

with the rank of major general, for a period of 4 years from date of acceptance, vice Maj. Gen. Charles M. Wesson, Chief of Ordnance, whose term of office expires June 2, 1942.

TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

Brig. Gen. Levin Hicks Campbell, Jr. (colonel, Ordnance Department), Army of the United States, for temporary appointment as major general in the Army of the United States.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 1 (legislative day of March 30), 1942:

POSTMASTERS

NEW YORK

Theodore M. Stenner, Penfield.

UTAH

Fred L. Gadd, Nephi.

WISCONSIN

Mildred M. Dwyer, East Troy.

Ludy J. Drolson, Lake Nebagamon.

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 2, 1942

The House was called to order at 12 o'clock noon by the Speaker pro tempore, Mr. Cox.

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

Our Father, we wait on the rim of a cloud so dark that even the sun refused to shine. As the breakers of passion beat against the very soul of Thy Son our reason is tossing on the sea and wrestling for the daybreak. O Saviour alone in the garden, praying and girding Thyself for the struggle, Thou givest us the voice of unuttered speech and the prayer of a troubled heart. We praise Thee that the cloud will not be suffered to hover long above the forbidding hilltop, nor float in the gleam of a wandering sun. In the hour of silence, out of the sealed chamber of Thy soul, the darkness will pass and the immortal light will break through. For our sins, we ask the mercy of the cross and for our country the benediction of Thy love and care.

O Saviour of the world, cleanse our hearts from all unrighteous purposes and as the hart panteth after the water-brooks, so may our souls pant after Thee, O God. Be patient with us as we kneel in the shades of the garden; Thy trial makes us heavy and Thy tears make us weep. Grant that Calvary may be a revealing curtain through which our souls may pass into the uncharted realms of eternal life, and into the haven of peace:

"O angel of the garden,
Descend to us today,
And comfort all our sadness
And drive death's fear away.
We all are sorrow-laden,
Speak to our hearts, we pray,
He whom ye love is risen
And lives with Christ alway."

In the name of the King of Glory.
Amen.

The Journal of the proceedings of Tuesday, March 31, 1942, 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. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On March 13, 1942:

H. R. 1535. An act for the relief of the estate of John J. Murray;

H. R. 2120. An act for the relief of John H. Durnil;

H. R. 2430. An act for the relief of John Huff;

H. R. 3798. An act to amend the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government";

H. R. 4896. An act for the relief of David B. Byrne;

H. R. 5478. An act for the relief of Neil Mahoney; and

H. R. 6531. An act to suspend the effectiveness during the existing national emergency of tariff duties on scrap iron, scrap steel, and nonferrous-metal scrap.

On March 14, 1942:

H. R. 6291. An act to amend the Merchant Marine Act, 1936, as amended, to provide for the coordination of the forwarding and similar servicing of water-borne export and import foreign commerce of the United States.

On March 21, 1942:

H. R. 6758. An act to provide a penalty for violation of restrictions or orders with respect to persons entering, remaining in, leaving, or committing any act in military areas or zones.

On March 27, 1942:

H. R. 6543. An act to amend certain provisions of the Internal Revenue Code relating to the production of alcohol; and

H. R. 6759. An act to amend the act entitled "An act to fix the hours of duty of postal employees, and for other purposes," approved August 14, 1935, as amended, so as to permit payment for overtime for Saturday service in lieu of compensatory time.

On March 28, 1942:

H. R. 6691. An act to increase the debt of the United States, to further amend the Second Liberty Bond Act, and for other purposes; and

H. R. 6738. An act to limit the initial base pay of \$21 per month for enlisted men in the Army and Marine Corps to those of the seventh grade.

