representatives of the legislative committee of the Interstate Commerce Commission.

Mr. WOLVERTON of New Jersey. I am of the opinion that equity and justice should prevail to all alike. If the recommendation of the Interstate Commerce Commission should prevail, it would have the effect of denying the right of settlement to numerous short lines of claims that are just and should be paid.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. WOLVERTON of New Jersey. I yield.

[Here the gavel fell.]

Mr. WOLVERTON of New Jersey. Mr. Speaker, I yield myself 7 additional minutes.

Mr. VAN ZANDT. Is it not true that although these short lines were not under the control of the Government during the World War, yet they were participants in the rates in effect at that time with the results they should be accorded the same treatment as accorded other roads taken over by the Government during the World War?

Mr. WOLVERTON of New Jersey. The gentleman is correct. He has stated the situation as it actually was in many of the cases where loss was sustained.

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

Mr. WOLVERTON of New Jersey. I yield.

Mr. KEAN. Why did they wait 15 years to attend to this?

Mr. WOLVERTON of New Jersey. It has not been a case of waiting 15 years before they presented their claims. There has been an effort all through the years to obtain relief from the I. C. C. This relief has not been obtained, and it has been determined that the only certain way of doing justice to the companies which have been precluded from obtaining adjustment of their claims because of a reversal of the opinion originally rendered by the Interstate Commerce Commission, is to bring before Congress legislation to enable these lines to be paid on the basis of the opinion as originally rendered by the Interstate Commerce Commission. That is all this bill seeks to do.

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

Mr. WOLVERTON of New Jersey. I yield.

Mr. PATRICK. As I remember the testimony it was to the effect that each of these railroads here involved was itself then pursuing a claim of some nature or was depending upon another similarly situated claim. The railroads had nothing to do with the claims which were pending. The Interstate Commerce Commission decided 72 cases and then changed their opinion. Forty-six companies were left out, although they were in the same class with the others. That is the reason this legislation is introduced to relieve them.

Mr. WOLVERTON of New Jersey. The statement that has been made by the gentleman from Alabama is a correct review of the situation. I wish to say in addition to what my friend has just said that the door is not opened by this bill for new claims to be filed. The claims are specifically held to those claims which were filed within the time fixed by the provisions of the original bill. The claims to be adjusted under the terms of this bill are only those which had not been acted upon by the Commission before it reversed itself.

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

Mr. WOLVERTON of New Jersey. I yield.

Mr. LEWIS of Colorado. What method is provided for the ascertainment of the amount due to the railroads under these claims?

Mr. WOLVERTON of New Jersey. The method of ascertaining the amount to be paid has been determined by the Commission. It was applied with respect to the many railroad companies, both large and small, whose claims have already been adjusted, settled, and paid. It is merely the application of the same principles that have already been applied by the Commission in previous cases, before the Commission reversed itself, except that this bill limits the recovery to a 5¾-percent basis.

Mr. LEWIS of Colorado. So the Government will have its rights protected by an ascertainment of the amount. This is not just the arbitrary payment of a certain amount.

Mr. WOLVERTON of New Jersey. The gentleman is correct. The amount payable to any short-line railroad coming within the provisions of this bill will be ascertained upon the facts as they apply to each individual case. It is not an arbitrary amount to be paid.

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

Mr. WOLVERTON of New Jersey. I yield.

Mr. LEA. I call attention to the fact that the act of 1920 directed the Interstate Commerce Commission to assemble all the information so they would be in position to certify to the Treasury the exact amount to which each road was entitled. That was done. What is proposed here is to put these railroads on the same general basis of compensation, based on the same type of computation as applied to railroads to which several hundreds of millions of dollars were paid.

Mr. WOLVERTON of New Jersey. The chairman of the committee has correctly stated the situation with respect to the matter.

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

Mr. WOLVERTON of New Jersey. I yield.

Mr. KEAN. What is the reason for limiting it to 5¾ percent? Did not the other railroads get more than the 5¾ percent? It seems to me the railroads either ought to get what they are entitled to or else nothing; it is one or the other.

Mr. WOLVERTON of New Jersey. I am of the same opinion as the gentleman from New Jersey so far as he has stated that all should be treated alike. I think as a matter of principle they should all be paid on the same basis. I assume, however, they are willing to take less than was received by the others in an effort to get some settlement of a debt the payment of which has been too long delayed. Evidently they are discouraged and would rather take a small amount and have something than to continue trying for the full amount, that they are really entitled to, and possibly get nothing. It is a case where payment of a just claim has been too long delayed and the claimants are glad to get almost anything in settlement.

Mr. KEAN. In the hope of getting the bill through.

Mr. WOLVERTON of New Jersey. I think it is unfortunate that it has to be dealt with in that way.

[Here the gavel fell.]

Mr. LEA. Mr. Speaker, a brief review of the facts concerning this question will justify the bill presented to the House today.

The Federal Government took over the railroads into Federal control on the 1st of January 1918, and released them 26 months later.

Congress passed an act providing for the compensation of the owners of the roads for the period of Federal control under a plan which, roughly speaking, provided that the carriers would be given an income equal to the average they had received for a 3-year test period covering a specified time before Government control.

Within 6 months from the beginning of Federal control the Director General of Railroads made an order for the release of the short lines from Federal control. Congress then passed a resolution which would have prevented release of any short line without its consent. This clearly indicated the purpose of Congress to treat the short lines the same as other roads.

The President vetoed the resolution, properly enough, because it took in lines not directly affected by Federal control.

When the Transportation Act of 1920 was passed it provided for including the short lines in competition with, or connected with, roads under Federal control. Section 204 was enacted for this purpose. It made section 209 and section 1 of the Federal Control Act, in part, applicable in determining the compensation to be provided for the short lines.

Though these provisions are not free from doubt, it seems fairly clear that Congress intended to give the short lines a compensation generally comparable to that already afforded the class I roads. These three sections must be read together. Parts of section 204 have little pertinent meaning except on the general theory that the short lines were to be compensated on a comparable basis to their earnings during the test period.

The short lines covered by this bill helped to carry their part of the transportation burdens of the war, proportionately, as the standard lines. That they had burdens and handicaps due to the Federal control has been generally conceded. This is attested from the decision of the Interstate Commerce Commission of February 1, 1922.

The interpretation of the present law, as construed by the Interstate Commerce Commission in that decision, is embodied in the exact language of subsection (i) of this bill. Following that decision, the Interstate Commerce Commission made settlements with 72 roads, to which $2,836,000 was paid on the basis defined in this bill so far as subsection (i) is concerned. Broadly speaking, that meant that the short-line railroads of the class mentioned in this bill were paid a compensation for the period of Federal control—an amount equivalent to their operating income during the test period. That they were paid that amount notwithstanding the earnings of the road in the test period may have been excessively above a fair return.

This decision of the Commission was reviewed and reconfirmed in 1924. In 1925, without any further hearing, the Commission reversed its decision of 1922. It denied settlement to 46 or more roads who had claims of over $4,500,000 on the ground that only roads which operated in the red during the Federal-control period were entitled to compensation.

The decision of 1922 was to the direct contrary. That decision declared, in substance, that to deny a road compensation because it had a meager return during Federal control, notwithstanding a much more favorable return during the test period, would result in unfair discriminations against the roads of small returns during Federal control.

In the decision of 1925 the Commission expressed the decided view that roads which had large earnings in the Federal-control period should not be given increased amounts because of greater operating income during the test period.

These two decisions are, of course, conflicting. Together they indicate two possible interpretations of the existing law. They indicate that either of the interpretations leads to an unjust, if not an absurd result. The interpretation which would hold that a road must be in the "red" under the control period before it can receive a compensation comparable to the test period would have the effect of denying any return to the road which made a mere nominal return in the control period. For instance, a road which in 20 months made a profit of $10 on a $5,000,000 investment would be entitled to no return, while the same road in the "red" to the extent of $10 during the Federal control would be entitled to a return equal to its operating income of the test period regardless of how large that income might have been. On the other hand, it would be unjust, if not absurd, to hold that a road which made 12 percent in the test period should be entitled to 12 percent during the period of Federal control. In fixing railroad rates on a plane basis some individual road may make much more than a fair rate. When the Government takes over that road it should not be entitled, in my judgment, to more than a fair return.

In the decision of 1925 it was pointed out that one of the roads that had applied for compensation had an operating income of about 18 percent during the test period, which was greater than its income during the control period. It sought to equal its 18-percent return made during the test period. Rightfully enough, the Commission found fault with the charge against the Government for that amount.

So it clearly appears that either of the two interpretations lead to unjust and undesirable results. In one instance, the injustice is against the claimant who had a reduced and meager return during the Federal-control period. In the other case the injustice is against the Government in compelling it to pay excessive amounts to equalize the operating income with excessive returns received during the test period.

Some years ago the Commission very properly recommended to Congress that the proper remedy for the situation was legislation which would clarify and correct the language of existing law. That is what should have been done years ago. That is what is done by this bill.

The bill before us provides, in substance, that these claimants shall be entitled to an income equaling only that received by them during their test period. It is further provided in section (j) that the compensation thus paid shall not, with the operating income received during the period of Federal control, exceed 5¾ percent per annum.

In other words, the road will not be paid an income exceeding that it received during its test period. In any event, it will not be paid an amount more than is sufficient to make its net operating income 5¾ percent per annum.

The practical effect of these provisions on the claims affected by this bill is that the claims for over $5,400,000 will be reduced to $1,869,000. This reduction is made by excluding applicants from participation whose operating income during the Federal-control period exceeded 5¾ percent per annum. In other words, this bill reduces the claims by almost two-thirds of their original amount. It gives a fair compensation to the roads which had favorable returns during the test period and meager returns during the control period; it eliminates compensation to roads which had excessive earnings during the control period, regardless of their larger earnings during the test period.

CRITICISMS BY THE COMMISSION

Objection is made that the Interstate Commerce Commission, consistent with its last decision, did not approve the passage of this bill. The Interstate Commerce Commission is composed of men of fine ability and purpose, but they are only agents of Congress in deciding questions like this. Their recommendations are not better than their reasons. The Interstate Commerce Commission performs its correct function when it advises Congress, and it does not, and does not desire to, dominate congressional action.

The recommendation of the Interstate Commerce Commission is discounted by its own record in this case. Its last decision was based on technical grounds. Its first decision attempted to carry out what was manifestly the purpose of Congress.

As to the merits of the existing law the Commission directed only two substantial criticisms. In the first decision, it was pointed out that to deny roads any compensation because they made a meager return during the period of Federal control would result in "unjust discriminations." In other words, there would be an absurdity in denying a road any compensation comparable to the test period because it made a very meager return in the Federal-controlled period. In the final decision, the Commission justly criticized the law because it would require excessive compensation to roads which made excessive returns during the test period. The bill before us positively corrects each of these substantive criticisms of the Commission. To the roads of meager returns, we give a modest return but not exceeding their test period operating income.

As to the roads which had excessive earnings, we eliminate them from any compensation whatsoever by providing nothing for the road which had an operating income exceeding 5¾ percent during Federal control, regardless of how much larger its returns may have been during the test period. In other words, here we have a bill that meets every substantive criticism of the Interstate Commerce Commission.

The additional reasons suggested in the report of the legislative committee of the Commission can hardly be regarded as persuasive. Twenty years ago Congress determined specifically in section 204 to compensate roads of the general class included in this bill. That is not a question now. Seventy-two roads of this class were compensated by the action of the Commission itself. After such a settlement, the Commission is not in a tenable position to recommend against this much more modest basis of compensation to the roads which have not received any compensation. These roads were under the same type of management as the roads which have been compensated.

As pointed out in the earlier decision of the Commission itself, they suffered the unfavorable burdens of Federal control. There is just as much reason to compensate the roads provided for in this bill as to compensate any other road affected by section 204.

This bill, as it is drawn, gives no compensation above the test period operating income; it limits and reduces the amount now provided by section 204 so far as the prosperous roads are concerned.

The Commission was directed to assemble all the information necessary to make these adjustments in the act of 1920 and those records are doubtless available for use at the present time.

The Commission, in its two decisions, attempted to reach conclusions to avoid the absurdities in the present law which are cured by this bill. The Commission recommended legislation for this purpose several years ago. The whole record of the Commission would be better justified by supporting this bill than by any adverse reasons now advanced.

In my judgment, the bill is a just compromise of the complicated uncertainties of the present act. It does justice for the roads and justice for the Government.

Technical analysis can unquestionably create doubts as to the interpretation of this law. It seems to me, looking at the substantive case, the original intent of Congress is fairly clear. Former Congressman Esch, who was chairman of the Committee on Interstate and Foreign Commerce, and had charge of this legislation in the House when it was enacted, was a member of the Commission when the decision of 1922 was made. Mr. Esch said, "It seems clear that the purpose and the intent of Congress was to reimburse carriers for losses sustained because of Federal control."

I submit this is a just bill which should be enacted.

Mr. PATRICK. Mr. Speaker, I yield myself one-half minute.

I may say that representatives of the railroad company stated to me—I do not know who else was present—that they decided they would rather take a small loaf than to get no bread at all.

Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. SOUTH] chairman of the subcommittee.

Mr. SOUTH. Mr. Speaker, I was in error in assuming that the letter from Mr. Eastman had been written before this particular bill had been drafted. I was not in error, however, in saying that the bill as originally introduced and when first considered by our committee provided for some $5,000,000 as against less than $2,000,000 here, and also provided that certain roads which had earned 14 or 15 percent would be entitled to more money; that is, they would be entitled to their earnings during the so-called test period.

So far as I know, I have no railroad in my district that would be benefited by the passage of this bill. So far as I know, there is no railroad in my State that would benefit under its provisions.

The chairman of our committee the gentleman from California [Mr. LEA] wrote Commissioner Eastman and asked him if the Commission would be in any way embarrassed by this legislation which, as already stated, means a different interpretation of the term "deficit."

Mr. Eastman replied, as follows:

INTERSTATE COMMERCE COMMISSION,
Washington, April 29, 1940.

Hon. CLARENCE F. LEA,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D. C.

MY DEAR CHAIRMAN LEA: In accordance with your request, I have examined H. R. 4103 for the purpose of considering whether the definition of the term "deficit in railway operating income" which it establishes for the purposes of section 204 (a) of the Transportation Act, 1920, would cause any embarrassment with respect to the future use of that term in our connections. While this question is not free from doubt, my best judgment is that such embarrassment would not be likely to arise. I suggest, however, that the provision in question, on page 2 of H. R. 4103, might well be rephrased to read as follows:

"(i) That the term 'deficit in its railway operating income,' as that term is used in paragraph (a), shall be construed to mean a deficiency or decrease in the carrier's railway operating income for that portion (as a whole) of the period of Federal control during which it operated its own railroad as compared with its average railway-operating income for the corresponding portion of the test period, as held in Construction of the word 'deficit' (66 I. C. C. 765, 774)."

Very sincerely yours,

JOSEPH B. EASTMAN.

The exact language which he recommended was substituted. The term "deficit" was first interpreted by the I. C. C. in a manner that would permit recovery by these roads. It was later interpreted by the Commission in a way that precluded recovery. This bill, it seem to me, is a fair compromise. These short lines were not under Government supervision in the true sense of the word, neither were they entirely free from the effect of Government supervision. Anyone who has studied the question, I think, will admit that. This bill has been pending in the courts and before the Congress for a great many years. The committee that conducted the hearings, and later the full committee that heard the report, reached a unanimous decision that this bill would be a pretty fair compromise. The roads are entitled to something. Under this bill no road will receive in excess of 5¾ percent, whereas some of the roads that have heretofore recovered received several times that amount. As I say, it is almost immaterial to me, and certainly from a personal standpoint it is entirely immaterial, but I believe this bill is a fair compromise and I think it ought to pass.

Mr. WOLVERTON of New Jersey. Mr. Speaker, I yield 1 minute to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD.

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

There was no objection.

Mr. WOLVERTON of New Jersey asked and was given permission to revise and extend his own remarks in the RECORD.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill?

The question was taken; and on a division (demanded by Mr. COCHRAN) there were—ayes 77, noes 4.

So, two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

ACQUISITION OF ADDITIONAL LANDS FOR CHICKAMAUGA AND CHATTANOOGA NATIONAL MILITARY PARK

Mr. TARVER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8512) to provide for the acquisition of additional lands for the Chickamauga and Chattanooga National Military Park, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 8, after "appropriated", insert "a sum not to exceed $125,000."

Page 2, lines 9 and 10, strike out "such sums as the Congress may from time to time determine."

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

Mr. REED of New York. Mr. Speaker, reserving the right to object, is this the bill that was objected to yesterday?

Mr. TARVER. Yes; it was objected to yesterday by the gentleman from New York [Mr. TABER], who is present now and, I understand, does not propose to further urge his objection.

Mr. REED of New York. Has he withdrawn his objection?

Mr. TARVER. Yes.

Mr. MICHENER. Mr. Speaker, reserving the right to object, this bill was called up and was objected to previously?

Mr. TARVER. Yes.

Mr. MICHENER. The gentleman from Michigan [Mr. ENGEL] has talked to me about this, and I yield to him for any statement he desires to make.

Mr. ENGEL. Mr. Speaker, as I understand the bill as it passed the House, it contained an authorization without limitation?

Mr. TARVER. That is right.

Mr. ENGEL. And as amended by the Senate, the authorization is limited to $125,000?

Mr. TARVER. That is correct.

Mr. ENGEL. Should the House not adopt the Senate amendment, and should the Senate recede, which, of course, might happen, then the bill would stand as the House passed it without any limitation whatever?

Mr. TARVER. The authorization would be unlimited, and there should be a limitation.

Mr. ARENDS. Did the gentleman who objected a while ago withdraw his objection?

Mr. TARVER. I have not conferred with that gentleman, but the gentleman from Michigan [Mr. ENGEL] has. I understand there was some misunderstanding about the matter and that there is no objection now.

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

AMENDMENT TO AGRICULTURAL ADJUSTMENT ACT OF 1938

Mr. FLANNAGAN. Mr. Speaker, I move to suspend the rules and pass the bill (S. 4374) to amend the Agricultural Adjustment Act of 1938.

The Clerk read the title of the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That paragraph (15) of subsection (b) of section 301 of subtitle A of title III of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the words—

"Fire-cured and dark air-cured tobacco, comprising types 21, 22, 23, 24, 35, 36, and 37;" and inserting in lieu thereof the following:

"Fire-cured tobacco, comprising types 21, 22, 23, and 24;

"Dark air-cured tobacco, comprising types 35 and 36;

"Virginia sun-cured tobacco, comprising types 37;"

SEC. 2. That section 312 of subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out subsections (b), (d), (e), and (f) of such section, by striking out all of the second sentence in subsection (c) of such section, and by changing the subsection designation "(c)" therein to "(b)."

SEC. 3. The last sentence of section 301 (a) (1) of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"The base period in case of all agricultural commodities except tobacco shall be the period August 1909 to July 1914. In the case of all kinds of tobacco except burley and flue-cured such base period shall be the period August 1919 to July 1929, and, in the case of burley and flue-cured tobacco, shall be the period August 1934 to July 1939; except that the August 1919–July 1929 base period shall be used in allocating any funds appropriated prior to September 1, 1940."

SEC. 4. That section 301 (b) (15) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the period at the end of the last sentence thereof and adding a colon and the following: "*Provided*, That any one or more of the types comprising any such kind of tobacco shall be treated as a 'kind of tobacco' for the purposes of this act if the Secretary finds there is a difference in supply and demand conditions as among such types of tobacco which results in a difference in the adjustments needed in the marketings thereof in order to maintain supplies in line with demand."

SEC. 5. That section 312 of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out subsection (b) thereof.

The SPEAKER. Is a second demanded?

Mr. AUGUST H. ANDRESEN. I demand a second, Mr. Speaker.

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

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

There was no objection.

The SPEAKER. The gentleman from Virginia [Mr. FLANNAGAN] is recognized for 20 minutes, and the gentleman from Minnesota [Mr. ANDRESEN] is recognized for 20 minutes.

Mr. FLANNAGAN. Mr. Speaker, I yield myself 7 minutes.

Mr. Speaker, the tobacco representatives in the House, as I understand, are unanimously in favor of this piece of legislation. It has been considered and passed by the Senate. The same bill has been considered by the House Committee on Agriculture and unanimously reported to the House.

In presenting the merits of this bill, I desire to preface my remarks by calling attention to the fact that the tobacco growers of America during the depression have never called upon the Federal Government to contribute one penny in the way of parity or benefit payments. The tobacco program has been self-sustaining, and it is the only farm program that has been self-sustaining. We have appropriated millions of dollars to take care of the wheat growers and the corn growers but not one penny to take care of the tobacco growers of America, and this in spite of the fact that the tobacco growers of this country contribute to the Federal Treasury more than half a billion dollars in the way of taxes each year.

Now, we are faced with a rather serious situation due to the European conflict. A great part of some of our types of tobacco is exported. We find that some of the types that have been heretofore grouped together are demanding that they be given the right to hold a separate referendum, due to the fact that the export trade has reduced the probable amount of tobacco that can be sold in a particular type more than it has that of another type heretofore grouped with it. We are only asking that the tobacco growers of each particular type be permitted to pass upon whether or not they desire to establish quotas, and if so, at what poundage the quota shall be fixed. No one can object to that amendment. It is only fair and right to bring this question back to the growers of the particular type to be affected and let them pass upon what they think would be a fair quota. As I have stated, I understand, there is no objection to that provision of the bill.

When we originally passed the A. A. A. Act back in 1933 we found it impossible to find a base period that would give the tobacco growers in the flue-cured and burley types parity. We figured out at that time the best period we could. The general provision in the original A. A. A. Act was from 1909 to 1914. At that time the tobacco base period was fixed from 1919 to 1929, in order to bring the price nearer to parity. Since that time we have made a marked success, in my opinion, of the tobacco program.

However, due to the European conflict and the further fact that the cost of producing burley and flue-cured tobacco has greatly increased by reason of the fact that a greater percentage of the crop goes into cigarettes, and it takes more labor, time, and effort to produce a leaf that will go into the cigarette trade—we find that the base period from 1919 to 1929 is now manifestly unfair.

Let me give you a few figures showing just how the cigarette industry has developed in the last few years. In this country the percentage of flue-cured tobacco consumed in the form of cigarettes increased from 19 percent in the years 1909 to 1913, to 70 percent in the 10 years 1920 to 1929, and to 79 percent during the years 1935 to 1939. Practically the same increase has taken place in burley. In order to produce a cigarette tobacco, we have to space the plants closer together in order to produce a thinner leaf. This involves a good deal more work. Moreover, the tobacco is lighter, and you get less poundage per acre.

We find today that under the base period from 1919 to 1929, originally established in the A. A. A. legislation, the parity price is away below the cost price. We are only asking that we be given a more favorable period, the period from 1934 to 1939, so we will be able to participate in some of the benefit payments if our tobacco prices tumble. It is estimated by the Department of Agriculture that not more than 1 or 2 percent of the funds available for this purpose will ever be used for tobacco. We do believe, in justice to the tobacco growers, that we are entitled to this piece of legislation at this time because we are confronted with an emergency. I believe this House should show the tobacco growers every consideration in view of the fact that we contribute to the Federal Government over $500,000,000 each year and have never received one penny in return in the way of benefit or parity payments. [Applause.]

[Here the gavel fell.]

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I yield 5 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, this bill establishes a bad precedent. It establishes the precedent of setting up special and preferential treatment for one commodity, without having committee hearings on the proposition, and without giving an opportunity to the House to amend the bill after consideration. In bringing this bill up under suspension the bill is not open to amendment. All we can do is to point out the effects of this bill.

I am interested in the bill not because I am particularly interested in tobacco but because I am interested in what this bill does to the Agricultural Adjustment Act. The effect of this bill is to set up separate classifications for types of tobaccos, and the effect also is to transfer to tobacco about $2,500,000 that would otherwise be available for the payment of benefits to other commodities which have not enjoyed parity prices.

In the consideration of the Agricultural Adjustment Act of 1938, and in the consideration of some amendments to it, we of the Northwestern States have brought out the injustice of classifying all wheats simply as wheat and of not setting up separate classifications for the types or kinds of wheat which are grown. Anyone at all familiar with the wheat market knows that wheat is not just simply wheat, but that there are different prices for different types or different grades of wheat, and that the demand of the millers is for the hard spring wheats. They command the better prices, and yet the production of wheat that is responsible for the so-called surplus are the soft wheats. The hard wheats do not create the surplus. More than that, the history of the acreage planted to wheat over a period of 10 years shows conclusively that the increase in wheat acreage has not been due to the hard wheats, but due to the expansion in the production of the soft wheats.

The result is that when you set up a limitation on the production of wheats and apply it equally to all types of wheat, the penalty falls disproportionately upon those acres devoted to the production of hard wheat. When the Agricultural Adjustment Act was originally adopted, the act of 1938, the wheat acreage was set at 52,000,000 acres. A bill was brought before the House to fix it permanently at fifty-two million. I remember objecting to the bill at that time, and a compromise proposal was brought in to fix it for 1 year at 55,000,000 acres. Subsequently, we adopted an amendment to the act which raised the acreage to 62,000,000. That helped some, and yet that sixty-two million being distributed to all wheat without setting up the separate types of wheat left the restriction of acreage falling disproportionately heavy on the hard-wheat grower.

Now, about all we can do today is to vote against this bill as a protest against bringing in a bill without consideration by the House Committee on Agriculture, and as a protest against setting up a special or preferential type of treatment for one commodity by admitting tobacco to different types of classification without extending that same privilege of classification to another commodity, namely, wheat.

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

Mr. CASE of South Dakota. I yield.

Mr. COOLEY. Did not the gentleman just hear the gentleman from Virginia [Mr. FLANNAGAN] state that this bill was reported unanimously by the Committee on Agriculture of the House?

Mr. CASE of South Dakota. If this bill were reported unanimously by the Committee on Agriculture of the House following a hearing, you would have a report here on the

bill, and the only thing you have in the nature of a report is a report to the Senate committee embracing a letter from the Department on two sections of a five-section bill.

Mr. COOLEY. Mr. Speaker, will the gentleman yield further?

Mr. CASE of South Dakota. The gentleman does not mean to say that this bill came up and had the deliberate consideration of the Committee on Agriculture with an opportunity for Members to be heard upon the bill?

Mr. COOLEY. I mean to say exactly that. It was brought up in an open meeting, and it did not meet with any opposition. The report has been prepared and is now in the hands of the printer.

Mr. CASE of South Dakota. Which will do us no good here today. The gentleman who demanded a second on this bill is a member of the Committee on Agriculture.

Mr. COOLEY. And that gentleman was not present at the meeting of the committee.

Mr. CASE of South Dakota. Then the bill was not reported unanimously.

Mr. COOLEY. Of course not, if you include the absent Members.

[Here the gavel fell.]

Mr. FLANNAGAN. Mr. Speaker, at this point I would like to insert in the RECORD a copy of the letter from the Secretary of Agriculture to the chairman of the Committee on Agriculture approving this piece of legislation and a letter from the president of the American Farm Bureau Federation approving this piece of legislation and a short, prepared statement showing just what the legislation will accomplish.

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

There was no objection.

The matter referred to follows:

SEPTEMBER 21, 1940.

Hon. MARVIN JONES,
Chairman, Committee on Agriculture, House of Representatives.

DEAR MR. JONES: This is in reply to your request of September 10 for a report on the bill H. R. 10317.

This bill would change the base period for burley and for flue-cured tobacco from the 10 years, August 1919–July 1929 to the 5 years, August 1934–July 1939, and would provide thereby for determination of parity prices for these kinds of tobacco on the basis of price relationships which have existed in recent years.

Over a period of about 30 years there has been an increasing demand for those grades of tobacco used in the manufacture of cigarettes, and this demand in turn has led to significant modifications of farming practices in order to produce a crop having a greater proportion of the cigarette grades of tobacco. The proposed change in the base period, which would mean an increase of about 20 percent in the parity price, would provide for establishing parity prices so as to reflect recent price relationships for burley and flue-cured types of tobacco which have accompanied changes in the grades of tobacco required by the industry. Moreover, it appears to be reasonable and desirable with these changed conditions to maintain farm prices for these types of tobacco at this level.

The changing conditions in the tobacco industry were recognized by Congress when the Agricultural Adjustment Act of 1933 was enacted. At that time Congress provided for the use of the more recent August 1919–July 1929 base period for tobacco rather than the 1909–1914 period, which was used for other commodities. The 1919–1929 period also was used for tobacco in the Agricultural Adjustment Act of 1938. Since the changes which originally led to the use of the 1919–1929 base period for tobacco have been continuing in recent years, it now appears to be appropriate to adopt a later base period in order to reflect more accurately present price relationships.

As indicated above, the changes in the industry which have tended to lead to different price relationships for burley and flue-cured tobacco are associated with the increased proportion of these types of tobacco used in the manufacture of cigarettes. In this country the percentage of flue-cured tobacco consumed in the form of cigarettes increased from 19.7 percent in the 5 years 1909–13, to 70 percent in the 10 years 1920–29, to 79.7 percent in the 5 years 1935–39, and to 81.1 percent in 1939. For burley tobacco the similar increases were from 1.5 percent in the 5 years 1909–13, to 40.1 percent in the 10 years 1920–29, to 57.4 percent in the 5 years 1935–39, and to 59.4 percent in 1939.

In order to produce a greater proportion of tobacco suitable for use in cigarettes farmers have changed their practices materially. These changes involve the closer spacing of tobacco in the field with the production of a larger number of lighter leaves of tobacco as contrasted with the production of a smaller number of larger, heavier leaves in the earlier years. A farmer has to handle each leaf of flue-cured tobacco separately four times before it is placed on the market, and in addition has to handle several leaves bunched together a number of other times. This means a material increase in the labor required to place a pound of tobacco on the market, and of necessity tends to limit the quantity of tobacco handled by the average farm family. In addition to this increased labor cost, farmers generally have been required to incur added expense in adopting practices to prevent or check diseases and insects which have affected tobacco more seriously in recent years.

In view of the foregoing discussion it seems clear that there is a problem which should be corrected, and this bill would be one way of making this correction. However, in view of the fact that the legislation would have the effect of causing between 2 and 3 percent of the funds already appropriated for parity payments at this session of Congress to be shifted to tobacco from other commodities, it is suggested, since such a shift was not contemplated when the funds were appropriated, that the committee may wish to provide that the 1919–29 base period be used in any calculations relating to appropriations made prior to the enactment of the bill. This could be accomplished by striking out the period at the end of the last sentence in section 1 of the bill and adding the following: "; except that the August 1919–July 1929 base period shall be used in allocating any funds appropriated prior to September 1, 1940."

As required by Budget Circular 344, this matter was referred to the Bureau of the Budget, and under date of September 19, 1940, the Director thereof advised this Department that there would be no objection to the submission of this report to the committee with the understanding that no commitment would thereby be made as to the relationship of this proposed legislation to the program of the President.

Sincerely yours,

CLAUDE R. WICKARD,
Secretary.

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., September 24, 1940.

Hon. JOHN W. FLANNAGAN, JR.,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I am writing to convey to you our support of the Flannagan bill, H. R. 10317, which changes the base period of the parity goal for flue-cured and burley tobacco from 1919–29 to 1934–39. I understand the effect of this would be to increase the parity goal for flue-cured tobacco from about 18 cents per pound to 22.4 cents, and to increase the parity goal for burley tobacco from 17 cents to 21.8 cents.

This change in the parity goal is made necessary by reason of the very large shift in consumption from smoking and chewing grades of tobacco to cigarette tobacco that has taken place since 1921. As a result, farmers have shifted to the production of a thinner leafed tobacco which is more expensive to produce. This readjustment in the parity goal will help offset these increased production costs and will provide a more equitable parity goal for the producers of these types of tobacco.

The loss of our export markets for tobacco, due to the European war, has placed an added burden upon the tobacco growers, as they find it necessary to reduce their acreage to bring about a readjustment of supplies. It is therefore especially urgent that Congress provide this additional relief at an early date.

At the meeting in Chicago on September 9–10 of the board of directors of the American Farm Bureau Federation, which is composed of representatives from all sections of the Nation, this bill was unanimously endorsed. I am informed that this legislation also has the approval of the Department of Agriculture.

As there is no objection, so far as I know, to this legislation, we respectfully urge your help in getting this bill enacted before adjournment in order to assist the tobacco growers in coping with a very difficult situation.

Sincerely yours,

EDW. A. O'NEAL, *President.*

PROPOSED AMENDMENTS TO TOBACCO QUOTA PROVISIONS OF AGRICULTURAL ADJUSTMENT ACT OF 1938

1. Change of the base period for burley and flue-cured tobacco from August 1919–July 1929 to August 1934–July 1939, section 301 (a) (1).

Over a period of 30 years the proportion of burley and flue-cured tobacco used in cigarettes has been steadily increasing.

In order to produce from each crop a greater proportion of grades suitable for use in cigarettes, farmers have materially changed their practices. These changes require the handling of a larger number of lighter, smaller leaves of tobacco in order to place a pound of tobacco on the market, thus reducing the quantity of tobacco which the average farm family handles.

These changing conditions in the industry have been accompanied by changing price relationships, and it appears to be sound from an economic viewpoint to bring the base period more nearly up to date. This situation in the tobacco industry was recognized originally in the Agricultural Adjustment Act of 1933 when the 1919–29 base period was used for tobacco in lieu of the 1909–14 base period which was used for other commodities.

The change of the base period would mean about a 20-percent increase in the parity price for burley and flue-cured tobacco. The change should have the effect of strengthening market prices and make possible the more effective use of loans in maintaining market prices in temporary emergency situations.

The market situation for flue-cured and burley tobacco is different from that for most other commodities since farmers receive for

their tobacco only about 10 percent of the price of cigarettes retailing at 15 cents.

To remove any question about the effect of the amendment upon the allocation of parity funds, the amendment provides that the change of base period shall not affect any funds already appropriated for the making of parity payments. The maximum shift over a period of years in parity payments to tobacco from other commodities likely would fall between 1 and 2 percent. In this connection it is noted that no parity payments have been made thus far on tobacco.

2. Separation of dark types of tobacco now grouped as one kind under the act (sec. 301 (b) (15)):

In 1938 demand conditions for the several fire-cured and dark air-cured tobacco types were relatively stable. Administratively under these conditions it appeared to be most practical to group all of the fire-cured and dark air-cured types together for the purposes of the marketing quota program, and this was done under the act.

Because of the war in Europe demand conditions for the fire-cured types of tobacco now are materially different from demand conditions for the dark air-cured types. A greater portion of fire-cured tobacco normally is exported to continental Europe than is the case for the air-cured types, and these exports have been almost completely stopped as a result of the war. Therefore, it appears essential now to separate the fire-cured and dark air-cured types of tobacco so that appropriate adjustments can be made in the marketings of the different types of tobacco in view of the variable demand conditions therefor.

3. Elimination of provision under which referenda on quotas may be held after crop is produced (sec. 312 (b)):

When the Agricultural Adjustment Act of 1938 was enacted provision was made for referenda on marketing quotas with respect to any crop of tobacco after it had been produced. Administrative experience thus far indicates that this provision is not desirable. Further, the possibility of approval of marketing quotas for a 3-year period, as authorized by recent amendments to the act, makes it seem desirable to allow any particular crop of tobacco to move into market channels and to provide for adjustments which may be needed to eliminate any surplus in connection with the marketings of later crops of tobacco.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I yield 3 minutes to the gentleman from Kansas [Mr. CARLSON].

Mr. CARLSON. Mr. Speaker, I wanted a little time on this bill because I want information as to how it affects the entire farm program. I have been trying to get the information for the past few days, and would like to interrogate the gentleman from Virginia. I want to know the answer to two questions before I make up my mind on this bill. I want to know if it affects the entire acreage allotment of the Triple A of the United States, either in this year or in future years.

Mr. FLANNAGAN. It does not.

Mr. CARLSON. Does it affect the distribution of the funds this year or in future years?

Mr. FLANNAGAN. It does not affect the distribution of the funds for this year. It expressly provides to the contrary. If the tobacco price tumbles next year, we would participate, I hope, in the parity payments, something we have never done as yet; and it is estimated by the Secretary of Agriculture that it would probably take from 1 to 2 percent of the funds allocated for parity payments in the event we are unable to maintain parity prices under the program.

Mr. CARLSON. I wanted to be sure we did not affect the present set-up of the Triple A base in the United States. We have had one or two changes in the past, and I think we should not pass a bill today under suspension that would do that.

Mr. Speaker, I appreciate very much the information that has just been given me by the gentleman from Virginia [Mr. FLANNAGAN]. My sympathy is with the farmers generally and therefore I want to be fair in my consideration of this bill. I want it distinctly understood that it would not affect the base acreage as established by the Agricultural Adjustment Act. I have no objection to tobacco securing parity payments under this program. In fact, I believe we must give consideration to every farm commodity. It is true that tobacco has been in a more favorable position than other farm commodities, and as present indications point to a reduced income for future years I want to approach this matter with that in mind. While we are discussing this parity price of farm commodities, I think it well to consider the present farm prices in comparison with parity prices. Following is a table recently issued by the Department of Agriculture giving this information:

Prices of farm products

[Estimates of average prices received by farmers at local farm markets based on reports to the Agricultural Marketing Service. Average of reports covering the United States weighted according to relative importance of district and States]

Product	5-year average, August 1909–July 1914	August average, 1909–13	August 1939	July 1940	August 1940	Parity price August 1940
Cotton, pound ... cents	12.4	12.3	8.70	9.54	9.23	15.75
Corn, bushel ... do	64.2	70.9	45.7	63.1	63.1	81.5
Wheat, bushel ... do	88.4	89.5	54.5	61.4	60.1	112.3
Hay, ton ... dollars	11.87	11.35	6.77	7.10	7.10	15.07
Potatoes, bushel ... cents	69.7	84.0	[1] 69.3	82.1	68.0	[2] 81.5
Oats, bushel ... do	39.9	40.9	25.4	28.3	26.7	50.7
Soybeans, bushel ... dollars	(3)	(3)	.64	.73	.67	[4] 1.73
Peanuts, pound ... cents	4.8	4.8	3.39	3.42	3.44	6.10
Apples, bushel ... dollars	.96	.72	.66	1.08	.79	1.22
Oranges, box ... do	(3)	(3)	1.53	1.50	1.75	[4] 2.46
Grapefruit, box ... do	(3)	(3)	.89	.94	1.35	[4] 1.54
Lemons, California, box dollars	(3)	(3)	2.20	1.95	2.90	[4] 2.49
Beef cattle, hundredweight dollars	5.21	5.08	6.50	7.26	7.21	6.62
Hogs, hundredweight ... do	7.22	7.30	5.47	5.78	5.83	9.17
Chickens, pound ... cents	11.4	11.7	13.0	13.6	13.4	14.5
Eggs, dozen ... do	21.5	18.1	17.5	16.4	17.2	[2] 25.5
Butterfat, pound ... do	26.3	24.1	22.4	25.9	26.7	[2] 31.1
Wool, pound ... do	18.3	18.8	22.0	27.9	27.3	23.2
Veal calves, hundredweight dollars	6.75	6.59	8.13	8.56	8.59	8.57
Lambs, hundredweight dollars	5.87	5.51	6.94	7.85	7.52	7.45
Horses, each ... do	136.60	137.30	78.00	74.50	72.50	173.50

[1] Revised.
[2] Adjusted for seasonality.
[3] Prices not available.
[4] Post-war base.

This bill, as I understand it, changes the base year for securing the parity base. Statements already made indicate that the years selected under the original A. A. A. were rather unfair to tobacco, therefore I think this provision might well be adopted. However, I do object to bringing this bill in under suspension of the rules with no copy of the bill under consideration available except the one at the Speaker's desk. I trust this will not happen again.

Mr. PACE. Will the gentleman yield?

Mr. CARLSON. I yield.

Mr. PACE. But it is time to guarantee the farmers of this Nation parity prices, is it not?

Mr. CARLSON. It has always been my contention that we will not have permanent prosperity in the United States until agriculture and industry are more nearly on a parity. This, of course, is the purpose of the A. A. A., but the preceding table shows how far we have failed in reaching this desired objective, despite several years of this program.

I have just received the following figures, which I believe are interesting:

Measures of business conditions, Thursday, Oct. 3, 1940

	Latest period	Preceding period	Year ago	1938 low	1939 high
Production:					
Steel output, week of Sept. 28	92.5	93.5	85.0	25.0	95
Automobile output, week of Sept. 28	95,990	78,820	64,255	13,900	117,800
Movement of goods:					
Freight carloadings, week of Sept. 21	813	804	815	512	861
Department store sales, Sept. 21, percent change from a year ago	+10	+10	-------	-------	-------
Prices (Sept. 21):					
Wholesale prices, percent of 1926	77.7	77.9	79.5	77.4	79.5
Farm prices, percent of 1926	65.7	66.8	69.5	65.9	69.7
Business activity:					
Barron's Index, Sept. 21, percent of 1923–25	85.4	84.8	84.8	50.0	90.4
Factory pay rolls, August, percent of 1923–25	103.7	96.5	89.7	69.4	101.8
Building contracts, August, in millions of dollars	414	399	312	195	330

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. SCHAFER].

Mr. SCHAFER of Wisconsin. Mr. Speaker, this committee report states, "The proposed amendment is needed because the war in Europe has adversely affected the demand for the dark air-cured types of tobacco to a lesser extent than for the fire-cured type."

Mr. Speaker, we have this bill before us because our New Deal brethren repealed the arms embargo provision of our former neutrality act with the Baruch-Bloom fake neutrality act. As a result, foreign purchasers who formerly purchased about $89,000,000 worth of American tobacco annually, stopped purchasing that tobacco in order that they could use more of their money to purchase munitions, arms, implements of war, and war supplies. I was not a party to that double-cross and sell-out of our American tobacco farmers. I am glad that I was not. Our New Deal Democratic brethren are now asking for the enactment of this bill to cure a condition which is the result of the enactment of the Baruch-Bloom fake neutrality bill which brought about this condition——

Mr. BLOOM. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. BLOOM. I think it is about time that the Members of this House should be acquainted with the fact that they cannot use the names of any of the Members of the House, especially when they are using it in the manner the gentleman from Wisconsin is using my name.

Mr. SCHAFER of Wisconsin. I have not referred to the gentleman's name at all.

Mr. BLOOM. A point of order, Mr. Speaker. I am speaking to the Speaker and not to the gentleman who occupies the floor.

The SPEAKER. The gentleman from Wisconsin will proceed in order and the rules provide that Members must be referred to as "the gentleman from" a certain State.

Mr. SCHAFER of Wisconsin. I am proceeding in order, Mr. Speaker. I may be referring to some flower blooms or many Blooms whose names appear in the Washington and New York directories.

Mr. BLOOM. Mr. Speaker, a point of order.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I am clearly proceeding in order under the rules of the House.

Mr. BLOOM. I ask, Mr. Speaker, that the gentleman's words be taken down.

The SPEAKER. The Clerk will report the words objected to.

Mr. BLOOM. Mr. Speaker——

The SPEAKER. The gentleman from New York.

Mr. BLOOM. Is it not according to the rules that the gentleman from Wisconsin should be made to take his seat while this matter is being considered?

The SPEAKER. The gentleman from Wisconsin will take his seat.

The Clerk read as follows:

I may be referring to some flower blooms or many Blooms whose names appear in the Washington and New York directories.

The SPEAKER. The gentleman from Wisconsin has heard the words read. Was he referring to the gentleman from New York as one of the Blooms?

Mr. SCHAFER of Wisconsin. No; I was not. I may say to the Speaker that the gentleman from New York made the point of order that I was not within the rules of the House because I was discussing his name. I have not been discussing his name as a Member of the House. I have not identified his name and in explanation——

The SPEAKER. Did the gentleman intend to refer to the gentleman from New York?

Mr. SCHAFER of Wisconsin. No; I intended only to indicate that I was not referring to a Member of this House.

Mr. BLOOM. Mr. Speaker I would like to be heard. The gentleman from Wisconsin referred to the Bloom——

The SPEAKER. There is nothing to be heard on. If the gentleman from Wisconsin states that he did not intend in this statement to refer to the gentleman from New York, a Representative in the House, his words are not out of order.

Mr. SCHAFER of Wisconsin. Will the Speaker read the language again? I want to be absolutely correct.

The SPEAKER (reading):

I may be referring to some flower blooms or many Blooms whose names appear in the Washington and New York directories.

Mr. SCHAFER of Wisconsin. I will say positively that I did not directly or indirectly intend to refer to any Member of this House but merely mentioned the words I did mention in order to indicate to the House that I was proceeding under the rules of the House.

Mr. BLOOM. Mr. Speaker may I be heard on the allegation?

The SPEAKER. The gentleman has not answered the question. Did the gentleman intend to refer to the gentleman from New York?

Mr. SCHAFER of Wisconsin. Oh, absolutely not; not in the words which the Speaker has mentioned.

The SPEAKER. These are the words that were taken down.

Mr. SCHAFER of Wisconsin. Yes; with reference to the words taken down, I was not, as the words indicate, referring to the gentleman from New York or to any other Member of the House.

The SPEAKER. The gentleman from Wisconsin will proceed in order.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I shall support and vote for this bill. One of the Members from my side stated that this bill should not be passed because it did not include another commodity. All I have to say about that is that is not the way to legislate. If this bill does not go the whole way in the proper direction but does go halfway, then let us take the half step. It is claimed that this bill must be enacted to protect many of our American tobacco farmers because foreign countries have stopped purchasing much of their tobacco. Therefore, let us take care of our American tobacco farmers. America first, last, and forever! [Applause.]

[Here the gavel fell.]

Mr. FLANNAGAN. Mr. Speaker, I yield 5 minutes to the gentleman from Kentucky [Mr. CHAPMAN].

Mr. CHAPMAN. Mr. Speaker, this is a bill of vital interest to thousands of tobacco growers in this country. The membership of the House will recall that when the original Agricultural Adjustment Act was passed in 1933 it was found that because of different conditions existing in the production of tobacco as compared with other basic farm crops, it was necessary to establish a different base period for tobacco than was established for these other commodities. The period agreed upon for the other commodities was a prewar period of 5 years, but we set up a 10-year post-war base period for tobacco; otherwise the A. A. A. would have been inoperative on burley and flue-cured tobacco. The result has been that the growers of the burley and flue-cured types have never received one penny of parity payments, but the very existence of this base period has had a considerable effect on the market price of those types of tobacco. In our advocacy of this measure to determine still another base period for burley and flue-cured tobacco we are not expecting to receive parity payments. We hope there will be no need for parity payments. We do hope, however, for the effect which we believe this new base period will have on the market price of tobacco. It is expressly provided in this bill that no parity payments shall be made on tobacco out of any funds appropriated for the fiscal year ending June 30, 1941.

There has been a vast change in conditions surrounding the production of these types of tobacco, in the purposes for which they are used, and in the tobacco industry generally, since the period 1909–14, the base period of other farm products. That was a period when a comparatively small proportion of these burley and flue-cured types of tobacco went into the manufacture of cigarettes. The cigarette as a great commercial product began to expand about 1910. At that time less than 2 percent of burley tobacco and less than 20 percent of flue-cured tobacco went into the manufacture of cigarettes. But now approximately 60 percent of the burley tobacco and more than 80 percent of the flue-cured tobacco goes into the manufacture of cigarettes. The production of cigarette tobacco requires a smaller, lighter, finer tobacco plant and more of them, than the production of tobacco used for other purposes. The result has been a tremendous increase in the cost of producing

these types. In order to balance the whole situation, to bring the parity price of these two types of cigarette tobacco to what it should be, this legislation is necessary. These tobaccos are the foundation of the American cigarette. From them are blended billions of cigarettes, which pay more than a half billion dollars annually into the Federal Treasury. It is necessary to change the base period now to give us a parity price commensurate with the cost of production to thousands of American farmers. The same reasons that justified the Congress in 1933 in giving tobacco a base period different from that of other products now justify our appeal for still another base period, as provided in this bill.

We have no desire to discriminate against any other farm product. We are not here opposing any change in the classification for wheat as mentioned by the gentleman from Kansas. All we are asking is this change of base period as a measure of justice to growers of tobacco, a crop which extracts more fertility from the soil than any other farm product, and which requires the hardest kind of labor known to farm life. This is not a special concession we are asking; we are asking it simply in order to balance these types of tobacco with other farm products and bring them up to a proper parity price. [Applause.]

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. MURRAY.]

Mr. MURRAY. Mr. Speaker, I would like to say to my colleagues during this little guerilla warfare we have had here that we ought to act somewhere near our age and get the facts in connection with this proposition. I attended the committee meeting when this matter was brought up. Just so the Members understand what it is, may I say that this is part of the money that comes from parity payments. Now, I voted against parity payments and I probably will hear a lot about that during the next 3 or 4 weeks, but I voted against it because it did not include enough of the crops produced in this country. The question involved here today is altogether different. The tobacco farmers have not had any parity payments. I have in my pocket at the present time a table showing that Kentucky has only received $3 per farm per year for the 3 years that parity payments have been paid. That has been due to the fact that tobacco has been at a pretty fair price up until the last few months. To me this looks a good deal like we are having a little disturbance here over how to divide the spoils.

Mr. FLANNAGAN. Will the gentleman yield?

Mr. MURRAY. I yield to the gentleman from Virginia.

Mr. FLANNAGAN. The gentleman does not want to make the statement that tobacco growers have received one penny in parity payments?

Mr. MURRAY. No.

Mr. FLANNAGAN. I understood the gentleman to say that they received $3 per farm.

Mr. MURRAY. I said that in fairness to the tobacco farmers it should be stated they have not had this money on account of the price of tobacco. It has not been necessary. The $3 per farm is from parity funds. The only thing we are discussing here today is whether you are going to take some of the money that has gone into cotton and pay it for tobacco. It might be well for the country to know that cotton has had 68 percent of the parity payments up to January 1, 1940, and they would have had all of it this year if the Members had not been a little careful.

Mr. COOLEY. Will the gentleman yield?

Mr. MURRAY. I yield to the gentleman from North Carolina.

Mr. COOLEY. Does the gentleman know what percentage of parity payments wheat has received?

Mr. MURRAY. I cannot remember all of them.

Mr. COOLEY. Quite a large sum of money.

Mr. MURRAY. Oh, yes; and also corn.

Mr. PACE. Will the gentleman yield?

Mr. MURRAY. I yield to the gentleman from Georgia.

Mr. PACE. The gentleman's figures include the special price adjustment appropriation that was made in 1937. Otherwise cotton has not received anywhere near the major portion or over half of the money.

Mr. MURRAY. All I can do is take the figures I get from the Department of Agriculture and according to those figures cotton has received 68 percent of the money during all of that time.

Mr. PACE. In 1937 the Congress appropriated a special price adjustment for cotton, which was not at that time appropriated for any other commodity and the gentleman's figures have been raised on account of that special appropriation. Since that time the money has been fairly distributed among all commodities. I appreciate the gentleman's concern about dairying. I realize he has not been able to go along with parity payments because he wants the same treatment for the dairy producers of his district. I appreciate that position.

Mr. MURRAY. Let us get that straight. The gentleman from Wisconsin [Mr. HULL] has a dairy bill pending, H. R. 6500, by which he desires to get a little of this money for the dairy farmers, but we have not been able to get the bill voted on in the committee. I try not to make this a personal matter at this time. All we are doing today is to take some of the money that has been going to cotton, wheat, and corn, and giving it to the tobacco farmers who have not had the benefit of any parity payments up until the present time. That is all there is to this. It is simply a matter of dividing the spoils.

Mr. GEHRMANN. Will the gentleman yield?

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

Mr. GEHRMANN. I was wondering what reason there was in the Agricultural Committee why the dairying industry, which is the largest of all, should not be included and should not receive some benefit if there are any benefits in parity payments. What were the reasons given?

[Here the gavel fell.]

Mr. FLANNAGAN. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE. Mr. Speaker, I am well aware of the fact that we who represent agricultural districts must hold together to maintain the gains we have made in the last 7 or 8 years. Nevertheless, I regret that a bill of this importance should come up in this way. A bill of this kind should have had hearings. There should have been real discussion in the Agricultural Committee. I signed the round robin when it was presented asking that this bill should be considered in this manner. It did come before a formal meeting of the Agricultural Committee a few days ago and was approved without discussion.

I am going to vote for this bill because it has been amended so as not to affect the parity payments of 1941, which I think is fair. I hope we will never have to ask for parity payments again. I trust we may devise some method by which we can make various users of the commodities pay the necessary amounts to the people who produce the commodities so that there will be no necessity for further parity payments. However, if we do have to provide parity payments, tobacco should be in the position where it can get its share. It should not participate the same as corn, wheat, and cotton in 1941, because that appropriation has already been made. This bill has been amended, so the sponsor informs us, so that it will not cover that year. That is why it gets my vote.

I remember well when we first considered in the Agricultural Committee the difficulty of finding a base period for tobacco. If I recall correctly, I was the first one that suggested that we go outside the 1909–14 base.

[Here the gavel fell.]

Mr. PIERCE. Mr. Speaker, I ask unanimous consent that a letter addressed to me by Secretary Wickard be inserted at this point in the RECORD.

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

There was no objection.

The letter referred to follows:

DEPARTMENT OF AGRICULTURE,
Washington, September 21, 1940.

Hon. WALTER M. PIERCE,
House of Representatives.

DEAR MR. PIERCE: This is in reply to your letter of September 13 requesting information as to the effect of the bill H. R. 10317

upon the distribution of parity payments for wheat, corn, cotton, rice, and tobacco.

The bill H. R. 10317 changes the base period only for flue-cured and burley tobacco and does not affect the base period for other kinds of tobacco. A copy of the report by the Department on the proposed legislation is attached for your convenience.

Thus far no parity payments have been made on tobacco, and it is my understanding that the farm leaders who have proposed the change in the base period for flue-cured and burley tobacco are interested mainly in the effect which the change may have in maintaining market prices at recent levels, and, in the event of any decline of market prices, in the possibility of using loans more effectively to maintain prices at reasonable levels. Their reasoning seems to be that the market situation is such that prices for the flue-cured and burley types of tobacco, which are used mainly in cigarettes, can readily be maintained in line with prices during the proposed base period. Actually, the market situation for these types of tobacco is different from that for most other commodities mainly because of the fact that the amount which the farmer receives for his tobacco (at prices prevailing in the proposed base period) represents only about 10 percent of the price of a package of cigarettes retailing at 15 cents.

Flue-cured tobacco growers recently approved marketing quotas for the next 3 years (1941 to 1943) and burley growers will vote on marketing quotas this fall for 3 years. With quotas in effect for 3 years, it seems that prices for tobacco should improve to such an extent that tobacco growers would share in any parity payments to a smaller extent in later years than in 1941.

In line with my understanding of the object of the proposed legislation, the enclosed report contains a suggestion that the bill be modified so as to provide for use of the base period of August 1919–July 1929 (as now fixed in the Agricultural Adjustment Act of 1938, as amended) in allocating any funds already appropriated for the making of parity payments for 1941. If this suggested change in the bill is adopted the legislation will have no effect upon the distribution of parity payments for 1941. Without the suggestion there would be a shift of 2 to 3 percent of the parity funds to tobacco from the other commodities, this shift being made pro rata from each of the other commodities. This shift for 1941 probably is near a maximum. For 1940, had the proposed legislation been in effect, the shift would have been about 1½ percent, and over a period of years any shift likely would not average above the figure of 1½ percent. The distribution of the parity-payment funds among commodities is based upon the extent to which the proceeds of production fall below the parity income, and, therefore, no parity payments would be made on burley or flue-cured tobacco in any year in which the price was sufficiently high to bring the proceeds of production up to the parity income.

Sincerely,

CLAUDE R. WICKARD, *Secretary*.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I yield myself the remainder of my time.

Mr. Speaker, this bill as we have it before us, S. 4374, contains two sections. It seems to me the Clerk read five or six sections. I am just wondering why the additional sections of the bill read by the Clerk are kept from the Members of the House. We have not had an opportunity to study the bill that was read by the Clerk. There must be some reason why the Members are not being permitted to see the additional sections.

Mr. FLANNAGAN. I hope the gentleman does not intimate that anyone is trying to keep from the Members of the House the provisions of the bill S. 4374. It is a public document.

Mr. AUGUST H. ANDRESEN. I am simply showing that the Members of the House do not have the bill before them in printed form as read by the Clerk.

Mr. FLANNAGAN. It has been printed, however, and it is available.

Mr. AUGUST H. ANDRESEN. I am sorry, I cannot yield to the gentleman. He can explain that in his own time. I have been trying to get a copy of the bill, which is up for consideration under suspension, to find out what it really means before I cast my vote either for or against it.

I want to be fair on this matter, but, as a matter of fact, tobacco has received closer to parity prices than any other farm commodity. Tobacco has had special treatment for the past 7 years, all through the farm legislation. The Representatives of the tobacco districts have written their own ticket and have always had preferential treatment to handle the problems concerning their industry. Now they come before us and want to change the base period, which, in my opinion, throws the entire A. A. A. program out of kilter, because the base period for virtually all the basic farm commodities is the 1909–14 period. In order to improve the situation for tobacco they are taking the 1934–39 period, where the prices are at parity or above parity, and changing its relationship to the general scheme of price levels and parity for other basic commodities.

No hearings were held on this bill before our Committee on Agriculture. It is true that the bill was brought before the committee and reported out without any discussion on the basis of a poll that was circulated by the author of the bill among the Members. I did not sign that poll that was taken of the members of the committee, because I do not believe a piece of important legislation should come out of the Committee on Agriculture without hearings and without due consideration.

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

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I have just examined the copy of the bill which is at the Clerk's desk, and it carries five sections. This is the bill that was passed by the Senate. The only copies that are available at the desk for the Members are of the bill as it was originally introduced in the Senate, and it carries only two sections. There are three sections of the bill that have been inserted in addition to those that anyone is able to read unless he goes to the Clerk's desk.

Mr. AUGUST H. ANDRESEN. The gentleman is correct in substantiating what I have already said. This letter from the Secretary of Agriculture states that this bill has not been approved by the Bureau of the Budget. There is no report from the House Committee on Agriculture. We do not know if the administration favors this bill, for lack of approval by the Bureau of the Budget, and, therefore, we cannot help but assume that the President may veto the bill when it comes to him for consideration.

One reason given for the passage of this measure is the fact that the shipment of tobacco has been retarded in the world markets due to the war. I have just learned today from my good friend the gentleman from North Carolina [Mr. COOLEY] that England is again buying tobacco produced in this country.

Every farm commodity, wheat, cotton, and other basic commodities, and every surplus farm commodity, has slumped in the export market on account of the war in Europe. There are no shipments of wheat from the United States, very few shipments of cotton, and none of rice. The gentleman from North Carolina states that usual sales of tobacco are now being made to England.

Mr. COOLEY. Mr. Speaker, will the gentleman yield? I have not made any such statement.

Mr. AUGUST H. ANDRESEN. I am sorry if I misunderstood the gentleman.

It seems to me that we are giving such special treatment to this product that the legislation before us should go back to the Committee on Agriculture to have full and complete hearings where witnesses may come before our committee from the Department and give their testimony and be subject to cross-examination, so that we may get all the facts.

The Department now advises us that this will take around $2,500,000 out of the parity payment fund. This is not a very great deal, but you are taking it away from other basic commodities to give it to another, and that is hardly fair without its having had consideration before the proper legislative committee.

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

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Minnesota.

Mr. PITTENGER. Does the gentleman know of any reason why we cannot have hearings not only on this matter but on other matters before the Committee on Agriculture in which the people of the country are interested? We have not recessed or adjourned yet.

Mr. AUGUST H. ANDRESEN. There are no doubt a good many bills on which we could hold hearings.

Mr. PITTENGER. I call the gentleman's attention to the Harrison-Colmer bill, in which a great many people are interested.

Mr. AUGUST H. ANDRESEN. This bill should be returned to the Committee on Agriculture. [Applause.]

[Here the gavel fell.]

Mr. FLANNAGAN. Mr. Speaker, I yield the balance of the time to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Speaker, I know that the distinguished gentleman who has just preceded me did not intend to misquote me a moment ago when he said that I had stated to him that the British embargo had been lifted and that we were selling tobacco to the British Empire. I made no such statement.

Mr. AUGUST H. ANDRESEN. I beg the gentleman's pardon if I misunderstood him. I understood the gentleman to tell me out here that we are now selling tobacco to the British Empire.

Mr. COOLEY. No; the gentleman thoroughly misunderstood me.

Mr. AUGUST H. ANDRESEN. I beg the gentleman's pardon.

Mr. COOLEY. What I said was that we had an arrangement with the British buyers under which they are buying tobacco on the market in the usual way under an option. The British companies are furnishing their redrying plants and storage facilities in this transaction and they are purchasing somewhere near their usual requirements, but all of the tobacco purchased by the British buyers last year is still stored in this country, and to that tremendous stock of tobacco is being added the tobacco they are purchasing this year.

The necessity for this bill is pointed out in letters from the Secretary of Agriculture, one of which was addressed to Senator SMITH on September 19, and the other addressed to the gentleman from Texas, Hon. MARVIN JONES, chairman of the Committee on Agriculture, on September 21, and I would like to read just a few excerpts from the letter of September 19th to Senator SMITH, in which the Secretary of Agriculture stated this:

> Because of emergency conditions which have arisen with respect to the fire-cured and dark-air-cured types of tobacco, as a result of the war in Europe, it appears urgent that this bill be enacted in time to make the amendment provided therein effective prior to the holding of a referendum on marketing quotas on these kinds of tobacco in October or November of this year.

This is from the Secretary's letter, and after discussing the bill further, the letter ends up with this statement:

> The Department urges immediate enactment of this bill for the reasons stated above.

I may say to the membership of the House that I am not particularly interested in that phase of the bill which deals with dark-air-cured and fire-cured tobacco, but I am tremendously interested in the second section of the bill which deals with parity payments.

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

Mr. COOLEY. I shall be glad to yield to the gentleman from Virginia.

Mr. FLANNAGAN. This bill does not in any way affect the parity payments for 1941.

Mr. COOLEY. The gentleman is correct.

Mr. FLANNAGAN. I want the membership to thoroughly understand that.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. H. CARL ANDERSEN. How about parity payments for 1942?

Mr. COOLEY. We do not have any parity payments for 1942.

Mr. H. CARL ANDERSEN. There will naturally be one in due course of time.

Mr. COOLEY. We hope that will not be necessary.

Now, with reference to parity payments, I hope the membership of the House knows this one thing, and clearly knows it, and that is that tobacco, one of the biggest industries in the country, has received not one red penny in parity payments. Now, you ask me why? It is because the tobacco farmer has been willing to take it on the chin, so to speak, and to curtail production and try to cope with the law of supply and demand, to such an extent that last year we produced 1,200,000,000 pounds of flue-cured tobacco and this year we have cut that production in half, and we will only produce 600,000,000 pounds, and, unfortunately, tobacco today is selling for slightly more than it sold for last year, and it is plain to see that the income of the tobacco farmer is substantially curtailed. Now, instead of having these tobacco buyers go along under the belief that parity for tobacco is 16 or 18 cents, we want them to know that under the calculations made by the experts in the Department, that the parity price for tobacco today should be 22 cents a pound, and that is all this bill, or the latter part of it, does. Its only effect in the current year will be entirely psychological. It cannot materially influence the price of tobacco, but we hope it will have a favorable influence upon the market for the remainder of the season.

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

Mr. COOLEY. I yield to the gentleman.

Mr. CASE of South Dakota. Personally, I have no objection to the latter part of the measure. I have no objection to the extension of parity payments, and if the gentlemen would incorporate in their motion a motion to amend by striking out the first portion of the bill, I would not object.

Mr. COOLEY. On the question of parity payments, this does not mean we are going to take any money for parity payments. We hope we will be able to maintain prices so it will not be necessary for us to ask for anything for parity. We have not received one red copper in the past, and we hope we will not have to ask for one in the future.

With reference to the first part of the bill, I cannot for the life of me see how the gentleman from South Dakota or the gentleman from Minnesota or anyone else can object to the growers of fire-cured and dark-air-cured tobacco having this legislation when the Department of Agriculture states it is absolutely necessary and that it should be enacted immediately so it would be in effect before the referendum which is to be held in October or November.

I want to call your attention to the letter dated September 21, 1940, written by the Secretary of Agriculture to the Chairman of the House Committee on Agriculture, Mr. JONES of Texas, a copy of which was sent to Senator SMITH, chairman of the Senate Committee on Agriculture:

SEPTEMBER 21, 1940.

Hon. MARVIN JONES,
Chairman, Committee on Agriculture, House of Representatives.

DEAR MR. JONES: This is in reply to your request of September 10 for a report on the bill H. R. 10317.

This bill would change the base period for burley and for flue-cured tobacco from the 10 years August 1919–July 1929 to the 5 years August 1934–July 1939, and would provide thereby for determination of parity prices for these kinds of tobacco on the basis of price relationships which have existed in recent years.

Over a period of about 30 years there has been an increasing demand for those grades of tobacco used in the manufacture of cigarettes and this demand in turn has led to significant modifications of farming practices in order to produce a crop having a greater proportion of the cigarette grades of tobacco. The proposed change in the base period, which would mean an increase of about 20 percent in the parity price, would provide for establishing parity prices so as to reflect recent price relationships for burley and flue-cured types of tobacco which have accompanied changes in the grades of tobacco required by the industry. Moreover, it appears to be reasonable and desirable with these changed conditions to maintain farm prices for these types of tobacco at this level.

The changing conditions in the tobacco industry were recognized by Congress when the Agricultural Adjustment Act of 1933 was enacted. At that time Congress provided for the use of the more recent August 1919–July 1929 base period for tobacco, rather than the 1909–1914 period which was used for other commodities. The 1919–1929 period also was used for tobacco in the Agricultural Adjustment Act of 1938. Since the changes which originally led to the use of the 1919–1929 base period for tobacco have been continuing in recent years, it now appears to be appropriate to adopt a later base period in order to reflect more accurately present price relationships.

As indicated above, the changes in the industry which have tended to lead to different price relationships for burley and flue-cured tobacco are associated with the increased proportion of these types of tobacco used in the manufacture of cigarettes. In this country the percentage of flue-cured tobacco consumed in the form of cigarettes increased from 19.7 percent in the 5 years 1909–13, to 70 percent in the 10 years 1920–29, to 79.7 percent in the 5 years 1935–39, and to 81.1 percent in 1939. For burley tobacco the similar increases were from 1.5 percent in the 5 years 1909–13, to 40.1 percent in the 10 years 1920–29, to 57.4 percent in the 5 years 1935–39, and to 59.4 percent in 1939.

In order to produce a greater proportion of tobacco suitable for use in cigarettes, farmers have changed their practices materially. These changes involve the closer spacing of tobacco in the field with the production of a larger number of lighter leaves of tobacco as contrasted with the production of a smaller number of larger, heavier leaves in the earlier years. A farmer has to handle each leaf of flue-cured tobacco separately four times before it is placed on the market, and in addition has to handle several leaves bunched together a number of other times. This means a material increase in the labor required to place a pound of tobacco on the market, and of necessity tends to limit the quantity of tobacco handled by the average farm family. In addition to this increased labor cost farmers generally have been required to incur added expense in adopting practices to prevent or check diseases and insects which have affected tobacco more seriously in recent years.

In view of the foregoing discussion it seems clear that there is a problem which should be corrected and this bill would be one way of making this correction. However, in view of the fact that the legislation would have the effect of causing between 2 and 3 percent of the funds already appropriated for parity payments at this session of Congress to be shifted to tobacco from other commodities, it is suggested, since such a shift was not contemplated when the funds were appropriated, that the committee may wish to provide that the 1919–29 base period be used in any calculations relating to appropriations made prior to the enactment of the bill. This could be accomplished by striking out the period at the end of the last sentence in section 1 of the bill and adding the following: "; except that the August 1919–July 1929 base period shall be used in allocating any funds appropriated prior to September 1, 1940."

As required by Budget Circular 344, this matter was referred to the Bureau of the Budget, and under date of September 19, 1940, the Director thereof advised this Department that there would be no objection to the submission of this report to the committee with the understanding that no commitment would thereby be made as to the relationship of this proposed legislation to the program of the President.

Sincerely yours,

CLAUDE R. WICKARD, *Secretary*.

This bill not only has the approval of the Department but of farmers and farm leaders generally and of every Member of the House representing districts in which tobacco is grown. I hope that you will vote for the bill. [Applause.]

The SPEAKER. All time has expired.

The question is on the motion of the gentleman from Virginia [Mr. FLANNAGAN] to suspend the rules and pass the bill.

The question was taken; and there were on a division (demanded by Mr. H. CARL ANDERSEN)—ayes 74, noes 42.

Mr. FLANNAGAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present.

The SPEAKER. Evidently there is not a quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 165, nays 107, not voting 157, as follows:

[Roll No. 230]

YEAS—165

Alexander	Carlson	Doxey	Hawks
Allen, La.	Chapman	Dunn	Hill
Allen, Pa.	Clark	Durham	Hinshaw
Anderson, Mo.	Clason	Eberharter	Hobbs
Angell	Cochran	Edelstein	Holmes
Austin	Coffee, Nebr.	Edmiston	Hunter
Ball	Coffee, Wash.	Evans	Jarman
Barden, N. C.	Cole, Md.	Fay	Jarrett
Barry	Colmer	Ferguson	Johnson, Ill.
Bates, Ky.	Connery	Flannagan	Johnson, Ind.
Beckworth	Cooley	Folger	Johnson, LutherA.
Bland	Cooper	Ford, Miss.	Johnson, Lyndon
Bloom	Costello	Fulmer	Johnson, Okla.
Boehne	Courtney	Garrett	Johnson, W. Va.
Boykin	Cox	Gathings	Jones, Tex.
Bradley, Pa.	Cravens	Gavagan	Kee
Brown, Ga.	Crosser	Geyer, Calif.	Kennedy, Martin
Bryson	Crowe	Gore	Kennedy, Md.
Buckler, Minn.	D'Alesandro	Gossett	Kennedy, Michael
Bulwinkle	Davis	Grant, Ala.	Kilday
Burch	Delaney	Gregory	Kinzer
Burgin	Dempsey	Hare	Lanham
Byrns, Tenn.	Dingell	Hart	Larrabee
Cannon, Fla.	Doughton	Hartley	Lea
Leavy	Mouton	Poage	South
Lesinski	Murdock, Ariz.	Polk	Sparkman
Lewis, Colo.	Murdock, Utah	Ramspeck	Spence
Ludlow	Murray	Randolph	Sumners, Tex.
Lynch	Nichols	Rankin	Taylor
McArdle	Norrell	Romjue	Tenerowicz
McCormack	Norton	Sacks	Terry
McGehee	O'Connor	Satterfield	Thomas, Tex.
McMillan, Clara	O'Leary	Schafer, Wis.	Thomason
McMillan, John L.	O'Neal	Schulte	Treadway
Mahon	O'Toole	Secrest	Vincent, Ky.
Maloney	Pace	Shannon	Voorhis, Calif.
Mansfield	Patman	Sheridan	Walter
Miller	Patrick	Smith, Conn.	Ward
Mills, Ark.	Pearson	Smith, Va.	Woodrum, Va.
Monkiewicz	Peterson, Fla.	Smith, W. Va.	
Monroney	Pierce	Snyder	
Moser	Pittenger	Somers, N. Y.	

NAYS—107

Andersen, H. Carl	Gearhart	Lewis, Ohio	Schiffler
Andresen, A. H.	Gehrmann	Luce	Schwert
Arends	Gerlach	McDowell	Seccombe
Bender	Gillie	McGregor	Shafer, Mich.
Blackney	Goodwin	McLean	Simpson
Bolles	Grant, Ind.	McLeod	Smith, Maine
Bolton	Gross	Maas	Smith, Ohio
Brown, Ohio	Guyer, Kans.	Marshall	Springer
Burdick	Gwynne	Martin, Iowa	Stefan
Cannon, Mo.	Hall, Leonard W.	Mason	Sumner, Ill.
Carter	Halleck	Massingale	Sweet
Case, S. Dak.	Harness	Michener	Talle
Chiperfield	Harter, N. Y.	Mundt	Tarver
Church	Hess	Oliver	Tibbott
Clevenger	Hoffman	Osmers	Tinkham
Crawford	Horton	Plumley	Van Zandt
Crowther	Hull	Powers	Vorys, Ohio
Culkin	Jenkins, Ohio	Rabaut	Vreeland
Curtis	Jensen	Reed, Ill.	Wheat
Dirksen	Johns	Reed, N. Y.	Whelchel
Dondero	Jones, Ohio	Rees, Kans.	Whittington
Elston	Jonkman	Rich	Wolcott
Engel	Kean	Risk	Wolverton, N. J.
Englebright	Kunkel	Rodgers, Pa.	Woodruff, Mich.
Fenton	Lambertson	Rogers, Mass.	Youngdahl
Gamble	Landis	Routzohn	Zimmerman
Gartner	LeCompte	Rutherford	

NOT VOTING—157

Allen, Ill.	Duncan	Keogh	Sabath
Anderson, Calif.	Dworshak	Kerr	Sandager
Andrews	Eaton	Kilburn	Sasscer
Arnold	Elliott	Kirwan	Schaefer, Ill.
Barnes	Ellis	Kitchens	Schuetz
Barton, N. Y.	Faddis	Kleberg	Scrugham
Bates, Mass.	Fernandez	Knutson	Shanley
Beam	Fish	Kocialkowski	Sheppard
Bell	Fitzpatrick	Kramer	Short
Boland	Flaherty	Lemke	Smith, Ill.
Boren	Flannery	McAndrews	Smith, Wash.
Bradley, Mich.	Ford, Leland M.	McGranery	Starnes, Ala.
Brewster	Ford, Thomas F.	McKeough	Steagall
Brooks	Fries	McLaughlin	Stearns, N. H.
Buck	Gibbs	Maciejewski	Sullivan
Buckley, N. Y.	Gifford	Magnuson	Sutphin
Byrne, N. Y.	Gilchrist	Marcantonio	Sweeney
Byron	Graham	Martin, Ill.	Taber
Caldwell	Green	Martin, Mass.	Thill
Camp	Griffith	May	Thomas, N. J.
Cartwright	Hall, Edwin A.	Merritt	Thorkelson
Casey, Mass.	Hancock	Mills, La.	Tolan
Celler	Harrington	Mitchell	Vinson, Ga.
Claypool	Harter, Ohio	Mott	Wadsworth
Cluett	Havenner	Myers	Wallgren
Cole, N. Y.	Healey	Nelson	Warren
Collins	Hendricks	O'Brien	Weaver
Corbett	Hennings	O'Day	Welch
Creal	Hook	Parsons	West
Cullen	Hope	Patton	White, Idaho
Cummings	Houston	Peterson, Ga.	White, Ohio
Darden, Va.	Izac	Pfeifer	Wigglesworth
Darrow	Jacobsen	Reece, Tenn.	Williams, Del.
DeRouen	Jeffries	Richards	Williams, Mo.
Dickstein	Jenks, N. H.	Robertson	Winter
Dies	Jennings	Robinson, Utah	Wolfenden, Pa.
Disney	Keefe	Robsion, Ky.	Wood
Ditter	Kefauver	Rockefeller	
Douglas	Keller	Rogers, Okla.	
Drewry	Kelly	Ryan	

So two-thirds not having voted in favor thereof, the bill was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Darden of Virginia and Mr. Cullen (for) with Mr. Graham (against).

Mr. Warren and Mr. Drewry (for) with Mr. Wolfenden of Pennsylvania (against).

Mr. Boland and Mr. Robertson (for) with Mr. Short (against).

Mr. Celler and Mr. Pfeifer (for) with Mr. Keefe (against).

Mr. Byrne of New York and Mr. Dickstein (for) with Mr. Ditter (against).

Mr. Harter of Ohio and Mr. McAndrews (for) with Mr. Cole of New York (against).
Mr. Hennings and Mr. Claypool (for) with Mr. Thomas of New Jersey (against).
Mr. Sheppard and Mr. Merritt (for) with Mr. Eaton (against).
Mr. Fitzpatrick and Mr. Weaver (for) with Mr. Knutson (against).

General pairs:

Mr. Collins with Mr. Martin of Massachusetts.
Mr. Nelson with Mr. Cluett.
Mr. Parsons with Mr. Williams of Delaware.
Mr. Cartwright with Mr. Mott.
Mr. Patton with Mr. Douglas.
Mr. Richards with Mr. Hope.
Mr. Creal with Mr. Jeffries.
Mr. Peterson of Georgia with Mr. Hancock.
Mr. Schuetz with Mr. Allen of Illinois.
Mr. Disney with Mr. Wadsworth.
Mr. Starnes of Alabama with Mr. Robsion of Kentucky.
Mr. Ellis with Mr. Dworshak.
Mr. Steagall with Mr. Gifford.
Mr. Vinson of Georgia with Mr. Corbett.
Mr. Bell with Mr. Taber.
Mr. Williams of Missouri with Mr. Jennings.
Mr. Kefauver with Mr. Fish.
Mr. Sullivan with Mr. Anderson of California.
Mr. Kerr with Mr. Winter.
Mr. Mills of Louisiana with Mr. O'Brien.
Mr. Kleberg with Mr. Darrow.
Mr. Magnuson with Mr. Jenks of New Hampshire.
Mr. Beam with Mr. Andrews.
Mr. Camp with Mr. Welch.
Mr. Boren with Mr. Brewster.
Mr. Arnold with Mr. Bates of Massachusetts.
Mr. Brooks with Mr. Thill.
Mr. McKeough with Mr. Bradley of Michigan.
Mr. Maciejewski with Mr. Reece of Tennessee.
Mr. Buckley of New York with Mr. Leland M. Ford.
Mr. West with Mr. Gilchrist.
Mr. Barnes with Mr. Edwin A. Hall.
Mrs. O'Day with Mr. Lemke.
Mr. Shanley with Mr. Rockefeller.
Mr. Kitchens with Mr. Sandager.
Mr. Kirwan with Mr. Thorkelson.
Mr. Smith of Washington with Mr. Wigglesworth.
Mr. Kelly with Mr. Stearns of New Hampshire.
Mr. Hendricks with Mr. White of Ohio.
Mr. Harrington with Mr. Marcantonio.
Mr. Havenner with Mr. Kilburn.
Mr. Smith of Illinois with Mr. Buck.
Mr. Granery with Mr. Mitchell.
Mr. Ryan with Mr. Cummings.
Mr. Faddis with Mr. Sweeney.
Mr. Flannery with Mr. Tolan.
Mr. Green with Mr. Wood.
Mr. Wallgren with Mr. Hook.
Mr. Fries with Mr. Jacobsen.
Mr. Sutphin with Mr. Fernandez.
Mr. Duncan with Mr. Robinson of Utah.
Mr. Byron with Mr. Caldwell.
Mr. May with Mr. McLaughlin.
Mr. Sasscer with Mr. Izac.
Mr. Keller with Mr. Casey of Massachusetts.
Mr. Martin of Illinois with Mr. Dies.
Mr. Elliott with Mr. Flaherty.
Mr. Scrugham with Mr. Thomas F. Ford.
Mr. Griffith with Mr. Houston.
Mr. Gibbs with Mr. Healey.
Mr. Kramer with Mr. Myers.
Mr. White of Idaho with Mr. DeRouen.

Mr. HOBBS changed his vote from "no" to "aye."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The doors were opened.

EXTENSION OF REMARKS

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix on two subjects and to include tables and excerpts in each case.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

By unanimous consent, Mr. SMITH and Mr. MICHENER were granted permission to revise and extend their own remarks in the RECORD.

SECOND EXCESS PROFITS TAX ACT OF 1940

Mr. JARMAN. Mr. Speaker, from the Committee on Printing, I report (H. Rept. No. 3049) an original privileged concurrent resolution (H. Con. Res. 91) authorizing the printing of additional copies of Public Law No. 801, entitled "Second Excess Profits Tax Act of 1940," and ask for its immediate consideration.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed 65,000 additional copies of Public Law No. 801, current session, entitled "Second Excess Profits Tax Act of 1940," of which 10,000 copies shall be for the use of the Senate document room, 50,000 copies shall be for the use of the House document room, 3,000 for the Committee on Ways and Means of the House, and 2,000 for the Committee on Finance of the Senate.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERSONAL PRIVILEGE

The SPEAKER. The gentleman from Michigan [Mr. HOFFMAN] is entitled to recognition at this time if he so desires.

Mr. HOFFMAN. Mr. Speaker, I yield to the various Members who have unanimous-consent requests to proffer at this time.

EXTENSION OF REMARKS

Mr. HARTER of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks on General Pulaski.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SHAFER of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks and include two brief editorials.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein an article written by one of my constituents.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CARLSON. Mr. Speaker, I ask unanimous consent to extend the remarks I made this afternoon and include two tables.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. TINKHAM. Mr. Speaker, I desire to extend my remarks and include a statement published by the Associated Press in relation to the free press.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks and include a speech delivered today by Mrs. Maloney, wife of a former member of the Coal Commission.

The SPEAKER. Is there objection?

There was no objection.

CONDITION OF FARMERS HAS IMPROVED UNDER THE ROOSEVELT ADMINISTRATION—FACTS AND FIGURES

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PIERCE. Mr. Speaker, knowing full well how difficult it is for a busy farmer to take time to analyze a series of tables and figures, how extremely hard it is to reach conclusions from a mass of figures and in order to impress the lessons they teach, I present herewith a condensed method of comparison which will, I hope, be valuable in discussing the position of American farmers. This method will be applied as a comparison of farm financial conditions today with those of the days before this administration assumed responsibility in March 1933. Previous to that time, Congress had passed various types of farm legislation; for instance, providing for tariffs on imported agricultural products and for the creation of a farm board which was expensive and useless. However, no basic agricultural legislation was really effective and helpful to the farmers until after March 1933. I now present a summary of the improvements which have resulted from this constructive farm legislation which launched a Nation-wide farm program and put farmers on the road to progress. These figures have all been carefully checked. These are facts.

CASH FARM INCOME

In 1932 the farmers had the lowest cash income of recent years. We all remember that. I am not going to quote those dismal figures; interested investigators can easily ascertain them from the statistical records. Since 1932 the cash farm

income has risen 82 percent; that is, it has almost doubled. My farmer friends surely understand this from their own experiences and they know it applies in many localities, as well as in the national average.

In 1932 the cash farm income was one-third of parity. In 1939 it was more than three-fourths of parity with nonfarm income. Remember that parity is based on the farm income from 1909 to 1914, which is known as the base period. Parity prices mean that the farmer can buy, under his price level and proportionately to what he sells, the same amount of goods he was able to buy in the base period. By this simple comparison it is shown that in the years from 1909 to 1914 the farmer could purchase three times as much as he could in 1932, the last year of the Hoover administration. In 1939 parity had risen to over three-fourths of the proportionate figure that farmers received in the base period. Farm income is steadily advancing toward full parity.

FARM BUYING POWER

Farm buying power in 1932 was, of course, low, very low. That buying power increased 72 percent from 1932 to 1939, becoming approximately the same as in 1929. This increased purchasing power covers all materials bought by the farmers and includes interest and taxes.

AGRICULTURE'S SHARE OF NATIONAL INCOME

Politicians have talked long and loud about agriculture securing its share of the national income. Has this share improved under the Roosevelt administration? The answer is "Yes." In 1932 agriculture's share of the national income was 6 percent. In 1939 it had risen to 9 percent, or an increase of 50 percent. This represents a decided improvement, under a rapidly rising national income.

AVERAGE FARM PRICES

Average farm prices gained 43 percent between 1932 and 1939. What does this mean to the producers of American food? It means that more money is coming into the farmers' hands under the Roosevelt administration.

RURAL RETAIL SALES

In 1932 the farmers purchased only what they were forced to buy. They had no money nor credit to pay for many commodities that they needed. In 1939 the farmers purchased 102 percent more than they did in 1932. In other words, retail sales to farmers more than doubled in this period. Does this increased purchasing ability, gained under this administration, mean anything to the farmer? It surely does.

FARM FORECLOSURES

I shall never forget when, in the campaign of 1932, a visitor told me of attending a sale of a farmer's personal property in an eastern State. A mortgage, amounting to $2,200 was being foreclosed on his cattle, farm machinery, and horses. This entire property was bought by his daughter for $56, her savings from teaching school. A good horse sold for $1, good milk cows for 50 cents each. The mortgagee, when he saw the attending farmers were not bidding on that man's property, wanted to call off the sale, but the auctioneer was informed that he had to sell as he had advertised to do, and he proceeded. When that story was told to me, I said, "That is the break-down of the morale and standard of honesty in our country, and I fear trouble in the days that lie ahead." Before the campaign of 1932 was closed, I saw the same thing repeated in Oregon in one of the counties I now represent in Congress. Foreclosures and forced sales were going on everywhere in 1932. They decreased 69 percent from March 1933 to March 1939. Pitchfork government is over.

PROGRESSIVE FARM LEGISLATION

The last 7 years have seen a series of progressive farm legislative enactments, one following another through the Agricultural Committee, to the floor of the House, the Senate, the White House, and becoming a part of the law of the land. Here are a few of these achievements:

AGRICULTURAL ADJUSTMENT ADMINISTRATION, THE TRIPLE A

The original Triple A was hammered out in the Agricultural Committee room of the House in the spring of 1933. I took part in the process. I watched the benefits the farmers received from it, until, 2½ years later the Supreme Court of the United States decided that the law was unconstitutional. Six Justices voted "unconstitutional," and three "constitutional."

SOIL CONSERVATION ACT

Out of the dying embers of the old Triple A arose the Soil Conservation and Domestic Allotment Act of 1936. This act rewarded farmers financially for carrying out soil-building practices. Farmers were rewarded for turning acreage from soil-depleting to soil-conserving crops. It is estimated that there are about 6,500,000 farmers in the United States. More than 6,000,000 farmers are now carrying out the 1940 agricultural program, on 82 percent of the Nation's croplands.