On April 1, 1942:

H. R. 5784. An act to consolidate the police court of the District of Columbia and the municipal court of the District of Columbia, to be known as "the Municipal Court for the District of Columbia," to create "the Municipal Court of Appeals for the District of Columbia," 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 bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 716. An act for the relief of Hazel M. Lewis;

S. 1044. An act for the relief of L. H. Goodman;

S. 1227. An act for the relief of Mr. and Mrs. R. F. Claud;

S. 1334. An act for the relief of Anthony Famiglietti;

S. 1542. An act to authorize the leasing of the segregated coal deposits of the Choctaw and Chickasaw Nations in Oklahoma;

S. 1648. An act conferring jurisdiction upon the United States District Court for the District of Oregon to hear, determine, and render judgment upon the claim of the Shaver Forwarding Co., of Portland, Ore.;

S. 1732. An act for the relief of Max Miller and Vera Caroline Miller, and others;

S. 1756. An act for the relief of Franklin Benjamin McNew;

S. 1944. An act for the relief of Thomas Samuel Wuriu;

S. 1991. An act for the relief of Mrs. William Meister;

S. 2025. An act to readjust the pay and allowance of personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service;

S. 2048. An act for the relief of Lt. William Stewart Walker;

S. 2069. An act for the relief of the Quimby-Ryan Engineering Sales Co., Inc.;

S. 2116. An act for the relief of Frank S. Mathias and Elsie Mathias;

S. 2221. An act to provide for the adjustment of certain tort claims against the United States and to confer jurisdiction in respect thereto on the district courts of the United States, and for other purposes;

S. 2235. An act for the relief of Harriett Boswell, guardian of Betty Fisher;

S. 2250. An act to mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes;

S. 2278. An act for the relief of Bob Sampley;

S. 2286. An act to authorize inclusion of service on active duty as service on the active list in computation of service commissioned warrant officers in the Navy for pay purposes;

S. 2288. An act to amend subsection 11 (b) of the act approved July 24, 1941, entitled "An act authorizing the temporary appointment or advancement of certain personnel of the Navy and Marine Corps, and for other purposes";

S. 2305. An act to relieve disbursing and certifying officers of the United States of responsibility for overpayments made on transportation accounts under certain circumstances;

S. 2309. An act for the relief of the First National Bank of Huntsville, Tex.;

S. 2327. An act to provide for payment and settlement of mileage accounts of officers and travel allowance of enlisted men of the Navy, Marine Corps, and Coast Guard;

S. 2353. An act to amend sections 1305 and 1306 of the Revised Statutes, as amended, to eliminate the prohibition against payment of deposits and interest thereon of enlisted men until final discharge;

S. 2356. An act authorizing the Administrator of Veterans' Affairs to grant easements in certain lands of the Veterans' Administration facility, Murfreesboro, Tenn., to the city of Murfreesboro, State of Tennessee, to enable the city to construct and maintain a water-pumping station and pipe line;

S. 2380. An act to suspend for the duration of the present war all prohibitions against the marriage of officers of the land and naval forces of the United States;

S. 2381. An act to provide that certain provisions of law relating to the Navy shall be held applicable to the personnel of the Coast Guard when that service is operating as a part of the Navy;

S. 2392. An act to amend the act approved June 24, 1926, entitled "An act to authorize the construction and procurement of aircraft and aircraft equipment in the Navy and Marine Corps, and to adjust and define the status of the operating personnel in connection therewith," so as to provide for the establishment of the designation of naval aviation pilot (airship), and for other purposes;

S. 2387. An act to equalize the rates of pay of all personnel in the United States Army, the Navy, the Philippine Scouts, and the Philippine Commonwealth Army, and for other purposes;

S. 2399. An act to amend the act entitled "An act to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes," approved June 8, 1938, as amended;

S. 2406. An act to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; and

S. J. Res. 68. Joint resolution for the relief of sundry Indians of the Five Civilized Tribes.

The message also announced that the Senate requests the return from the House of the bill (H. R. 6328) entitled "An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department."

The message also announced that the Vice President had appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of Agriculture.
2. Post Office Department.
3. The National Archives.
4. United States Employees' Compensation Commission.

The SPEAKER pro tempore. The Chair requests the gentleman from Tennessee [Mr. COOPER] to administer the oath of office.

Mr. COOPER administered the oath of office to Mr. Cox as Speaker pro tempore.

EXTENSION OF REMARKS

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

HOUSING LEGISLATION—CONFERENCE REPORT

Mr. LANHAM. Mr. Speaker, the conferees on the bill H. R. 6483 have agreed on a report. I ask unanimous consent that they may have until midnight tonight within which to file that report.

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

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, when does the gentleman intend to call up the conference report?