PARITY INCOME

Farm income has been increased and brought closer to parity by reason of the Federal rental and benefit payments. These payments, through December 31, 1937, amounted to $1,465,921,786.02, including the programs from 1933 to 1936. This sum includes county association expenses. Such payments ceased when the act was declared unconstitutional.

We have been brought closer to parity by the partial parity program payments, which amounted to $359,260,966.75 for the 1937–40 programs. This also includes county association expenses, and 1937 cotton price adjustment payments.

Conservation payments, including the 1937 Sugar Act, for the programs of 1936 through June 30, 1940, have been $1,772,370,003.23.

Total of all benefit payments for agriculture since March 1933 have been $3,597,552,756.

The imposing totals are:

Rental and benefit payments	$1,465,921,786.02
Parity payments	359,260,966.75
Conservation payments	1,772,370,003.23
Total	3,597,552,756.00

A PROGRAM OF ABUNDANCE

This is not a program of scarcity. It is a program of abundance. The farmers have learned how to produce more on less acres. In 1939, the acres planted in soil-depleting crops were twenty-eight and one-half millions less than in the 5-year average before the Triple A. One of the greatest achievements of this program was that it taught the farmer how to produce more abundantly with less land under cultivation. Farmers were taught how to store up soil fertility, and to produce more efficiently.

Last, but not least, the farmers were kept from piling up price-reducing surpluses when no markets existed for such soil-depleting excess crops. Production has met all needs—domestic, export, and carry-over.

STABILITY

Through the Wallace ever normal granary program, our farmers have now been able to store wheat, cotton, corn, and other commodities, under loans. Loans have been made by the United States upon these staple commodities. The country is thus assured of steady supplies through lean years and fat years. The Government supports the price at stable levels. Farmers, rather than speculators, have been given the advantage of rising farm prices. Speculators have been relegated to the rear. I come from a wheat section. The wheat farmers of America have gained at least $80,000,000 annually in cash income because they have been able to hold wheat off the market long enough to profit from the price raise which occurs between the time of the harvest and the following spring. I feel particularly gratified over the loans on wheat, for this was my special contribution to the act.

DEMOCRACY

The organization of the groups that locally administer the Triple A is the finest illustration of practical democracy in operation of which I have knowledge. About 135,000 farmers, elected by their own neighbors, are carrying out this program. Politics do not enter into their calculations. They show what democracy can and must do if it is to maintain its place in world affairs, in spite of the rapid rise of totalitarian governments now so dominant in the world. Indeed, the wheat program is popular. Recent votes on the applica-

tion of marketing quotas show, overwhelmingly, that the Triple A program is popular with the farmers of the Nation. As an example, on July 20, 1940, flue cured tobacco producers voted more than 86 percent for marketing quotas for the next 3 years. It is my opinion that if the wheat producers of the Pacific Northwest were called upon to vote, they would vote practically 100 percent for the present wheat program.

CERTIFICATE PLAN

Many of the farmers, chiefly in the wheat sections, will recall that I have a bill now pending in the Congress that would put into effect what is known as the certificate plan. Under this plan, those who use certain basic commodities, named in the bill, will be called upon to pay parity prices for the proportion of the commodity that is used in the United States. For instance, if wheat is selling on the market for 75 cents a bushel, and conservation and other payments amount to 15 cents a bushel, resulting in the farmer realizing 90 cents per bushel, then under the plan of my bill the consumer of the produced wheat will be called upon to pay the difference so as to give the farmer parity, which at this time is estimated to be about $1.12 per bushel. Under the certificate plan the farmer would receive 22 cents a bushel additional, less expense of operation. It would not cost the Government a single dollar, but would be a permanent method of procedure under an extended farm program, resulting in stable prices on the specified farm commodities.

The farmers of America know these things, and they are not going to be fooled by the flood of propaganda and false statistics now being fed to the American people in such abundance. The men who wear the overalls, the women who cook the food for the workingmen, can vividly recall the dark and dismal days of 1932, when no light broke through on the agricultural world. We who lived on farms can too well remember those gloomy days. No one claims we even now have a perfect set-up in America. Nor can we have an ideal government as long as the hand of special privilege controls in so many governmental activities, as it does in Washington today and always has controlled. Great advances have been made, as the above figures have shown. The American farmer knows full well that he is decidedly better off under the present administration, and I believe that on the 5th of November, he will show his approval by an overwhelming vote in favor of the continuation of the Roosevelt administration.

MRS. E. V. MAKI

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1874) for the relief of Mrs. E. V. Maki, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 7, strike out "$5,000" and insert "$2,500."

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

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent that on tomorrow I may have 10 minutes in which to address the House, after any other special orders and the work of the day are disposed of.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERSONAL PRIVILEGE

The SPEAKER. The gentleman from Michigan [Mr. HOFFMAN] is recognized to present a question of personal privilege.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend and revise my remarks and to include therein excerpts from certain letters.

The SPEAKER. Without objection, it is so ordered.

Mr. HOFFMAN. Mr. Speaker, the question of personal privilege raised earlier today is based upon two statements.

I

The first is a statement not made on the floor of the House but is a statement contained in the remarks of the gentleman from Illinois [Mr. SABATH] and found on pages 12563 and 12564 of the CONGRESSIONAL RECORD under date of September 24, 1940. The statement, as printed in the RECORD, is as follows:

Although the gentleman from Michigan has not a single word of complaint against the high-salaried Republican labor-hating officials of the great corporations, he complains because organized labor is supporting Franklin Roosevelt for reelection, and because the salary of President Tobin of the teamsters union has been increased to $20,000 a year.

The words, of which complaint is here made and which were not uttered on the floor, are as follows:

He (the reference is to the Member from the Fourth District of Michigan) complains * * * because the salary of President Tobin of the teamsters union has been increased to $20,000 a year.

No such statement was made by me. What was said will be found on page 12562 of the RECORD under date of September 24, in the first paragraph at the top of the right-hand column, and these are the words:

A few days ago another union announced that it would contribute $20,000 to purchase radio time for Candidate Roosevelt's campaign speech.

The result of the insertion of the words of the gentleman from Illinois [Mr. SABATH] in the RECORD on page 12564 is to charge the Member from the Fourth District of Michigan with the making of a statement against the official of a labor union, which he never made.

II

Apparently based upon the remarks of the gentleman from Illinois [Mr. SABATH], there was published in Labor, a newspaper of wide circulation, in the issue of October 1, 1940, among other things, the following:

[From Labor, a national weekly newspaper, October 1, 1940]

HOFFMAN SOUNDLY SPANKED FOR BITTER ATTACK ON LABOR—SABATH TAKES MICHIGANDER "TO CLEANERS" FOR CHARGING UNIONS SABOTAGE DEFENSE PROGRAM AND SLANDERING F. D.

Scarcely a day passes that Congressman CLARE E. HOFFMAN (Republican, Michigan), does not rise in the House and make a bitter attack on organized labor. He reached the limit of vindictiveness this week and so exasperated Congressman ADOLPH J. SABATH (Democrat, Illinois) that he broke into the debate and took the Michigander to "the cleaners."

SABATH, who is "father" of the House and chairman of the powerful Rules Committee, resented HOFFMAN'S statement that organized labor, in insisting on the maintenance of wage and hour standards, is hindering the national-defense program, and that President Roosevelt, in demanding that labor's rights must be safeguarded, is guilty of something like treason and is giving aid and comfort to Hitler.

"Of course," SABATH said, "we know HOFFMAN is at all times opposed to organized labor. He will criticize unions in spite of the fact that the laboring people earn barely enough to exist on. Very few of them earn enough to justify the luxury of ever getting sick and laying off.

"While denouncing the workers, the gentleman from Michigan has only praise for industrialists who draw from $100,000 to $150,000 a year, and then up to $300,000 as bonuses. He is not interested in that. He berates laboring men who might get 75 cents an hour and belong to a union. That is against his convictions.

"The gentleman has no bone to pick with Ernest T. Weir, head of Weirton Steel, one of the worst enemies of organized labor in all the United States. Perhaps this is because Mr. Weir is treasurer of the Republican National Committee and is now working overtime collecting contributions from big business in the hope of getting his friend Willkie into the White House.

"The very corporations which the gentleman from Michigan upholds and whose officials are the most critical of the Roosevelt administration and of labor have made the most staggering profits in recent years.

"All honest, intelligent working men and women recognize the fact that Roosevelt has been the most consistent friend that labor ever had in the White House, and they will not forget the fact on election day.

"To charge labor with sabotage and the President with aiding Hitler is a vile slander."

A search of the RECORD and of the official transcript of the stenographer fails to show that the Member from Illinois [Mr. SABATH] made the statement: "To charge labor with sabotage and the President with aiding Hitler is a vile slander," on the floor of the House. Yet it appears as a quotation from his remarks in this newspaper publication.

As a matter of fact, the Member from Michigan did not charge labor with sabotage, but did charge certain so-called organizers, certain racketeers, with sabotage of the national-defense program, and did ask whether or not the President was not, by his acts of commission and omission, slowing up the national-defense program and so giving aid to Hitler.

The insertion in the RECORD, by way of a revision and extension, of the statement:

He complains * * * because the salary of President Tobin of the teamsters union has been increased to $20,000 a year—

Was the insertion of a statement attributed to the Member from Michigan, which he had not made.

The quotations from the newspaper falsely charge that the Member from Michigan charged organized labor with hindering the national-defense program by insisting on the maintenance of wage and hour standards, and the newspaper article and the purported quotation from the RECORD charged the Member from Michigan with having, on the floor of the House, uttered an untruth, and these statements, each in itself and taken together, reflect upon the character and the reputation, the ability, and the patriotism, of the Member from Michigan in his representative capacity and tend to impair the value of his service as a Representative.

The SPEAKER. The question of privilege rises on the language in the article appearing in the paper, Labor, whether it is the language of the gentleman from Illinois or the language of the paper:

To charge labor with sabotage and the President with aiding Hitler is a vile slander.

The gentleman from Michigan is recognized.

Mr. HOFFMAN. Mr. Speaker, on two occasions recently the gentleman from Illinois has taken occasion on the floor to charge, after remarks made by me, that I was against organized labor, and that statement was picked up by a C. I. O. newspaper, enlarged upon, and to it was added the statement just read by the Speaker. The gentleman from Illinois did not make the statement contained in the C. I. O. paper, Labor. The newspaper nevertheless carried it as a quotation made on the floor of the House. It is my purpose, however, to answer in that same connection the other statement which was made by the gentleman from Illinois [Mr. SABATH] in substance and to the effect that I was against organized labor and had said or intimated at least that labor was holding up the defense program.

Several times on the floor I have spoken to the effect that our defense program was being delayed. Always have I been careful to show in that connection that it was not the workers themselves who were delaying our preparations for defense, that it was the organizers or racketeers who attempt to act for organized labor, who prey upon the worker. The subject of labor racketeers has been discussed several times by Westbrook Pegler in the newspapers of the country and his articles are commended to your attention.

The gentleman from Illinois, in replying to my argument, instead of answering my charge retaliates with a statement that I am defending the industrialists of the country. If you will go through the RECORD for the last 2 years you will see that I have not discussed the methods or procedure of American industrialists. Anyone desiring a prejudiced, biased view of American industry can get it by reading the reports of the Senate Civil Liberties Committee. Anyone desiring a fair and an unbiased view of the activities of American industrialists can easily get it by going into towns and cities where these industries exist and either view for himself conditions as they are or ascertain those conditions from residents of the various communities.

The gentleman from Illinois has no more ground for his charge that I am standing behind reprehensible practices on the part of manufacturers, if there be such, than I would have to charge that he is championing the cause of Scalise who has been sentenced to the penitentiary for a term of years and who got his money out of trafficking in or as a tribute from vice. As well might I say that the gentleman from Illinois [Mr. SABATH] defends and champions the cause of Bioff, who has also served time on a pandering charge, the labor organizer or union official who became wealthy from dues collected from scrubwomen. I say there is no more justification for the gentleman from Illinois [Mr. SABATH] making the charge that I am defending these industrialists, who are guilty of violations of the law, than there would be for me to make the charge that he is defending Scalise and Bioff, convicted criminals, labor-union officials, and racketeers. I am not making any such charge against him because it would be absurd.

His charge that I am opposed to organized labor is equally absurd. The other day, when talking about the situation at Fort Custer, I made the following remarks. See page 12562 of the RECORD of September 24, 1940.

I do not believe that the rank and file of organized labor—honest, patriotic men and women as they are—nor will I believe until they so state themselves that either William Green, president of the A. F. of L., or John L. Lewis, head of the C. I. O., will go before the American people with the announced policy that only members of a labor organization shall be permitted to work at the lucrative jobs supplied by the national-defense program.

I am asking the presidents of those two great organizations whether they are back of the program which declares that, before an American citizen can work in an industry geared to national defense, on a project, for example, the building of cantonments for shelter for conscripted soldiers, that man must pay a fee fixed by some union official.

I ask these two great leaders: Would not such a policy substitute for our government of, by, and for the people, a government of, by, and for union officials?

I ask the president of the American Federation of Labor and the president of the Congress of Industrial Organizations: Are you or your organizations permitting men who are acting, or assuming to act, as representatives of your organizations to require the payment of fifty, one hundred, or more dollars, by a patriotic American who wants to assist, through his labor, in the national-defense program before he will be permitted to pick up his tools and go to work?

In common with most Members of this House, I came up—if I am up—the hard way. Most of us know what manual labor means. In my judgment, there is not a Member of the House whose sympathy is not with organized labor. Our condemnation of racketeers, wearing the false label of union organizers and union officials, should be equally unanimous. Unfortunately, we fail at times to recognize them and are led to give them support because of our lack of diligence in ascertaining their real purpose, becoming familiar with the methods which they follow.

The point which I desired to make the other day and which I reiterate now is that—

THE C. I. O. DEMANDS WORKERS PAY TRIBUTE FOR NATIONAL DEFENSE JOBS

On the 24th of September, on the floor of the House, I made the direct charge that our national-defense program was being hindered and delayed by the acts and the omissions of Candidate Roosevelt. On that occasion I challenged the Democratic Party to dispute my claim.

No one arose to defend the President or dispute the charges made, except the gentleman from Illinois [Mr. SABATH], who confined his remarks to an attack upon industrialists and upon me. He in no way, nor, so far as I know, has anyone else on the floor of the House, disputed the facts which I narrated; nor has anyone disputed the conclusions drawn from those indisputable facts.

Proof that we cannot adequately prepare for defense so long as the President permits the Labor Department, the National Labor Relations Board, and officials of a certain union to openly defy the War and Navy Departments and sabotage industrial production is now available.

The Smith committee, investigating the activities of the N. L. R. B., produced evidence from the files of the Board itself showing conclusively that the Board had aided the C. I. O. in its organizing drive and in its attack on industry.

It appeared in at least one case, that of Inland Steel, that the Board's secretary was instrumental in instigating a strike.

The C. I. O. has insisted over a period of years that it was entitled to collect tribute from every man who worked in industry. The Nation now being engaged in a preparedness program, it still maintains that attitude. It now insists that, although young American manhood is drafted for military service—yes; to fight in South America if the President so wills—that members of its organization must have a monopoly of those jobs which would supply those young men, called in Government service, wearing the country's uniform, with guns, munitions—in fact, all of those things which go to prepare our Nation against invasion.

Let me repeat that statement: The C. I. O. now insists that no one can work on Government orders having to do with national defense unless that man joins and pays tribute to its officials.

Why have an army, why have a navy, why have a defense council, if the C. I. O., sitting at the source of the production of all those things which are absolutely necessary for national defense, can prevent this Nation's preparing for war?

Why appropriate billions of dollars to purchase munitions of war? Why should the Army or the Navy enter into contracts for the production of planes, artillery, ships, if outside the Government there sits a group of men who have, or who assume, the authority to say, as they have said, that that money shall only be spent, that those orders shall only be executed, if and when and in the manner that certain union officials determine?

In any other government on earth such acts would be characterized as treason and the perpetrators thrown into prison or executed. But here in America, because a President of the United States is a candidate for reelection and desires the vote of the members of this particular organization, they are permitted to get away with it.

Proof of this is found in the opinion of Attorney General Jackson, who has ruled, in effect, that if the Labor Board has found a company guilty of an unfair labor practice, that company can no longer work on Government orders, even though the production of the material called for by the order is absolutely essential to our national defense.

The viciousness, as well as the absurdity, of this ruling and proof that, if it stands and is complied with, Congress has wasted its time, the Army and the Navy are at the mercy of a small group which is more interested in promulgating the doctrines of Soviet Russia than it is in the preservation of our union, is found in two cases which I will cite.

In the Waumbec Mills, Inc., case, the Board held, and its decision was affirmed by the Circuit Court of Appeals of the First Circuit that, if a company refused, because they were members of a union, to employ two men who never had worked for it it was guilty of an unfair labor practice.

It has been the practice of the Board, and the courts have approved that practice, where there was conflicting testimony as to the reason for the discharge of an employee, to accept the version offered by the employee and the union; that is to say, if a man seeking a job or a man having a job testified, or if a union representative testified, that he was refused employment or was discharged from a job by the company because he belonged to a union, and if, on the other hand, the foreman or the company officials testified that he was discharged because of some other reason, almost without exception the Board has found, and because of the provisions of the law that finding has been upheld by the courts, that he was denied employment or discharged because of union activities.

The company in those cases was held to be guilty of an unfair labor practice.

The practical result is that, if an applicant for work, who never, under the common acceptation of that term, was an employee, is refused work or is discharged for any reason other than that he belongs to a union, if he can produce a witness or if he is willing to testify that the refusal to give him work or the discharge is because of union activities, the Board orders him reinstated and holds the company guilty of an unfair labor practice.

Under the opinion of Attorney General Jackson, after such a holding has been made and until it has been reversed by the courts, and that procedure may require months, the company cannot work on a Government contract.

Nor is the situation remedied, if it be held that the policy shall not be followed until the holding of the Board is affirmed by the court. The Wagner law carries its own penalty for a violation.

As well might it be said that a man should not be permitted nor required to serve in the Army if he had been convicted of drunkenness as to say that a company shall not be permitted nor required to work on a Government contract if it violated the N. L. R. A. or any other law.

The Board has reached the height of absurdity in a recent decision involving the Nevada Consolidated Copper Co. Let me quote from a press account of that decision, and I do that because the N. L. R. B. has advised me that it could not furnish me with a copy of the decision. The press report is as follows:

> Four union members who did not apply for work when employer's mine resumed operations were discriminatorily refused employment where such persons refused to apply upon being advised by other employees that it was useless for union men to apply for work. Such persons' names appeared on employer's blacklist of union members whom superintendent admittedly would not employ, and it is clear that such persons would have been refused employment even though they had applied.

The Board ordered that the company pay these men who had not even applied for jobs—which is one step further than the holding of the Board in the Waumbec Mills, Inc., case.

Now, if this holding of the Board in the Copper Co. case stands, then men who never applied for jobs, but whose names appeared on a list of union members, whom it was admitted the company would not employ, must be paid; must be offered employment. The result is that the company is deprived of its day in court, of its opportunity to show that the names were on the list for reasons other than they belonged to a union and the company, because of the listing of the names, is held to be guilty of an unfair labor practice and cannot be awarded a Government defense contract.

Let me put it this way: If John Smith is a member of a union and has also been convicted of damaging the company's property, inciting riots or destroying machinery necessary to the manufacture of munitions of war, the company may be ordered, merely because his name is on this list of men who will not be employed, to pay him back wages, offer him employment, and may be held guilty of an unfair labor practice.

If the ruling of Attorney General Jackson stands, that company, which never employed the man and which may know that he is the agent of a foreign government, may be required, because he belonged to the union, to pay him back pay, give him employment, even though he be a convicted criminal, and may be held guilty of an unfair labor practice and can no longer work on Government defense contracts.

All the Communists need to do to sabotage our whole national-defense program is to have active members of their organization join a union. If the company then lists their names with those whom it will not employ, it becomes, without a hearing, guilty of an unfair labor practice and it cannot be granted, by the Army or the Navy, a contract to produce munitions of war.

Another result of this absurd ruling of the Board is that all a Communist, a man who believes in the overthrow of this Government, needs to do to secure a place where he can effectively carry out his destructive work is to join a union. If he joins the union, then, although he may be a traitor to our country, a thief, a robber, a kidnaper, the Board can hold, even before he seeks employment, that the company who so lists his name among the names of those it will not employ is guilty of an unfair labor practice and cannot work on a Government contract.

I challenge the Democratic Party to take a definite stand as to whether it will continue, as a party, through its national administration, to protect the Communists who are sabotaging our national-defense program, or whether it will bring in legislation to outlaw such decisions, such activities.

Yesterday's press carries this headline, "Grace will confer or get no steel, union head says." It is over a Buffalo, N. Y., date line, and continues with the statement that Eugene C. Grace, Bethlehem Steel Corporation president, "is either going to sit down at a conference table with us or he will get no steel."

That statement is attributed to Smile Chatak, a representative of the Steel Workers Organizing Committee. The Bethlehem Steel Corporation, according to the press, has 12 plants; it employs some 70,000 workers and has defense orders of more than a billion dollars.

The apparent purpose of the activities of Sidney Hillman and the opinion of Attorney General Jackson is to aid the C. I. O. in its organizing drive; give it control of industries where production is essential to national defense and furnish the excuse for the administration, if it can win the election, to take over private industry.

Again, Congress having appropriated billions of dollars for national defense, the Army and the Navy having entered into contracts for the construction of camps to house the National Guard and conscripted men and for the production of munitions of war, does the administration and the party in power intend to continue the practice which now prevails of permitting a group of men who have been granted no authority by the people of the United States, who occupy no municipal, State, or Federal official positions, to paralyze all Government activities by determining who shall and who shall not carry out this Government program? By fixing the terms on which, and only under which, men can carry on the defense program ordered by the people's Government?

In days gone by, the Republican Party was charged with being subservient to "an invisible government." Today, although it is said that our Nation is in grave peril of invasion, although war stares us in the face, the administration and the party in power accepts the dictation of men who hold no commission from the people.

By privileged resolutions, I asked the Navy Department and the War Department to give me information as to whether there was any requirement in the contracts let by the Government which limited those who might be employed by the Government to certain organizations. The answer was that there was not.

But to my further inquiry as to whether contractors and subcontractors engaged on Government work limited employees to members of certain organizations, the answer was that neither the War Department nor the Navy Department had the information.

I have some information on that subject and I will give it to you first-hand from letters which I received, omitting, for obvious reasons, the names of the writers and such parts as would identify them. The original letters are on file in my office.

Like and more complete information can be obtained by a half day's investigation by the F. B. I. or any Government agency.

I quote excerpts from some of those letters:

UNITED STATES POST OFFICE,
———, MICH., *October 1, 1940.*

Hon. CLARE HOFFMAN,
Member of Congress, Washington, D. C.

MY DEAR SIR: Perhaps you have been acquainted with this situation prior to receipt of this notice, but anyway it has leaked out that the carpenters' union of Calhoun County has taken upon itself the dictatorship of handling the labor situation at Fort Custer.

It is reported in this city, this mentioned union is demanding a fee (so reported from $25 to $50) of every man attempting to go to work on that project.

Knowing your attitude toward situations of this nature, also knowing you are not afraid to voice your opinion, I am trying to horn in and advise you of the fact, if it is true; in my opinion it looks like the labor day we enjoyed in this city 3 years ago in June.

If it is not true, which I hope is the fact, the major portion of the sane public would appreciate being advised of the fact. I for one fail to see how this can be allowed by a Government who is attempting to get somewhere by allowing a disgraceful thing of this kind to go on.

Don't take me that I am opposed to organized labor if it is not in the anarchist class, which this has all the earmarks of, if it is so.

Perhaps you may have other correspondence pertaining to this matter, thinking you would appreciate being advised of this,

I am, respectfully,

———.

———, MICH, *October 3.*

DEAR REPRESENTATIVE HOFFMAN: Just a note, as I know you are a very busy man. I cut this [clipping enclosed] out of the Kalamazoo Gazette so you could see. This is the truth, as my husband has to pay the $1 per day besides the $45 to join the union; you notice the comment on the ones that complained were ones who joined the union just to get in on the big pay. Yes; my husband has been registered at Holland for 7 years, and this is the first job he has gotten * * * is pretty outspoken in his views. This was so good I could not resist sending. The next day after this came out his boss came to him and talked with him real friendly and said he would get his $17.50 he had paid in Holland transferred to Battle Creek so that he would not have to pay the full $45 there.

Thanking you for a bit of bother I have been, we are,

———.

The clipping enclosed with the foregoing letter was as follows:

PAY NO TRIBUTE FOR CUSTER JOBS, CARPENTERS REPLY TO REPRESENTATIVE HOFFMAN

Orlo Westgate, business agent of the Kalamazoo carpenters' union, said "It's not the truth," in reply to Representative CLARE E. HOFFMAN, Allegan Republican, who yesterday charged on the floor of the House of Representatives that laborers seeking work on national-defense projects are required to "pay tribute" for the jobs and join unions.

In his charges HOFFMAN laid the blame for the alleged condition directly upon President Roosevelt, whom he said influences the National Labor Relations Board. HOFFMAN likened this to giving aid and comfort to the enemy.

"Into my offices have come letters, and to me have been made statements by responsible men, that carpenters seeking jobs at Fort Custer, in Calhoun County, Mich., are required to pay a union membership fee of $55," HOFFMAN said.

"The membership fee in the adjoining county of Kalamazoo, according to this information, is $37.50. When a Kalamazoo County union man in good standing applies for a job in the adjoining county of Calhoun, at Battle Creek, the Calhoun County union officials insist that the difference between the $55 and $37.50 be paid to it," HOFFMAN charged.

"Here is an instance of a union man in good standing, with his membership card in order, if this information be true—and it comes from a reliable source—required to pay an additional $17.50 before he can go to work on a Government project. Is this union being exploited, and, if so, by whom?"

In reply to HOFFMAN, Orlo Westgate, business agent of the Kalamazoo carpenters' union, commented that "It's not the truth."

"The initiation fee for membership in the carpenters' union in Battle Creek is $45," Westgate said. "The initiation fee in Kalamazoo is $25.

"Under the carpenters' rule in the United States," Westgate said, "if a man joins the carpenters' union and wishes to transfer his membership from that local into a local where the initiation fee is higher, he must pay the difference unless he has been a member for 2 years. If his (membership) card is 2 years old, he can clear it in any place in North America. If his card is less than 2 years old he must pay the difference in the membership fees of the locals concerned.

"This carpenters' rule has been in effect for the last 8 or 10 years. For the last 30 years the transfer could be made after a card had been carried 1 year. At the time of the Century of Progress in Chicago this was changed to 2 years.

"To the best of my knowledge and belief," Westgate said, "Battle Creek is handling the entire job in very nice shape and very reasonably. They are not asking any more than has been asked for years and are just following the constitution of the carpenters' union.

"I think the men are getting a fair deal in every way to the best of my knowledge and belief."

Westgate said "about 25 carpenters" from Kalamazoo are working at Fort Custer. He estimated that "about four or five" of that number had not had a membership card for 2 years and were required to pay the difference in membership fees.

Westgate expressed the opinion that the complaints had come from men who "had never carried a card, and were not first-class carpenters and wanted to slide in on the big money."

In his charges on the floor of the House of Representatives, HOFFMAN said further:

"By a Member of this House I was informed yesterday that where men applied for work on a Massachusetts defense project, which needed men, they were told by the contractor that they could not be employed unless they joined the union. From the

same source came the information that the union fee was $75 per man," he said.

HOFFMAN proposed resolutions, one of which would set up a five-man House committee to investigate the conditions he alleged to exist, and another of which would call upon the Secretaries of War and the Navy to report on this condition.

KALAMAZOO, MICH., *September 29, 1940.*

Representative HOFFMAN,
Washington, D. C.

DEAR SIR: I have carefully read the article in paper, Pay No Tribute For Fort Custer Jobs. I would like to say, I wrote you 2 years ago about what I call racketeer or shake-down money for a job on P. W. A. projects. I still ask why taxpayers or any citizens were forced to pay to work on post offices, bridges, schools, or any other P. W. A. project?

The Fort Custer work is nothing different than P. W. A.

* * * * * * *

I understand there are signs up at Camp Custer instructing workers they would have to go to their local union to get jobs. This was also done on P. W. A. projects.

I also ask who is going to war for the country? Labor racketeers or honest citizens?

We, the people, pay taxes for protection. Does the Constitution of the United States read that we also have to pay some labor organization for the right to work?

Is that either a free country or living up to the Constitution of the United States? Why should workers have to pay for a job or pay $1 a day to work on a job in case the worker does not live in that location? Why are labor racketeers allowed to force the likes of this? I supposed Michigan had a law against coercion. Ask people to write you and tell what they know.

When a contractor or industry puts up a notice saying see your local union before you can go to work, is that nothing more than coercion by the contractor? Why are these contractors so interested in making workers pay a labor order for a job? I personally think these contractors get a cut out of it. Suppose the Federal Government investigate the income taxes on these people, also labor shake-downers. Who knows but the most of this money will be used for political purposes. Especial help keep the political party in power that allows them to practice such rotten stuff. It is sure a stinking affair. This is what a neighbor of mine done. He paid $28 back dues to a union with a promise he would be put to work at Fort Custer. When he went to Fort Custer he was told he would have to go to Battle Creek to get a permit to work on the job. When he went to Battle Creek he was told he would have to pay for it. They got his money, he did not get a job. After your article came out in the paper he went after them about it. He may be put to work this week. Well they got his money, they don't need him. We will see how long he lasts. They are after some other sucker's money.

How long since the Battle Creek labor shake-downers took over Fort Custer? I would like to make a few suggestions:

1. All Government workers be declared open-shop work; that is, either union or nonunion have equal right to it.

2. To forbid a contractor to use a labor union for an employment agency—that is coercion.

3. The Army service set up an application office on the project and see each worker get his rights and just reason for a discharge. The Army service agency should take no considerations whether a union or nonunion.

I am 100 percent back of you for the piece you had in the paper. I do not believe you know within 90 percent of the dirty work that is going on.

I do not see any constitutional form of government or sign of a free country under this administration. We are free for one thing, that is pay shake-down money. I wrote you about 2 years ago about this dirty work on P. W. A.

* * * * * * *

There is one thing I hope Mr. Willkie will be elected. I feel he will stop rotten work. I hope he will free work so everybody will have a free right to work.

Organized labor is not for the workers, they are for their own members only. They have a monopoly on jobs. As long as they have a monopoly on work their organization will be working overtime while others are out of work or living on Government expenses.

Overtime work should be stopped on defense work, let them put on workers and extra shift till the unemployed has been put to work. There is no need of overtime work at Fort Custer, there are plenty looking for work.

Yours truly,

———.

BATTLE CREEK, MICH., *September 25, 1940.*

Mr. CLARE HOFFMAN.

DEAR SIR: I was very much pleased to read in tonight's Battle Creek Enquirer and News that you had taken up the labor case at Fort Custer, and I sincerely hope you follow it through. Personally I am not working there nor do I expect to, but as an American-born citizen, a taxpayer in Battle Creek for 25 years, I am disgusted with the rotten way the labor situation is handled and the fact that the contracting firm is given additional contracts.

I have no criticism to make if a man wants to join any union of his own free will, but this idea of having to pay tribute to labor racketeers to work for the Government is absolutely rotten from start to finish.

Everyone is paying taxes, union and nonunion alike, and everyone should be allowed to work when jobs are available regardless of union, politics, or color, or, in other words, I think anyone has a right to work for one's self, which in fact is the case of a Government project.

From the pieces in our paper it seems to me the contracting firm has made it very plain that they are 100 percent in favor of the plan they are following so zealously in the labor line. I have talked this over with many of my neighbors, shopmates, and business acquaintances, and all heartily agree that it is time something should be done to stomp down on it, but about all admit what can you do about it when the present administration don't want to see such things and won't do anything about them, as is the case of Harry Bridges, so I sincerely hope your investigation really means something and more than that, and may I hope it gets results. While I am writing this of my own free will, may I ask that you keep my name out, but you are welcome to use the letter as you see fit. In the shop where I work I have been in and out of the union, and in fairness to the men, union and nonunion alike, they have used me fine, and I hope the remaining 10 years to pension time will be as congenial. There is a possible chance that if you used my name in public it might cause me to have more or less trouble in so many ways that radical union men can devise and use, and at my age jobs are not so plentiful as years ago, so I wouldn't want to lose the position I have held for over 24 years. So I am sure you will see why I request you to omit my name in connection with this letter. In closing I wish you all success and anything else you desire within reason.

Sincerely yours,

———.

KALAMAZOO, MICH., *September 26, 1940.*

Representative in Congress CLARE E. HOFFMAN,
Washington, D. C.

DEAR SIR: Enclosed you will find clipping from the Kalamazoo Gazette of September 25. God give us more men like you, who dare to take issue with these racketeers.

I am business agent for the Building Trades Local No. 32, Christian Labor Association of America. I am sure you are acquainted with us. I have been instructed to give the following information to you.

Mr. Orlo Westgate denies these charges made by you on floor of the House—but labor does pay tribute. Common laborers, I understand, are required to pay an initiation fee of $25 * * * carpenters $45. There being a shortage of good carpenters the * * * has agreed to allow men, members of good standing in the Christian Labor Association to work at Fort Custer if they will buy a work permit from the Battle Creek carpenters' local at $1 per day. We are absolutely not in accord with this racket! We think that the project, being paid for by the taxpayers of this country * * * should hire all able-bodied, qualified, American citizens.

There must not be a monopoly of this work by any one organization. That the Battle Creek * * * union desires this policy to continue can readily be understood, especially now during their drive for $25,000 with which to buy a "temple for labor."

We would like to see the job at Fort Custer made an open job or that the * * * be forced to honor memberships in other unions. They are not the only people who have to eat.

In closing, the Christian Labor Association thanks you for the stand you have taken and for what you have done for us in the past, and hopes that you may succeed in your fight for justice.

Sincerely yours,

PETER SMIT,
Business Agent, Christian Labor Association.

VICKSBURG, MICH., *September 25, 1940.*

Hon. CLARE E. HOFFMAN,
Washington, D. C.

DEAR SIR: Have just finished reading in the Kalamazoo Gazette a denial of your charges of tribute being paid by workers at Fort Custer, by Orlo Westgate, business agent of the Kalamazoo Carpenters' Union. Your charges are absolutely correct except that the fee in Kalamazoo is $25 and in Battle Creek $45, and they have been collecting the difference of $20, unless one had carried a card 2 or more years.

A week ago, however, they quit taking men into the carpenters' union, and it is now necessary to pay tribute of $6.75 per week for a working permit in order to work there as a carpenter. This permit has to be renewed every Monday night. Common labor has to join the union for $25.

Respectfully yours,

———.

BATTLE CREEK, MICH., *September 26, 1940.*

Representative HOFFMAN: I see our Enquirer News has your name in connection with wages at Fort Custer. Perhaps you should know.

Labor wages for directly under Captain Hayden, also Colonel Wilkinson, is 45 cents per hour. Carpenters, 62½ cents per hour; and these laborers and several carpenters are putting in sewers, manholes, and so forth, around and with the $1 per hour for 8 hours; $1.50 for the ninth hour. No extra time and one-half for the ones working direct for the United States.

Now, find an answer to this; we are not allowed to hire a man who is employed by W. P. A. Now, you may wonder how I know these facts. I've been at Fort Custer for some time as carpenter for Colonel Wilkinson and Major Hahn before.

I am supposed to be loaned to Captain Hayden—and there is any number of men required. I am supposed to sort out the ones we want, as I really know the ones who are O. K. My orders are to take no one off W. P. A. Only Thursday I required four carpenters, one knew he was to be laid off—I knew that—but I am not allowed to put him at work.

Respectfully,

———.

I ask the President of the United States, as I asked him once before a year or two ago, who is the boss in this country? Is it the Chief Executive or is it the head of some union who is interested in his own political advancement?

Congress, at the President's request, will, when it adjourns, have appropriated something like $15,000,000,000, most of it for national defense. At the President's request, the National Guard, hundreds of thousands of men, have been called from their homes and from their businesses to serve their country at any point in the Western Hemisphere to which the President's fancy may send them.

Millions of American citizens are being called upon to register and millions will be conscripted, drafted, into the Government service to repel, according to the President, threatened invasion.

Yet here in America, after all of these preparations for defense or for war have been made, an organization in which it is admitted Communists are active, is permitted, prior to the election, to defy the Army and the Navy, as it did once before at Detroit in the Bohn Aluminum & Brass Corporation strike, to hinder and delay our national-defense program.

The organization which does this is the same as that which, in a prior campaign, contributed more than a half million dollars to the President's campaign fund. It is an organization which is supporting him openly and actively.

The foregoing facts show, Candidate Roosevelt, that, while you have talked for national defense, called upon the Nation and the citizens of the Nation to make supreme sacrifices for national defense, you are, for the purpose of securing votes, permitting officials of this organization, the vast majority of whose members are loyal and patriotic, to interfere with and delay the program which you have called upon the Nation to complete.

I challenge the majority party, if they believe in national defense, if they believe in preparedness, to bring forth, before we adjourn, legislation which will remedy that situation and which will prevent that kind of sabotage. [Applause.]

VETERANS' ADMINISTRATION

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 8930) to amend section 202 (3), World War Veterans' Act, 1924, as amended, to provide more adequate and uniform administrative provisions in veterans' laws, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 12, strike out "or", where it appears the first time.

Page 2, lines 12 and 13, strike out "compensation" and insert "compensation, a veteran discharged from the Army, Navy, Marine Corps, or Coast Guard for disability incurred in line of duty, or a veteran of the Army, Navy, Marine Corps, or Coast Guard in receipt of pension for service-connected disability."

Page 4, line 17, strike out all after *"Provided,"* down to and including "met", in line 24, and insert "That where the death of a veteran occurred on or after March 20, 1933, and claim for burial allowance was not filed, or was filed after the expiration of the regulatory period, or was filed within the regulatory period and disallowed, the Administrator of Veterans' Affairs is hereby authorized and directed to receive and adjudicate a claim filed within 2 years after the date of enactment of this act and to grant burial allowance under the provisions of laws and regulations governing such allowance as amended by this act."

Page 8, line 6, strike out all after "to" down to and including "loans" in line 9, and insert "indebtedness existing against the particular insurance contract upon the maturity of which the claim is based, whether such indebtedness be in the form of liens to secure unpaid premiums, or loans, or interest on such premiums or loans, or indebtedness arising from overpayments of dividends, refunds, loans, or other insurance benefits."

Page 9, strike out lines 8 to 13, inclusive, and insert:

"SEC. 8. Except as provided in section 6 of Public Law No. 304, Seventy-fifth Congress, approved August 16, 1937 (U. S. C., title 38, sec. 472d), compensation authorized by section 7 of this act shall not be payable effective prior to the receipt of application therefor in the Veterans' Administration, and in no event shall compensation therein authorized be effective prior to the date of enactment of this act."

Page 10, line 3, strike out "The" and insert "Forfeiture of benefits by a veteran under the."

Page 10, after line 12, insert:

"SEC. 10. Veterans Regulation No. 11 (U. S. C., title 38, ch. 12, appendix), promulgated under the act of March 20, 1933 (Public, No. 2, 73d Cong.), is hereby amended by adding a new paragraph thereto numbered 'III,' to read as follows:

"'III. The provisions of Veterans Regulation No. 11 shall apply to all claims under any of the laws administered by the Veterans' Administration: *Provided,* That the Administrator of Veterans' Affairs may release information, statistics, or reports, to individuals or organizations when in his judgment such release would serve a useful purpose.'

"SEC. 11. Notwithstanding any other provisions of law, except as provided in section 19 of the World War Veterans' Act, 1924, as amended, and in section 817 of the National Service Life Insurance Act of 1940, the decisions of the Administrator of Veterans' Affairs on any question of law or fact concerning a claim for benefits or payments under this or any other act administered by the Veterans' Administration shall be final and conclusive and no other official or any court of the United States shall have power or jurisdiction to review any such decisions.

"SEC. 12. Where any veteran suffers or has suffered an injury, or an aggravation of any existing injury, as the result of having submitted to an examination under authority of any of the laws granting monetary or other benefits to World War veterans, and not the result of his misconduct, and such injury or aggravation results in additional disability to or the death of such veteran, the veteran or his dependents shall be entitled to the same benefits as are provided for those who suffer an injury or an aggravation of any existing injury as a result of training, hospitalization, or medical or surgical treatment under the provisions of section 31 of Public Law No. 141, Seventy-third Congress, March 28, 1934. No benefits under this section shall be awarded unless application be made therefor within 2 years after such injury or aggravation was suffered, or such death occurred, or after the date of enactment of this act, whichever is the later date."

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

Mr. MICHENER. Reserving the right to object, Mr. Speaker, is this the same bill the gentleman called up earlier in the day?

Mr. RANKIN. Yes; it is the same bill that was called up earlier in the day. I see that the gentlewoman from Massachusetts [Mrs. ROGERS], the ranking minority member of the committee, is present. We sent down to the Veterans' Administration and got a statement on these amendments, and I ask unanimous consent, Mr. Speaker, that this statement be inserted in the RECORD at this point.

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

There was no objection.

The matter referred to follows:

SENATE AMENDMENTS TO H. R. 8930, SEVENTY-SIXTH CONGRESS

1. Section 2 of H. R. 8930, which would amend the burial provisions of Veterans Regulation No. 9 (a), paragraph II, is amended to enlarge the scope of eligibility for the $100 burial allowance to include veterans discharged from the Army, Navy, Marine Corps, or Coast Guard for disability incurred in line of duty or a veteran of the Army, Navy, Marine Corps, or Coast Guard in receipt of pension for a service-connected disability.

This amendment was found advisable because of the passage by both Houses of Congress of H. R. 7731 which granted such eligibility and which was approved by the President October 5, 1940, Public, No. 796, Seventy-sixth Congress. To omit this particular provision would in effect repeal Public, No. 796.

2. This amendment also appears in section 2 of the bill which would amend paragraph IV of Veterans Regulation No. 9 (a), as amended, to permit of the adjudication of a larger number of claims where the death of the veteran occurred on or after March 20, 1933. The prior language would not have permitted the payment of claims previously filed within the regulatory period and denied. The new language will permit the adjudication of claims under the amendatory provisions where the death of the veteran occurred on or after March 20, 1933, and claim for burial allowance was not filed, or was filed after the expiration of the regulatory period, or was filed within the regulatory period and disallowed, if claim is filed within 2 years after the date of enactment of the act.

3. This amendment would amend section 3 of H. R. 8930, which has to do with the prohibition of collection of indebtedness due the

United States by set-off or otherwise due of benefits payable under laws administered by the Veterans' Administration. The amendment would have the effect of clarifying the provisions in the particular section which provides that the exemption provided in the section shall be inapplicable to indebtedness existing against the particular insurance contract upon the maturity of which the claim is based. The amendment is for the purpose of removing any doubt as to the types of indebtedness relating to insurance.

4. This amendment substitutes a new section for section 8 of the bill. Section 8 provided for the effective dates of payments under section 7 of the bill.

This amendment would substitute a new section for section 8 which provides for the effective dates of payments of compensation provided in section 7 of the bill relating to service-connected misconduct cases. The Senate amendment is for the purpose of making the effective dates uniform with the present law and is liberalizing in its effect by permitting the payment from date of death if claim is filed within 1 year from date of death, except, of course, in no event shall compensation be therein authorized to be effective prior to the date of the enactment of the act.

5. This amendment would amend section 9 of the bill pertaining to payment of benefits in certain forfeiture cases to clarify the reference to the provisions of section 504 World War Veterans' Act, 1924, as amended. This is a clarifying amendment.

6. This amendment would add a new section to the bill to be known as section 10. It would amend Veterans Regulation No. 11 by adding a new paragraph III providing for the application of that regulation under any of the laws administered by the Veterans' Administration, and to provide that the Administrator may release information, statistics, or reports to individuals or organizations when in his judgment such release would serve a useful purpose. The first part of the new paragraph is to establish uniformity and remove administrative complications resulting from the present necessity of administering Veterans Regulation No. 11 and certain provisions of the pension laws concurrently as to the different groups. As to the proviso, the restrictions contained in existing regulation have precluded the Administrator from releasing information, statistics, or reports to individuals or organizations where it was apparent the release would serve a useful purpose. The provision is to provide a necessary discretion governing the release of information and to facilitate better administration.

7. This amendment would add a new section to the bill to be known as section 11. The purpose of this amendment is to establish uniformity with reference to finality of decisions of the Administrator of Veterans' Affairs on questions of law and fact in existing law, the provision being similar to that contained in section 5, Public, No. 2, Seventy-third Congress.

8. This amendment would add a new section to the bill to be known as section 12. This section has to do with the payment of compensation to a veteran who suffers injury or aggravation of an existing injury as result of having submitted to an examination under authority of any laws granting monetary or other benefits to World War veterans, and such injury or aggravation results in additional disability to or the death of the veteran. Under the existing provisions of Public, No. 141, Seventy-third Congress, compensation is restricted to injuries or aggravation resulting from examinations under the War Risk Insurance Act or the World War Veterans' Act, 1924, as amended. The section would extend the right to benefits in connection with examinations under existing laws other than those heretofore specified.

Mrs. ROGERS of Massachusetts. Reserving the right to object—and I shall not object—to the gentleman's original request, Mr. Speaker, I believe we are placed in a very uncomfortable and a very unfortunate position in the House because, as I understand, the Senate has begun 3-day recesses; there is no quorum present there, and no more work will be done for some time, so we must accept these amendments or get nothing. We were very much disappointed, and I know the House was, that the bills we passed in the House that added quite a good deal to the veterans' benefits were not placed in this bill as amendments in spite of the efforts of the distinguished gentleman from Connecticut, Senator DANAHER, and the distinguished gentleman from Louisiana, Senator ELLENDER. The veterans certainly are getting very little out of this Congress, with all the millions that have been spent. It is obvious that veterans' legislation is not regarded as "must" legislation by this administration. I know the chairman has worked tremendously hard, as has every other member of the World War Veterans' Committee, to help the veterans this year. The previous bill also passed the House, as you know, but the Senate has not passed it.

Mr. RANKIN. I will say in response to that statement that I was very much in hope the Senate would add, as an amendment, H. R. 9000, the widows and orphans bill, and I was also in hope they would add the bill introduced by the gentleman from California [Mr. VOORHIS] which we passed a few days ago, that would have protected service-connected cases of World War veterans and placed the burden of proof on the Government when they had made out a prima facie case, but, of course, we cannot govern the body at the other end of the Capitol. They have sent this bill back with amendments and after reading the amendments carefully I am of the opinion that they ought to be adopted; but in order to be on the safe side, I took this proposition up, as did the gentlewoman from Massachusetts, with the Veterans' Administration, and we have the assurance that these amendments will all be beneficial, and the majority of them will be for the benefit of the veterans, and the others, while not injuring the veterans, will assist the administration in administering the laws and regulations they now have.

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

Mr. RANKIN. Yes.

Mrs. ROGERS of Massachusetts. And, obviously, it is accept this or have no legislation.

Mr. RANKIN. If we do not accept it, we will not get any legislation at least until after the 18th of November. As I understand it, the Senate has agreed to take 3-day recesses from now until the 18th of November, which means there will be no legislation enacted during that time.

Mrs. ROGERS of Massachusetts. I understand there is no quorum there today, so if anyone wanted to object to any bill it would not go through. We all feel very bitterly disappointed about this, Mr. Speaker.

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

Mr. RANKIN. I yield to the gentleman from Minnesota.

Mr. PITTENGER. I noticed in the reading of one of the amendments language to the effect that the decision of the Administrator of the Veterans' Bureau is final and that there can be no appeal. Is not that correct?

Mr. RANKIN. Yes.

Mr. PITTENGER. I do not like that sort of language. Why cannot we disagree to the amendment——

Mr. RANKIN. That does not change existing law.

Mr. PITTENGER. Well, it ought to; and why can we not disagree to the Senate amendments and have it go to conference.

Mr. RANKIN. No; it ought not to change existing law, because you have nobody to whom to appeal. You would have to go back and try the suit in the court. You do not appeal from the Veterans' Administration directly to the courts, at any rate.

Mr. PITTENGER. I am not sure that is a wise policy, but what is wrong with disagreeing to the Senate amendments and sending this to conference?

Mr. RANKIN. I will tell the gentleman exactly what is wrong with it. If the gentleman wants to kill the bill, that would be the way to do it.

Mr. PITTENGER. No; I do not want to kill the bill, neither do I want the Senate to legislate for the House.

Mr. RANKIN. The members of the Veterans' Committee have looked over that amendment and they find no objection to it.

Mr. MICHENER. Mr. Speaker, further reserving the right to object, the House should not establish the precedent of passing legislation about which it knows little, because, perchance, the Senate has recessed. I believe, as a matter of fact, the Senate will be in session Monday. I presume they will recess from Thursday or Friday until Monday, but they have not precluded themselves from the right to do business on Monday.

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

Mr. MICHENER. I yield.

Mr. BULWINKLE. It is my understanding there is an agreement that nothing would be taken up that is controversial.

Mr. MICHENER. That is an agreement backstage, but I understand the record will show that if anyone wanted to be ugly enough to take up controversial business on Monday he could do so, but that is no excuse for passing important legislation in this way.

I shall not object if the committee states that this bill is proper legislation, but I shall object if the committee feels that this measure should have more consideration. The expediency of the hour is no excuse for placing doubtful laws on the statute books.

Mr. RANKIN. Let me say to the gentleman from Michigan that at any rate this is an administrative measure. It does not provide compensation for disabled veterans or for their dependents. To object to this request and send it to conference would make it doubtful whether we would get any conference, and I do not know how long it would stay in conference if we did. I am reasonably sure it would not get back here for sometime at least.

Mr. MICHENER. If the Veterans' Committee favors this amendment I shall not object, Mr. Speaker.

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

Mr. RANKIN. Yes.

Mrs. ROGERS of Massachusetts. I would like to state to the House that, regarding insurance cases, this does not do away with any rights in a court case on an insurance matter and so far as the Comptroller General is concerned he will not have the power to hurt the veteran as much as at present.

Mr. RANKIN. Not at all.

Mrs. ROGERS of Massachusetts. I cannot tell just how far the other provision goes, but I think it is either this or nothing. I am sure the Senate is not going to do any work during this recess, if I can trust the reports I have heard.

Mr. RANKIN. I have read carefully the other provision and I cannot see where the veterans would lose a single right under this amendment.

Mrs. ROGERS of Massachusetts. But in the bill there are several provisions in the veterans' favor in compensation, such as a 10-dollar increase in compensation for the loss of an arm or a leg or both arms and both legs or both eyes. Section 8, for instance, gives additional rights to the veterans.

A question has been raised as to the effect of and the need of section 11 added to H. R. 8930 and I understand the Veterans' Administration took the point of view that primarily it provides that except in the event of a suit on an insurance contract under section 19 of the World War Veterans' Act, 1924, as amended, whether such suit be on a policy of war-risk term, United States Government life—converted, or National Service Life Insurance, the decisions of the Administrator of Veterans' Affairs on any question of fact or law arising under the acts administered by the Veterans' Administration shall be final and conclusive and not subject to review by any other official or any court of the United States.

Fundamentally, with the exception noted, all of the benefits payable under acts administered by the Veterans' Administration constitute gratuities as to which it lies within the constitutional power of the Congress to prescribe whether the Government may be sued, and without which specific provision of law consent to be sued does not exist. This is entirely separate and apart from the former action known as mandamus, which action, under the present rules, pertaining to suits in the courts of the United States is preserved essentially although under another form. But this remedy which is very restricted in its nature and scope exists, if at all, in a given instance only to require that ministerial action be taken and may not and never could be availed of to control discretionary action. Therefore, the declaration in a statute that such discretionary decisions are final insofar as may concern court action does not affect any existing remedy. Such finality does, however, preclude review of the decision by any other Government official who otherwise might have the power or authority to make such review.

The Congress has seen fit to insert this provision in several of the more important and complete acts granting gratuities, including the World War Veterans' Act, section 5, the World War Adjusted Compensation Act, section 310, and Public, No. 2, Seventy-third Congress, section 5. Clearly such provisions would also be held to apply to amendments to such acts but the Congress has enacted a number of supplemental laws which are not directly amendatory to said primary enactments. It would be legislatively inapt to reenact all desirable general provisions in each of these supplemental or independent laws. To avoid this difficulty, general enactments have been placed in effect, such as Public, No. 262, Seventy-fourth Congress, providing uniform procedure relative to guardianship matters, embezzlements, and exemptions. Similarly, in this bill under consideration a like general provision is contained respecting apportionments of compensation or pension payable under any law administered by the Veterans' Administration. From this point of view it would seem that the amendment contained in section 11 is desirable for the purpose of uniformity and to make clear what is believed to be the intention of Congress that the various laws shall be uniformly administered in accordance with the liberal policies governing the Veterans' Administration. I believe that the Veterans' Administration should be more liberal and I should be much better satisfied if this bill with the Senate amendments could go to conference, but with the situation in the Senate as it is today, with so many Members away, I believe it would be impossible to secure any veterans' legislation. There are benefits amounting to $300,000 in this bill which I do not wish to see jeopardized. It is a tragedy that this bill comes to the House so late and that so little has been done for our disabled veterans.

Mr. RANKIN. Yes; they get some benefit out of it.

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

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

Mr. SCHAFER of Wisconsin. In answer to the statement of our colleague the gentleman from Minnesota [Mr. PITTENGER], is it not a fact that the existing law with reference to compensation provides that the decision of the Administrator is final?

Mr. RANKIN. Yes.

Mr. SCHAFER of Wisconsin. And nothing is taken away from the veterans under the language of this bill. On the other hand, there are a number of benefits extended to the veterans under this bill, and if we do not accept the Senate amendments those veterans will be denied the additional benefits because we will not be able to get a conference report considered at least until after November 18.

Mr. RANKIN. The gentleman is entirely correct.

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

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

THE LATE HON. WILLIAM B. BANKHEAD

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

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

There was no objection.

Mr. REED of New York. Mr. Speaker, at the time of the death of our beloved Speaker I had to leave town because of death in my own family.

I came here in the Sixty-sixth Congress. Speaker BANKHEAD came here in the Sixty-fifth Congress. We worked together for many years on legislation for the youth of our country and for the rehabilitation of the disabled in which I know he had a most sympathetic interest, and so did I. We were fast friends for 22 years. Not very long before he passed away I was in his office and I remember the one thing in particular he said, "I am so tired."

While this may be a little belated, I felt I would like to say something in the nature of a tribute to this great man. I know of no man in public life for whom I have had more profound respect and affection than I had for our beloved Speaker, Hon. WILLIAM B. BANKHEAD. I might liken him to one of the weavers described by Anson Chester in his beautiful poem. He told the story of those weavers who make those wonderful tapestries in Persia that often appear on

the walls of museums and palaces in the capitals of various countries. He said they never see anything but a blueprint, because they work on a loom where they always work from the underside and they tie thousands of knots to the square inch and work from sunrise to sunset in the most awkward and painful positions. They would at times feel like rebelling against the work because they were unable to see the beauty of the top of the tapestry, but at the end, after 2 or 3 years, the master weaver would come, because the last knot had been tied; the tapestry would be lowered, and the weavers would gather around and see the product of their work. They would weep and leap with joy as they saw its perfection. That was their reward.

I can think of the interest and satisfaction of our tenderhearted Speaker as he here with his toil and ability wove the tapestry of life for the crippled and for the blind and for other afflicted groups.

I like to think of my friends with that faith inspired by the observation of some practical experiences in life. We go down to the dock to see some friend depart, and we watch the ship sail away. Beyond the horizon of the natural we cannot see. Faith only can take us beyond it. We watch that ship disappear—first the hull and gradually the last tip of the mast disappears, and we say, "Well, she has gone." But I like to think of another shore, where people are watching the horizon and first they see a speck. It is the top of the mast, then the whole mast, and then the hull. Friends cry out, "Here she comes." Our Speaker has arrived among his friends. He has left us, but he has left a great work. Perhaps the greatest work of all kind can be described in the words, "There is no act of man in this life which is not the beginning of a chain of circumstances so great as that no human providence can give us the prospect to the end." His influence will be immortal among the young of this country and will increase their respect for this great Republic for which he labored so arduously and so well.

[Here the gavel fell.]

The SPEAKER. Under previous order of the House the gentleman from Missouri [Mr. SHANNON] is recognized for 10 minutes.

THE VOICE OF THOMAS JEFFERSON ON WAR

Mr. SHANNON. Mr. Speaker, we are told that great voices such as those of Patrick Henry, Demosthenes, Cicero, and others, are still floating around. Some day someone will harness them, the fugitive fermentation of the brain of man will produce a device to capture them; and immediately monopoly will take over the patent and use it as a profit-making something to plunder the public.

I today wish to quote from a man, a thinker, who was loath to speak, who seldom made a speech, but oh how he did write. He wrote beautiful things and left them for mankind. He was a superstatesman. He was the kind of man who tells you of something that is to happen in the years to come. Not only does he tell you of things that are to be but likewise you can go back to his writings and find them as fresh, as true, and as applicable to today as the day he penned them.

Mr. Speaker, I call to your attention four quotations from Thomas Jefferson to men of his period. Every one of these Jefferson quotations is as appropriate today as it was when written. They should be read by everyone, and everyone who is charged with any part in government should give heed. They should stop, look, and listen.

Is there a world revolution on? And if so, is not the paramount issue, so far as America is concerned, the preservation of the Republic and the welfare of the American boy first, last, and all the time?

War, one enough: I have seen enough of one war never to wish to see another.—To John Adams.

One war, such as that of our Revolution, is enough for one life.—To M. Correa.

The cannibals of Europe are going to eating one another again. A war between Russia and Turkey is like the battle of the kite and snake. Whichever destroys the other leaves a destroyer the less for the world. This pugnacious humor of mankind seems to be the law of his nature, one of the obstacles to too great multiplication provided in the mechanism of the universe. The cocks of the henyard kill one another up. Bears, bulls, rams do the same. And the horse, in his wild state, kills all the young males, until, worn down with age and war, some vigorous youth kills him and takes to himself the harem of females. I hope we shall prove how much happier for man the Quaker policy is, and that the life of the feeder is better than that of the fighter; and it is some consolation that the desolation by these maniacs of one part of the earth is the means of improving it in other parts. Let the latter be our office, and let us milk the cow, while the Russian holds her by the horns and the Turk by the tail.—To John Adams.

War, quixotic: War against Bedlam would be just as rational as against Europe, in its present condition of total demoralization. When peace becomes more losing than war, we may prefer the latter on principles of pecuniary calculation. But for us to attempt by war to reform all Europe, and bring them back to principles of morality and a respect for the equal rights of nations, would show us to be only maniacs of another character. We should, indeed, have the merit of the good intentions as well as of the folly of the hero of La Mancha.—To William Wirt.

[Applause.]

SPECIAL ORDER

The SPEAKER. Under the previous order of the House, the gentleman from California [Mr. HINSHAW] is recognized for 5 minutes.

Mr. HINSHAW. Mr. Speaker, for some time we have been receiving propaganda from an organization known as the American Committee for Non-Participation in Japanese Aggression. Under date of September 25, 1940, I have a note from them, signed by the executive secretary, Mr. Henry B. Price, and I presume every other Member of the House has also received one, as a cover to a 16-page document entitled "Pacific Strategy: A Key to American Defense."

For the purpose of the RECORD I call attention to the fact that on the left side of the letterhead we find the name of Hon. Henry L. Stimson as the honorary chairman, and then that is crossed out by a line through his name and his title. I assume that his name was crossed out upon his accepting the Secretaryship of War in the Cabinet of the President. Under his name appear those of Henry I. Harriman, A. Lawrence Lowell, Robert E. Speer, William Allen White, and H. E. Yarnell as honorary chairmen.

I have read this document with a great deal of interest, but particularly the last sentence, which I read to you:

The United States can make no greater contribution toward a turning of the tide than by moving promptly, without further delay, to end Japanese military aggression and to restore peace in the Pacific—a peace which, it can be hoped, might serve in its principles as a forerunner and prototype for a more universal peace later.

I do not want to comment now on this article except to state that to me this last sentence can mean two things. The words "moving promptly, without further delay, to end Japanese military aggression" may mean that we move promptly with our Navy and ultimately with our Army. It may also mean that we simply take economic measures to prevent her further aggression. I do not know which of these two things this language may have intended, but at all events it would seem from the newpapers and the radio that the United States is in a most hostile position. We have seen this coming for a long time and some of us have wondered how it might be avoided and averted. I for one cherish a somewhat faded hope that it can yet be averted. As I said a moment ago, I am not going to comment extensively on this article except to say further that as this action will occur in the Pacific if it does occur, the defenses of the Pacific coast are not yet in order. They are in order in certain portions, but in the portion in which I live, southern California, the defenses are not yet in order. It has not been planned, as I understand it, that they will be in order for another 2 years. If the United States is to follow the words in this document and "move promptly without further delay," and if that language expresses the views of Hon. Henry L. Stimson, the Secretary of War, then I ask you, and the Secretary of War, Should not the completion of the defenses of the Pacific Coast be attended to with the greatest possible dispatch? [Applause.]

[Here the gavel fell.]

The SPEAKER. Under a previous order of the House, the gentleman from California [Mr. VOORHIS] is recognized for 10 minutes.

ANTITRUST ENFORCEMENT IS OF PRIMARY IMPORTANCE TO TRUE NATIONAL DEFENSE

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include a patriotic poem written by one of my constituents.

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

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, vigorous enforcement of our antitrust laws, far from being an obstacle to the attainment of adequate national defense, is one of the most necessary elements in achieving the balanced strength which we all desire for our country. The purpose of this short speech is to demonstrate the truth of that statement.

When, a few months ago, I offered an amendment to the Justice Department appropriation bill to increase by $500,000 the appropriation for the Antitrust Division I believed it was important to forward the work of that Division in breaking up artificial monopoly controls of production and of price. But, until I began to look carefully into some of the facts connected with vital industries, I had little realization at that time how basically necessary this work was going to turn out to be from the standpoint of achieving full production of specific defense materials.

Every American recognizes that the success of the defense program of our country depends upon two things: First, the effective cooperation of all elements in our society, industry, labor, and Government; second, the removal of obstacles to the free flow of production, particularly the production of such items as are vital to the national defense.

There have been disturbing reports in recent months that antitrust activity might be suspended in order to secure cooperation of certain powerful industrial groups in the national-defense effort. Indeed, at least one suit was delayed for a period of 2 months and then modified in certain respects before it was instituted, because of concern by some officials outside the Department of Justice that the suit as originally planned might interfere with the cooperation of industry.

Since one of the central aims and purposes of our whole defense effort is the protection of our system of free enterprise, it seems to me important to present to the House the other side of the picture with respect to the enforcement of the antitrust laws. I believe that the enforcement of the antitrust laws is more than ever important during a crisis like the present. Not only is the vigorous prosecution of antitrust suits and the breaking of monopolistic power over American industry important from the standpoint of the preservation of American institutions, the achievement of parity for agriculture, and the maintenance of opportunity for small business, but it is also important from the standpoint of obtaining a full volume of production of essential defense materials at a price which is fair and just to the Government of the United States and the American people.

In the stresses and excitement of the last few months I think that not enough attention has been paid to the revelations of some of the Department of Justice investigations of collusive arrangements, and artificial production and price restrictions, in respect to defense materials and vital consumers goods. These disclosures are, however, highly significant and indicate the need of constant governmental vigilance in the antitrust field if we are to carry through successfully our defense program on a reasonably economic and efficient basis, and if we are to accomplish the very difficult task of protecting our consumers from exploitation during the period of emergency.

Let me cite a few examples of what I mean. Military optical instruments such as range finders, height finders, torpedo directors, and high-quality glass lenses are absolutely essential to effective armament. The Department of Justice in a recent indictment, to which the defendants pleaded nolo contendere and paid fines, charged an American company with monopolistic practices in this industry, the effect of which was to restrict the source of supply for these very necessary instruments. In this indictment the Government alleged that our Army and Navy were charged arbitrary and unreasonable prices on account of the artificial restrictions on production imposed in violation of the antitrust laws. Whether or not the productive capacity which was lost to this country through the restrictive contracts and agreements of the company in question can be regained in time to offset the harm done is a question. But at least the elimination of these practices by consent decree entered into by the company will assure an open market in the future.

Tungsten carbide is a metal composition which forms a vital part of certain machine tools because of its hard cutting edge. It is also the keystone of the wire industry, and is gradually becoming more important in wear resistant parts of all kinds of machinery. Its importance in national defense is obvious. Production of tungsten carbide has been controlled in a monopolistic manner since 1928. Prior to that time it was selling as low as $48 a pound, but after the monopoly went into effect it began to sell at from $205 to $453 a pound. This exorbitant price was in effect until a few weeks ago when it was exposed in an indictment by the Department of Justice. Almost immediately price reductions were put in effect. Indeed, the price of certain machine tools has more than been cut in half since the indictment was returned, and announcements have already been made that further price reductions are in sight. I need hardly emphasize the great importance of this to the national-defense program.

It is well known that no material is more important to the production of airplanes than aluminum. It is a matter of common knowledge that one corporation controls the whole field of aluminum production in the United States. The Department of Justice charges in its pending suit against the Aluminum Co. of America that through a conspiracy and combination with all the aluminum producers in the world that company has effectively limited the production and sale of aluminum in the United States. It is further charged that the Aluminum Co. has maintained a policy of restricted production and high prices which can only be accomplished in the absence of competition. If this policy has resulted in a shortage of aluminum, the importance of which to the national defense certainly cannot be denied, it is something we surely should know about.

Magnesium is also of utmost importance in aircraft production. The Minerals Yearbook for 1939 discloses, page 705, that in the world output of 22,000 metric tons, Germany contributed 12,000 tons, and the United States only 2,410 tons, and that since 1927 only one company has been producing magnesium in the United States. It is certainly of interest to this Congress to have determined the reasons why this large difference between American and German manufacture of magnesium exists and why there is only one American producer. Magnesium in many cases can replace aluminum. In addition it is one-third lighter. We ought to know precisely why it is that the price of magnesium is sufficiently high so that it does not pay producers to replace aluminum with it. Specifically, magnesium sells for 27 cents a pound, while aluminum sells for 18 cents a pound, thus eliminating any advantage in lightness which characterizes magnesium. It is important to know whether these two metals are controlled by the same interests and whether competition between them has been eliminated so that the production of magnesium has been effectively restricted. Pending Department of Justice investigations, supplemented if need be by appropriate congressional investigations, should determine this fact.

I am glad that the Senate has created a committee to investigate the extent to which foreign corporations have exercised a control over American production in vital defense industries, because in at least three of the cases I have cited so far it appears that the monopolistic controls and practices existed not on a national but on an international scale and that powerful foreign interests have been in a position to

influence if not to dictate the extent and conditions of American production. And in all three cases the foreign interests have been German.

Not only is it important that monopolies should be prevented from restricting production or artificially holding up the price of the materials essential for national defense, but particularly at a time like this is it important that no industrial combinations should be in a position to overcharge American consumers for important items of general consumption. Everyone knows that the success of this defense effort may depend in part upon the tightening of the belt of practically all groups in American society, but there is no justice in compelling consumers generally to face a situation in which they are able to afford at best a wholly inadequate diet because they are paying more than they should for other necessary goods of one kind or another. There is no reason why consumers should be made to sacrifice necessary food and clothing because they are being charged excessive and noncompetitive prices for gasoline and other petroleum products which are now necessities of life.

Free markets, free competition, and free opportunity for all business is as important or more important today than it ever was before.

It was found by the Supreme Court in the Madison oil case that the major oil companies that were defendants in that proceeding had unreasonably and arbitrarily eliminated price competition between them and fixed the prices of petroleum products at noncompetitive levels. The Court there held that the purpose of the defendants' agreements was to raise and maintain prices to jobbers and consumers. In the ethyl gasoline case the Supreme Court found that the defendants' licensing agreements covering a patented fluid compound going into most modern motor fuel were used to maintain prices to consumers. The Department of Justice in its suit against 22 major oil companies and their affiliates and subsidiaries, filed on September 30, 1940, charges various price-fixing practices and devices in the production and refining, transportation, and marketing of petroleum products which, if borne out by the evidence, certainly constitute a cause for major concern. These practices, if it is shown that they are taking place, are of the utmost importance not only to independent producers but also to consumers because of the many millions of dollars a year which they must spend for petroleum products, not only in the fuel that they must burn in their cars, but also in the heating of their homes and in many other incidental but important uses. If they are overcharged for gasoline and petroleum products they obviously have less money available for other necessary commodities; and we must remember that 19,000,000 families in this country have incomes of $1,500 a year or less.

Another monopolistic practice in the oil industry which no doubt will be thoroughly explored in the Government's suit and which also deserves the serious consideration of Congress is the control by the major oil companies of petroleum pipe lines. Surely it is to the advantage of the American people and our Government to have the means of transportation for petroleum on an open and equitable basis for the use of all producers and refiners on like terms, rather than to have such means of transportation controlled by a small number of major oil companies. It would seem to me that the national interest is obviously served better by a situation of untrammeled competition than by one in which the most important means of the transportation of oil are controlled by some of the principal shippers themselves.

I think it would also be greatly in the interest of national defense if the tin deposits of Bolivia were developed as fully as possible. I am not familiar with the reasons why these deposits have not been more fully developed, but it would seem to me that it would be important to try and find out. It has been rumored that one reason may be a centralization of control over these Bolivian deposits by some of the same interests, largely British, which are likewise interested in the tin deposits of the Far East. The Minerals Yearbook reports, page 683, that one of the strategic materials in which the United States is deficient is tin. The Bureau of Mines reports that "during the past 5 years 81 percent of the foreign purchases were obtained from Asia—69 percent from British Malaya— 18 percent from Europe, and 1 percent elsewhere." Thus, in 1937 we imported 66,709 tons from British Malaya and 112 tons from Bolivia, and in 1938 we imported 36,673 tons from British Malaya and only 25 tons from Bolivia. The reasons for this should be investigated.

I want to urge upon the Members of the House that we must not make the same mistake in this country which was made in many foreign countries of allowing free enterprise to disappear and centrally controlled private cartels to take its place. In Germany after the last war the Government permitted the self-regimentation of industries to proceed without restriction. Germany attempted in 1923 to enact by decree a regulation similar to our antitrust laws, but the tradition of free enterprise was too weak and the law was never enforced. Nineteen hundred and twenty-seven witnessed the last gasp of free enterprise in Germany, when a commission was appointed to study the monopoly problem. It produced nearly 40 volumes of reports, but there were no practical results. The cartelization had gone too far. German business regimentation drifted to its logical conclusion. The power of these cartels over the lives of the people became so great that political organization commensurate with the private economic power of these cartels was necessary. The disappearance of free enterprise in Germany certainly helped to pave the way for Hitler. Let us resolve to protect it here.

I am not suggesting that we will necessarily go along the same path in this country. The experience of one country is seldom duplicated in another, because of the many variations in the institutions and traditions of different countries. But I am saying that world-wide tendencies are the same and that, in general, where free competition disappears, political democracy goes with it. I therefore urge upon the House that in these trying times we do not overlook the urgent importance of enforcing the antitrust laws so that free enterprise may survive the present crisis and our economic system may emerge all the stronger, because our defense program and the consumers were amply protected against the dangers, restrictions, and privations resulting from private monopolistic control.

SPECIAL ORDER

The SPEAKER pro tempore (Mr. CONNERY). Under a previous special order of the House, the gentleman from Missouri [Mr. ANDERSON], is recognized for 10 minutes.

Mr. ANDERSON of Missouri. Mr. Speaker, 2 days ago I charged on this floor that Harry Bridges, alien Communist, conspired to commit the crime of murder and plotted sabotage of one of our largest liners in the Panama Canal. At that time I stated sworn evidence on file with the United States Department of Justice more than amply proved these charges.

Alien Harry Bridges, public enemy No. 1, has issued a statement in which he does not deny the charges but says, "If the F. B. I. has it, its phony and they framed it." Such a cowardly utterance is typical of this Communist thug who seeks to Sovietize America and destroy the American merchant marine. He does not deny the charges but slanders the Department of Justice and centers his attack once more upon the United States Government.

The fact that Harry Bridges is an alien should be sufficient to cause his immediate deportation. But in addition he is a Communist, a conspirator to commit the crime of murder and a plotter of sabotage. I stated to the membership of this House that the Department of Justice was in possession of evidence proving these facts. Since Mr. Bridges denies his true character, the following transcript of the evidence from official file No. 65-4632 United States Department of Justice will perhaps refresh his memory. In that file is a sworn statement of one Walter Carney, former bodyguard for Harry Bridges and Joe Curran of the national maritime union. That statement is as follows:

I, Walter Carney, was instructed by Tommie Ray to get five other gorillas as bodyguards and to arm them at the arsenal on 13th Street. Bill Cunningham, John Marciano, and three others were armed with tommy guns and revolvers and met Harry Bridges at

the Newark Airport and escorted him to the Victoria Hotel on 7th Avenue, New York City.

I, Walter Carney, was with Bridges every day and night for the length of his stay in the East. I went with Bridges to Roy Hudson's house in the village before Harry Bridges attended the International Longshoremen's Association conference on Fourteenth Street and Eighth Avenue in Joe Ryan's office where Joe Ryan, president of the I. L. A. and the executive board expelled Bridges from the International Local because of his communistic tactics and Communist Party policies.

On the return to the Victoria Hotel where Roy Hudson, George Mink, Curran, Tommie Ray, and the "Countess" and Hudson went over discussions of what happened at the meeting of Joe Ryan and Bridges, Bridges, Hudson, and Mink agreed that Joe Ryan must be eliminated from the picture in order that the waterfront section of the Communist Party could control the longshoremen. Hudson and Mink agreed to pay $5,000 to me, Walter Carney, to get somebody to do it. I, in turn, got Earl Ashton, Tommie Donohue, and three other members whose names I cannot recall at this time. A car was provided by Tommie Ray for the "goon squad." Pictures were taken of Joe Ryan's house where he resided on Twentieth Street, between Ninth and Tenth Avenues, on the uptown side. Pictures were taken of the Guardian Angel Church on Twentieth Street and Eleventh Avenue where Ryan had a habit of stopping every morning at 9 o'clock to enter the church and the office building on Fourteenth Street. The nineteenth floor of the building was "cased." Later, Earl Ashton and Tommie Donohue were caught after "sticking up" Joe Murphy an A. F. of L. seamen's organizer in the Plymouth Hotel and stealing his records and personal belongings. Upon asking payment for the return of the records Earl Ashton and Tommie Donohue were caught by the New York City police and were sentenced to the State prison. Frederick (Blackie) Meers, now an organizer of the national maritime union, and Tommie Ray, head of the waterfront section of the Communist Party, were paying these men out of the Communist Party funds and also union funds. To the best of my knowledge, Tommie Donohue is receiving between $5 and $10 a week since his incarceration in Sing Sing 3 years ago. This is being paid by the national maritime union.

The killing of Joe Ryan was not carried out because of the fact that Tommie Donohue and Earl Ashton were placed in prison.

For many years I served in the office of prosecuting attorney of the largest county in Missouri. In all my experience I have never observed a clearer, plainer, and more conclusive case of conspiracy to commit murder.

The second charge I made 2 days ago was that Harry Bridges was a coconspirator to sabotage a ship in the Panama Canal. Here is the transcript of the evidence on this point from the files of the United States Department of Justice.

In October 1936 Curran came to the west coast, to San Francisco, while I was on the steamship *Pennsylvania* in San Francisco, to see Harry Bridges and the Communist Party for action aboard the *Pennsylvania*. We went to the Lincoln Hotel on Market Street, where Curran was residing. Besides me, the following members of the union were also present:

Louis Gale, "Cokey" Louie, Mosher, Canaday, Red Szmerick, Eddie Gordon, Vandeross, and Lynn, who were the Communist Party faction members aboard the steamship *Pennsylvania*. At that conference in the Hotel Lincoln we were given orders to leave the steamship *Pennsylvania* in the middle of the Panama Canal near Culebra Cut; disconnecting steering gears; foul propellors with steel wire; set fire to the double bottoms; put powdered graphite into the lubricating system; and put out of commission the telegraph announcer that led to the bridge.

After the caucus in the Lincoln Hotel we left to go to 121 Haight Street, San Francisco, which is the Communist Party headquarters in San Francisco. There we met Harry Bridges; Schmidt, who was president of the I. L. A., San Francisco; and Jeffers, who was publicity man for the I. L. A.; Shoemaker; Hallings; and George Mink. All of these men are members of the Communist Party meeting at the Communist headquarters in San Francisco, where Curran outlined the strategy to the party assembled or what was to be done with the steamship *Pennsylvania* when the seamen's strike was called on the east coast. All agreed, and the ship's committee, through Barney Lynch—who has just been elected secretary-treasurer of the steward's department of the National Maritime Union—was to be notified by radio and cablegram in Panama, and who at that time was a member of the crew of the steamship *Pennsylvania* as a union delegate in the steward's department. On the overnight stay in Balboa, Panama, after the bananas were loaded through the cargo port, Roy Gale, Louie Canaday, Eddie Gordon—who is presently agent of the National Maritime Union in Habana, Cuba, and head of the Pan-American Conference of Seamen—were to use the extra length of cable for fouling the propellers, place two crowbars in the steering room aft to foul the steering engine. We did let fuel oil seep into the double bottoms from the fuel tanks that are located there. This fuel oil did flow into the bilges throughout the bowels of the ship and the oil was to be set afire. The valves were closed later as we proceeded out of the Panama Canal, as no word was received in Panama and as the strike was not called. In making transit through the Canal we did not take any action to sabotage the ship as orders were only to sabotage in case the strike was called. We did not get word that a strike was called until we reached Habana, Cuba.

The above quotation is from the official files of the United States Department of Justice containing a transcript of sworn testimony of Walter Carney, former bodyguard for Harry Bridges.

Mr. Speaker, what influence can this alien Communist, Harry Bridges, have in this Government of ours that enables him to go on unmolested with his plots and conspiracies to destroy this country and the ideals for which it stands? It is our duty to ascertain at once, without further delay, where and with whom this influence exists. How can we build our defense system when alien Communists imperil our vital defense links and sovietize the American merchant marine?

That Bridges is a Communist and that his Communist cohorts seek to hoist the red flag over every ship of our merchant marine and eventually over this very Capitol, is more than amply proved by the fact that many of the crack organizers and high officials of the National Maritime Union are honor graduates of the "red" Annapolis which is maintained and operated near West Point to train American seamen to sovietize American ships. One of the most effective organizers of the National Maritime Union is Hays Jones, noted Communist author, who has written the Mein Kampf or textbook for sovietizing the American merchant marine entitled "In a Soviet America, American Seamen and Longshoremen Under the Red Flag." I have here in my hand a photostatic copy of that book. The principles set forth in it are being effectively carried out throughout the American merchant marine this very day. I ask unanimous consent to conclude my remarks by inserting the text of that pamphlet at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri [Mr. ANDERSON]?

There was no objection.

The matter referred to follows:

SEAMEN AND LONGSHOREMEN UNDER THE "RED" FLAG

(By Hays Jones)

The seamen and longshoremen of capitalist America have reached the point where they have decided that the Government, the shipowners, and the reactionary labor leaders are not their salvation. The seamen's act has been torn to shreds by amendments and court decisions till the seamen are now reduced to serfdom. They live in miserable fo'c'sles, and work long hours of overtime without pay because "if you don't like it there's plenty on the beach that will." And the bread lines on the beach get longer week by week. The longshoremen, 85 percent unemployed, living on 1 or 2 days' work a month, or living on home relief, are affected by the same "if you don't like it there's plenty that do" and endure the worst sort of speed-up.

The seamen and longshoremen are turning directly to struggle for the things they want. The west-coast strike gave them a first taste of the victory they have power to win. The "dirtiest strike you ever saw," as one International Seamen's Union official called it, the east-coast strike that the I. S. U. officials sold out, at least brought recognition of the I. S. U. and precipitated the drive for one union of all seamen. In spite of its reactionary officials the seamen are going to make that union a weapon to fight the shipowners.

But more and more longshoremen and seamen, and other workers suffering the same desperate conditions ashore, are wondering whether capitalism can ever give them decent houses to live in and enough food to eat—or even jobs to do again. Their eyes turn to the growing achievements of the Soviet Union and they wonder what would Soviet America be like?

We can look at what the Soviet workers and farmers have done to old Russia, the most backward of the great nations. We can estimate from this what a Soviet system in this country, starting from the high level of American capitalism, with its millions of skilled workers and technicians, its huge industrial plant and its tremendous natural resources, could achieve for the American workers in general, and for the marine workers in particular.

Not only that, but we had better take a good look and decide what we want, or our rulers will decide what they want and we will be looking at the Soviet Union through the prison bars of a Fascist dictatorship. Scores of different Fascist groups are now bidding for the favor of the ruling class and getting ready to drive us into that prison.

CAPITALIST AMERICA TODAY

Our present rulers, the capitalists of America, have made such a howling success of building this country (with our labor) that they now have to tear down what we have built for them. They have made such a "success" of production that the means of production lie rusting and rotting all around us—and we go hungry.

They built so many ships in 1917–19 that hundreds of them never went to sea, and half of them are now tied up forever. The research laboratories, which were the "pride" of American capitalism, pant for funds to carry on their researches. The source of supplies is dried up. Capitalist America sees no sense in hunting new processes when it can't make profits on what it already knows.

They have built such a great corps of skilled workers that skilled workers by the million lose their skill in unemployment and misery, while the world goes hungry for the goods they should produce. Recently an American engineering society broadcast its alarm over the fact that the apprenticeship system had broken down, and that since 1929 practically no apprentices had been trained. Capitalism could not use them immediately and turned them loose to wander the road or live in city flophouses. Not only apprentices but hundreds of thousands of young men and women from colleges and universities found their skill useless, thanks to the great "success" of capitalism.

Capitalism has had to quit training workers for the mechanical industries. This is not true in the merchant marine. The Government and shipowners together have taken advantage of unwanted youth ashore to "train" as many youngsters as possible for this war industry. But the training they receive is pitiful. They learn to steer, after a fashion, how to scrub decks or wash paint, and how to swing a paintbrush passably, but they do not learn the finer points of seamanship.

They learn enough to be profitably exploited, and that's as far as capitalism cares to teach them. Each capitalist depends on the others to train his workers for him. We will have a shortage of skilled labor in all trades when the workers get tired of starving among idle plants and plowed-under crops and decide to go to work building a classless America.

MARINE INDUSTRY

Restoring what capitalism has destroyed or allowed to fall into decay will be a big job in the marine industry. Piers, docks, ships, and gear alike are slowly going to pot. The capitalist shipowners say they need 150,000 tons of new shipping yearly for replacement of the United States merchant marine. Yet for the last 3 years they have built hardly 15,000 tons a year—actually 10,000 tons in 1933; 24,000 in 1934. Other countries are doing little better.

A large part of America's tonnage is antiquated, jerry-built ships, slapped together in the last war; bad hull design, hasty workmanship, and low speeds that rule them out of present-day competition, even with the generous "subsidies" the Government gives them for carrying a few copies of the Saturday Evening Post to outlying ports. They will lie rotting in a hundred harbors around our coasts until war puts a premium on anything that has half a chance of floating a cargo of death across the seas.

Almost no vessels have been built in the last 20 years without Government loans, at ridiculously low interest rates (as low as 1 percent), and even then private companies hesitate to build ships. Those that have been built are all "naval auxiliaries" and would not have been built if the Government had not paid their owners to build and operate them, as a war measure. Today, the Navy Department is trying to get more ships—for private owners, but paid for with public money—to have more auxiliary ships for war "needs." Private initiative will never build the ships needed for peaceful transportation.

Soviet America would not allow its seamen to sail on the ships that private companies have built, without much remodeling. The pride of the American merchant marine, the luxury ships *Manhattan* and *Washington*, are not fit for seamen to live and work on. The luxury is all on A and B decks. The seamen live down on G deck, with salt spray whipping past eternally sealed portholes, and wet socks and shirts emitting an aura of stale sweat and weariness that the artificial ventilating system never quite dispels. Soviet American seamen will move up several decks to light and air.

These things we know because the Soviet Government bought many old ships from capitalist countries to replace the ships destroyed and stolen by white guards and foreign interventionists on their retreat before the "red" army and peasant partisans. The Soviet shipyards remodeled these ships as best they could. When possible, they put all quarters midships. When they couldn't they cut big skylights in the poop deck and enlarged crews' quarters at the expense of cargo space till they could house the crew two in a room, with decent messrooms, washrooms, and clubrooms for music, games, and reading.

ABOARD A SOVIET AMERICAN SHIP

The new vessels built by the Soviet Union offer us a sample of what a workers' government would do to American ships, and any seaman who sees the Soviet ships which enter American ports knows the immeasurable superiority of conditions aboard Soviet ships.

The Soviet American seaman would go aboard his ship with a light suitcase, carrying his shoregoing gear—shirts, razor, toothbrush, and such like trifles, and maybe a book or two. He would find his working gear aboard the ship, furnished by the company—the workers' government administration of water transport. He would not have to worry about buying a new set of oilskins or seaboots, dungarees, or a heavy coat to stand watch in. He would not have the experience, common to practically all seamen, of facing a new job after a long period of unemployment "schooner rigged"—with nothing but the shoes, shirt, and dungaree pants he stood up in to get the job. The workers' government would supply—as the government of the Soviet Union does today—the work clothing he needs for the voyage, whether to the Arctic or the Tropics. And when he left the ship he'd carry the same light suitcase ashore.