Mr. LANHAM. I hope to call it up on Monday next. It is not controversial in any way. It does not increase the amount which was passed by the House in the original bill.

Mr. MARTIN of Massachusetts. It is a complete agreement?

Mr. LANHAM. It is a complete agreement.

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

There was no objection.

EXTENSION OF REMARKS

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a fireside chat to the White House by Robert Morton, an attorney, of Los Angeles.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HART. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein an editorial.

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

There was no objection.

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent to extend my remarks and include a letter from the National Woman's Christian Temperance Union.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent for two extensions, and in one I wish to include an editorial from the Galveston News and in the second I wish to embrace a copy of a letter which I wrote to the President and his reply to me.

The SPEAKER pro tempore. Is there objection to the requests of the gentleman from Texas?

There was no objection.

Mr. ROBERTSON of Virginia. Mr. Speaker, I ask unanimous consent to extend my remarks and include therewith a resolution adopted by the General Assembly of Virginia in opposition to the St. Lawrence project.

The SPEAKER pro tempore. Is there objection?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent that after the conclusion of business on the Speaker's desk and any other special orders I may be permitted to address the House for 15 minutes today.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent that after the conclusion of the special order entered by the gentleman from Washington [Mr. SMITH] I may be permitted to address the House for 10 minutes on the subject of an amendment recently adopted.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that following the special order granted the gentleman from South Dakota [Mr. CASE] I may be permitted to address the House for 30 minutes today.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent that at the conclusion of the other special orders today I may be allowed to proceed for 10 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent that I be allowed to proceed for 10 minutes today following the gentleman from Oregon [Mr. ANGELL].

The SPEAKER pro tempore. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include the creed of the United Spanish War Veterans of my district.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. McCORMACK] may have permission to extend his own remarks in the RECORD and include an editorial.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. COCHRAN. Mr. Speaker, I also ask unanimous consent to extend my own remarks on two occasions and include a brief newspaper article.

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

There was no objection.

Mr. NORRELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BECKWORTH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include several letters I have received.

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

There was no objection.

Mr. MAHON. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix and insert some brief excerpts.

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

There was no objection.

Mr. PAGÁN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein some newspaper editorials.

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

There was no objection.

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address made before the rehabilitation committee of the American Legion at Baltimore on January 20.

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

There was no objection.

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio speech I made on March 5.

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

There was no objection.

Mr. SANDERS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include a brief poem by a young lady in my district on the war; and I also ask unanimous consent to extend my own remarks and to include therein a radio address I delivered.

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

There was no objection.

SUBVERSIVE ACTIVITIES

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. LELAND M. FORD. Mr. Speaker, under unanimous consent to address the House for 1 minute and to revise and extend my remarks, I include herein two news items, one from the Santa Monica Evening Outlook, dated March 27, 1942, headed "To hell with MacArthur, says ex-pension head, Robert Noble."

This is the man who says that this war was precipitated by the United States and Britain, who cut off Japanese rubber and tin, and who, in my opinion, has been responsible for many seditious statements.

The second item is from the Washington Star of March 31, 1942, headed "Traducers of General MacArthur ordered arrested for libel."

Robert Noble is one of the persons I had asked Attorney General Biddle to take into custody. Upon contacting the Attorney General's office, I was advised that at last this Noble had been taken into custody and will be prosecuted. I commend the Attorney General for this.

I understand also that Fritz Kuhn, the former head of the German-American Bund, and about whom I have made an affidavit to cancel his citizenship, will be prosecuted along with other groups in the German-American Bund. I congratulate and commend the Attorney General for this.

Now, if the Attorney General will only show the same kind of action, and really get busy on Harry Bridges and the Hohenlohe woman, it is my opinion that he will inspire great confidence in our people and in the ability of the Government to do its duty, and, in addition, will certainly safeguard the interests, not only of national defense but of the whole country.

[From the Santa Monica (Calif.) Evening Outlook of March 27, 1942]

"TO HELL WITH MACARTHUR," SAYS
EX-PENSION HEAD

LOS ANGELES.—Robert Noble, erstwhile old-age pension leader and now head of Friends of Progress, declares that the present war in the Pacific was "precipitated by the United States and Britain, who cut off Japan's rubber and tin."