The Soviet American seaman would go down to his union—the industrial union of all water transport workers—where his name was registered for his turn at sea when he left his last ship, and when his name came up, he would get the job. If he didn't want that ship, he could turn it down, or the next one. The third he would have to take, or lose his place on the list. He would go aboard the ship, put his dress clothes in the locker in his room—not a "fo'c'sle" in the capitalist sense of the word—and make himself at home. Working clothes would be kept in lockers outside the seamen's rooms. Over his berth, not a two-decker bunk, he would have a reading lamp, so he could have light when his roommate wanted darkness. And in one corner of the room would be a writing desk.

Soviet ships have these conveniences today for every member of the crew. The relatively greater development of industry in America could give us even more, if transport and industry as a whole were run by the workers to serve the needs of the people, not by bosses for their private benefit.

The Soviet American seaman would not have a clothesline draped around his bunk, with socks, shirt, towel, and dungarees drying on it in wet weather and spreading tuberculosis. Soviet ships today have bath, laundry, and drying rooms, heated by steam from the boilers or from the motor exhaust.

The Soviet American seaman would find his mess room a large, well-decorated room, with one corner divided off—a "red corner" for entertainment, study, and recreational reading. A piano and other musical instruments would be part of the furnishings—furnished out of the cultural funds assessed by the government on the industry and administered by the union. A radio would allow him to tune in the latest stuff from ashore.

SOVIET CREW HAS VOICE IN MANAGEMENT OF SHIP

The seaman of Soviet America will have a voice in the running of the ship. As in the Soviet Union today, the ship will be part of the national industrial plan. But it will have its own work plan, too, a plan covering the year and the season, estimating the cargo-ton-miles it has to make, and the work the crew is to do. Fulfillment of that plan will be the crew's task or "norm" of production, and any production over that will be "overtime" and will draw extra wages at higher wage rates. Overtime work for "safety of the ship" will be paid for. Capitalist America's seamen donate such overtime "for safety of the ship" to the company, without pay, and the reactionary officials of the International Seamen's Union approve. Only those agents of the shipowners can understand why the seaman should risk his uninsurable (under capitalism) life, to save the shipowner's insured vessel and cargo, and not be paid for it.

But this plan is not simply handed down to the skipper and mate as "orders" to be whipped out of the crew by speed-up methods. The crew of a Soviet vessel is part owner of the vessel, and of everything else in the Soviet land. They have an "interest" in their vessel, and take part in laying the plans for its operation. If the crew thinks the plan gives them too much work to do, they say so, and propose changes. If they think they can do more, they propose a "counterplan." The plans and any counterplans made are discussed by the whole crew and decisions made. If the counterplan goes through, and the crew does more work than the plan calls for, they get more wages from it.

The navigation of the vessel, and discipline on watch and in emergencies, are in the hands of the captain as executive officer of the vessel. The social discipline of the crew, discipline on the watch below, is the province of the crew itself. The ship's committee, elected by the crew, handles all such matters, subject to the will of the crew. Even the skipper is responsible to this committee of workers.

The ship's committee and the mate are responsible for the work being done. The ship's committee is responsible for the social life aboard the vessel. And that is an organized social life, not the chance association of a mixed group as on capitalist vessels.

Capitalist shipowners find it an advantage to have the crew fighting among themselves. It prevents organization and a struggle for better conditions. Since better conditions are the aim of Soviet society, organization and solidarity aboard ship are fostered, not blocked.

The ship's committee has many functions. It decides, for example, what the menus shall be. It purchases stores for the voyage, and makes purchases in foreign ports. It has the general problems of discipline to settle, and it decides what members of the crew shall go ashore to study in the schools that the workers' government provides. Those who go to these schools continue to get the same monthly wages that they were earning while working on the ship. All these powers, of course, are subject to the final decision of the crew and the union. On Soviet ships it is impossible for the skipper or the mate to fire a seaman without the consent of the crew. But the crew and the union can fire a captain, and have been known to do so.

NO UNEMPLOYMENT

The Soviet American seaman, as the workers in all industries of Soviet America, will have no fear of unemployment. To begin with, his wages would be guaranteed by the social insurance fund provided by industry and the government. But—as the experience of the Soviet Union has shown—once the working class got down to the task of running industry on a Socialist basis, while the working hours would be cut down, the industries would expand at

a rate never known under capitalism, and unemployment would be completely eliminated. This will be true also of the shipping industry.

Soviet America would need more ships than capitalist America can use. Large sections of our present population cannot afford to eat even the lowly banana, which comes to this country by ship. Not many of us ride on rubber, another tropical product. A thousand other tropical and foreign foods and industrial products would increase the need for shipping, and the unparalleled richness of the American Continent would bring those things into the diet and daily life of America's population as soon as we scrapped the profit system and set up a Soviet America. Workers would be spread over industry according to the need for them, on the basis of the national industrial plan, worked out by the National Planning Commission, to get the greatest benefit to all the population with the least effort. American shipyards would be busy for many years building these ships and replacing old ones as they wore out.

Passenger traffic would increase too. A hundred thousand Americans can afford a vacation in Europe under capitalist conditions. Wealthy parasites ride de luxe, sometimes taking a suite of three or four rooms for a man, his wife or lady friend, a maid, and a dog. And sometimes the chauffeur goes along third-class. Parsons, school teachers, and librarians, who get a vacation longer than most and a salary big enough to make the trip in "respectable" second-class cabins, go to see museums, make a "tour" of the accepted wonders of the Old World, and return to slave and save 7 years for another "cultural" tour.

The European immigrant saves for years to be able to return for a few weeks to his native village on a reduced-rate excursion to show his friends how well (or badly) he's done in America. And a horde of college students, whose middle-class parents can afford it, take a vacation in Europe.

The 59-cent dollar kicked a hole in this class of tourist trade and in the other lower groups as well. Capitalism still has some body blows to deal these middle-class groups and professionals who used to spend a vacation in Europe "cheaper than we could live in America." They will be living "cheaper" in America than they ever thought they could live anywhere—as Chicago's school teachers found when the city neglected to pay them for about 18 months.

Soviet America will make a great change in the traveling public. Shock brigaders—workers who have done better than average work in building Socialist society—will get vacations and tours in other Soviet lands as rewards. Workers will be sent on delegations, as capitalist representatives travel today. Sick workers will be sent to special climates. Workers will go to school in other lands, as the sons of the rich do today.

Soviet America will require a larger passenger service than capitalist America does. But there will be no class distinctions. Speed, comfort, and reliability will be the tests of a ship—not the luxury of de luxe travel while the passengers in third class live worse than seamen on Soviet ships today, both in food and quarters. And a different atmosphere will exist on the ships. Segregation of the crew from passengers does not exist on Soviet ships. A cordial equality exists, and passengers and crew off watch help each other with entertainment and are social equals.

Soviet America will need more seamen and longshoremen. The greater bulk of cargo, and of ships, will make America's harbors look as they did at the only time capitalism ever found it profitable to apply its full productive capacity—during the war that slaughtered 26,000,000 workers and maimed millions more for the glory of the profits.

Soviet ships will fulfill another slogan of the militant trade-unionists and the Communist Party of today: "Full crews and full longshore gangs." The Soviet American seaman will stand watch on deck with at least two other seamen. Ships will not run without a lookout while the watch is changed, or while the wheel is being relieved—or while the man on lookout goes below for a cup of coffee.

"EVERY FACTORY A SCHOOL"—SOVIET SLOGAN

One of the first results of any social revolution is the release of a tremendous sense of power and capacity among the oppressed who destroy their oppressors' power. The capitalists experienced it in their revolutions in the eighteenth and nineteenth centuries, when they destroyed feudalism. The workers of the Soviet Union have experienced it since October 1917. This sense of power raises the workers' desire for knowledge and study. The capacities of the workers have shown an amazing growth in the Soviet Union. Every factory, every collective or state farm, has become a school. And from these schools the workers and peasants rise to the technical schools, institutes, and universities that have increased a hundredfold. Nine hundred and fifty-eight thousand workers went to factory schools and seven hundred and ninety-seven thousand went to technical schools in the Soviet Union in 1933. Four hundred and sixty-nine thousand attended universities and engineering schools. This, out of a population that was almost 90 percent illiterate in 1917.

Every Soviet ship is a school. The seamen study seamanship and navigation. But their studies branch out into all spheres of learning. They study politics and economics, literature, the arts and sciences. And the crew itself decides which of its members shall go ashore to the institutions of higher learning.

The instructors in these shipboard schools are those who have already had training in the workers' schools ashore. The officers and engineers pass on their knowledge, and this is no danger to them as it is on capitalist American ships. The expanding system of Soviet industry can absorb a far higher grade of technical ability than capitalism has any use for. American officers, under capitalism, feel that if they train a man they are only training someone to jockey them out of their jobs. Soviet workers have no fear of losing their jobs. The working class, in power, needs all the intelligence and knowledge its members can acquire.

The Soviet American seaman will not find an A. M. M. L. A. (American Merchant Marine Library Association) book box filled with slushy love stories, mystery thrillers, religious tracts, and lives of famous murderers who wore gold braid—the cast-off rubbish of private libraries ashore or books bought with an eye to the interests of the shipowners by a library association which is financed by the shipowners to keep the workers' minds undefiled with any thought of the class struggle. Technical books, science texts, literature, the latest fiction, and magazines would be in the ship's library, put there by the cultural department of the union and paid for from the social funds required of every industry by the Soviet Government.

SOVIET AMERICAN SEAMEN IN FOREIGN PORTS

The United States will not go Soviet alone. We do not expect it to be the next, nor yet the last, country to abandon the miseries of capitalism for the growth and security of socialism and communism. But when America's workers clear away the rubbish of capitalist barbarism they will sweep a large part of the world into the path of revolution and carry it with them. Especially, the colonial and semicolonial possessions of American capitalism in Central and South America will go along with the giant of the north into socialism and communism, as the petty capitalism of those countries has followed the capitalist giant for generations.

Therefore, when the Soviet American seaman goes into Soviet Rosario for a cargo of flaxseed, or into Soviet Para for a consignment of rubber, he will find the International Seamen's Club there to entertain him, offer him the latest information about the workers' world, and provide him food and drinks at prices not conditioned by "what you are drunk enough to pay" but actually by the cost of the goods consumed.

When he returns to his home port he will go ashore to his union hall and Marine Workers' Club, or to the International Seamen's Club, to find rest and recreation, to renew old friendships, see the shows, and read about the latest successes of Soviet America, or of the workers' achievements in other countries.

There will be no place in Soviet America for Mme. Ropeyarn's 10-cent stews. At present practically every port has its "holy racket," a combination church, social club, hotel, and restaurant business and spy agency for the shipowners. These institutions masquerade under religious names (thus saving taxes) and do hold church services occasionally. But the reverend gentlemen who wax fat in their management do not depend on contributions from their parishioners. Very few seamen ever go to church. And those who do do not contribute. These institutions live on charity—begged by the hundreds of thousands of dollars yearly, on the pretense that they provide religion, a shore home for seamen, and care for destitute seamen.

Most famous of these is the 15-story hotel and restaurant, pool room, and saloon that calls itself the Seamen's Church Institute of New York. It was founded in 1844 as a floating church—a church on a raft. But today the only floating thing about it is the mortgage that floats unpaid in a treasury of $1,135,000. Junius Spencer Morgan plays the stock market with this treasury, while the mortgage is a swell talking point for huge contributions.

Shipowners are large contributors to these religious shore communities. The gentlemen who exploit the destitution of unemployed seamen know how to get in right with those who exploit seamen on the ships. They spy on the seamen, fight against union organization, and ship scabs when the shipowner needs them. They maintain a corps of mission mice who draw special favors from the relief (the Government puts these persons in charge of seamen's relief, quite conscious of their graft and their connection with the shipowners) in the form of an extra 10-cent meal ticket, to stool on honest seamen. They also maintain a corps of muscle men to beat and browbeat seamen into accepting whatever treatment the holy racket chooses to give them. Of course, these places have political drag. Police protection makes them the safest racket in the world.

The Government and shipowners have made these places almost unavoidable to the seamen. The S. C. I. post office is the only place where a seaman can hope to get his mail. It holds mail for 6 months, while other post offices return mail after a week or 10 days. These "holy rackets" are the only large centers where seamen can gather on the beach, except union halls. And they are modern structures, with comfortable reading rooms, while seamen's union halls, in capitalist America, are generally old loft buildings, poorly lighted and heated—the best the working class can afford.

The workers' government in the Soviet Union took over princes' palaces to make clubs for its own and for foreign seamen. Soviet America would wipe out these "holy rackets." If a seaman wanted to go to church, he could go to church. But the church would not be allowed to pose as a "club" and be a spying agency for capitalist enemies of the workers.

The club in the Soviet Union is the seaman's home ashore. Even for married men the club is the center round which the social life of the workers revolves. It is no seamen's church institute. It is run by the seamen themselves, through their union, and its contents and development depend on the seamen themselves. Funds

for it come from the government's social-insurance funds levied against the enterprises.

SOCIAL INSURANCE

Our Soviet seaman will not have to worry about sickness. The workers' government in Soviet America, like the Soviet Union today, will guarantee the worker against sickness, death, injury, and old age. The government requires every industry to turn over a definite percentage of its income to the social-insurance funds, to care for the workers in mischance. The union administers these funds for its members.

No Shyster Si will hang over the Soviet American seaman's sickbed, seeking a retainer from a man struck down by sickness or accident at sea. Shysters can't get by in Soviet lands. The Soviet American seaman will stay on the pay roll till well and able to work again. When he is sick, his union will send him to the hospital. When he needs rest or convalescent care, rest homes in the country or mountains will be his, maintained by the union out of the social-insurance funds.

The union cooperative will be his "store" instead of "tailors" and "slop chests," and there he can buy the best of everything in the market and the union will see that all his rights are observed. The union will draw its collective agreement yearly with the "management," which will not be a greedy capitalist profit grabber, but the workers' administration in charge of water transport.

The Soviet American seaman will get a month's vacation every year, with pay, and, as the industrial power of the workers expands, he will find his vacation period getting longer, keeping pace with the growth of production.

Since the life of the seaman takes him out of social contacts his status will vary from that of shore workers. His day may remain eight hours long after other workers in Soviet America have been cut to four a day. But he will be repaid for this by a longer vacation to be spent ashore, and by an earlier retiring age, so that his term of service to the working class will equal that of workers ashore.

Seamen in capitalist America are, by the very nature of their calling, denied the "right" to vote. Few of them ever establish "residence" anywhere, and if they do, chances are against them being ashore to cast a vote on election day. But Soviet seamen have not only the right to vote, but special arrangements are made for them to vote, and to serve on the Soviets. Thus, for the first time, the seaman becomes a real citizen, in the workers' republic. The Soviet seaman's vote is cast right on the job, and if the job happens to be out at sea, he casts his vote, and it is recorded. If a seaman is elected to the Soviet (elections are by industry, not district) he attends the Soviet meetings. The seaman takes part in the government of the community for the first time.

LONGSHOREMEN AND HARBOR WORKERS TODAY AND IN SOVIET AMERICA

Thus far we have said nothing about longshoremen and harbor workers. The reason is that they are, or can be considered, shore workers. Bargemen today lead desolate lives, even in the best barges. They are on call 24 hours a day, hardly daring to go ashore to buy groceries. For this they draw (in New York) the amazing sum of $60 a month if their barges are loaded. "Light" the bargeman gets either nothing at all or a dollar a day. And he is expected to live on that and keep the barge in repair and be on the job 24 hours a day.

Soviet America will put bargemen on shifts. There will not be hundreds of barges laid up, waiting for loads. The number of barges will be figured to meet the known needs, thanks to social planning. It will not depend on some capitalist's estimate that he, too, can get profits out of hauling sand and gravel, coal, flour, or grain, in spite of a 200-percent oversupply of barges in the harbor.

The towboat men will live ashore, too, and work in regular shifts. Longshoremen, of course, do not live on the water. They load and unload ships, taking goods from warehouse to ship's hold or from ship to warehouse. They live ashore and their working conditions are shore conditions, with serious modifications.

There are about 250,000 longshoremen in the United States today, and 85 percent of them are unemployed. The rest slave under conditions of intolerable speed-up and impossible hours of labor.

Under capitalism the longshoreman is a "casual" laborer. He never knows when he is going to have a job. He rises early in the morning to make a 7 o'clock "shape-up" on the street in front of a dock. Maybe he is picked to work. Maybe not. If not, he hangs around a poolroom or lunch counter, waiting for the next ship to come in, for he may be "shaped up" again at almost any hour of the day till late at night—and then perchance will be kept waiting, payless, for several hours before turning to.

When he thinks there is no more chance for work that day he can go back to the poolroom or back to his miserable dwelling in the slums. Longshore wages are "high"—95 cents an hour in New York for a 44-hour week. On the west coast the 1934 strike won the 6-hour day, 30-hour week. But they still have to fight to prevent the shipowners working all sorts of schemes to gyp them out of overtime pay and destroy other working conditions.

The west coast longshoremen have the gang-steward system, which tries to control the size of drafts (amount of cargo in one sling) and prevent other forms of speed-up. But the Government "arbitrator" has ruled that the longshoremen must do whatever the boss tells them to do—an effort to get 8 hours' work out of them in 6.

The longshoremen on the west coast fought for a system of rotary hiring direct through their union halls, controlled by committees elected from their own ranks. Their own reactionary officials opposed this effort to give every man an even break on the work. The shipowners, of course, opposed it bitterly, and the Government supported them with tear gas, guns, and militia, and with the sell-out machinery of the New Deal.

The shipowners wanted their star-gang system, whereby some men worked 70 to 80 hours a week and others got no work at all. These star gangs were made up of men who could stand a hard pace and keep it up. When one slowed down, out he went on the dump heap and fresh blood came in. Any refusal to drive at top speed sent you back to the beach, jobless. The star-gang system is a blacklist system. Yet the Government wanted to put it in effect everywhere under a "decasualization" plan.

In spite of the "high" wages, the longshoreman makes little. On the west coast the average was less than $12 a week. In eastern ports they average even less. And a vicious system of "kick-backs" has been developed by dock bosses and some union delegates. Those were the things the west coast fought against.

Longshoremen labor under the most dangerous conditions. The incidence of accident is higher among marine workers than in any other trade except structural iron working. The average longshoreman is married, and these desperate conditions bear with bitter force on his wife and children.

Soviet America would cut the longshoreman's day to 6 hours immediately, as hazardous work, and soon to 4 hours. We know from the Soviet Union that longshoremen can have good conditions.

They do not "shape up" on Soviet docks. The longshoreman has a regular job, like any other worker. He comes to work on a shift, puts in his day's work, and goes back to his wife and family.

Ships can't keep as close schedule as railroads, and even railroads are sometimes delayed by storm or unforeseen events. So the Soviet longshoreman has a warm waiting room to spend his time in when he has to wait. This is also a dressing room. The Soviet American longshoreman can have it even better, because the economic level of America will allow better conditions immediately the profit grabbers have been removed and the workers' state takes possession.

The Soviet American longshoreman will keep his working clothes in locker rooms at the docks. And the "company," the workers' government administration for water transport, will supply the working clothes. They will go to the port laundry regularly and be kept in condition by special workers. The longshoreman will not have to ride home damp with sweat from a day in the hold of a vessel, in Soviet New York subways. He will change clothes and take a shower in the port locker rooms and put on dry, clean clothes.

MODERN MACHINERY FOR SOVIET LONGSHOREMEN

Today few American docks are equipped with up-to-date shore machinery. Speed-up machines you will find on many docks—gas or electric jitneys that throw thousands of truckers out of work. But shore cranes, to handle cargo easily, are scarce. Europe goes in heavy for them. Small, crowded ports make them necessary. Here we depend on the ship's gear to discharge or load, except for a few floating cranes to handle extreme lifts.

Leningrad's lumber docks are the best mechanized docks in the world. But Leningrad's longshoremen benefit by those mechanical arms. They are extra arms for the workers, making work easier. Mechanical loaders have cut down labor till it is almost a simple matter of turning planks over. Heavy lifts do not exist for men. Such mechanical assistants can be applied in all countries, but in capitalist America every improvement in machinery has meant fewer men and harder work on the job.

Soviet America would soon apply the many mechanical principles that are already known but not applied because they are unprofitable. What cuts labor strain is profitable to the ruling working class. What gets more work out of the workers for less pay is profitable to the ruling capitalists. With present appliances we could reduce working hours in American industry to 4 a day. Soviet America would do it and make those 4 hours useful labor instead of slavery for starvation wages.

The Soviet American longshoreman would never fear unemployment. If there was no work for him, his wages would go on anyway. He would have a guaranteed yearly minimum wage. If for any reason he could no longer do longshore work, but was capable of lighter tasks, he would be given proper training for another job, and—the job. Soviet America would guarantee every worker the right to work and to live. Work would be based on what the working class needs, not on what it is profitable to our masters to have produced. We would be our own masters in Soviet America.

The longshoreman would eat his meals in the dock "factory kitchen" in the club, or other public restaurant. Or if he and his wife wanted to, they could cook and eat at home. But he would probably be as sensible as Soviet workers are today and prefer his factory kitchen, for it would remove the mass of drudgery connected with single family cooking.

HEALTH PROTECTION

This restaurant on the docks would be run by his union—the same union to which seamen, barge men, and towboat men belong. For industry is the basis of the union in Soviet America, not craft. Soviet America will do away with unsafe conditions; but nothing can ever remove all risks from a job of moving heavy loads, especially through the air. There will therefore be first-aid stations on the docks which will be run by the union.

The first-aid station on the docks will be connected with the network of hospitals, rest homes, and vacation homes for marine workers, maintained by the union and the Soviet Government. These will also be part of the whole system of rest and cure resorts of the Workers' Commissariat of Health and Recreation. Mountain, sea, and summer resorts will miss their old-time voluptuousness, dependent on the whims and fancies of the over-wealthy ruling class of capitalist America. These resorts will belong to the workers. Their health and sport facilities will be expanded a hundredfold to care for the greater demands of the workers.

The Soviet American longshoreman will not finish up his day's work ready to drop from exhaustion. He will be fresh for sport and leisure at the end of his shift on the docks or in the hold of a vessel. He will find, at his workers' club, all facilities for sport and leisure.

Game clubs, singing and dramatic groups would form in every clubhouse; the working class develops great eagerness for self-expression when revolution rips the yoke of capitalist slavery from its neck. Billiards, pool, chess, checkers, gymnasium equipment, movies, and other sports will provide indoor recreation. Tennis courts, football, baseball, and other fields would belong to the workers. You would not have public tennis courts at $1 an hour in Soviet America. All sports would be encouraged.

In capitalist America, few workers' children have a real chance to play. Especially city children, such as longshoremen's. Their playground is the city street, and you can't play many games there. If they have a club, it is a club with strings on it—tied to a political or religious kite.

In Soviet America sports would swell to tremendous proportions. One hundred and fifty thousand marched in the sports parade in Moscow on International Youth Day, 1934. As many more marched in the Leningrad parade, and all over the Soviet Union sports parades showed the way workers have taken to their new-found opportunities to have and enjoy healthful recreation.

Two and a half million "ready for labor and defense." "Ready" means physically trained for the struggle for a socialist society in industry or on the field of battle if capitalism attacks the workers' land. To be "ready for labor and defense" means you can run, swim, row, skate, jump, carry weights, shoot, and throw a hand grenade, well. When the danger of an attack from hostile capitalism dies out, in a Soviet worker's world, the hand grenade will be replaced with a more peaceable object. Today, "ready to defend" is just as important as "ready to work." In looking at Soviet America with the help of these present Soviet institutions, we can see an army of young workers, men and women, strong, healthy, building a happy life in the sports fields, factories, and homes of Soviet America.

The Soviet longshoreman will not fear destitution caused by unemployment, sickness, or injury. His children will be guarded against the loss of their father by the guaranty the Soviet Government gives every child—schooling, nourishment, proper doctor's care, and training for life in a classless Socialist society.

EQUALITY FOR NEGRO WORKERS

Negroes and colonials (Filipinos and Spanish-Americans) have always been a considerable part of the American marine industry, but they have always suffered from discrimination. Oppressors have always resorted to the policy of bringing division into the ranks of the exploited—for the benefit of the exploiters. Certain lines, running to the West Indies or the Tropics, man their ships with Negro deck hands or Filipinos, but the quartermasters and officers are whites. Otherwise Negroes especially, and to some extent Filipinos and Spanish-Americans, are restricted to jobs in the steward's department, or to the fireroom. Spanish-Americans were numerous when ships burned coal, but they are becoming fewer as oil supplants coal.

Negroes and colonials are kept down with a purpose. When the Barber Line cut wages for firemen to $37.50 a month, the Filipino seamen struck. The Barber Line announced that it was going to "give white men a chance." But as soon as the wage cut had been put across the white man's chance disappeared. The company went back to Filipinos "for efficiency in the Tropics." The seamen understand that pretty well now, and opposition to all sorts of discrimination is growing. But the leaders of the International Seamen's Union of America still foster it. Andrew Furuseth, the 86-year-old president of the I. S. U., was dragged to the platform at the A. F. of L. convention in October 1934, to defend the principle of discrimination. We quote from the official report of the convention:

"Delegate FURUSETH. Speaking for the seamen, I want to tell you something on this question that has a very serious bearing on it. The International Seamen's Union of North America has never for one moment made any distinction, but when we accept the colored man and put him on absolute equality with the white man as to wages and conditions, we create thereby a situation whereby the employers accept the white man only. We could get no employment for our colored workers if we had to pay the same wages and give them the same conditions as the white workers. The result was that the colored men, as a whole, left our organization and accepted employment with less wages."

Therefore Furuseth was willing to accept less wages for them, so long as they paid their dues. Furuseth and his fellow officials agreed too thoroughly with the whole scheme of racial discrimination to put up a fight against it. This is in line with the policy of the reactionary leaders of the I. S. U. of collaborating with the shipowners, instead of the policy of class struggle in the interests of the workers. This is the reason why the I. S. U. under the old leadership has won so little for the seamen in the 50 years of its existence.

It will take a battling rank and file to unseat these relics of a lost century and make the I. S. U. a fighting organization of all the seamen. The I. S. U. formerly classed "Asiatics and scabs" together. But the rank and file have a clearer understanding of that problem now, and know that helping the shipowners to split the seamen into groups of foreign-born, Negro, Filipino, Chinese, on different levels only helps the shipowner keep wages down and conditions rotten. A short time ago, this prejudice extended even to South European seamen, and the I. S. U. officials tried and still try to arouse every kind of race and national prejudice.

"Formerly," said ancient Andy Furuseth, "the American merchant marine was Christian and Nordic. Now we must make it Christian, Nordic, and American." But this old fossil can't perpetrate that. In spite of him and his coofficials, the I. S. U. is broadening its membership base, not narrowing it.

The Negro longshoreman always has the dirty end of the stick. In most east coast ports there are both Negro and white longshoremen. Generally they are "Jim Crowed" and, curiously enough, the part of the coast where they are not "Jim Crowed" is the coast of Texas. In Philadelphia the Negro longshoremen get such dusty work as discharging licorice root, fertilizer, and other rotten jobs. But the companies also work a "checkerboard" system, dividing the ship between Negro and white gangs so they can use each to drive the other harder. The understanding of this is the beginning of working-class wisdom.

As we said, Negro and white longshoremen are not divided in some Texas ports. There the position of "inferiority" is reserved for Mexicans, and the shipowners get the same slave-driving results from dividing the workers.

Negro longshoremen were first imported to San Francisco to scab in the 1919 strike. The shipowners' efforts to use them in the 1934 strike were spiked by the decision—inspired by class-conscious rank-and-file leaders—to admit Negroes on a basis of equality to the International Longshoremen's Association. There were no Negro scabs in the west coast strike in 1934. As long as this policy is maintained, its benefits will be seen.

In the Soviet Union, of course, such divisions of race, color, and nationality are unknown. There are 150 nationalities in the Soviet Union, and half a dozen races. Race prejudice does not divide these races, however. All workers are equal. In their own districts, each of these nationalities is the ruling power. National cultures are encouraged. But they all work together without friction. Usbeks, Tatars, Great Russians, Mongols, and Ukrainians all work together in the same factory, on the same deck harmoniously—and Czarist Russia was known as the prison house of nationalities.

When the economic rivalry between the national and racial groups disappears, race prejudice disappears with it. Prejudice is fostered and exaggerated by the capitalists to use one nationality against the other. It is done in every capitalist nation. But the Soviet Union has no need to keep wages down, therefore it has no need for these divisions. Unity to raise living standards is the desire there, and unity is raising living standards for all.

When America goes Soviet, the Negro workers will be freed of hampering oppression. They will be encouraged to develop their own culture. In the large section known as the black belt, a Negro Autonomous Socialist Soviet Republic would grow as the minority races of the Soviet Union now have their autonomous republics, and Negro national culture would develop and racial and national oppression be wiped out. They will be guaranteed a full right to any job on an equal basis with all other members of the workers' society. They will have full economic, political, and social equality.

They will never attain full equality until the workers take control and ownership, because capitalism depends on divisions in the workers' ranks to keep itself in power.

CULTURAL ADVANCEMENT

The Marine Workers Industrial Union in Soviet America will have close connections with the Government schools where the workers' children prepare themselves for life in the future society. The longshoreman would not, as today, be called in by a haughty principal because little Johnny had been a bad boy. The pioneer organization little Johnny belonged to would take care of that, supervised by the teachers and the parents' committee. The longshoreman, through his union, would keep a sharp eye on what little Johnny and his boy and girl schoolfellows learned in school. The union would be patron of the schools, kindergartens, and day nurseries where longshoremen's and seamen's children went to school. And as the child grew older the workers in their trade-unions would take an active part in his education—teaching practical courses.

The Soviet school is not a painful period in which the child is cooped up to learn how to read and write well enough to be a useful wage slave. It is not a place where he learns some very doubtful history and some very erroneous civics. It is not a place where the child learns about public utilities out of books by authors bought and paid for by the barons of gas, electricity, and traction.

The Soviet school is the road to life for the child of the worker. He learns the "three R's" all right. But he learns (what is infinitely more important) how to be a citizen of the classless society. He learns a new social code.

Capitalist society teaches the child that those who do the least work deserve the greatest rewards. He learns it by hearing bankers

and politicians, rich parasites, praised in the newspapers, books, and schools. He learns it by seeing those who do the least—the society of capitalism and the degenerate nobility of feudalism—praised and given high honor on all occasions.

Our Soviet American school child would go to a different kind of school. He would see scientists honored, and inventors, who lightened the burdens of society, instead of seeing them robbed of their inventions to make a banker's fortune. He would see the head of his father's union honored at functions where his "shock brigadier" father or big brother or sister was also honored by a triumphant working class. He would learn that "he who does not work does not deserve to eat"; that labor is the passport to all not birth or riches.

And part of his training in school would be the use of tools—all tools. He would start using tools almost as soon as he started to talk. In Soviet kindergartens, children clip out airplanes, tractors, locomotives—not fairies. A little later, the child begins to use the hammer, saw, screwdriver. Later he graduates to machine tools, and when he is through school he has mastered, not just a trade, but the essential skill in handling tools that makes a master craftsman in all trades.

Thereafter he would enter industry on a part-time basis. Half his day he would work in the factory, gaining practical knowledge. The other half he would apply to study of the theory in back of his work, till he became an expert. If he proved a good student and a good worker, he would be sent to the higher technical school and to the other institutions of learning. The union in the factory would decide his worth as a member of society—and that would be a big factor in deciding whether he graduated or not.

The Soviet Union began with a shortage of almost everything. Czarist Russia was a land of paupers, except for the few who lorded over the laboring masses. A good part of the industry which had been developed was destroyed by the White Guard and interventionist troops during the long years of the civil war when the dispossessed exploiters tried to wrest power from the triumphant workers' revolution.

There was a terrific shortage of trained forces in every field of education. In spite of that, the workers of the Soviet Union have established and maintained a compulsory 7 years' schooling for every child. In many parts of the Soviet Union the compulsory period has been increased to 10 years. It will increase again and again, as Socialist construction builds up the resources of the workers' land.

Soviet America will start on a far higher economic level. Soviet America will have the trained workers, the factories, the mills, and electric plants that the Soviet Union today is struggling to acquire; that is, we will, unless we allow capitalism deliberately to destroy, because it cannot profit from, the vast economic forces of America today. Capitalism is allowing billions of dollars' worth of our past labor, in plant and structure and training, to go to waste today, because it cannot use it. Our Soviet American school children will have the privilege of going to school freely till they are full-grown men, to get a completed knowledge that their working-class fathers under capitalism are denied. And our longshoreman, bargeman, towboatman, or seaman will have a family and a home for the first time in history. It will not be a hovel, but well-lighted, well-heated, well-ventilated quarters such as even the rich do not have today. The experiments in housing that capitalist America finds too expensive, the workers' government of Soviet America can put in mass production, simply because we will produce these quality goods for the mass of the working class, not individual samples for the few who now own and dominate the capitalist world.

The longshoreman's wife will be a worker, too, and so will the seaman's. Woman will not be the slave of the stewpot and scrubbing board in Soviet America. Neither will she be the slave of her husband. No real freedom is possible under economic dependence. The Soviet American woman will be sure of her standing. Through her working life in Soviet America she can always have a job if she wants to and be able to care for herself, regardless of a husband. And when she is unable to work, because of sickness, child bearing, or old age, she has the guaranty of the Government's social-insurance system to protect her from hunger, cold, and uncertainty. She has the freedom of her own life to live, dependent on no man, an efficient and effective member of society.

WORKERS' PART IN GOVERNMENT

The United States, we are told, is a democracy. The worker and the capitalist have equal rights. But what democracy and equality is there between J. P. Morgan and a seaman? Morgan, the multimillionaire, and a few other big capitalists own and control the finances and the industrial system of the country. If they choose, they have the power and the legal right to shut down the industries and to sentence millions of workers to starvation. The workers on the other hand, have no say at all in the running of the industries. A worker has not the slightest say even in the factory, mine, or ship where he works—if he has a job.

If workers don't like their wages, and exert their economic power in a strike—the law is against them. If the boss chooses to starve the workers because he cannot exploit them profitably—the law is with him, against the workers, and will massacre workers by the score before it will allow any violation of his property rights. The workers' right to life, liberty, and the pursuit of happiness is a grim farce when men are denied the right to eat or produce food, clothing, and shelter for themselves and their families.

In the Soviet Union, under the proletarian dictatorship, the dispossessed capitalist has no voice at all. The workers have all the say in the running of the industries. The law and the State power is with the workers, against their enemies. They deal none too gently with the enemies who attempt to sabotage the industries, which are operated solely with the view of serving the needs of the toiling people.

Under capitalist democracy the worker has the right to vote—but that right is denied to millions, and to increasing millions. His own political parties, working class parties with working class platforms, meet with every sort of trickery, repression, and actual violence to keep them off the ballot. Where they make the ballot—a blank wall of silence in the capitalist press, when that press is not slandering and misrepresenting their position. The capitalist parties, on the other hand, or a party which pretends to speak for the workers but serves against the workers' interests, gets space freely and eagerly from the owners of the press—who are part of the capitalist class.

We workers lack the finances, the press, the radio, all the means of "making public opinion" against capitalist robbery. All these propaganda weapons are owned by the capitalist class and used against the workers. As, for instance, Mr. Hearst misquotes Lenin, and refuses to correct the misquotation. It is deliberate. Mr. Hearst lies about the Soviet Union and tells lies that even his own reporters prove are lies. But he tells them over and over again, with a perfect capitalist disregard for decency, honesty, truth. Against this we have the feeble pennies of the working class, and our small press, which we must strain every nerve to keep alive.

In the Soviet Union, the papers, movies, radio, meeting halls, and political control are in the workers' hands. The workers' opinions are important; they are printed in the papers. The remnants of capitalist groups (still capitalist in sympathy but no longer exploiters of labor) have nothing to say. They cannot vote, they cannot hold office, they cannot own anything. The Soviet workers nominate and elect their political representatives, right on the ship, the dock, or right in their factory. And it is their factory, because the workers own it.

The American seaman is a ward of the Government. He has no vote, because he has no established residence. His most familiar contacts with the law are the United States shipping commissioner, the customs collector, and the "bull" on the beat. And they are all his enemies.

The shipping commissioner is supposed to enforce the law, but he always makes his first stop in the skipper's cabin for a drink or a cigar, and things flow smoothly as he logs (fines) this man and that for minor infractions of the rules. But when a seaman wants to protest a violation he must take it to the United States marshal and wait 6 or 8 months for it to come to trial—and finance the case.

The customs officer searches his bag to see if he has committed the heinous offense of bringing in a "contraband" bottle of spirits, or tried to eke out his miserable wages with a few trifles bought abroad.

The "bull" on the beat slugs him when he takes a drop too much, and protects the gang of pimps, prostitutes, and sharks who try to rob the sailor ashore. Since the seaman doesn't drink regularly, it doesn't take much to edge him, and a little slug of knockout drops always helps the shore enemy. The cop, of course, knows the gang on the beach, and the chances are even they play together.

The seaman comes still closer to the real significance of government and politics in his struggle for better wages and working conditions. Then the "law" is squarely lined up against him. You don't have to tell the seaman that the Government is the executive committee of the capitalist class. He sees clearly that politics is a class struggle for power. Maybe that combination of circumstances explains why seamen have always been militants, and are always found in the vanguard of working-class revolution.

Longshoremen, of course, face politics more familiarly. But politics dissolves itself into the class struggle for them, too. The "political club" and the graft of municipal jobs and contracts and Federal "patronage" are just a way of paying the capitalists' henchmen for their job of baiting the masses and keeping the capitalists in power.

The reactionary leaders of the American Federation of Labor have an important part to play in capitalist politics. The "nonpolitical" policy of the A. F. of L. has brought sweet plums to the officials of that organization. They have "rewarded friends and punished enemies" very effectively for themselves. Joseph P. Ryan, of the I. L. A., plays in close with whatever administration is in power in New York. Nationally he is a Democrat. Victor Olander, of the I. S. U., plays Democratic politics very successfully in Illinois, and Paul Scharrenburg plays the "rock-ribbed Republican" so successfully in California that he has held political office for 12 of the 18 years that Tom Mooney has been in prison. They all have contributed mightily to keeping capitalism in the saddle. So have Billy Green, Ed. McGrady, and Matthew Woll.

Under capitalist democracy the worker is lied to, tricked, and persuaded—and, if need be, intimidated—to vote for capitalist politicians, who make many promises and repudiate them all when they get elected to the seats of power and graft. Every capitalist politician does it. Compare Roosevelt's promises with Roosevelt's acts. He promised unemployment insurance; he gives us the Wagner-Lewis bill which leaves entirely out in the cold the 17,000,000 now unemployed. He promised "sound money"; he gives us a 40-percent wage cut by inflation. He promised to "drive the money changers out of the temple" and 46 more grabbers made million-dol-

lar incomes in the first year of the New Deal. He promised us "greater purchasing power," and wages have gone down, prices up. He promised us the right to organize, and under section 7A 45 percent of the industrial workers were forced into company unions.

Capitalist politics—regardless of capitalist party—is the technique of keeping the workers in subjection. While they can do it peacefully they keep up the mask of democracy. When they can't put that across any longer, because they have to smash demonstrations for relief, and strikes for higher wages and shorter hours, because the workers can no longer be deluded, and begin to fight for power, they drop the mask and show the real face—the open face of capitalist dictatorship.

Working-class politics under capitalism, on the other hand, is the struggle to wrest power and ownership of the means of production from the capitalists for the workers. Whether in elections or fighting criminal syndicalism laws and other antiworker laws in the courts, or in strikes for higher wages and better conditions, the worker finds the State power pitted against him. He is fighting a political battle. Every force of the law is against him. Sometimes it is an N. R. A. Mediation Board. Sometimes an injunction court, sometimes the police or troops with tear gas, bayonets, bullets, and even artillery. Sometimes it is the illegal vigilante mob defending the right of the capitalist to exploit the workers. It may take some time but the capitalists will drive this lesson home in this and every capitalist country.

In America we have a dictatorship of the plutocracy disguised as a democracy. In the Soviet Union we have the dictatorship of the proletariat—a dictatorship for the exploiters, a democracy for the toiling masses.

Stalin writes, in his Foundations of Leninism:

"Democracy under the capitalist system is capitalist democracy, the democracy of the exploiting minority based upon the restriction of the right of the exploited majority and directed against this majority. Only under the dictatorship of the proletariat is real freedom for the exploited and real participation in the administration of the country by the proletarians and peasants possible. Under the dictatorship of the proletariat democracy is proletarian democracy—the democracy of the exploited majority based upon the restriction of the rights of the exploiting minority and directed against this minority."

State power in the hands of the working class is a necessary and mighty weapon in the struggle against class enemies, within and without the country, in the struggle for greater well-being of the toiling masses, to build industry and agriculture on a Socialist basis, and to wipe out classes entirely—to achieve the classless Socialist society.

It was not enough to overthrow the capitalist class. Even after that the capitalists would not give up. It was therefore necessary for the working class to establish its state power, the dictatorship of the proletariat, in order to suppress the resistance of the capitalists, to uproot the vestiges of capitalism and capitalist influence, and the influence of capitalist ideas, in order to build socialism.

Lenin said that upon the overthrow of the capitalist class "Its resistance is increased tenfold," among other reasons, because of the strength of its international connections and the strength of international capital. This was proved correct by the experience of the Russian revolution.

The white guard and interventionist troops tried to smash the workers' revolution, to restore the capitalist power. International capital tried to defeat the revolution by an economic blockade and boycott. Spies and saboteurs tried and still try to wreck the triumphant march of the workers and peasants to the classless society and production for use—the goal of the working class. In spite of these enemies, within and without, the toiling masses, under the dictatorship of the proletariat, and led by the Communist Party, have marched steadfast toward the goal.

The collective-farm campaign, weaning the peasants from their little individually tilled strips of land, to work cooperatively and with machinery on huge areas of land, was the final crushing blow to capitalist tendencies in the Soviet Union. The great gain in producton—more bushels of wheat per acre and per man—proved to the peasants that the Bolsheviks were right. The peasant is on the road to socialism, to becoming a worker in an "agricultural factory," instead of a half-starved landowner. He has become a builder of socialism, side by side with the worker in the industries.

This process has now gone so far that the recent Congress of Soviets, the supreme governing body, admitted the peasants as full partners in the dictatorship of the proletariat—the workers' government. Thus, while capitalist democracy (the disguished rule of the capitalist class) is shrinking, the base of democracy in the Soviet Union—the democracy of the toiling masses—gets broader.

CRISIS OF THE CAPITALIST SYSTEM

This sounds good but you won't get it for nothing. The woes of the American worker today all come from one thing and one thing only. That is private ownership of the land and the means of production.

Land, mills, mines, factories, railroads, and ships—everything in America has a private owner, although the owner is most often a corporation for anything larger than a 3-acre farm.