Noble admitted to the State assembly committee investigating un-American activities that he may have said, in discussing Gen. Douglas MacArthur at a meeting of his political organization two nights ago, "To hell with him."

He was asked by the committee if he had said:

"This 'phony' general we have, Douglas MacArthur—that is the guy that ordered our boys shot on the Capitol steps when they wanted a bonus, remember? Well, as far as I am concerned, to hell with him."

Noble replied, "Those were not my exact words, but I think the position he is boasted up to occupy today is very 'phony'."

[From the Washington Evening Star of March 31, 1942]

TRADUCERS OF GENERAL MACARTHUR ORDERED
ARRESTED FOR LIBEL

SACRAMENTO, CALIF., March 31.—Attorney General Earl Warren today ordered his Los Angeles office to swear to a complaint charging Robert Noble, Ellis Jones, and others with conspiracy to commit criminal libel in a published statement which cast reflection on Gen. Douglas MacArthur's departure from the Philippines.

Mr. Warren declared that "by no stretch of the imagination" could the Noble-Jones statement, issued in a publication of the Friends of Progress Society, be considered an exercise of the right of free speech.

"It is malicious falsehood and, when coupled with the other material in this and other publications by the same persons, shows a clear and definite purpose not only to defame General MacArthur but also to spread disaffection among our people and cripple our Nation in its war effort," the attorney general said.

"It is libel of the basest sort and, when taken in connection with their other acts, may constitute treason."

"If General MacArthur and his boys can protect our Nation at their posts of duty across the Pacific, the State of California can and will at least protect their good name at home."

[From the Washington Evening Star of April 1, 1942]

ISOLATIONIST LEADERS OF WEST COAST SEIZED
ON SEDITION CHARGES—FEDERAL BUREAU OF
INVESTIGATION ARRESTS PAIR ACCUSED EARLIER
OF LIBELING MACARTHUR

LOS ANGELES, April 1.—Isolationists Robert C. Noble, who shouted "To hell with MacArthur," and Ellis O. Jones, who led a mock impeachment of President Roosevelt, were rearrested last night on Federal charges of sedition.

Almost simultaneously the State filed criminal libel charges against Noble, Jones, and seven others, accusing them of having libeled Gen. Douglas MacArthur in a pamphlet distributed by their Friends of Progress, isolationist organization. Attorney General Earl Warren filed the State charges in Sacramento.

RELEASED BY BIDDLE

Noble, Jones, and four of their followers were arrested shortly after Pearl Harbor and charged with sedition. They were released a few days later on orders from Attorney General Biddle, who said every effort should be made to maintain free speech and public safety. Noble, as judge, and Jones, as prosecutor, had impeached President Roosevelt at a mock trial.

Noble's "To hell with MacArthur" statement was made to a Friends of Progress meeting last week. He confirmed it in testimony before a State assembly committee investigating un-American activities. In other appearances before the committee Noble said he admired Hitler, contended the Japanese attack on Pearl Harbor was justified, and advocated "Europe for Hitler" and "the Orient for the Japanese." He accused President Roosevelt of meddling in world affairs.

PROLONGED INVESTIGATION

Noble came into public notice a few years ago as promoter of old-age pension plans, then turned to world politics and organized, with Jones, the National Copperheads and Friends of Progress.

He enlisted in the Navy before the World War, but was dishonorably discharged in 1918 after running away three times.

The arrests followed months of investigation by the Federal Bureau of Investigation. Noble is suave, handsome, and 44; Jones, mustached, gray-haired, and 65.

Maximum penalties for sedition are 20 years' imprisonment, \$10,000 fine, or both. Noble and Jones were jailed in default of \$10,000 bond each.

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to include therein certain newspaper excerpts.

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

There was no objection.

APRIL FOOL

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

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

There was no objection.

Mr. NELSON. Mr. Speaker, April 1, All Fool's Day, is past, but the public may continue to be fooled. If so, this will be due, not to a deliberate effort to deceive but to lack of discrimination on the part of many listeners and readers.