The workers, on the other hand, own practically nothing, certainly not the tools of production. Their "tools" are the machines, factories, mines, railroads, ships. With these tools they produce all the good things of earth. Without these tools they are helpless. They have nothing but the bare force of their arms and brains. They "know how to do" things; but they have no power to do them until the owner of the means of production gives them a job.

The owner of these tools, the capitalist, refuses to hire the worker to produce goods unless the owner can sell the goods the worker makes, and get more money for them than it cost him to pay the worker his wages, pay for raw materials, and pay for the replacement of the tools and machines used in producing goods.

When the worker works, he makes for the owner many times over what he "earns" for himself in wages. This surplus value produced by the worker is split many ways. Part goes as rent to the landlord, part goes as interest to the bondholder, part goes as profit to the shareholder, and part goes as wages of management to financial wizards who sit in offices and figure out how to cut wages.

The owner uses part of this surplus to enjoy life—to eat in swell cafes, live in swank apartment houses, with strings of servants, cars and yachts, to go to theaters, and take trips to Florida, or to Europe when America bores him. But he makes more than that. Part of what the worker makes for him he turns back into industry, as an investment. In other words, he buys more tools that other workers have made for other bosses. And then he makes surplus value on more workers operating those tools. He produces nothing himself; merely buys the workers' labor power and puts it to work on tools that are themselves the stored-up labor power of other workers.

The bosses keep piling up more and more, till they have such a surplus of goods that they can't sell any more—because all the workers can't buy back the total of what all workers produce. Goods begin to pile up in the warehouses. The bosses cut down production, lay off workers. We get unemployment, people of all classes begin to feel uncertain about their income and cut down on their expenditures, there is a further shrinking in the demand for goods. The bosses get panic stricken, lay off more workers, close down factories. An industrial crisis, or depression as the capitalist spokesmen prefer to call it, is on.

Capitalism has always periodically gone through such unavoidable crises. To the working class, they meant unemployment and starvation, and a break-down of health and morale, for millions.

In former times, the capitalists managed to scramble out of the crises because capitalism was still on the up-grade, because it was operating in an expanding market. Capitalism still had the world to conquer. Capitalist nations were grabbing colonies and establishing spheres of influence in backward, undeveloped countries, to exploit as markets and fields for investment. North America was still a land of unlimited opportunity. It was being rapidly settled with immigrants from Europe. Its agricultural population was increasing. New industries were rising, old industries were expanding—offering a market for what is known as capital goods.

By the beginning of this century, however, the world was pretty well divided up. Germany came late on the scene of industrial development but forged ahead rapidly. It could not find any free countries to conquer for her surplus goods. She started taking England's foreign markets away from her by selling goods cheaper. But she also wanted colonies and spheres of influence to secure sources of raw materials and a market for her industrial goods and for investments. So the Kaiser started talking about a place in the sun. This struggle for markets brought on the World War.

Across the Atlantic, United States imperialism was also reaching out for markets. It had grabbed Cuba and the Philippines. It was pushing ahead in South America. It was fighting for the "open door" in China, that is, for an equal opportunity with the other imperialist powers to exploit the Chinese market.

The outbreak of the war in 1914 was its golden opportunity. It started taking over the foreign markets that Germany and England were too busy to think about. It had an unprecedented period of "prosperity" and expansion, supplying murder implements to the battling armies of the belligerents and selling manufactured goods on its own terms in other foreign countries. The United States became a first-rate world power.

American imperialism finally entered actively into the war, to save Morgan's loans to the Allies, to have a say and to protect its interests when the time came to "settle up" in the peace treaties.

The World War was a struggle for a redivision of the colonies and the world market. But it did not solve the difficulties of world capitalism. On the contrary, it upset the stability of the capitalist world, it brought a general crisis of the whole capitalist system. It brought the first wave of proletarian revolution in Europe and roused the oppressed peoples in the colonial and semicolonial countries.

When the first wave of proletarian revolution receded, in 1921–23, world capitalism got a breathing spell. But it did not regain its old strength and stability. It had lost one-sixth of the world to the proletarian revolution—the Soviet Union, whose very existence and growing strength on the basis of Socialist construction are a standing challenge to capitalism. It was unable to restore the pre-war standard of living to the toiling masses in Europe and the colonial world, and was forced to place a heavy taxation burden on them in the interests of the war-loans bondholders. This sharpened class conflicts in the imperialist countries and intensified the struggles of the colonial peoples. Nor were the antagonisms between the imperialist powers solved. They had to make a truce because they were not ready to fight the issues out. But actually the old antagonisms became sharper, and new antagonisms came to the fore. Thus world capitalism regained stability only as compared with the immediate post-war period.

Capitalism proceeded to lick its wounds. The European capitalist countries, especially Germany, went ahead adapting and restoring industry to a peacetime basis, with new equipment and to a considerable extent with American credits. This temporary demand for industrial equipment, a byproduct of the World War, helped to

start the wheels going. American capitalism, after deflating labor and labor costs in 1920–21, began to take care of those needs of the home market that were neglected during the war. There was a boom in the construction and household goods industries. The home market was jerked up through installment-plan sales, by swallowing future earnings—to the benefit particularly of the automobile industry. And American capitalism was still the big figure in the world market.

As European capitalism was restoring its industries and getting back into the world markets, the capitalists of Europe and America were taking steps to undersell each other by cutting the cost of production. They did this by installing more efficient, labor-saving machinery and by the new American methods—the conveyor system, efficiency, speed-up, stretch-out. The bosses use a nicer name for this—rationalization.

It was all very beautiful (on the surface) and it went on for a few years. World capitalism developed its productive forces and productive capacity to a much higher level than ever before. American industry boomed, American capitalism seemed to be in full bloom. To be sure, it had some suspicious spots—like the agricultural crisis, the sick, overexpanded coal and textile industries, the technological unemployment—but the medicine men of American capitalism refused to look too closely at these spots.

Its spokesmen, and the reformist labor leaders, claimed that it had found the way to permanent prosperity, to a chicken in every pot. Socialist leaders in Europe helped to put over rationalization and spoke of the American methods, Ford methods, as the way to raise the standard of living of the masses, the way to reform capitalism.

They forgot that capitalism did not solve its basic difficulty arising from the private ownership of the means of production, that the capitalists, by appropriating the surplus value squeezed out of the workers, restrict the market. They forgot that world capitalism was expanding its productive capacity in the face of the shrinking post-war market. That the very means the capitalists used in the struggle for the shrunken world market made it shrink more, intensified the internal and international antagonisms.

It was a fool's paradise, and it could not last. The bottom blew out in 1929. The economic crisis that followed swept the capitalist world with unexampled ferocity, affecting every corner of world capitalism, the imperialist countries and colonial countries, industry and agriculture; upsetting the credit and finance structure; undermining the international connections of world capitalism sharpening the class antagonisms within the imperialist countries, sharpening the international antagonisms.

Never had capitalism known such mass unemployment, such impoverishment of the toiling masses of city and country. The capitalists of all countries searched feverishly for new markets, and they further reduced the markets by cutting wages and raising the burden of taxes on the masses. They all agreed at international conferences that it was necessary to lift the tariff barriers, and kept on building tariff walls, higher and higher. Even England abandoned its traditional free-trade policy. And while they were raising the tariff walls to protect their home markets, they fought for foreign markets and subsidized exports to the point of developing dumping into a general system.

They said it was necessary to reduce and to balance the governmental budgets, and the governmental deficits keep rising to new heights. They were anxious to eliminate all factors of uncertainty and instability—all uncertainty disturbs business—and they were forced to abandon the gold standard, to resort to inflation and devaluation. This had its silver lining—it served as a weapon both to lower the standard of living of the masses and in the struggle for foreign markets.

They wanted to allay discontent, they preached "class peace," and they did everything to intensify discontent and to sharpen the class struggle. Never—save during the period of the first wave of proletarian revolution—had capitalism faced such mass struggles. Bitterly fought strikes; determined mass struggles of the unemployed; mutinies in the British fleet, in the Dutch fleet, in the Chilean fleet; revolution in Spain, revolution in Cuba; the spread of Soviet rule in China. They were forced to discard the "safety valve" of illusion-producing democracy, and to clamp down on the toiling masses the lid of open, terrorist dictatorship of finance capital—the Fascist regime—in Germany, Austria, etc. And in the other capitalist countries they are paving the way for fascism, resorting more and more to Fascist measures and fostering Fascist movements.

For many years they talked of disarmament and reduction of armaments. And we now have the greatest peacetime armies, the largest peacetime war appropriations, and the armaments race is more feverish than ever. Japan has upset the imperialist truce in the Far East, attacking China and seizing Manchuria—as a base for a future attack on the Soviet Union. In Europe, the mad dogs of German fascism are straining at the leash, anxious to loose a war on the Soviet Union, or a new world war.

American imperialism is rushing its war preparations. It is hurrying the building up of its Navy. It is strengthening the Army and the National Guard. Behind a screen of "taking profits out of war" it is preparing the mobilization of industry for war purposes—and conscription of the workers at low wages. It has by far the largest peacetime war budget in history. On top of this, it is using a good part of the unemployment-relief funds for war preparations, including training of the youth for future cannon fodder in the C. C. C. camps.

The stability of the capitalist world is a thing of the past. The crisis of the capitalist system is deeper than ever.

Every capitalist nation is in the same straits, and every capitalist nation tries to get out by the same method—breaking down the standards of living of the workers, and fighting for an advantage over the enemy in foreign trade. Eventually it all leads to another war—another redistribution of the world—with millions killed, and another and deeper phase of the same crisis of capitalism at its end.

All our miseries result from the private ownership of the machines and the land.

That is why we are unemployed. That is why we always risk losing our jobs—because we have produced too much. That is why the laboratories that find new processes and new products cannot continue to find new wonders for the human race. That is why machines cannot continue to turn out the goods we need to live. That is why wheat and corn, cotton and cattle are destroyed while millions of workers starve. And that is why we face the danger of being sent off to some foreign land to attack enemies whose working class population are as innocent of any crime against us as we American workers are of any crime against them. It is because the capitalist class owns the tools of production and the land, and will not let us use them unless that use is profitable to them.

If you examine capitalist thought today (like Roosevelt's campaign promises and his "revolution"), you will see that the capitalists, as well as the workers, know their system is all wrong. But every step their governments take to correct it is a step to fasten their criminal system of exploitation faster to our necks; to guarantee their profits, no matter how bad they have to make the workers' lives.

This is what capitalist government is for—to guarantee to the owning class its possession of the means of production, to regulate somewhat the struggle of the ruling class among themselves over the division of the loot, and to crush the struggles of the exploited class against this ownership and exploitation by any means necessary.

MENACE OF FASCISM

American workers today are examining the conditions of social life—politics—in a critical way they never did before. There is a growing conviction that the workers cannot live under private ownership of the means of production, and the workers are determined to live. The capitalists know this. They know that the workers are rapidly coming to the conclusion that capitalism is the enemy. That conclusion is a threat to capitalism. And the capitalists are desperate in their efforts to head it off.

In Italy there was one fascist movement. In Germany there was one. In the United States there are a hundred different fascist movements, all trying to head off this anticapitalist conviction in the workers' minds. There are veterans' movements by the score. Social justice movements by the dozen, "religious" movements in squads, and just plain rackets done up in fancy shirts by the hundred. And there's the old Ku Klux Klan, hating Negroes, Jews, Catholics, workers, and ready to rip the sheets off the bed and ride again in defense of private property.

All these "shirt and social justice" movements are basically one effort to save capitalism. All of them pretend to correct injustice but all of them stand ready to shed workers' blood for the sacred rights of private property—to defend capitalist ownership against the workers' right to live, just as Hitler and Mussolini have done.

The capitalists have given these anticapitalist movements a big hand. Many of them started their careers in Wall Street offices, like McGuire's efforts to get General Butler to lead half a million veterans to Washington to "support the President" by putting him out of office and putting "our man" in his place. That scheme was concocted by a Mr. Clark, heir to the Singer millions that lost one factory and 5,000 wealth-producing slaves when the Russian workers kicked out capitalism. Mr. Clark said he was willing to spend half his $30,000,000 to save the other half.

Father Cox, of the Catholic Church, also tried (like the Singer gang) to take over the bonus expeditionary force. He put on a blue shirt and tried to organize gangs to disrupt workers' meetings in Pittsburgh, and tried to get the miners back to work for less than the county relief gave them when unemployed.

"The church will make up the difference" said the Fascist Father. That ended Father Cox as a mass leader. Holy church had to look for someone else to lead the masses to social justice and to fascism. The church supports Hitler, although it has minor differences with the Nazis; the church supports Mussolini; the church supports Schusschnigg in Austria, and supported Dollfuss—the murderer of a thousand workers—before him. The church supports Pilsudski in Poland. In fact, fascism is the form of government the church approves most. It can always play ball with a Fascist.

The church turned to the Little Flower, whose scab church desecrates the suburbs of Detroit—Father Coughlin. This scabby little flower blares forth on a broadcast that costs $30,000 a week for social justice, including the right to exploit workers. He is supported by an inflationist clique that cleaned up (including a quarter million for the Little Flower) in Roosevelt's Dollar Devaluation and Silver Purchase Acts. One of his Committee for the Nation is Rumley, who went to jail as a German agent during the war. Rumley is still "agenting" for Hitler.

Another who wants to "save the Nation" is that great American and sterling patriot, Al Capone: "Bolshevism is knocking at our door," says Al. "We can't afford to let it in. We have got to

organize ourselves against it and put our shoulders together and hold fast. We must keep America whole and safe and unspoiled. We must keep the worker away from 'red' literature and 'red' ruses; we must see that his mind remains healthy." Otherwise, Al Capone might have to go to work. A pleasant picture: Al Capone, shoulder to shoulder with the Singer millions, holy church, and a three-K nightgown, defending "America." Hearst somehow would fit better with Capone. Gen. Smedley D. Butler exposed a few of these shirt-tail movements to save capitalism, and some "veteran" movements financed by Wall Street. Butler, apparently, didn't think they'd come across. Every one of these movements is "patriotic," bloodthirsty, capitalistic, and a racket. But if one catches hold, it won't be a racket. The big boys will grab it and make it the Government of the United States, as Fritz Thyssen made Hitler's racket the "Third Reich."

Still another "anticapitalist" move to save capitalism is Huey Long's "share the wealth" plan, which has gained much support from middle-class groups in the South. Huey wants to limit exploitation to $50,000,000 per exploiter. But he wants to guarantee the right to exploit with every piece of artillery in the State of Louisiana—and especially Huey's right to graft on every piece of business in the State. We know what becomes of these "limitations" on capitalism when they have served the purpose of putting their inventor into power. They are ignored.

All Fascist schemes are alike. They denounce the "abuses of capitalism" and attack some special phase of capitalism. Huey attacks "great wealth," Father Coughlin denounces "bankers' money," while Morgan, Vanderlip, and Rockefeller—all bankers—support him. But they all defend private property in the means of production; they all defend the right of ownership to rob the workers. And when they get power, they all use their gangsters, their police, their army, to keep the worker working for the private owner, and to drive wages lower.

Fascism attacks the abuses of capitalism with words, but it attacks the workers with knives, guns, and gas, like the Christian Father Coughlin, who wants to shoot Communists himself.

Fascism always has the police with it. Fascists kill workers, the police arrest other workers for the crime. Fascism never won power for itself. In Italy, Germany, Austria, the very state power that was supposed to be fighting against fascism handed it power. Fascists talk of their revolution, of their march on Rome, or Berlin. Mussolini marched on Rome in a sleeping car, with a special police escort.

And every Fascist movement that has won power has had the aid of labor leaders who cried to the workers: "Don't fight back, be law-abiding; the state will protect our rights," while Fascist gangsters were shooting, knifing, breaking up workers' meetings. These labor leaders, like the International Seamen's Union leaders in this country, talk about working with the employer for mutual benefits. They always shout for democracy while they rule their unions with dictatorial power, and prevent any fight against the Fascists. They teach the workers to retreat inch by inch, foot by foot, before aggression, because they want to be law-abiding, democratic, peaceful, till the workers are in full flight before Fascist assaults. Fascism never dares seize power till these leaders have paved the way by breaking the ranks of labor and spreading their poisonous doctrine that the workers are too weak, "we can't win." And when fascism strikes its final blow these leaders and their hapless followers are alike victims of Fascist terror.

In Germany, Austria, and Italy the Social-Democratic leaders (like our A. F. of L. and Socialist Party leaders) took this "peaceful road to socialism" line, defending capitalism, even when they controlled the government. They delayed, excused, apologized for, and supported capitalism until fascism had built up its army of thugs, and till the workers had become demoralized and unprepared to fight.

Austria's labor leaders did the same thing. And when the workers finally revolted at this hesitating leadership and took arms, their Socialist leaders had got them to retreat so far they couldn't fight a winning battle. The fight against fascism came 2 years too late in Austria, and the Socialist leaders made the workers delay. Now they use this defeat to claim that the workers can't win—typical cowardice.

In Germany, when the Communist Party and the "red" opposition in the trade unions were clamoring for all the workers to get together in a united front to fight Hitler's Nazis, the Socialist leaders refused. They said, "Stick to constitutional methods," while every legal right of the workers was being destroyed, with the police watching and defending the Fascist murderers.

Fascism came to Italy, Germany, Poland, Austria. It destroyed the labor unions, it made the factory owner the leader of his workers, and took away every right ever won by the workers. It cut wages, lengthened hours, and drove the unemployed, and especially the young men, into slave camps to work for nothing. Fascism murdered thousands of workers and imprisoned hundreds of thousands. All the social justice and socialism, all the Fascist promises to the workers, were forgotten. The poor dupes who insisted on socializing the banks were murdered. Fascism showed its true face—the last desperate effort of the capitalist owners of the means of production to enslave and drive down the workers.

The French workers, on the other hand, refused to listen to these legalistic leaders who urged them to yield, not to fight back. The workers formed a united front—got together regardless of their political opinions, and fought back. The Fascist drive of February 6, 1934, was smashed on this rock of working-class unity. The Fascists are not completely crushed in France. They will try again, and as French finance capitalists get more desperate, fascism will get more support. But the united power of the French workers can, and will, smash every attempt, and go forward to Soviet France, instead of to Fascist France, if the workers keep their fighting united front.

Now, fascism is trying to get a grip on America's workers. The capitalist class in America is desperate, and getting more so. They see its great industrial structure—which we built for them—tottering, unable to support the workers, unable to produce profits for them. Their solution for this situation is more crushing burdens on the workers; through the trickery and maneuvering of N. R. A. codes [1] with their company union and anti-working-class trends, and through open union smashing, and Fascist domination of the workers by their employers.

THE REVOLUTIONARY WAY OUT

The workers refuse to accept this enslavement. On every hand you see the workers fighting back—in spite of their leaders, who smoke an opium peace pipe and accept defeat time after time without putting up a fight.

The workers have put up a fight, and will continue to put up a fight, in spite of their leaders' treacherous connivance with the employers and the Roosevelt government.

Toledo, Minneapolis, San Francisco, and the textile strike last year—all show the battling spirit of American labor. And it is fitting that in San Francisco the battle of the marine workers, against the enslaving code and enslaving agreement their self-styled leaders accepted, should have risen to the highest point in that year of struggle against the slavery of capitalism. In New York longshoremen and teamsters, connected with the marine industry, built on the west coast gains and struck in 1935—a purely political strike—against an infamous injunction that tries to smash their unions and forbids them to organize.

It is fitting, because in all history the marine workers have been in the forefront of revolutionary struggle among the workers. The sailors of Cattaro, the sailors of Cuxhaven, the sailors of the "Aurora," and the sailors of the Black Sea Fleet, all stand out as heroes of the working class battles against oppression, for political power. America's seamen and longshoremen will stand out in that battle too, in spite of every attempt of fascism to break their militant spirit.

The fundamental thing about fascism is that it preserves capitalism, the private ownership of the land and the means of production, the owner's right to profit on the labor of the workers. That means less to eat, less to wear, less of everything for the worker. Besides, any political rights the worker may have go.

Reformists say "fight fascism legally," and so pave the way to fascism. Fascism is the illegal attack of the owners, backed by their political state power, to crush the workers' resistance to slavery. Reformists talk about "a peaceful road to socialism" when every force of the capitalists is leveled at the worker's throat, to smash him down into the prison of fascism, the concentration camps and forced labor.

It would be very nice if the workers could get ownership of the means of production and a Soviet America without a struggle. It would be very nice if the capitalists would say, "Boys, we have tried to run this damned thing and we can't. You take it, and we will go to work tomorrow in a ditch, doing the only honest labor we are able to do." But they won't.

A dying class never dies peacefully. Today, the capitalist class is fighting a last-ditch fight to stay alive and exploit the workers. The capitalist class sees machines rotting, sees workers losing their skill, sees workers dying of starvation. Does it give up? Does it modify its exploitation? Does it cut profits and raise wages, so the workers can buy back what they have produced, and so start industry working again? It does not.

It arms its Fascist gangs. It crushes demonstrations with police clubs. It smashes strikes with gas and gun, club and bayonet. Fifty workers murdered on the picket line last year; concentration camps for strikers in Georgia; Bloody Thursday on Rincon Hill in San Francisco; the "Battle of Pier 41" in Seattle; and workers' halls smashed and looted by Fascist mobs in every coast city (while police protected the Fascists); these are the owners' answer to our cry for the right to live.

Workers lost in wages, in buying power, in living conditions last year. But 46 new parasites made million-dollar incomes through concentration of ownership. Capitalism had a "year of recovery"—recovery of profits at the expense of the workers. The capitalist class is a dying class, but it does not die easily. The workers will have to put it out of its misery or it will make misery more acute with slavery, war, and destruction of all life and civilization.

That is what the Russian workers found out in 1917. They took the path of revolution and worker ownership of the means of production as the only escape. And eventually the American workers and farmers will take that road to worker ownership.

We will have a harder time than the Russian workers had attaining power. Our capitalist class has had generations of experience

[1] This pamphlet was written and ready to go to press before the Supreme Court decision on the N. R. A. The decision does not invalidate the characterization of the N. R. A. as an anti-working-class measure. It only means that Wall Street is convinced that the N. R. A. had served its purpose, that the capitalists can now pass to a more open onslaught on the workers to be combined with a new kind of demagogy.

in ruling by means of "democracy." It has well learned the art of using its economic power, its state power, all the means of deception, bribery, and coercion to fool and intimidate the workers and the toiling masses. It has in its service labor leaders skilled and experienced in misleading the workers, in dividing their ranks, in spreading illusions among them, in checking and obstructing their will to struggle against exploitation. It has built itself an army of gunmen, who face the necessity of going to work if the workers abolish private property and exploitation. It has built itself an army of parasites and hangers-on to defend it. It will fight the workers to the last ditch.

But the American workers will not be fooled nor intimidated much longer. They are learning from their own bitter experience and from the example and experience of the workers of the Soviet Union. It will take a dictatorship of the proletariat (the workers) in this country, as in the Soviet Union, to defend the workers' power, to suppress the resistance of the capitalists, to crush the sabotage and terror our "white guards" will carry on in secret.

But once capitalist rule is overthrown, once the working class and its allies have discarded the capitalist state power and have established a Soviet state, a Soviet America, it will have great advantages that the Soviet Union did not have. Soviet America's progress toward socialism and communism will be fast. Our workers are trained. Millions of them have the knowledge and skill that old Russia lacked. In Russia the working class was a minority of the population. In the United States the working class is a majority of the population.

The Soviet Union started out with undeveloped resources, with an economy predominantly agricultural, a population largely illiterate and predominantly peasant, with an extremely inadequate communications system, with a shortage of skilled workers and trained engineers and technicians. Soviet America will have at its very start developed resources, highly developed industry as well as agriculture, railroad systems which crisscross the country. It will have a working class which constitutes a large majority of the fifty-three million classed as gainfully employed and the workers, millions of them, skilled and trained in the handling of machinery. It will have a large number of trained and experienced engineers and technicians.

Our farm population, too, is not the peasantry of old Russia. Our farmers know what capitalism is. They know that capitalism offers no salvation to the farmer. Our American farmer knows that ownership of the land does not solve his problems. He still faces all the terrors of the mortgage, and loses his farm to the banker. He has learned that his interests clash with the interests of the big capitalist. The American farmer has also learned something of the value of cooperation and large-scale production. We will not have so difficult a struggle against "kulakism" in this country as the workers had in the Soviet Union.

Our professionals, too, our engineers, technicians, architects, research and scientific workers—a large part of them—will be ready to line up with the working class and give loyal service in building socialism. Scores of thousands of them are learning of their own experience what capitalism spells in insecurity, unemployment, misery, in waste and destruction of natural resources and of human life and labor. Many of them are already now giving support to the struggle against capitalism and capitalist rule. An increasing number of them will be ready, as time goes by, to join in the struggle for socialism.

Only one organization has had a clear view of the developments of the world in recent years—the Communist Party. When Coolidge was President and everything was booming, the Communist Party warned the workers that capitalism, which had gotten temporarily on an even keel, was heading into heavier weather than ever, and was bound for the rocks.

In May 1929, Stalin, addressing an American delegation, said:

"You all know very well the strength and power of American capitalism. Many now think that the general crisis of world capitalism will not affect America. That, of course, is not true. The crisis of world capitalism is developing with increasing rapidity and cannot but affect American capitalism. The 3,000,000 now unemployed in America are the first swallows indicating the ripening of the economic crisis in America. The sharpening antagonism between America and England, the struggle for markets and raw materials and, finally, the colossal growth of armaments—that is the second portent of the approaching crisis."

The crash came 6 months later.

When it came, the reformists, the labor leaders, the Socialists all agreed with Hoover and the capitalist economists that all the machine needed was a little fixing. The labor leaders of the A. F. of L. agreed with Hoover on a no-strike policy. And the capitalists started slashing wages. The Communist Party called on the workers to fight, to fight against wage cuts, to fight for shorter hours without loss of pay, to fight for unemployment relief and unemployment insurance.

While labor leaders and Socialists were talking class peace, the Communists mobilized the first mass protests against unemployment and starvation. On March 6, 1930, the Communist Party organized a demonstration of 100,000 in Union Square. Other demonstrations all over the country showed the workers' demand for unemployment relief. The Communist Party has never lost leadership of the fight for relief and for unemployment insurance. It was this struggle, led by the Communists, which forced the capitalist class—for the first time in the history of the country—to extend public relief, instead of private charity, to the unemployed. The Communists have forced the capitalist parties—all of them—to do lip service to the needs of the unemployed, and to introduce various measures to sidetrack the demand for unemployment and social insurance that grows more insistent daily.

On the water front, it was Communists who organized the Waterfront Unemployment Councils, and led the seamen's battle for relief from the intolerable graft and robbery practiced by the "holy rackets" in the name of relief to seamen.

It was Communists who defied William Green's acceptance of Hoover's no strike policy, and all the truces by which Roosevelt has tried to stop the workers' fight against wage cuts and starvation. The first strikes against Hoover's wage-smashing policies in 1931 and 1932 were led by Communists. Communists led the miners, the auto workers, the steel workers, the seamen to organization and a struggle against the rotten conditions and wages in these basic industries.

The Communist Party was the only party that analyzed the New Deal and branded it from the very first for what it was and has proved itself to be—an effort to bring down wages to minimum standards, to lower the workers' living standards through inflation, and raise the profits of the exploiters; to prevent strikes through the labor boards, and to hinder the organization of the workers into genuine unions.

The "red" unions of the T. U. U. L. led the first strikes against the New Deal. The "red" members of the American Federation of Labor unions started the fire of revolt against New Deal slavery that spread till it involved millions of workers in the struggle against wage cuts and lower living standards.

The Communist Party has led the struggle against growing fascism and the growing war preparations in this country.

The Communist Party has consistently fought for the united front of all workers in their immediate struggles for better conditions, and against the menace of fascism and war. It is fighting for unity in the trade union movement, for democracy and rank and file leadership in the trade unions, for militant policies, for industrial unions. It is fighting for a united front of all workers who are ready to break away from the capitalist political parties—for the building of a mass labor party based on the trade unions and other working-class organizations.

Many workers have been deluded by the capitalist press into holding false beliefs about the Communists. They have denounced the "reds" and followed the "red" program, because their class instincts told them that those tactics were right and that their conservative leaders were playing into the hands of the enemy and helping to cut their wages when they cried out for peace and cooperation with the employer who was slaving and starving the workers.

By degrees those workers wake to the real meaning of the "reds'" campaigns. They see that it is the "reds" who fight hardest in every fight—that the Communists lead the struggle for every demand of the workers, because the Communist Party is the party of the working class and the Communist program is the program of better wages and working conditions for the working class and final freedom from exploitation for the workers.

The Communist Party leads the American workers today in spite of the mob hysteria and Fascist violence stirred up against the Communists. The Communist Party will continue to lead the working class in action, more and more consciously, to unity of all workers, to better wages and working conditions, to unemployment and social insurance, to the fight against war and fascism, to a Soviet America.

Join the Communist Party!

The SPEAKER pro tempore. Under a previous special order of the House, the gentleman from Oregon [Mr. ANGELL] is recognized for 30 minutes.

THE 76TH CONGRESS AND THE BATTLE OF AMERICA

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include certain excerpts, quotations, and tables.

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

There was no objection.

SHOULD CONGRESS ABDICATE AND GO HOME?

Mr. ANGELL. Mr. Speaker, a little less than 3 months of the Seventy-sixth Congress remains. We should not adjourn, and we should not recess but should remain on the job and devote all of our energies and talents to keep America out of the European conflict and keep the ravages of war from our shores and to solve our domestic problems. As a Congress we have done all that we can do to this date in providing for total defense and perfecting our armaments so that we may successfully defend our possessions and our people against any and all invaders. We should make our defenses so strong that no dictator or combinations of dictators would dare to attack us. Having done this, we should devote our vast armaments to the defense of America and its

possessions. We should see to it that we make no commitments and become embroiled in no entanglements or alliances that will provoke an attack upon us and thus lead us into war through the back door. The American people are of one mind that they will fight to the last ditch to defend themselves, but they will not again make the momentous blunder of sending American soldiers overseas to fight in foreign wars.

We have passed legislation providing for such a national defense as I have outlined, but we are still confronted by an equally important problem, that of providing against the collapse of our democracy from within. Our first line of defense is a strong economic and fiscal policy. Unless we can coordinate our industrial enterprises and bring all of our manpower and industries into unison for the one definite purpose of building the armament equipment for which we have now provided, we will fail. This requires the unswerving loyalty of every single one of us devoting all that we have to the one problem of consummating our defenses at the very earliest date. We must permit of no delay, no interruptions, or no postponements.

DOMESTIC PROBLEMS UNSOLVED

Our domestic economy and our finances are in a wretched condition. This one big problem still faces the Congress. Without partisanship, without personal ambitions or desires, all of us, Republicans, Democrats, and independents should put our shoulders to the wheel and go forward with the utmost efficiency and dispatch to finish this great task which we have set for ourselves. In keeping with such a program I have from the outset urged the Congress to keep in session and give the green light to our domestic program and endeavor to find solutions for our economic and financial difficulties which have confronted us like grim specters for 10 years.

Early in June, when the President urged Congress to adjourn, I, with many of my colleagues, took the position that to adjourn would be a grievous mistake. I believe it is more important to the welfare of our country and the preservation of our democracy that we continue in session the remainder of the Seventy-sixth Congress and devote these 3 months to a sincere and patriotic effort to win the battle of America and to make America impregnable both within and without. We may prepare an impregnable defense from an attack from without but if we fail to provide against a collapse of our economic structure from within we will lose the battle. I urge upon you, my colleagues, to join with me in voting to keep the Congress in session and to complete the job which America has entrusted to us. I shall not vote to adjourn or to recess.

THE AGRICULTURAL PROBLEM UNSOLVED AFTER 10 YEARS OF FRUITLESS AND PROFLIGATE SPENDING

Mr. Speaker, I supported the A. A. A. program for the relief of agriculture. I have done so with the full realization that it is only a makeshift, stopgap program which has not given the farming industry fair and equal treatment with other industries of our country. The farmer is entitled to a fair return for his labors and to have the market price of the things he sells protected so as to give him a fair return on his investment and for the labor expended by him. He is entitled to parity prices with other American citizens receiving help from the Federal Government. Until we have perfected and adopted a plan which will place the farmer on an equality with other industries I will continue to support the A. A. A. program as the best available for temporary relief.

I join with many of my colleagues in a sincere desire to bring success to agriculture. My people were farmers. I was brought up on a farm and for years have worked in the Grange and in the legislature of my own State seeking to bring relief to this great industry. It is conceded by all that unless we have prosperity on the farms of America we will not have prosperity anywhere.

I am a member of the Unemployment Conference of the House composed of some 70 Members who for months have voluntarily been wrestling with the problem of unemployment which has hung like a millstone about the neck of America. This committee composed of Democrats, Republicans, and independents, after weeks of study and debate, among other things reached this conclusion with reference to the farming industries as it affects unemployment. I quote from the conference report, House Document 850, Seventy-sixth Congress, third session, pages 6 and 7:

> That while the national income during the last 30 years has increased 250 percent, from $26,415,000,000 to $67,608,000,000, the farmers' cash income in 1939 was practically the same as it was in 1909, and instead of being 16.4 percent of the total, as in 1909, the farmers' cash income from the sale of their crops had dropped to 6.6 percent. That means that 25 percent of our total population must try to live on only 6.6 percent of the total national income. Do you wonder that they leave the farm as quickly as they can get away?
>
> Your committee is thoroughly convinced that unemployment cannot be solved, that prosperous conditions cannot be realized merely by increasing industrial wages or merely by seeking to restore more prosperous conditions in the cities and industrial centers. Our investigation goes back over 100 years, and it appears without exception that whenever wages or conditions improve in the towns and cities there is an immediate and substantial rush from farm to city. That is but the human, the natural, thing. Today the farmer is receiving for his crops a price which returns him a wage for his labor of from 5 to 20 cents an hour. Any man who seeks to improve his condition, who has any respect for his wife, who wants an education and decent clothing for his children, will move where he is guaranteed at least 30 cents an hour and can have the benefits of unemployment insurance and old-age security.
>
> On the other hand, your committee is convinced that the greatest potential market in the world today is the American farmer and that if given a proper return for his crops, if given the purchasing power, he will go into the markets of this Nation and will make necessary the employment of millions of additional workers in our manufacturing and industrial plants. Agriculture is the foundation of all civilization; it is the rock upon which all true progress and prosperity must build; it provides the raw materials which are the basis of all industrial employment; it is the key to many of our present-day problems, including unemployment.

This is a severe indictment of the farm program of the present administration which has spent huge sums of borrowed money which the taxpayers ultimately will have to pay. As stated by the committee, 25 percent of our total population living on our farms must try to live on only 6.6 of the total national income. In 1909 farmers received 16.4 of the total national income. And the committee asks, Do you wonder that the farmers leave the farm as quickly as they can get away? Today, as found by the committee, the farmer is receiving for his crops a price which returns him a wage for his labor of from 5 to 20 cents an hour. And yet we pride ourselves that America is one of the most progressive nations of the world in providing adequate wages and living conditions for our labor. The farmer is the forgotten man. In our zeal to protect those who earn their living with their hands we have completely ignored the farm community, which is the backbone of our Nation and which comprises 25 percent of our population.

SENATOR M'NARY'S FARM POLICY

My distinguished fellow citizen from Oregon, Senator CHARLES L. MCNARY, has proven himself to be the outstanding friend of the farmer. I support Senator MCNARY's program. For years he has labored in Congress to bring about remedial legislation that will correct this great injustice forced upon this large portion of our population and secure to our farmers adequate income for their labor and restore to them parity prices.

AMERICAN FARMER SOLD DOWN THE RIVER BY RECIPROCAL-TRADE PROGRAM

Senator MCNARY recently said:

> The New Deal already has our economic borders defenseless. Because of the reciprocal-trade treaties our trade frontier is unprotected.
>
> The trade treaties—supported by Secretary Hull and Secretary Wallace as measures to promote peace and benefit agriculture—have failed in both instances. In addition, the trade treaties, by giving us the lowest tariffs since the Democratic Underwood Act of 1913, have lowered our resistance to an after-war flood of cheap imports. * * *
>
> The reciprocal-trade treaties, viewed as a lever for increasing exports, are fallacious—however they were intended. I propose to demonstrate that. They have deprived the American farmer of a good slice of the American market—to which he is entitled.
>
> They have injured his prices. Actually they constitute a formula for rewriting the tariff schedules while talking about something

else; a cynical example of New Deal double talk. Mr. Hull admitted that in his Farm Bureau speech at Chicago last December. They embody the historic free-trade policy of the Democratic Party.

Moreover, they have been used too often for diplomatic, not economic, ends. Through them, we have seemed to be in the foolish business of trying to buy good will.

I do not ask that we harden our spirit against other countries. I am all for being a good neighbor, but am not in favor of being a chuckle-headed neighbor—forever turning the other cheek. No government has the right, as trustee for its people, to prefer the material interest of other countries. Yet the New Deal, under the Hull foreign-trade policies, has served alien interests. * * *

The trade treaties, as you will observe, helped the farmers. But the farmers they have helped live in Mexico, Canada, Asia, and Africa.

I would prefer helping the farmer of Clay County, Minn., pay his taxes, lighten the mortgage, educate the children—and even buy a new car. (Speech at Ulen, Minn., October 5, 1940.)

The American farmer does not want charity. There is no more loyal, hard-working, and effective member of our democracy than the farmer. He does not want to be put in the position of standing hat in hand and holding a tin cup in front of the Federal Treasury for a dole year in and year out. He wants to be placed on an equality with other American industries and to have the same protection so that his labors on the farm will be rewarded by a fair share of the Nation's income. He wants to receive a price for his products that is on an equality with the prices for the things he must buy. The farm program which has been in vogue for the last 7 years has failed miserably to give him this protection.

I favor proper and adequate laws to enable American farmers to receive parity prices and to put them on the same basis as our citizens employed in other walks of life. Any program which denies the farmer cost of production is wrong.

An examination of the payments that have been made through the A. A. A. will disclose that it has wholly failed to give this protection to the farmers of my own State of Oregon as well as most of the farmers of other communities. The following table shows the total of A. A. A. payments to each State during the years 1934–39 from the Department of Agriculture, the total number of farms in each State, and the total amount provided on the basis of all farms and the amount per farm per year for the years named.

State	Agricultural Adjustment Administration payments, 1934–39, from Department of Agriculture	Number of farms in State, 1935, from Department of Agriculture	Amount per farm on basis of total number of farms from 1934–39	Average payment per farm per year
Alabama	$94, 951, 204	273, 455	$347	$57
Alaska	5, 766	643	8	1
Arizona	9, 791, 046	18, 824	520	86
Arkansas	101, 917, 206	253, 013	402	67
California	48, 789, 240	150, 360	325	54
Colorado	41, 806, 753	63, 644	660	110
Connecticut	4, 239, 071	32, 157	131	21
Delaware	2, 140, 412	10, 381	206	34
Florida	11, 375, 696	72, 857	156	26
Georgia	96, 300, 372	250, 554	384	64
Hawaii	27, 677, 235	5, 021	5, 512	918
Idaho	27, 713, 891	45, 113	614	102
Illinois	131, 284, 989	231, 312	567	94
Indiana	74, 854, 071	200, 835	372	62
Iowa	194, 107, 962	221, 986	874	145
Kansas	179, 784, 388	174, 559	1, 029	171
Kentucky	58, 134, 756	278, 298	208	34
Louisiana	77, 418, 886	170, 216	454	75
Maine	3, 606, 330	41, 907	85	14
Maryland	15, 264, 965	44, 412	343	57
Massachusetts	4, 623, 206	35, 094	131	21
Michigan	36, 755, 102	196, 517	187	31
Minnesota	92, 039, 135	203, 302	452	75
Mississippi	110, 331, 541	311, 683	353	58
Missouri	96, 626, 968	278, 454	347	57
Montana	49, 368, 089	50, 564	907	151
Nebraska	123, 641, 274	133, 616	925	154
Nevada	847, 974	3, 696	229	38
New Hampshire	994, 562	17, 695	56	9
New Jersey	3, 588, 635	29, 375	122	20
New Mexico	13, 973, 099	41, 369	337	56
New York	20, 047, 374	177, 025	113	18
North Carolina	84, 440, 668	300, 967	277	46
North Dakota	104, 624, 070	84, 606	1, 236	206
Ohio	64, 886, 032	255, 146	254	42
Oklahoma	135, 973, 097	213, 325	637	106
Oregon	20, 895, 174	64, 826	322	53
Pennsylvania	16, 568, 734	191, 284	86	14
Philippine Islands	15, 853, 168	1, 955, 276	8	1
Rhode Island	191, 983	4, 327	44	7
South Carolina	67, 746, 827	165, 504	409	48
South Dakota	85, 986, 334	83, 303	1, 020	170
Tennessee	59, 005, 559	273, 783	215	35
Texas	365, 251, 674	501, 017	729	121
Utah	10, 780, 015	30, 695	351	58
Vermont	2, 083, 721	27, 061	76	12
Virginia	22, 564, 091	97, 632	114	19
Washington	32, 492, 656	84, 381	385	64
West Virginia	4, 941, 482	104, 747	47	7
Wisconsin	47, 285, 575	99, 877	236	39
Wyoming	11, 741, 172	17, 487	670	111
Puerto Rico	31, 094, 966	56, 177	553	92

One insurance company received over $254,000 in Agricultural Adjustment Administration payments in 1 year. One corporation farm received $112,000 in 1938 and $122,000 in 1939. Actual farmers received very small amounts.

States:	
Washington, D. C	$66, 110, 574
Undistributed	289, 696, 774
Total	3, 294, 215, 571

Number of farms in the United States, 6,812,530; or $48 average per farm per year.

It will be noted from this table that the average annual payment per farm in my own State of Oregon is $53. These checks do not offset the low agricultural price received by the Oregon farmers under the program of the administration. The tax the farmer has been compelled to pay during this period has more than doubled and this miserable payment of $53 he receives has already been taken out of his own pocket in the taxes he has already paid and he will be compelled to pay huge taxes in the future. He has also had to shoulder an inordinate share of the deficit spending carried on by the administration. The public debt has been increased during these fateful years $21,000,000,000, and the farm communities, representing 25 percent of the total population, will eventually have to repay five or six billion dollars of this public debt. There is approximately 341,000,000 acres of lands devoted to crops harvested each year, upon which there is an invisible mortgage of $15 on every acre thereof for the proportionate share of this stupendous public debt. The farmers of America have received from this program approximately $3,000,000,000, and in addition to the moneys already paid by the high taxes imposed upon them they will still be required to pay an additional amount of some $6,000,000,000.

Oregon receives $53 per farm under the A. A. A., while many large corporations receive payments in excess of $50,000 each. The highest single payment for 1937—the latest figures I have available—was $257,095.

I quote from the Washington Times-Herald of March 4, 1940, showing the payments for that year under the A. A. A. program which exceed $50,000.

[From the Washington Times-Herald of March 4, 1940]

SURETY FIRM GETS BIGGEST A. A. A. PAYMENT—TOP BENEFITS TO OWNERS OF FORECLOSED FARMS

(By Fred Bailey)

The biggest single beneficiary of the New Deal's farm program in 1937 was the Metropolitan Life Insurance Co. An Agriculture Department report to Congress today revealed it was paid $257,095 in A. A. A. benefits on farms it owns.

Nearly all the top payments went to life-insurance companies and banks which have become large-scale owners of farms on which mortgages have been foreclosed.

PAYMENTS LAG A YEAR

More than 20,000 farmers and corporations received A. A. A. benefit payments of $1,000 or more for compliance with the 1937 program. Most of the checks were sent out in 1938 and 1939, since payments usually lag more than a year behind program compliance.

The report disclosed 272 farmers and corporations received more than $10,000 each, and 594 received $5,000 or more. Total payments for 1937 were $325,856,887.

The payments were obligated before Congress amended the Agricultural Adjustment Administration Act in 1938, prohibiting the payment of more than $10,000 to any person or corporation. The limitation became effective last year.

CONTINUE TO COOPERATE

Agriculture Department officials said "very few" of the large corporations had ceased cooperation in the farm program because of

the limitation. It has resulted, they said, in larger payments to small farmers.

A. A. A. officials said the average check sent 3,750,000 farmers who participated in the 1937 program was about $75. Since then the average has increased, partly because nearly $500,000,000 was provided by Congress for such payments in both 1938 and 1939.

There were 11 payments of more than $100,000 each, and 12 of between $50,000 and $100,000. After the Metropolitan Life Insurance Co., the next biggest payments went to the Prudential Insurance Co. of America, $231,158, and the Equitable Life Assurance Society of the United States, $206,962.

OTHER HIGH PAYMENTS

Other payments of more than $100,000 were:

Travelers Insurance Co., Connecticut, $211,521; Union Central Life Insurance Co., Ohio, $166,280; Mutual Benefit Life Insurance Co., New Jersey, $161,110; Northwestern Mutual Life Insurance Co., Wisconsin, $156,444; John Hancock Mutual Life Insurance Co., Massachusetts, $147,647; Federal Land Bank of Omaha, Nebr., $124,139; King Ranch, Texas, $122,140; and the Federal Land Bank of St. Paul, Minn., $103,925.

Payments of between $50,000 and $100,000 were:

Matador Land & Cattle Co., of Denver, Colo., $60,153; Delta & Pineland Co., Mississippi, $64,168; Mississippi State Penitentiary, $52,429; United States Sugar Corporation, Florida, $68,893; Bank of North Dakota, $83,411; Bankers Life of Iowa, $80,268; Equitable Life Insurance Co. of Iowa, $77,676; State of Minnesota, $74,713.

NEW DEAL DOCTRINE OF SCARCITY ANOTHER GIGANTIC FLOP

I am opposed to the doctrine of regimented scarcity designed to feed and clothe Americans in want and restore prosperity. I am opposed to killing pigs, cattle, and brood sows, and plowing under corn, cotton, and wheat, and then throwing down the bars to permit importations of these very products from abroad. It has built up foreign agriculture and brought deserted farms and farm mortgage foreclosures to American farmers.

The New Deal confuses even its own members. On March 28, 1939 one of our colleagues, the gentleman from Oklahoma [Mr. MASSINGALE], a distinguished Democrat, on the floor of the House said in part:

Let me tell you this: I hope this will be a lesson to the American Congress, to the American farmer, and to the American people as a whole, that we are going to abandon these foolish philosophies of trying to do something by cutting down acreage, killing cattle, killing hogs, and things of that sort, and restore the American farmer to the estate of decency, at least, that he used to have. We can do that. We can give him parity and better than parity. We can give him cost of production. There is a petition on file up here, No. 5, that will give to the farmers of this country what it costs them at least to produce a pound of cotton or a bushel of wheat or any other commodity that we grow on the farms of this country. Let us give it to them. We have got to quit this. Congress cannot go on year after year appropriating five hundred million to a billion dollars a year in order to carry out this darned fool philosophy that some fellow has picked up somewhere and tries to foist on the people of the country and make the farmers endorse it in order to get an imaginary payment.

Millions of the American people have Mr. MASSINGALE'S views on this subject.

While 91,135 farmers were being driven from their farms because they could not pay $112 interest on an average $2,800 mortgage Uncle Sam was building 90,436 building units in the cities costing $4,359 a unit, with rent $193 a year for 60 years. More families were driven from their homes than were provided with these new homes and the public debt was increased $1,680,000,000.

SAVE AMERICAN MARKETS FOR AMERICANS—AMERICAN FARMERS FORCED TO COMPETE WITH CHEAP FOREIGN IMPORTS

Well we may ask why it is that American farmers are in such distress. They have as fertile lands as are found any place on the face of the globe. Under our reclamation projects we have provided ample water for irrigation. The American farmer possesses the most advanced type of farming machinery designed to save labor costs and give efficiency to operation. Our American farmers are the equal of any farmers of any country in industry, training, and resourcefulness. Yet as reported by the Congressional Committee on Unemployment, to which I have already made reference, they are receiving only five to twenty cents an hour for their efforts and only 6.6 percent of our income whereas they comprise 25 percent of our population. The answer is simple enough. We have embarked upon a program which this administration has consistently followed in opening the American markets to competitive farm products from abroad. These cheap competitive importations from abroad are produced by coolie, Hindu, and other low class labor receiving wages barely sufficient to sustain life.

Many of these products coming from abroad are subsidized by the countries in which they are produced, so as to enable the products to be laid down in the American markets at a cut-throat price with which we cannot compete and sustain our American wage scales and standard of living.

To show some of these importations and the increase in the year 1939 over 1938, I call attention to the following tables from the Department of Commerce and Agriculture:

Official Department of Commerce figures

Import items	Unit	1938	1939
Cattle	Head	424,022	753,570
Dry and malted milk	Pound	80,735	2,465,032
Canned beef	Pound	78,597,007	85,862,876
Dry beans	Pound	5,748,329	6,132,141
Potatoes	Pound	45,820,283	93,859,166
Cheese	Pound	54,432,000	59,071,000
Oats	Bushel	7,183	4,293,009
Eggs in shell	Dozen	231,784	328,523
Peppermint oil	Pound	5,466	51,460

Here is what the New Deal has done to you as a rancher from 1933 to 1939:

Department of Commerce report, 1933–39

Product	Imports, 7-year total	Gain to foreign farmers	Loss to American farmers
Cattle ... head	2,568,610	66,079,238	99,079,238
Beef, pork, poultry ... pounds	885,993,786	163,974,550	219,974,550
Dairy products ... do	518,067,547	97,760,243	130,313,000
Wool and mohair ... do	1,425,060,292	290,103,938	385,000,000
Hides and skins ... do	1,972,141,987	329,276,751	439,034,751
Barley, malt ... do	1,498,553,097	39,820,586	53,093,000
Barley ... bushels	119,430,020	16,855,522	22,470,000
Corn ... do	165,063,882	94,703,172	126,237,882
Oats ... do	20,327,193	6,307,511	8,407,511
Beans ... pounds	8,498,000	6,168,000	6,902,000
Wool, unmanufactured ... do	25,418,000	116,806,000	180,291,000

During the past year while the Surplus Commodity Corporation was spending $30,000,000 of your tax dollars to get rid of certain surplus farm commodities, these New Deal trade agreements permitted foreign countries to ship in $90,000,000 worth of these very same commodities. It just does not make sense.

Average farm prices covering 12 years of Republican administration, including 1932, as compared with average prices under 7 years of New Deal

[Source: Departments of Agriculture and Commerce]

Products	Average price Republican period, 1921–32	Average price New Deal period, 1933–39	Percent change
Wheat ... bushel	$1.017	$0.81	−20.6
Corn ... do	.724	.65	−9.2
Oats ... do	.386	.336	−12.7
Barley ... do	.543	.515	−5.5
Rye ... do	.737	.566	−22.8
Cotton ... pound	.167	.1027	−38.5
Butterfat ... do	.381	.265	−30.4
Chickens ... do	.192	.137	−28.6
Eggs ... dozen	.281	.193	−31.3
Beef cattle ... hundredweight	6.43	5.77	−10.3
Veal calves ... do	8.93	6.91	−22.6
Lambs ... do	9.65	7.12	−26.2
Hogs ... do	8.31	7.00	−15.8
Potatoes ... bushel	1.01	.683	−32.4
Wool ... pound	.297	.231	−21.9

Cash farm income for American agriculture

(Source: Department of Agriculture)

Calendar year:	
1921	$8,107,000,000
1922	8,518,000,000
1923	9,524,000,000
1924	10,150,000,000
1925	10,927,000,000

Cash farm income for American agriculture—Continued

Calendar year—Continued.	
1926	$10,529,000,000
1927	10,699,000,000
1928	11,024,000,000
1929	11,221,000,000
1930	8,883,000,000
1931	6,283,000,000
1932	4,682,000,000
Total	110,547,000,000
Average annual income under Republican administrations	9,212,250,000
Calendar year:	
1933	5,278,000,000
1934	6,273,000,000
1935	6,969,000,000
1936	8,212,000,000
1937	8,744,000,000
1938	7,599,000,000
1939	7,711,000,000
Total	50,786,000,000
Average annual income under New Deal administration	7,255,142,857
Average annual income under Republican administrations	9,212,250,000
Average annual income under New Deal administration	7,255,142,857
Difference	1,957,107,143

Mr. Speaker, the American farmer is suffering from increased farm imports and decreased farm exports. The Hull trade program lowered farm tariffs and opened our home market to the advantage of foreign farmers with low wages and cheap lands. Our farmers are asked to curtail their production and when they do their market is given to foreigners. The American farmer is entitled to the American market.

Total United States agricultural exports and imports

	January-June 1938	January-June 1939	January-June 1940
Total agricultural:			
Imports	$476,534,000	$519,662,000	$641,258,000
Exports	412,763,000	268,179,000	352,664,000
Excess of imports [1]	63,771,000	251,483,000	288,594,000

[1] This trade balance benefits the farmers of foreign countries.

The following table shows value and increase in farm imports. These may greatly increase if we vote a $500,000,000 loan to Latin American countries to be used in financing competitive farm crops:

United States imports of certain competitive agricultural products for the 6 months ending June 30, 1938, 1939, and 1940

[Source: U. S. Department of Commerce figures]

Import items	Unit	6 months ended June 30—		
		1938	1939	1940
Cattle	Head	242,584	486,497	366,784
Cattle hides	Pounds	18,033,000	68,297,000	73,303,000
Beef, canned	Pounds	38,947,000	40,996,000	38,075,000
Mutton, fresh	Pounds	43	30,035	39,463
Tallow, inedible	Pounds	695,000	452,000	789,000
Silver foxes (live)	Number	13	1	240
Silver-fox fur skins	Number	9,310	40,089	54,277
Oats	Bushels	4,995	1,006,696	7,255,629
Wheat (all)	Bushels	227,000	5,632,000	4,977,000
Wheat byproduct feeds	Tons	6,566	192,102	217,586
Hay	Tons	11,196	22,645	39,195
Cottonseed cake and meal	Pounds	2,543,000	6,596,000	32,429,000
Alfalfa seed	Pounds	2,236,000	1,896,000	2,096,000
Alsike and crimson clover	Pounds	943,000	160,000	725,000
Potatoes, white or Irish	Pounds	29,437,000	44,482,000	63,073,000
Beans, green and dried	Pounds	8,498,000	6,168,000	6,902,000
Lentils	Pounds	6,927,000	4,936,000	6,911,000
Tomatoes, fresh	Pounds	50,843,000	40,359,000	70,994,000
Apples, fresh	Bushels	9	20,734	81,900
Cherries, fresh	Pounds	262,450	93,771	704,452
Grapefruit, fresh	Pounds	1,760	None	305,852
Brazil or cream nuts	Pounds	3,084,000	3,955,000	4,118,000
Filberts	Pounds	914,000	807,000	1,157,000
Pecans	Pounds	None	55,000	115,000
Molasses, edible (table)	Gallons	7,634,138	4,708,549	7,471,634
Molasses, inedible (blackstrap)	Gallons	95,350,546	95,603,823	144,993,931
Milk, fresh	Gallons	4,949	7,309	7,592
Milk, dried and malted	Pounds	40,306	8,431	262,839
Casein	Pounds	158,000	299,000	11,817,000
Wool, unmanufactured	Pounds	25,418,000	116,806,000	180,291,000
Cotton, unmanufactured	Pounds	51,580,000	48,297,000	58,594,000
Tobacco, unmanufactured	Pounds	32,665,000	37,317,000	35,601,000
Castor beans	Pounds	62,069,000	83,102,000	116,940,000

From these tables which are from the official records of the Federal departments named, it is at once seen that the administration program as carried out by Mr. Wallace has deprived the American farmer of a fair return for his labors and has also penalized him when compared with the income he received prior to 1932. Thus, for the 12 Republican administration years prior to 1932, the average annual income for American agriculture was $9,212,250,000, whereas the average annual income under the present administration of 7 years was $7,255,142,857. This resulted in direct loss each year to the American farmers of $1,957,107,143 or for the 7-year period practically $14,000,000,000. It is clear why we who are concerned with the welfare of the farmers insist that this whole program must be revamped and the farmer allowed to receive his fair share of the Nation's income and a fair return for his labors and investment and to have farm prices put on a parity with other American prices. Everything the farmer has to buy has increased as commodity prices rose but the farm prices have either remained stationary or gone below what would be a parity price.

RECIPROCAL-TRADE PROGRAM HAS WRECKED OREGON AGRICULTURE AND LUMBER INDUSTRIES—LIVESTOCK INDUSTRY

Let us see what these trade agreements have done to the livestock interests.

Early in 1936 a trade agreement was made with Canada that reduced the duty on 175,000 heavy cattle from 3 to 2 cents, and later reduced it to 1½ cents with the quota increased to 225,000. No provision limiting the number or time when these cattle could be marketed was made. As a result, starting on March 28, 1936, and continuing through June 15, 1936, we find at the St. Paul market total receipt of 233,342 head of cattle, of which 42,575, or 18.27 percent, were Canadian. During this period, on an average, cattle prices were off $2 per head, which, applied to the total receipt of 233,342, approached a loss of $500,000 for the St. Paul market alone. Since the low bid at one market sets the price at all markets, and applying this same loss of $2 a head to the combined receipt at all of our great markets, we find that during the first 3 months after the Canadian agreements became operative the livestock interests, because of these agreements, took a loss of $25,000,000. During all of that period we read in the St. Paul livestock reports every day such statements as 80 cars of Canadians, 55 cars of Canadians, 60 cars of Canadians, 125 cars of Canadians, and so forth, as well as the continuous daily restatement that trading was dull, that the market was off, that there was a big carryover. The convincing part of the proof lies in the fact that daily the great Chicago market faithfully followed the lead of St. Paul. The receipt of Canadians oversupplied and broke the St. Paul market, and that break was reflected in every other market and definitely caused the loss of the millions referred to above. Small wonder that the farmer feels himself utterly abandoned by our Government.

Under the existing tariff, 85,862,876 pounds of canned beef entered the United States during 1939, an increase of 7,265,896 pounds over 1928. I wonder if you really realize what these figures mean? Translated into terms of cattle on the hoof, roughly 143,000 critters stampeded through the 6-cent tariff wall to our shores during the past year. For good luck and for good measure, you can add another 10,000 head in the forms of smoked, pickled, and cured products.

Again I ask, Why lower the tariff? Not only canned beef, but hides, dog food, fertilizer, and practically all other remaining parts of the critter are to be admitted under the pending agreement with Argentina in direct competition with American stock raisers.

Perhaps we do need more canned beef in this country, but, if so, it is because of the President's superb sales talk for the foreign product. Why not let the American farmer supply this market? It is interesting to note the effect of the pronouncement by the President that "Argentine canned beef was superior to the American brand," and suggesting that you take a can along so that your family could see for itself on the next picnic. I suggest you try to buy a can of American beef from your grocer. You will go hungry waiting. Here is the story:

In June 1939 Argentina exported 2,440,202 pounds of canned beef. This was about the time of the President's sales talk for Argentina. In July, 500,000 additional pounds were exported, and during August Argentina's exports reached an all-time high of 3,418,566 pounds—more than a million pounds increase in 2 months because of a few kind words by the President.

During the entire trade-agreement period, agricultural exports have declined $104,000,000 while competitive farm imports have increased $68,000,000.

In discussing this subject before the Committee for Reciprocity Information in Washington, D. C., Senator TOM CONNALLY, a Democrat, said:

> We don't feel so kindly toward Argentina that we want to hurt our own farmers to help the pampas cowboys. We don't want to build up industry which is already bloated and overextended. Congress appropriated $700,000,000 to help the farmers last year, and we don't want to do something now to harm them.

In the first 9 months of 1939 we imported foreign products for consumption in the amount of $794,700,000, while in the same period in 1938 we imported $711,600,000. During the same period our agricultural exports declined from $602,700,000 to $418,400,000.

Another striking effect of the operation of these agreements was brought to my attention recently. State Senator C. H. Zurcher, of Oregon, reported that in the Northwest he found a herd of 6,300 Canadian calves, weighing about 250 or 300 pounds each. These calves were being fattened for the American baby-beef market and were being fed, according to State Senator Zurcher, Argentine corn and East Indies molasses. A small duty had been paid on the calves, but the Argentine corn was delivered cheaper here than Iowa corn could be procured, and ships from the Orient brought molasses from the East Indies cheaper than our own sugar wastes could be obtained.

This is a striking example of the operation of the reciprocal-trade agreements and the havoc they are working upon agriculture. It shows the impossibility of American agriculture competing with cheap labor and living conditions of foreign countries as long as we maintain the American wage scale both as to agricultural employees and maritime workers. The importation of these Canadian calves and the food products for fattening them, of course, deprives the American farmer of a market for a like amount of his products. In 1934 we imported 59,000 head of cattle. In 1938, under the trade agreements, we imported 424,000. In 1934 we imported 313,000 pounds of fresh beef, and in 1937, 4,600,000 pounds. The Agriculture Department recently reported that American imports of cattle and beef during 1939 totaled 440,092,000 pounds, or approximately 30 percent more than was imported in 1938. The 1939 imports represented 8.2 percent of the cattle inspected for slaughter in the United States. Under the administration of the trade-agreement law we are allowing foreign beef or cattle to come into our country from Canada, Mexico, and South America to displace American products, thus depriving our American farmer of a market and throwing American laborers out of their jobs. It brings forcibly to our attention the fact that the American market is the best market we have for our agricultural products. Why trade it down the river to foreign countries? If we trade it away to foreign countries in order to build up the manufacturing industry in America, we are undoing the very thing that Congress has been attempting to do in solving the farm problem.

AMERICAN WOOL INDUSTRY THREATENED

Mr. Speaker, we in Oregon are especially interested in the wool industry. Many of you have a like interest. You, Mr. Speaker, in the great wool-growing State of Texas are particularly interested. The reciprocal-trade agreement with Great Britain became operative on the 1st day of January 1939. Approximately 90 percent of American products on which tariff concessions are made by Great Britain are on the prohibitive list, and export license must be obtained for any of the products to be shipped. In other words, anything Britain shall ship may come to us free from quota restrictions and currency regulations. France, Belgium, and Italy benefit equally with Great Britain by this treaty, which is further enhanced by the rate of exchange. During the first 8 months of 1939, representing the period during which the reciprocal-trade agreement with Great Britain had been in effect, our imports of woolen rags totaled 5,461,292 pounds, an increase of 4,969,167 pounds, or more than 1,000 percent, compared with the corresponding months in 1938. Imports of manufactured woolen goods also showed tremendous increases, amounting to 8,749,587 square yards, during the first 8 months of 1939, or more than 100 percent over the imports for the corresponding period of 1938. The imports of these materials amounted, in the 8-month period, to over 12,000,000 pounds, which would equal approximately 25,000,000 to 30,000,000 pounds of raw material. The combined raw materials and finished products is the equivalent of 35,000,000 pounds of raw wool. It is estimated that it amounts to twice the annual wool clip of such States as Oregon, Idaho, South Dakota, Ohio, and many other wool-producing States, and more than half of the total annual raw-wool production in the great sheep-raising State of Texas.

WEST COAST LUMBER INDUSTRY SCUTTLED

Mr. Speaker, in Oregon we have the largest body of standing timber of any State in the Nation. Over 50 percent of our pay rolls come from the forest industry. The Douglas fir forests of Oregon and Washington are the largest in the United States. The reciprocal-trade agreement with Canada has resulted in great injury to this industry in our State. In 1935 the total forest products and paper imported from Canada was $108,724,794, whereas in 1938 it had increased to $168,990,162, or an increase of 55 percent. We formerly supplied 75 percent of the north Pacific coast lumber used by the British nation. The Canadian agreement of 1935 lowered the American tariff wall one-half, but left the British Empire tariffs intact. American duties on Canadian lumber were cut 50 percent—all the law allowed, restricted to 250,000,000 feet annually. Under the most-favored-nation clause this reduced lumber duty was automatically extended to every other country in the world shipping lumber to the United States, including Soviet Russia. Lumber imports to the United States increased at once. Douglas fir and west-coast hemlock from British Columbia was practically doubled. In the first 11 months of 1938 Canada shipped 155,000,000 feet of Douglas fir and west-coast lumber into the United States while west-coast shipments to the entire British Empire, Canada included, totaled only 59,000,000 board feet—a ratio of 3 to 1. In other words, American lumber exporters have been cut off from the British market, but the home market has been opened to Canadian shipments. In 1938 in the Northwest 16 percent of the sawmills worked full time, 32 percent part time, and 52 percent were idle. We paid 76.7 cents per hour to our workers for a 40-hour week and British Columbia paid 57 cents for a 48-hour week.

FOREIGN-EXCHANGE CONTROL NULLIFIES TARIFF

There has been set up in Canada a foreign-exchange control board, with arbitrary power over rates of exchange, foreign securities, and exports and imports. This arbitrary power lodged in this board by an order-in-council of the Dominion of Canada has given the board the absolute power to stop the sale of American goods in Canada. As a result of this arbitrary action of our northern neighbor the managed depreciation of Canadian exchange has wiped out completely the small protection for American lumber provided by the reciprocal-trade treaty with Canada. I call attention to the rates of exchange fixed by this board for the 4 months of August to November, inclusive, 1939:

Comparative rates of Canadian, British, and American exchange

	Aug. 1	Sept. 1	Oct. 2	Nov. 1	Nov. 30
New York noon buying rate:					
Canadian dollars	0.999765	0.956718	0.894453	0.896562	0.863359
Sterling (in United States dollars)	4.680694	4.21375	4.015833	3.999305	3.8825
Canadian buying rate: Sterling (in Canadian dollars)	----------	4.44¼	[1] 4.43	[1] 4.43	[1] 4.43

[1] Fixed by the Canadian Foreign Exchange Control Board at a buying rate of $4.43 and a selling rate of $4.47.

The disastrous effect of this arbitrarily managed exchange is at once apparent when we thus see that on November 30, 1939, a British pound would only buy $3.39 worth of Oregon lumber, but $4.43 worth of Canadian lumber. Likewise, the Canadian exporter of lumber to Oregon, or to its lumber markets in the United States, would have an advantage through this favorable exchange of 13½ percent to 14 percent over Oregon lumber producers. The Canadian exporter of Douglas-fir lumber selling at $18 per thousand board feet, the current price, with a retained duty of $2 per thousand board feet, would have an advantage over Oregon producers under the exchange rate of 14 percent, or $2.50 per thousand board feet. This would more than offset the tariff under the treaty. This tells the story why cheap Canadian lumber undersells our Oregon lumber, and why our Oregon mills have been closed down much of the time while the Canadian mills run full time. It also explains why many of our loggers and sawmill workers in Oregon are on the relief rolls and W. P. A. drawing from the Federal Treasury. The American lumber industry, with high wages and costs, cannot, in the American markets, compete on a free basis with western Canada with cheap labor.

With congressional approval of trade treaties, these facts could be presented to the Congress with assurance of fair treatment. Under the present secret negotiations and consummation of trade treaties, the American producer is helpless. He not only has no voice in the procedure taken, which may ruin his industry, but likewise his duly elected representatives in Congress have no voice, having delegated their legislative power to the Executive. As a result of these conditions threatening to destroy our lumber industry, our lumber producers have appealed to the Secretary of State for relief from the trade treaty with Canada, saying:

1. The basis of commerce between Canada and the United States has been abrogated by the Dominion Government through formation of the foreign exchange control board, which has complete and arbitrary powers over foreign exchange, rates of exchange, imports, and exports.
2. The managed depreciation of Canadian currency has completely offset the existing $2-a-thousand tariff and tax protection granted American lumber producers in the trade agreement. In this connection the American producers show that the present depreciation of about 14 percent on Canadian currency amounts to around $2.50 a thousand feet on $18 lumber, or more than the total of $2 a thousand of existing tariff and import duty.
3. Canadian lumber mills operated steadily in 1939, piling up inventories estimated at more than 330,000,000 board feet of lumber as of the middle of last December. With British ships not available to move this large accumulation of lumber, there is the threat that Canadian mills will start selling to the nearby American market.

Since 1934, following the inauguration of the reciprocal-trade program, the Pacific Northwest has lost 1,000,000,000 feet of its offshore lumber trade, which means the loss of 2,000,000 days of work each year, or about $12,000,000 in wages.

TRADE-TREATY PROGRAM UNDERMINES AMERICAN LABOR

Few countries have gone as far as has the United States in protecting its wage earners. We have put a floor under wages and a ceiling over hours, and have provided minimum wages and have raised standards on a broad scale for the guaranteeing to American workmen healthful surroundings and social security. We have imposed heavy taxes on American industries and agriculture to provide these advantages to laborers and other citizens. As a result, these additional costs are reflected in the cost of American products. We cannot hope to maintain our agriculture and industries on a profitable basis, which are heavily taxed for these purposes, if we throw their products in free competition with peon, coolie, and other cheap labor of foreign countries.

FARMERS AGAINST RECIPROCAL-TRADE PROGRAM

I call your attention to the fact that the National Grange, the outstanding farm organization in the United States, is opposed to the present reciprocal-trade program. If the farmers of America were being benefited by the program it would have their whole-hearted support, and not their opposition. They know, as we know, that the reciprocal-trade program is working havoc with the farming industry, and is depriving the American producers of the best market in the world for their produce, the American market. The National Grange has adopted the following resolution:

The reciprocal trade agreements program has caused serious damage to American agriculture. It has depressed farm prices by encouraging imports of competitive products from countries where substandard labor conditions prevail. It is wrong in principle and violates the Constitution. It should not be renewed when it expires by its own limitations on June 12, 1940.

Mr. L. J. Taber, master of the National Grange, testified before the Ways and Means Committee in opposing the extension of the reciprocal-trade law:

May I make a further observation before turning from this farm question? I want to say that this Congress and the Ways and Means Committee should face the fact that, if we are going to have these reciprocal treaties, we must look forward to adding another billion dollars to farm payments because of the depressing effect of these treaties, the repercussions of even small importations, the certainty of a lowered standard of living, and world-wide poverty, which will make imports beat at our doors, so that, instead of being satisfied with what Secretary Wallace reports, I will serve notice now that if we are going to continue the reciprocal-treaty program the Grange is going to come here and ask not for hundreds of thousands of dollars, but a billion dollars additional to bring agriculture up where it ought to be. Why? We are 22 percent below parity now after 6 years of reciprocal treaties. We have not helped the surplus problem; we have not helped the farm income. The farm dollar is 22 percent below par. We have about 22 percent unemployed. We have not solved the farm problem. We have distressed it. Until we quit distressing it we cannot make progress.

EXPORT TRADE UNDER THE RECIPROCAL TRADE ACT

An examination of the official statistics of the Government discloses that the administration of the Reciprocal Trade Agreement Act and the trade pacts negotiated under it have not resulted in increasing our agricultural exports, but, on the other hand, have opened our local markets to many competitive agricultural products resulting in serious injury to our farmers.

During the fiscal year ending June 30, 1934, the last full year before the reciprocal-tariff program went into effect, our exports of farm commodities totaled $787,343,000. Our farm exports for the fiscal year ending June 30, 1939, amounted to $682,962,000. This shows a loss of farm exports of $104,381,000.

During the fiscal year ending June 30, 1934, our imports of farm commodities totaled $838,952,000. For the fiscal year ending June 30, 1939, farm imports amounted to $998,616,000. This shows an increase in imports of $159,664,000.

Speaking only of competitive imports, there was an increase of $67,625,000 in 1939 as compared with 1934.

The cash income of the farmers of the United States for 1937, including Government payments, was $8,574,000,000. In 1938 this income was $7,632,000,000, a decrease in farm income of $942,000,000. This effect of the lowering of import duties on competitive agricultural products is further disclosed by a comparison of the importations of these products as compared with the noncompetitive agricultural products.

The average imports of competitive agricultural products for the 5 years ending June 30, 1934, were $495,395,000. For the next 5 years, beginning July 1, 1934, they were $616,149,000, or an average increase in competitive imports in the last 5-year period compared with the first of $120,754,000. Then take the noncompetitive agricultural products for the first 5-year period. They averaged $536,933,000, or an average decrease of $37,210,000.

UNSOUND FISCAL POLICIES

Mr. Speaker, I have voted for all of the appropriations for the preparedness program since it was inaugurated. As I stated before, I believe we should leave nothing undone to rearm ourselves at the very earliest time so that we may make America impregnable against attack but that we should not use this immense military force for taking part in wars in the Old World. Let us use our armaments for defense and not for intervention. We must, however, adopt a sound fiscal policy

and abandon the makeshift policy we have followed for over 7 years. I append below a table showing the appropriations we have made at this session of Congress:

TABLE I

Direct appropriations	$15, 768, 339, 250. 12
Reappropriations	81, 099, 718. 00
Permanent appropriations	3, 965, 049, 289. 00
Appropriations from R. F. C. funds	277, 000, 000. 00
Special funds	15, 869, 750. 00
Total cash appropriations	20, 107, 358, 007. 12
Contract authorizations	3, 596, 699, 511. 00

TABLE I—Continued

R. F. C. loans:	
To war industry	$1, 000, 000, 000. 00
To South America	500, 000, 000. 00
Total available in all ways	25, 204, 057, 518. 12

This is the largest sum ever made available for the Federal Government with the exception of the World War years.

The following table shows a break-down of the amounts made available for each department in the last five sessions of Congress:

TABLE II

Title	74th Cong., 2d sess.	75th Cong., 1st sess.	75th Cong., 3d sess.	76th Cong., 1st sess.	76th Cong., 3d sess.
Agriculture	$195, 565, 606. 00	$933, 783, 873. 00	$1, 089, 219, 344. 00	$1, 391, 193, 433. 00	$1, 189, 960, 963. 00
District of Columbia	43, 500, 000. 00	47, 760, 641. 00	49, 392, 686. 27	52, 386, 688. 00	53, 256, 901. 00
Independent Offices	2, 934, 751, 000. 00	1, 170, 770, 677. 00	1, 596, 695, 182. 00	2, 298, 240, 640. 00	1, 409, 400, 314. 00
Interior	116, 425, 195. 00	187, 464, 006. 07	869, 065, 496. 84	223, 288, 005. 00	175, 313, 170. 00
Legislative	23, 314, 428. 00	24, 153, 536. 78	21, 762, 583. 50	22, 556, 079. 00	24, 279, 820. 00
Navy	526, 546, 532. 00	527, 829, 458. 00	552, 460, 494. 00	825, 942, 201. 00	1, 493, 342, 750. 00
State, Justice, Commerce, and Labor	115, 012, 400. 00	127, 357, 877. 00	132, 044, 795. 00	[1] 123, 730, 220. 00	111, 934, 280. 00
Treasury-Post Office	992, 524, 892. 00	2, 971, 846, 413. 00	3, 954, 343, 138. 00	4, 836, 097, 211. 00	4, 461, 798, 310. 00
War Department	527, 446, 844. 00	612, 329, 767. 00	685, 577, 797. 00	549, 019, 562. 00	1, 822, 571, 757. 00
First deficiency	368, 234, 000. 00	948, 795, 868. 89	30, 111, 009. 77	23, 765, 041. 98	92, 035, 408. 52
Second deficiency	2, 675, 397, 537. 96	99, 737, 540. 14	291, 673, 522. 50	204, 420, 059. 89	139, 466, 777. 23
Third deficiency		154, 611, 238. 72		225, 347, 110. 82	
Urgent deficiency				3, 099, 377. 00	57, 541, 300. 00
Interior deficiency	35, 000. 00				
Emergency relief		1, 974, 000, 000. 00	3, 772, 405, 000. 00	1, 822, 557, 150. 00	1, 282, 711, 357. 00
Public acts					
Public resolutions		472, 271, 660. 00			
Private acts					
Rural Electrification Administration	50, 000, 000. 00				
Miscellaneous	10, 000, 000. 00				
Permanent appropriations	1, 505, 957, 086. 82	(2)			
Relief deficiency			250, 000, 000. 00	825, 000, 000. 00	
Insect control			2, 000, 000. 00	1, 750, 000. 00	
Sugar and crop loans			74, 250, 000. 00		1, 188, 920, 569. 00
Labor Department				30, 831, 470. 00	328, 642, 417. 00
War Department:					
Nonmilitary				306, 182, 464. 00	
Supplemental military				293, 895, 547. 00	
Employees Compensation Commission				2, 000, 000. 00	
Treasury Department, printing, etc				276, 400. 00	
Petroleum Commission				20, 000. 00	
Supplemental deficiency					254, 790, 776. 00
First supplemental national defense					1, 768, 913, 908. 00
First supplemental civil functions					$287, 590, 014. 35
Housing					338, 263, 902. 00
Second supplemental national defense					4, 045, 102, 532. 00
Third supplemental national defense					1, 450, 483, 928. 00
Reconstruction Finance Corporation loansto South America					500, 000, 000. 00
Reconstruction Finance Corporation loans to industry					1, 000, 000, 000. 00
Total	$10, 129, 710, 521. 78	$10, 252, 892, 556. 60	$13, 371, 001, 048. 88	$14, 061, 598, 619. 69	23, 476, 330, 154. 10

[1] Labor Department made a separate bill this year.
[2] From this year on, permanents carried in the total shown for the various bills.

The following table shows a break-down of the appropriations of this Congress into regular, permanent, reappropriations, contract authorizations, and special funds for each department of the Government:

TABLE III.—*Appropriations and contract authorizations incurred by the third session of the Seventy-sixth Congress (1940)*

Agriculture and farm credit:		
Regular	$918, 603, 918. 00	
Permanent	112, 052, 045. 00	
Reappropriations	9, 305, 000. 00	
R. F. C. funds	150, 000, 000. 00	
		$1, 189, 960, 963. 00
District of Columbia:		
Regular	48, 765, 080. 00	
Permanent	3, 873, 821. 00	
Contract authorizations	600, 500. 00	
Reappropriations	17, 500. 00	
		53, 256, 901. 00
Independent offices:		
Regular	1, 120, 240, 528. 00	
Permanent	279, 027, 166. 00	
Contract authorizations	2, 000, 000. 00	
R. F. C. funds	2, 000, 000. 00	
Reappropriations	6, 141, 620. 00	
		1, 409, 409, 314. 00
Interior:		
Regular	135, 383, 330. 00	
Permanent	13, 505, 940. 00	
Reappropriations	16, 203, 900. 00	
Contract authorizations	10, 220, 000. 00	
		175, 313, 170. 00
Labor-Federal Security:		
Regular	1, 023, 282, 690. 00	
Permanent trust	140, 176, 723. 00	
Permanent annual	9, 550, 000. 00	
Special fund	15, 869, 750. 00	
Reappropriations	41, 406. 00	
		1, 188, 920, 569. 00

TABLE III.—*Appropriations and contract authorizations incurred by the third session of the Seventy-sixth Congress (1940)*—Con.

Legislative:		
Regular	$23, 671, 220. 00	
Permanent	608, 600. 00	
		$24, 279, 820. 00
Military:		
Regular	1, 499, 323, 322. 00	
Permanent	18, 799. 00	
Contract authorizations	323, 229, 636. 00	
		1, 822, 571, 757. 00
War Department civil functions:		
Regular	222, 718, 717. 00	
Permanent	2, 423, 700. 00	
Contract authorizations	103, 500, 000. 00	
		328, 642, 417. 00
Navy:		
Regular	1, 308, 171, 138. 00	
Permanent	2, 430, 000. 00	
Contract authorizations	182, 741, 612. 00	
		1, 493, 342, 750. 00
State, Justice, and Commerce:		
Regular	107, 149, 000. 00	
Permanent	4, 185, 280. 00	
Reappropriations	600, 000. 00	
		111, 934, 280. 00
Treasury and Post Office:		
Regular	1, 032, 801, 095. 00	
Permanent	3, 397, 997, 215. 00	
Reappropriations	31, 000, 000. 00	
		4, 461, 798, 310. 00
Supplemental deficiency:		
Regular	252, 340, 776. 00	
Contract authorizations	2, 450, 000. 00	
		254, 790, 776. 00
Urgent deficiency, regular		57, 541, 300. 00
First deficiency, regular		92, 035, 408. 52

TABLE III.—*Appropriations and contract authorizations incurred by the third session of the Seventy-sixth Congress (1940)*—Con.

Second deficiency:		
Regular	$85,891,777.23	
Contract authorizations	53,575,000.00	
		$139,466,777.23
Relief:		
Regular	1,157,711,357.00	
R. F. C. funds	125,000,000.00	
		1,282,711,357.00
Supplemental national deficiency:		
Regular	1,479,777,147.00	
Contract authorizations	289,136,761.00	
		1,768,913,908.00
First supplemental civil functions:		
Regular	227,332,013.35	
Contract authorizations	60,258,001.00	
		287,590,014.35
Housing: Regular		338,263,902.00
Second supplemental national defense:		
Regular	1,793,372,532.00	
Contract authorizations	2,251,730,000.00	
		4,045,102,532.00
Third supplemental national defense:		
Regular	1,324,193,636.00	
Contract authorizations	138,500,000.00	
Reappropriations	17,790,292.00	
		1,450,483,928.00
R. F. C. loans:		
South America	500,000,000.00	
Industry	1,000,000,000.00	
		1,500,000,000.00
Total		23,476,330,154.10

Mr. Speaker, we have appropriated in direct appropriations, including permanent appropriations, a total for this session of Congress in excess of $20,107,000,000. The following table shows a recapitulation of the appropriations and funds otherwise made available for expenditure at this session of Congress, namely:

Direct appropriations	$15,768,339,250.12
Reappropriations	81,099,718.00
Permanent appropriations	3,965,049,289.00
Appropriations out of R. F. C. funds	277,000,000.00
Special funds	15,869,750.00
Total cash appropriations	20,107,358,007.12
Contract authorizations	$3,596,699,511.00
R. F. C. loans:	
To war industry	1,000,000,000.00
To South America	500,000,000.00
Total available in all ways	25,204,057,518.12

Of which about $13,800,000,000 is for alleged national defense.

THIRTEEN BILLION SPENDING TO MAKE DEFICIT OF $5,760,000,000

The Treasury expects the current fiscal year to produce a peacetime spending record of $13,000,000,000 and a deficit of about $5,760,000,000.

The anticipated total expenditure would be the second highest in all American history, yielding only to the World War fiscal year 1919 when the outlay reached $18,522,895,000.

The expected deficit would be exceeded only by the figures in the 1918 and 1919 fiscal years.

Our distinguished colleague, the gentleman from Virginia [Mr. WOODRUM], in presenting the third deficiency bill involving the last appropriation for rearmament, said:

If we get value for the money we have appropriated, and if we get hemispheric defense, this Government will have secured a great bargain. But we had just as well face the realities. Further great appropriations are going to be necessary. The $13,000,000,000 of appropriations do not constitute full defense. We have given the Executive, the commander in chief and his experts what they asked. No one can do more than that. With the economic outlook I am terrified (September 26, 1940).

We have enacted a new tax measure. It is estimated to raise from $500,000,000 to $900,000,000 the first year and a billion dollars a year thereafter. With these added revenues the total revenues of the Federal Government will not be sufficient to pay for purely non-defense spending. Such non-defense expenditures will approximate $7,000,000,000 while the revenues with this increased taxation is estimated to be $6,600,000,000 leaving a shortage of nearly a half billion dollars in the payment of the ordinary peacetime expenditures of our Government. This means that every dollar of national-defense spending is being added directly to the public debt, notwithstanding that the public and the taxpayers have been led to believe that these emergency taxes are for national defense. These ominous facts showing the inadequacy of our financial program should deeply concern every American citizen. The Congress and the administration have not even approached a solution of the task of financing our preparedness program. We have even failed to provide sufficient revenues for current expenses. We should eliminate from our thinking the notion that by merely signing a blank check as the Congress has done, drawn upon a bank account that does not exist, to finance the defense of America, we have fulfilled the duty resting upon us. That is one of the reasons why I contend that this Congress should stay at its post of duty and use the remaining 3 months of the Seventy-sixth Congress in solving our financial and economic problems. After all, this problem now facing us is an old one. It has become chronic. For 10 years we have been facing deficits.

Mr. Speaker, I draw attention to the following table showing receipts and disbursements and the national debt for the years 1931–40.

Receipts, deficit, and national debt for 1931 to 1940, inclusive

	Receipts or taxes and fees paid to Government	Deficit	National debt
Year ended June 30—			
1931	$3,189,638,632	$901,959,080	$16,801,485,143
1932	2,005,725,437	2,942,051,451	19,487,009,766
1933	2,079,696,742	2,245,452,980	22,538,672,164
1934	3,115,554,050	3,255,393,297	27,053,085,988
1935	3,800,467,202	3,782,966,360	28,701,167,092
1936	4,115,956,615	4,952,928,957	33,545,384,622
1937	5,293,840,237	3,252,539,719	36,427,091,021
1938	6,241,661,227	4,702,165,600	37,167,487,461
1939 [1]	5,520,100,000	4,072,229,000	41,131,502,010
1940 [1]	5,669,300,000	3,426,363,200	44,457,845,210

[1] Estimated.

A comparison of the receipts and disbursements discloses that these enormous and abnormal deficits are due not to the impoverished condition of the country by reason of the depression through which we have been passing and therefore a dearth of income-tax revenues, but to an inordinate orgy of spending. Thus in 1932 and 1933 our tax receipts were little in excess of $2,000,000,000, whereas in 1937, 1938, 1939, and 1940 they will average approximately five and one-half billion dollars per year, between two and three times the amount collected during earlier years. In 1938 the total tax bill of America, national, State, and local, amounted to nearly 25 percent of the income produced during the year, and the American people will have paid during the period from February 28, 1933, to June 30, 1940, approximately $34,000,000,000 in Federal taxes alone. Our President, when a candidate for the high office he now holds, in October 1932, said:

Taxes are paid in the sweat of every man who labors because they are a burden on production and can be paid only by production. If excessive, they are reflected by idle factories, tax-sold farms, and hence in hordes of the hungry tramping the streets and seeking jobs in vain. Our workers may never see a tax bill, but they pay in deductions from wages, in increased cost of what they buy, or (as now) in broad cessation of employment. There is not an unemployed man—there is not a struggling farmer—whose interest in this subject is not direct and vital.

Mr. Roosevelt also said in Sioux City, September 29, 1932:

And on my part, I ask you very simply, to assign to me the task of reducing the annual operating expenses of your National Government.

The March American Federationist's preliminary figures show that in January 1939 there were 11,523,031 unemployed. We now have 9,600,000 unemployed. After taxing, borrowing, and appropriating more than $65,000,000,000 and going in debt over $24,000,000,000 since March 4, 1933, we have approximately the same number of unemployed and a great

many more people on relief than we had when we started this program. In considering these startling statistics, is there any reason why industry is discouraged and has lost faith in this program, and that fear dominates the businessman and the investor today? Sensible folks can only see one answer to this whole social, political, and economic muddle which threatens to wipe out the American system of private enterprise. If the incomes of all who receive $150,000 or more were divided equally among the American citizens each would get only 15 cents, and the incomes above $5,000 if equally divided would only furnish $2.32 per capita. Million dollar incomes are now taxed 84 percent, and hundred thousand dollar incomes 40 percent. No; the answer is not a socialistic division of wealth but the restoration of American industry to a normal basis, permitting a fair profit to industrial enterprise and thus restoring to private pay rolls the great army of unemployed. At the same time, the old folks of America, 60 years of age or over, who have been cast off by industry, must be cared for. Industry which has put them aside must resume the responsibility for their keep, and in so doing contribute materially toward industrial recovery.

AMERICA ONLY LEADING NATION UNABLE TO BEAT THE DEPRESSION

For over 7 years now we in America have been laboring in the throes of this crushing depression. As shown by the report of the League of Nations, of the 17 leading nations of the world we are at the bottom in recovery. We are the only one of the great family of nations of the world that has not been able to throw off the depression, and we are the only one that has piled up an immense public debt in an endeavor to beat the depression. We are the only one that has attempted to borrow and spend ourselves into prosperity. We are the only one that has attempted by the doctrine of scarcity to supply the needs of a hungry nation. As I have heretofore pointed out, during the last 7 years the annual revenue of the Federal Government has increased from $2,079,696,742 to approximately $5,669,300,000 in the last year. During that time the public debt has doubled, and the Federal appropriations have increased from $7,692,447,339 in 1934 to approximately $10,928,399,272 in 1939. The deficit during this period amounted to $20,889,000,000, which, added to the public debt, has reached the grand total of over $41,000,000,000 for the period under consideration. It is now approaching fifty billions. In addition, the Federal Government is liable on contingent liabilities guaranteed as to principal and interest in the sum of approximately $5,500,000,000. The per capita public debt has increased from $131 in 1931 to $305 in 1939. The interest on this public debt is over $1,000,000,000 a year, more than the total cost of government a few years ago. In 1913 only 6.4 percent of the total national income was required for Federal, State, and local taxes. In 1930, 14.2 percent was required for such taxes, and in 1938, 23.6 percent of the total income of the American people was handed over to the tax collectors. Approximately one-fourth of the time of everyone who labors in the United States is spent in working for the tax collectors. In 1913, 1.9 percent of the national income went for Federal taxes. In 1930, 4.8 percent was required, but in 1938 it had increased to 10.9 percent. State and local taxes in 1938 had increased to 12.7 percent.

In the campaign, on July 30, 1932, Mr. Roosevelt gave his ominous warning:

> Any government, like any family, can, for a year, spend a little more than it earns, but you and I know that a continuation of that habit means the poorhouse.

We have continued in this wild, uncontrolled spree of spending now for over 7 years, throughout the entire present administration, and have accumulated the largest debt in our history; and if we are to avoid the poorhouse, as suggested by Mr. Roosevelt, we must mend our ways. Mr. Roosevelt again said, on March 10, 1933:

> Most liberal governments are wrecked on the rocks of loose fiscal policy; and we must avoid this danger.

I most heartily agree that we are heading direct for the poorhouse, and if we are to avoid the danger of being wrecked on the rocks of loose fiscal policy we must immediately change our existing policy of reckless spending and take steps to put our house in order.

In the same address Mr. Roosevelt said:

> For 3 years the Federal Government has been on the road toward bankruptcy.

And on July 30, 1932, he said:

> Let us have the courage to stop borrowing to meet continuing deficits. Stop the deficits.

NO PANACEA WILL SAVE AMERICA

Mr. Speaker, I am not one of those who believe that we may hit upon some panacea that will solve these fundamental problems which have been on our doorstep for 10 years, bidding fair to wreck our economy and democracy. I believe that the adoption of a common sense, economic, social, and political program, based upon the great concepts of honest toil, economy, thrift, industry, and private property with the right to earn and keep an honest profit will bring the solution. Such a program was at the foundation of the great achievements America has made in the 150 years of its existence. The adoption of such a program and putting it into effect in our every-day transactions will, in my judgment, bring America back to sanity, thrift, and prosperity. As a candidate for the office which I now hold, I advocated such a course of procedure and urged the adoption of the following program:

COMMON-SENSE PROGRAM

> Restore American democracy with constitutional checks and balances. Protect labor and industry from foreign cutthroat competition. Remove the shackles from industry. Assure to industry a definite governmental program of good will and cooperation instead of antagonism and governmental dictation so that confidence and prosperity will return, giving real jobs with decent wages to the unemployed. Replace friction with cooperation between labor and capital for good of both. Maintain law and order, no compromise with racketeers. Old-age assistance equal to American standards. Unemployed relief pending restoration of industry. Adequate aid for needy children, the blind and handicapped. Armaments for defense only, no foreign wars or alliances. No Federal tax on gasoline or fuel oil. Curb unbearable Government expenses and tax-eating bureaus so Government may live within its income. Promote Oregon industries—lumber, wool, agriculture—providing pay rolls for Oregon labor. Extend and preserve civil service and promote the merit system. Square deal for veterans. Protect our youth and safeguard their interests that they may become stalwart, dependable, and clean-minded citizens. Provide adequate facilities for our schools and their teaching staffs. Less cross-word puzzles, more horse sense in government.

During my service in the Seventy-sixth Congress I have endeavored insofar as it was possible as a minority Member to bring about the adoption of legislation that would put into effect this course of action, and I will continue to adhere to such a course. I have supported the program of the administration for the P. W. A. and other relief agencies. We cannot let the American unemployed down. I contend the W. P. A. program should not be made permanent. We should adopt a plan that will permit these worthy citizens to be absorbed in private industry with standard American wages. To require them to be resigned forever to a bare subsistence wage on W. P. A. is not American.

Mr. Speaker, I have also supported wholeheartedly the program for American youth—the C. C. C. and the N. Y. A. Five hundred thousand young people are knocking each year at our doors for an opoprtunity to become a part of the American way of life—to have work in American enterprise, to marry and become the heads of families. There are 5,000,000 of them now unemployed. These projects will help to bridge the chasm between school and a life calling.

OLD-AGE SECURITY

Mr. Speaker, a sound deduction from our experience with old-age security is that the only solution of this problem is this enactment of a Nation-wide plan on a pay-as-you-go, broad tax base affording uniform adequate annuities to all citizens 60 years of age or older who are not gainfully employed.

The Townsend plan as embodied in H. R. 8264, pending in the present Congress, proposes such a solution. Funds are provided under it by the imposition of a 2-percent tax upon all gross incomes, except wages and salaries of workers up to

$250 a month, which are exempt, with a similar exemption of $3,000 annually from gross business income. The funds raised from this tax are equally divided monthly among all American citizens 60 years of age or over not gainfully employed, which funds would have to be spent under the terms of the law within 30 days from time of receipt. It is estimated that under existing conditions, this plan would provide $50 a month for each annuitant, increasing as national income increases. The tax formula set forth in the bill is subject to change or amendment when the bill is up for final passage.

Workers 60 years of age or over are unable to find employment in industry. Even younger workers are displaced. The statistics given by the Supreme Court, to which I have hereinafter referred, show these workers are discarded by industry and are forced into idleness, and that approximately 3 out of 4 persons 65 or over are dependent wholly on the public, charity, or others for support. In the main, the support comes from the public now. The tax under the proposed plan, therefore, would not shift the burden for the support of these old people to the public but would only make the care of these senior citizens more certain, uniform, and effective. The plan would bring uniformity throughout the United States which does not now exist. We now have as many plans as there are States in the Union, most of them bogged down by red tape and insufficient funds to meet payments for the bare necessities of life. State lines cause many inequalities. As pointed out by the Supreme Court in the decision hereafter referred to—

> The problem is plainly national in area and dimensions. Moreover, laws of the separate States cannot deal with it effectively. Congress, at least, had a basis for that belief. States and local governments are often lacking in the resources that are necessary to finance an adequate program of security for the aged. This is brought out with a wealth of illustration in recent studies of the problem. Apart from the failure of resources, States and local governments are at times reluctant to increase so heavily the burden of taxation to be borne by their residents for fear of placing themselves in a position of economic disadvantage as compared with neighbors or competitors. We have seen this in our study of the problem of unemployment compensation. *Steward Machine Co.* v. *Davis*, supra. A system of old-age pensions has special dangers of its own, if put in force in one State and rejected in another. The existence of such a system is a bait to the needy and dependent elsewhere, encouraging them to migrate and seek a haven of repose. Only a power that is national can serve the interests of all.

These stark facts most forcibly remind us that this problem facing America today demands the unselfish nonpartisan devotion of every American. The Supreme Court, speaking through Mr. Justice Cardozo, recently said (*Helvering* v. *Davis*, 301 U. S. 641):

> Spreading from State to State, unemployment is an ill, not particular but general, which may be checked, if Congress so determines, by the resources of the Nation. * * * But the ill is all one, or at least not greatly different, whether men are thrown out of work because there is no longer work to do or because the disabilities of age make them incapable of doing it. Rescue becomes necessary irrespective of the cause. The hope behind this statute is to save men and women from the rigors of the poorhouse as well as from the haunting fear that such a lot awaits them when journey's end is near.

We not only have 10,000,000 or more unemployed, but each year we add to the list 500,000 young men and women pouring out of our schools and universities seeking in vain a niche in the business life of America. Some 10,000,000 of our population are 60 years of age or older, many of whom have been cast off by industry and find themselves stranded without income and without hope. We should not be unmindful of the fact that these senior citizens were the workers of yesterday. They helped build our cities and clear our lands. They were the trail blazers, the pioneers. They built for us. Now that they are old, we cannot pass them by. They do not seek our charity. They only ask simple justice—a modest share in the fruits of American industry, to the production of which their labors in the past have contributed. Discussing the plight of these discarded workers, the Supreme Court, in the decision to which I have referred, said:

> Congress did not improvise a judgment when it found that the award of old-age benefits would be conducive to the general welfare. * * * The evidence is impressive that among industrial workers the younger men and women are preferred over the older. In times of retrenchment the older are commonly the first to go, and, even if retained, their wages are likely to be lowered. The plight of men and women at so low an age as 40 is hard, almost hopeless, when they are driven to seek for reemployment. Statistics are in the brief. A few illustrations will be chosen from many there collected. In 1930, out of 224 American factories investigated, 71, or almost one-third, had fixed maximum hiring-age limits; in 4 plants the limit was under 40; in 41 it was under 46. In the other 153 plants there were no fixed limits, but in practice few were hired if they were over 50 years of age. With the loss of savings inevitable in periods of idleness, the fate of workers over 65, when thrown out of work, is little less than desperate. A recent study of the Social Security Board informs us that "one-fifth of the aged in the United States were receiving old-age assistance, emergency relief, institutional care, employment under the works program, or some other form of aid from public or private funds; two-fifths to one-half were dependent on friends and relatives; one-eighth had some income from earnings; and possibly one-sixth had some savings or property. Approximately 3 out of 4 persons 65 years or over were probably dependent wholly or partially on others for support.

Mr. Speaker, I sincerely urge my colleagues to sign the petition now on the Clerk's desk and bring this bill out on the floor for final passage before we adjourn in January 1941, preparatory for the Seventy-seventh Congress.

FOOD STAMP AND A. A. A.

Mr. Speaker, Mr. Wallace, the Democratic candidate for Vice President, on his recent campaign visit to Portland, Oreg., my home city, falsely stated in a public mass meeting that I voted against the agricultural appropriation bill, which included the food-stamp plan. His exact statement, as given in the Oregonian of October 2, is as follows:

> May I remind you that Mr. ANGELL, Republican Congressman from this district, last spring voted against the agricultural appropriation bill, which included the food-stamp plan.

This statement is absolutely false. It seems unbelievable that Mr. Wallace did not know that it was false, because he was the head of the Department of Agriculture at the time and watched this legislation with the keenest of interest. He was especially interested because his agricultural program and the program of the President were opposed to each other.

The record vote on the food-stamp plan, as carried in the agricultural bill referred to, is roll call No. 104, appearing in in the CONGRESSIONAL RECORD of May 9, 1940, at page 5902, which shows that I voted against the motion of my distinguished friend from Missouri [Mr. CANNON], who led the New Deal forces in an endeavor to cut down the appropriation for food stamps from eighty-five millions to seventy-two millions, the seventy-two million being the approximate recommendation of the Budget and the President. My vote, together with many others from the Republican side and some Democrats, prevented the slash in the appropriation for the food stamps, as proposed by the President and the Budget. I also voted for the bill.

It seems apparent that the distinguished candidate for the Vice Presidency on the Democratic ticket is engaged in a little purging on his own behalf in the districts of Members of the Congress. In doing so, however, he does not seem to be circumscribed by being obliged to keep within the truth in attempting his purge.

The Democratic candidate for Vice President has no real honest reason to present to the people of my district why I should not be reelected and has therefore resorted to deliberately false statements to defeat me. I do not believe that the voters of my district will be deceived by the opponent of our beloved fellow citizen, Senator CHARLES L. MCNARY, candidate for Vice President on the Republican ticket. The people of my district will resent a carpetbagger coming into our district and attempting to regiment the voters of Oregon and telling them how to vote. Oregon does not believe in dictatorship. Such tactics may work in the districts of the machine bosses, Hague, Prendergrast, and Nash-Kelly, who are supporting Mr. Wallace, but not in Oregon.

NORTHWEST NATURAL RESOURCES AND INDUSTRIES

Mr. Speaker, I am particularly interested in the great Bonneville project situated on the Columbia River in Oregon and Washington. It not only is in my district, but I was born and raised almost within sound of the rushing waters of the Columbia River, the second largest river in the

United States, and the largest in potential hydroelectric power. My parents emigrated to this far western region with ox teams and covered wagons when the West was a wilderness inhabited only by Indians, trappers, and missionaries. I have seen this land of opportunity transformed into thriving and prosperous cities, farms, and industries. I have through the years been intensely interested in the development of the Columbia River for navigation, flood control, and irrigation, and also for the utilization of its immense energy for hydroelectric power which down through the years has been allowed to waste itself in the flow of its mighty waters from the Canadian Rockies to the Pacific Ocean.

BONNEVILLE HYDROELECTRIC POWER

Mr. Speaker, there is one resource in which the Northwest stands above all other regions of the Nation—hydroelectric power. Our mountain peaks, clothed in eternal snow and ice and extensive forests, are the sources of mighty rivers, tributaries to the Columbia River whose steady flow descends from Canadian headwaters and cleaves the Cascade Range before pouring into the blue Pacific. This, Jefferson's Columbia, and its tributaries contain the Nation's greatest source of water power, about 44 percent of the potential hydroelectric power of all the streams of the continental United States.

If we were to translate the potential annual output of the Columbia River basin in terms of use, we would obtain the fabulous figure of 90,000,000,000 kilowatt-hours, an amount equal to the output of the entire electric utility industry of the United States in 1929. This is a wealth which, unlike many resources, cannot be depleted, and which will serve the Nation for ages to come.

Our population is not large—one-thirtieth of the Nation's total—but it has been increasing at a greater rate than the Nation as a whole. The rich soil, the abundant rainfall, the alluring promises of the Northwest are drawing many earnest families from less bountiful sections of our country seeking fresh opportunities in the land of great distances and great vistas. The opportunities they seek are not to be denied them because this is still a pioneering Nation. Our physical frontiers may not be as boundless as they were 50 years ago, but human ingenuity and the desire to wrest security, happiness, and an honest livelihood from our natural resources knows no boundaries. These western citizens will furnish the manpower for the development of these vast natural resources of the Northwest.

Mr. Speaker, important as electro industries may be to our normal everyday life, they become indispensable to a defense program. If it were not for the many ferro alloys and the alloy steels, our guns would bark a few times and then remain silent—worn out, incapable of guiding the shell of destruction to its appointed mark. Our battleships would be cardboard, our tanks could not resist the fire of the antitank artillery. Our airplanes would essay the hopeful but short-lived flight of the barnyard fowl.

Similarly, in the manufacture of munitions, the product of the electro industries ranks high. Brass for shell casings, the nitrates for explosives, the chlorines for gases, are all derived from the electric furnace and the electrolytic cell.

I need not emphasize or describe further because it is fact today that electric power, guided by the genius of the scientist and the engineer is one of the most important items in our national-defense industries. I would like to point out, however, that these electro industries require very large blocks of continuous and cheap electric power. They cannot use power whose unit price is much in excess of 3 mills per kilowatt-hour, nor whose availability is limited to portions of the year or of the day. These industries need power uninterruptedly throughout the year and throughout the day.

POWER FOR DEFENSE INDUSTRIES

Mr. Speaker, the Pacific Northwest States themselves, in spite of the relative infancy of their mining industry, contribute over two-thirds of the Nation's production of antimony, one-seventh of the copper, one third of the lead, one-seventh of the zinc, one-fourth of the mercury, almost half of the manganese ore, and one-seventh of the tungsten concentrates.

There are not many places in our great Nation where such power is available or can be made available in time to meet our present crisis. Rivers like the Columbia, of the type that insure continuous flow, are rare. That is why the development of the Columbia River offers paramount advantages to electro industries. With Bonneville's generators producing thousands of kilowatts, Grand Coulee about to make its share available, and T. V. A. in operation, the Nation need not fear the acute power shortages experienced during the last World War. The facilities in the Tennessee Valley are being expanded and will be ready in some 2 or 3 years. Today, the Columbia River offers plentiful power for industries whose products are needed now in our defense program. This fact must not be overlooked by industry and our defense agencies. Let me specify. The Bonneville project will have 100,000 kilowatts of firm power available at the beginning of next year, above and over the amounts now committed and needed for reserves. In August of next year, 200,000 kilowatts will be available from Bonneville and Grand Coulee, and in January 1942, 400,000 kilowatts. These quantities result from the wisdom of Congress in providing the funds and authorizations to advance generating facilities at these projects.

The Aluminum Co. of America's western plant on the Columbia River is now in operation and will make 30,000 tons of pig aluminum a year, 60,000,000 pounds for our airplanes, our transport facilities, and other national uses of the light metal. Other important industries can be established in the Pacific Northwest for operation within a year to 18 months which will provide for shipbuilding and repair, for our west coast aircraft industry, which represents 60 percent of the dollar volume business of the national industry, for ordnance and munitions to be used in the defense of the west coast and our Pacific outposts. They would obviate choking eastern industry and would provide not only desirable decentralization, but would also diversify our sources of supplies in times of emergency. By locating these industries in this area where raw products and power are already available or obtainable, we would also be adhering to another principle in national defense; namely, locating essential defense industries away from coast areas and thus less vulnerable to attack.

These industries could produce 155,000 tons of basic materials important not only to the normal economic life of the Pacific Northwest but to our national defense:

Produce	Power requirement	Annual production
	Kilowatts	
Aluminum	65,000	30,000 tons of metal.
High-grade iron and steel	125,000	50,000 tons of metal.
Ferrochrome	30,000	20,000 tons of alloy.
Electrolytic zinc	15,000	35,000 tons of metal.
Nitrates	60,000	30,000 tons of fixed nitrogen.
Calcium carbide	10,000	20,000 tons of chemical.
Total (less Alcoa plant)	140,000	155,000 tons of products.

We cannot allow this great reservoir of power to remain without the necessary outlets to market.

BONNEVILLE APPROPRIATIONS

Mr. Speaker, I appreciate, sincerely, the support my colleagues in the House have given me in pleading for the Bonneville project. The following are the appropriations made for Bonneville for each of the four Congresses since it was begun.

Here is the record:

Seventy-third Congress	$32,440,700.00
Seventy-fourth Congress	11,868,000.00
Seventy-fifth Congress	25,432,272.85
Seventy-sixth Congress	39,042,903.45

The appropriations obtained in the Seventy-sixth Congress, in which I have served, are approximately 33 percent of the

entire funds allocated and appropriated for the entire project since its inception.

PACIFIC NORTHWEST MINERALS AND THE NATIONAL DEFENSE

Mr. Speaker, I have discussed so far the benefits of which this Nation can take immediate advantage in the huge power resources of the Pacific Northwest. I would like now to examine briefly our mineral situation.

Strategic and critical minerals are found in the West. The deposits of chrome, of manganese, antimony, tungsten, have not been fully charted, and the Pacific Northwest has not as yet been examined with the care that it deserves. Some of the minerals now known in the Oregon country are of low grade, but are particularly susceptible to treatment by electric power. Metallic chrome and manganese can be obtained from Northwest ores, magnesium—that increasingly important light metal—can be produced from Northwest magnesite and magnesitic dolomites by the electric furnace, and apparently at a price level lower than that now available. Aluminum can be made from alunite, a western ore. As far as possible we should use our own raw materials for the production of aluminum instead of depending on foreign supplies of bauxite, or on our rapidly shrinking domestic bauxite deposits. And so the list could be expanded. This development and use of our own natural deposits depends on the efforts of the scientist in his laboratory and in the pilot plant, of the geologist and mining man, of the engineer who can translate these investigations into successful commercial operations.

Mr. Speaker, the Pacific Northwest can contribute immeasurably in this emergency toward national defense through the use of its deposits of strategic and critical minerals and other materials, and through the development of the electroindustries in the Columbia River area. In this area there are immense deposits of raw materials much of them wholly undeveloped. They will replace essential products now being imported and which may be blacked out at any time. Nowhere else in the Nation is there comparable potential and existing supplies of low-cost power. The Pacific Northwest asks that these powerful resources be enlisted in strengthening our national defense and in providing for our country's welfare in time of peace, in time of emergency, and in time of war which, pray God, may never come.

AMERICA IS CONFRONTED WITH A GRIM TASK

Mr. Speaker, America is confronted with a grim task. Whether or not we succeed in its solution may determine the course of history. The welfare and preservation of this Nation of ours indeed may turn upon the course we take. As I have pointed out, this problem is a double one. First of all, we must provide for our national defense—strong, effective, and impregnable—to beat off the attacks of any nation or combination of nations. Secondly, we must take up the battle from within and solve our social, economic, and political problems so that this great democracy will not collapse from its own weight. We must prove that our democracy can and will work. For 10 years we have failed miserably to bring success to our efforts. Now, with the added burden of a preparedness program which will likely exceed $25,000,000,000 in costs, even though no American gun is ever fired in the present World War, we face a task which will tax our resources and abilities to their utmost.

This task is on the doorstep of Congress today. It should not shirk its duty. It should not give way to political or partisan considerations. It should seek unity of purpose and devote itself to the task with the grim determination to win the battle of America and save our democracy.

Mr. Speaker, we should ever keep uppermost in our minds the determination of the American people that our soldiers shall not leave our own shores to wage war in the Old World and that we shall not leave a single stone unturned to provide that the ravages of war shall not be brought to America.

As I speak, ominous events are transpiring in the Far East. The triple alliance just concluded between Germany, Italy, and Japan raises new, critical problems in the Pacific. We must not permit America to become embroiled. Congress alone can keep us out. God grant that our conscript soldier boys shall not be sent to spill their blood in these distant lands.

Let us remember that there is one thing that has caused more heartache and misery in the world than any other, and that is war. The sole objective of war is destruction. Brute force is its mainspring; the dead and the maimed are its harvest. It not only bankrupts nations in their material welfare but it robs them as well of all spiritual values. It not only sets nation against nation but breeds in the hearts of men hate and the desire to destroy and tear down. It never builds, it never ennobles. Worst of all, its fruitage is the death and maiming of the young manhood of the country. It feeds not upon the old and the maimed but devours the flower of the youth of the country and leaves the living impoverished, sickened, and spiritually weakened for generations and casts its spell and its burdens upon generations yet unborn. Over 10,000,000 soldiers were killed or died in the World War and over 20,000,000 wounded. It is estimated that it cost the United States to date over $60,000,000,000 and the nations engaged in it over three hundred and thirty-eight billions. Nothing truer was ever said than the words of Washington in his Farewell Address that America should avoid entangling alliances. America should adopt as an unalterable policy that it shall never again engage in war upon a foreign soil, that our soldier boys, if fight they must, shall spill their lifeblood only on American soil in the defense of America and the liberties of our democracy which have made us a great nation.

Mr. Speaker, I agree with our colleague in the Senate, the Honorable JOSIAH W. BAILEY, when he said:

> But what I want and what the country demands is a united Congress, not a group of Republicans seeking advantage, not a group of new dealers defending and apologizing, not a group of Socialists scheming to gain power, not a group of Democrats trying to see how they will win the next election, but a group of American Senators and Members of the House of Representatives who have a sense of responsibility to their circumstances and who are willing to unite in the common task of putting employment and business and industry in this country upon a firm foundation.

Mr. Speaker, the sun of authority should set forever for the "rubber stamp" Congressmen. We need none of them. They have wrecked our economy. They will destroy our democracy. We need Americans in Congress, Democrats and Republicans alike, who put country above party, who stand on their own feet and do their own thinking. Who are not slaves to the beck and call of the Chief Executive and his coterie of bureaucrats, selected for each passing whim.

Mr. Speaker, the biggest business anywhere is the United States Government. It spends $8,000,000,000 annually. That is almost $24,000,000 daily, or nearly $1,000,000 an hour.

Nearly a tenth of the Nation's 130,000,000 citizens are dependent on it for a living.

It has over 1,000,000 civil employees on its pay roll. It has become the largest commercial banker, the largest single creditor of the railroads, one of the biggest producers and distributors of electric power, and the biggest holder of farm products. It is the biggest single factor in the building and construction industry. It regulates and to a large extent controls the securities markets and the banks. In addition, it competes with private business directly and indirectly on many other fronts. There is nothing like it anywhere else in the world.

Clearly, our Federal Government is a big business operation. To run such an enterprise the best trained and the best qualified business brains are none too good—especially at the present time, when the machine has bogged down. For 9 years our Federal Government has been unable to balance its outgo with its income by anywhere from one to four billion dollars annually.

"Must legislation" has no place in the American system. It can only thrive in a totalitarian state. If our democracy is to be preserved we must maintain intact our independent Congress, an unpacked Supreme Court, and an executive department freed from its maze of bureaucracy and usurped unconstitutional powers.

Mr. Speaker, Mr. Roosevelt said, when a candidate for office, he would reduce the bureaus and employees 25 percent. The following table shows how well he has kept the promise, and reveals why our fiscal policy is on the rocks.

The following table gives the number of employees in the Federal Government beginning June 30, 1930. These figures indicate a steady increase, and it must stop. There has been an increase of 450,610 since the Roosevelt administration came in, an increase of nearly 100 percent.

TABLE

1930	560,456
1931	571,368
1932	570,000
1933	577,170
1934	580,181
1935	751,269
1936	810,418
1937	871,236
1938	855,210
1939	925,260
1940	1,011,066

THE BATTLE OF AMERICA

Mr. Speaker, my work here in the Nation's Capitol during the three sessions of the Seventy-sixth Congress, while the holocaust of total war has been sweeping over Europe, carrying to their doom the nations of the Old World, convinces me that our own supreme problem now is the battle of America. With feverish haste we have been building up our defenses to protect our Democracy against attacks from without. This being now provided for as far as lies within the power of the Congress, we must not overlook the danger from within. It has been well said: "We are in danger from without because we are in danger from within." We are witnessing here in Washington a gradual surrender of the rights of the people to a centralized control in the Executive. We see the growth of a huge bureaucracy with over a million employees, reaching out to control all the blood streams of our Government's life. We see an attempt to perpetuate itself. We note the loss of the independence of the Congress and its subordination to the will of the Executive. We see the lessening of the stamina of our people and their dependence upon the bounty of the Government. We see the loss of faith on the part of the leaders in power, in the abilities of our people to govern themselves, and in our democratic processes and our American way of life. In a word, we are gradually slipping down the road toward a totalitarian state where the people themselves no longer retain control over their own destinies, but look to and depend upon a super government over and above them with all power fixed in one centralized control. The American Government belongs to the American people by right of heritage. We the people must awaken from our lethargy and recapture our Government. We must halt the drift toward totalitarianism and reestablish our democracy and preserve the American way of life and free enterprise, maintained and carried forward by freemen. We do not want to be governed, we want to govern ourselves. We must foster and preserve an abiding faith in a free society and the spiritual and humanitarian values in our American life. Mere material success will not save our civilization.

"Great lives and great ages never grow from dead hopes." Life itself is a great adventure. America was built from the dreams of our torchbearers. Columbus led the way when he followed a dream across an uncharted ocean to find this New World; faith pushed our frontiers across a continent, over plains and mountain ranges to the Pacific; faith, vision, and leadership will continue to take America on new adventures into the world of prosperity and happiness. May we have the vision to follow such leadership in this grave crisis confronting America.

God, give us men! A time like this demands
Strong minds, great hearts, true faith, and ready hands;
Men whom the lust for office does not kill;
  Men whom the spoils of office cannot buy;
Men who possess opinions and a will;
  Men who have honor; men who will not lie;
Men who can stand before a demagog
  And damn his treacherous flatteries without winking;
Tall men, sun-crowned; men who live above the fog
  In public duty and in private thinking.

PERMISSION TO ADDRESS THE HOUSE

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan [Mr. DONDERO]?

There was no objection.

Mr. DONDERO. Mr. Speaker, we are living in a dark hour in the history of the world. There is war and rumors of war. Human freedom seems to be disappearing from the face of the earth. The Republic of the United States is the last refuge and the last citadel of human freedom.

Mr. Speaker, within our borders exist two documents that symbolize the great principles of liberty to mankind. They stand as the hope of the world. In order to renew and revive interests and to make them better known to our people, I have introduced a bill providing that the Post Office Department of this Government shall display in a prominent place in every post office in the United States a copy of the Declaration of Independence and the Constitution of the United States.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

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

There was no objection.

Mr. SCHAFER of Wisconsin. Mr. Speaker, we have all listened with a great deal of interest to the wonderful speech on Thomas Jefferson delivered by our colleague the very distinguished and able gentleman from Missouri [Mr. SHANNON]. I want to discuss briefly Jefferson's position on an important matter which the gentleman from Missouri [Mr. SHANNON] did not mention.

Mr. Speaker, President Franklin D. Roosevelt has drafted himself for a third term after indicating that no other living American is qualified for the Presidency.

Mr. Speaker, our first President, George Washington, declined a third term and thereby set the precedent of a two-term limit for President.

Mr. Speaker, President Andrew Jackson said:

It would seem advisable to limit the service of the Chief Magistrate to a single term of either 4 or 6 years.

Mr. Speaker, Boss Frank Hague, mayor of Jersey City, N. J., a main cog in the New Deal political machine, said:

Absolutely 100 percent for a third term for Mr. Roosevelt.

Mr. Speaker, President Woodrow Wilson said:

It is intolerable that any President should be permitted to determine who should succeed him—himself or another.

Mr. Speaker, the New Deal No. 1 hatchet man, Harold L. Ickes, Secretary of the Interior, said:

But, after all, what is a "sacred tradition" among friends?

Mr. Speaker, Boss Edward J. Kelly, mayor of Chicago, Ill., a main cog in the New Deal political machine, said:

I suppose I was one of the very first to go on record for a third term.

Mr. Speaker, Thomas Jefferson said:

Should a President consent to be a candidate for a third election, I trust he would be rejected on this demonstration of ambitious views.

Mr. Speaker, I sincerely hope that the very distinguished gentleman from Missouri, and all of our countrymen who adhere to the principles of the noble and patriotic statesman, Thomas Jefferson, will, on this November 5 election day, oppose President Roosevelt for a third term.

Mr. Speaker, they will then be faithful to the memory of Thomas Jefferson, who said:

Should a President consent to be a candidate for a third election, I trust he would be rejected on this demonstration of ambitious views.

[Applause.]

Mr. Speaker, on this November 5 election day the third-term issue will be fought out. I shall take my position with George Washington, Andrew Jackson, Woodrow Wilson, and Thomas Jefferson and against Franklin D. Roosevelt, Harold L. Ickes, Boss Kelly, and Boss Hague. [Applause.]

A FARMSIDE CHAT ON "THE MIRAGE OF MR. WALLACE"

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD and include therein one page from the hearings of the Committee on Agriculture.

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

There was no objection.

Mr. MURRAY. Mr. Speaker, the opposition seems to be very critical of the manner in which our Republican candidate with Hoosier accent pronounces his words and openly criticizes his grammar. The criticism I have of the New Dealers is not their grammar or pronunciation but their utter disregard for simple arithmetic and their total lack of sense of proportion.

About the first question I asked Mr. Wallace before the Agricultural Committee was why the New Deal added the farm-subsidy payments to the national farm income, as shown in the hearing, page 603, serial A, February 21–March 22, 1939, as follows:

Mr. MURRAY. Not as a matter of politics, but purely as agricultural economics, Mr. Secretary, I would like to ask you this question: Why do you think there should be included in the total national farm income the benefit and other payments received from the Government by farmers? I do not see how that could be figured as farm income any more than when I go to figure my income tax I would include a loan of $1,000 I made from a bank. That surely would not be income. But in the case of the income shown by this last year I think it would be of the same line of reasoning if you add to the total income of farmers the subsidies which they received, as long as we have not balanced the Budget and as long as that remains a part of the public debt, and the rural people themselves will surely have to pay their share of the public debt.

Secretary WALLACE. Undoubtedly the Government's payments are properly a part of farm income. The taxes the farmer has to pay are local property taxes rather than income taxes. I think there has been a great deal of unnecessary worry on the part of farmers concerning statements that have been made that led them to think they are going to have to pay the taxes that pay the national debt. As a matter of fact, in the case of about 90 percent of the farmers the only taxes they will pay will be property, county, or State taxes, in the form of ad valorem taxes.

Mr. MURRAY. In the final analysis they will have to pay their pro rata part of the tax, however, will they not?

Secretary WALLACE. Well, I do not think that will amount to much.

Mr. MURRAY. Thank you.

Mr. Wallace may think the farmers will not pay their share of the public debt, but I cannot believe it. I think every living human being is going to contribute toward paying the public debt whether it is the rich, the poor, or the average individual, and this includes the widow's mite.

If the New Deal has increased the public debt $27,000,000,000, the farm people will surely have to repay over $6,000,000,000 with interest, as they represent about 25 percent of the people. Mr. Wallace may believe and may try to make this country believe that because a farmer does not pay any income tax he is not paying any taxes toward the national debt, but he surely went to a different school than most of us in order to come to this kind of a conclusion.

The New Deal has placed an invisible mortgage of $1,000 on every farm in America and other property in proportion. The sooner we make 2 and 2 equal 4, talk, think, and act accordingly, the sooner we will quit the New Deal fallacies.

I am sure Mr. Willkie's grammar excels Mr. Wallace's arithmetic.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow it adjourn to meet on Monday next.

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

There was no objection.

LEAVE OF ABSENCE

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

To Mr. HARE, for 10 days, on account of important business.

To Mr. CULLEN (at the request of Mr. McCORMACK), indefinitely, on account of illness.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 3240. An act for the relief of the St. Nicholas Park Co.; to the Committee on Claims.

S. 4215. An act for the relief of Caffey Robertson-Smith, Inc.; to the Committee on Claims.

S. 4218. An act to extend to the Virgin Islands the provisions of certain laws relating to vocational education and civilian rehabilitation; to the Committee on Insular Affairs.

S. 4240. An act to authorize the sale, under the provisions of the act of March 12, 1926 (44 Stat. 203), of surplus War Department real property; to the Committee on Military Affairs.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3907. An act for the relief of William A. Reithel;

H. R. 6083. An act for the relief of Adolph Burstein;

H. R. 6091. An act for the relief of Samuel Roberts;

H. R. 7283. An act for the relief of Frank Hall;

H. R. 7784. An act for the relief of Howard R. M. Browne;

H. R. 7813. An act to safeguard the homing pigeon;

H. R. 8333. An act for the relief of Ralph W. Daggett, formerly lieutenant, Quartermaster Corps, United States Army;

H. R. 8613. An act to amend the act to provide for the retirement of disabled nurses of the Army and the Navy;

H. R. 8705. An act for the relief of Howard Mondt;

H. R. 9972. An act authorizing the improvement of certain rivers and harbors in the interest of the national defense, and for other purposes;

H. R. 10094. An act to require the registration of certain organizations carrying on activities within the United States, and for other purposes;

H. R. 10194. An act for the relief of the late John L. Summers, former disbursing clerk, Treasury Department;

H. R. 10354. An act for the relief of Guy F. Allen, chief disbursing officer, Treasury Department, and for other purposes;

H. R. 10412. An act to expedite the provision of housing in connection with national defense, and for other purposes;

H. J. Res. 614. Joint resolution making an additional appropriation for national-defense housing for the fiscal year ending June 30, 1941, and for other purposes;

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 2627. An act to empower and authorize special agents and such other employees of the Division of Investigations, Department of the Interior, as are designated by the Secretary of the Interior for that purpose, to administer oaths in the performance of their official duties;

S. 3266. An act to provide pensions, compensation, retirement pay, and hospital benefits for certain Air Corps Reserve officers who were disabled while on active duty with the Regular Army;

S. 3619. An act relating to changes in the administration of the National Guard of the United States bearing on Federal recognition, pay, allotment of funds, drill, training, and so forth;

S. 4270. An act to promote and strengthen the national defense by suspending enforcement of certain civil liabilities of certain persons serving in the Military and Naval Establishments, including the Coast Guard; and

S. J. Res. 258. Joint resolution to provide for the use and disposition of the bequest of the late Justice Oliver Wendell Holmes to the United States, and for other purposes.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 26 minutes p. m.) the House adjourned until tomorrow, Thursday, October 10, 1940, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1984. A communication from the President of the United States, transmitting an emergency supplemental estimate of appropriation, for the War Department, for the improvement of rivers and harbors in the interest of national defense, for the fiscal year ending June 30, 1941, totaling $10,000,000 cash, plus contract authorizations totaling $20,076,000 (H. Doc. No. 966); to the Committee on Appropriations and ordered to be printed.

1985. A letter from the Secretary of War, transmitting the draft of a proposed bill to improve the national defense by creating the grade of chief warrant officer in the Army; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. JARMAN: Committee on Printing. House Concurrent Resolution 91. Concurrent resolution authorizing printing of additional copies of the Second Excess Profits Act of 1940; without amendment (Rept. No. 3049). Ordered to be printed.

Mrs. NORTON: Committee on Labor. S. 4338. An act to amend the act entitled "An act to establish a Civilian Conservation Corps, and for other purposes," approved June 28, 1937, as amended; without amendment (Rept. No. 3050). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII,

Mr. SUMNERS of Texas introduced a bill (H. R. 10637) to extend the provisions of the act of May 22, 1934, as amended, known as the National Stolen Property Act, which was referred to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. BARRY (by request) introduced a bill (H. R. 10638) for the relief of Leonidas Fotinos and wife, Uvoni, which was referred to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

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

9353. By Mr. TENEROWICZ: Resolution of the Detroit Federation of Post Office Clerks, Local No. 295, National Federation of Post Office Clerks, requesting that a Member of Congress from the city of Detroit be placed on the House Post Office and Post Roads Committee; to the Committee on Ways and Means.

9354. By Mr. KENNEDY of Maryland: Petition of the Baltic-American Society of Washington, D. C.; to the Committee on Foreign Affairs.

9355. By Mrs. NORTON: Petition of the Board of Education of the city of Jersey City, N. J., urging the continuance and expansion of Federal reimbursement to public vocational schools; to the Committee on Interstate and Foreign Commerce.

HOUSE OF REPRESENTATIVES

THURSDAY, OCTOBER 10, 1940

The House met at 12 o'clock noon.

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

Heavenly Father, we pray that the divine voice may penetrate the holy of holies of our breasts saying, "Man shall not live by bread alone." Today put us in possession of our best thoughts and holiest feelings. He who brings some new thought of the Christ, quickening the soul with holy love, opens within a well of water springing up into everlasting life. O God, give us to understand that life is not a dowry to be selfishly squandered, but a stewardship to be faithfully discharged; self-care for the good of others is good and right. Blessed Lord, reveal to us more and more the glory and the redeeming power of our Lord. In our vision let us see the withered hand with eager, nervous, trembling finger thrust forward to touch the hem of His garment and the light of health and peace flooding one sad life. Oh, what a breaking of day over the dark inner world of that confused and disappointed one; O Master, touch our hearts and minds and lead us in the way everlasting. In Thy Holy Name. Amen.

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

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on October 9, 1940, the President approved and signed bills and a joint resolution of the House of the following titles:

H. R. 1857. An act for the relief of Nell Mullen;

H. R. 1999. An act to confer jurisdiction upon certain United States commissioners to try petty offenses committed on Federal reservations;

H. R. 2036. An act for the relief of Umberto Tedeschi;

H. R. 2684. An act for the relief of Emma Knutson;

H. R. 3009. An act for the relief of June Thompson, a minor;

H. R. 4066. An act for the relief of Josefina Alvarado;

H. R. 4088. An act to amend the Commodity Exchange Act, as amended, to extend its provisions to fats and oils, cottonseed, cottonseed meal, and peanuts;

H. R. 4441. An act for the relief of Alex Silberstein, Magdalene Silberstein, Alice Silberstein, Eleanor Goldfarb, Lillian Goldfarb, Jackie Goldfarb, and Florence Karp, minors;

H. R. 4615. An act for the relief of Sallie Barr;

H. R. 4656. An act to record the lawful admission to the United States for permanent residence of Esther Klein;

H. R. 4954. An act for the relief of Rosa Paone;

H. R. 5264. An act for the relief of Maj. Clarence H. Greene, United States Army, retired;

H. R. 5417. An act for the relief of Isaac Surmany;

H. R. 6060. An act for the relief of John P. Hart;

H. R. 6215. An act for the relief of John E. Avery;

H. R. 6457. An act for the relief of the Wallie Motor Co.;

H. R. 6512. An act for the relief of F. W. Heaton;

H. R. 6639. An act for the relief of George F. Kermath;

H. R. 6687. An act to permit the States to extend their sales, use, and income taxes to persons residing or carrying on business, or to transactions occurring, in Federal areas, and for other purposes;

H. R. 6820. An act for the relief of Mrs. Hama Torii Emerson;

H. R. 6888. An act for the relief of Esther Jacobs;

H. R. 6946. An act for the relief of Salvatore Taras;

H. R. 7276. An act for the relief of Walter B. McDougall and Herbert Maier;