I have in mind three sources of great influence—three C's, commentators, columnists, and cartoonists. All are legitimate and may serve useful purposes, even though frequently dealing with prophecy, opinions, and propaganda. The need is that the public distinguish between these and such strictly news-gathering and disseminating agencies as the Associated Press, United Press, and all others, including recognized radio reporting. This differentiation will result in a better understanding on the part of all our people.

[Here the gavel fell.]

REPUBLICAN RIVER BASIN—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 690)

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read:

To the House of Representatives:

I return herewith, without my approval, H. R. 5945, a bill granting the consent of Congress to a compact entered into by the States of Colorado, Kansas, and Nebraska with respect to the use of the waters of the Republican River Basin.

The compact was negotiated by the three States with a view to apportioning the waters of the Republican Basin for irrigation and related uses. I approve of this purpose and of an interstate compact as a means of making the necessary apportionment. In this basin, as in other parts of the arid and semiarid West, the effective use of water and the control of destructive floods demand joint action by the States working in harmonious relation with the Federal agencies concerned.

It is unfortunate that the compact also seeks to withdraw the jurisdiction of the United States over the waters of the Republican Basin for purposes of navigation, and that it appears to restrict the authority of the United States to construct irrigation works and to appropriate water for irrigation purposes in the basin. The provisions having that effect, if approved without qualification, would impede the full development of the water resources of the basin and would unduly limit the exercise of the established national interest in such development.

While I find it necessary to withhold my approval of the legislation in its present form, I would be glad to approve a bill which, in assenting to the compact, specifically reserves to the United States all of the rights and responsibilities which it now has in the use and control of the waters of the basin.

FRANKLIN D. ROOSEVELT.
THE WHITE HOUSE, April 2, 1942.

The SPEAKER pro tempore. Without objection, further consideration of the message will go over until April 13.

There was no objection.

LONGEVITY PAY FOR POSTAL EMPLOYEES—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 691)

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read:

To the House of Representatives:

I am returning herewith, without my approval, H. R. 1057, an act "To establish a system of longevity pay for postal employees."

This legislation, covering about 222,500 field employees of the Postal Service, chiefly clerks in the first- and second-class post offices and carriers in the city-delivery service, would provide pay increases, beginning July 1, 1942, for those employees who have completed 10 years of continuous service, or about three-fourths of all employees covered by the bill.

The hours of service of employees affected by this measure were reduced from 44 to 40 hours per week by the enactment of the 40-hour-week law, effective October 1, 1935.

The clerks in the first- and second-class post offices and the carriers in the city-delivery service have been receiving, for some time, additional compensation at the rate of 10 percent per hour for work between 6 p. m. and 6 a. m.

A recent enactment, approved March 27, 1942, provides for the payment to these employees of extra compensation for work performed on Saturdays.

The increased compensation provided by this bill is made to apply to employees in the custodial service of the Post Office Department and also to certain supervisory employees of the Railway Mail Service. All of these employees are already covered by the pay scales of the Classification Act of 1923. Thus, the enactment of this measure would result in discriminatory compensation benefits

as between these employees and other classes of employees covered by that act.

The bill is not a temporary measure for increased compensation on account of any rise in the cost of living, but provides instead for a permanent increase in compensation, the first year cost being approximately \$14,000,000 and the ultimate annual cost being about \$39,000,000.

For the reasons stated above, and because this is not an opportune time for this type of legislation, I find it necessary in the public interest, to withhold my approval of this enactment.

FRANKLIN D. ROOSEVELT.
THE WHITE HOUSE, April 2, 1942.

The SPEAKER pro tempore. Without objection, further consideration of the message will go over until April 13.

There was no objection.

The SPEAKER pro tempore. Without objection, the messages just read will be printed as documents.

There was no objection.

NATIONAL YOUTH ADMINISTRATION AND CIVILIAN CONSERVATION CORPS

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

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

There was no objection.

Mr. CURTIS. Mr. Speaker, I think the time has come when we must cast aside everything that hinders us in the winning of the war in which we are now engaged.

I favor the complete abolition of the N. Y. A. and the C. C. C. for the duration of the war. I do this fully realizing that the N. Y. A. has helped worthy students in the schools and colleges of drought-stricken Nebraska and that the C. C. C. camps perform a great service in soil and water conservation in this area.

But the fact remains, we are in a war, and up to the present time we have taken a beating in that war. The abolition of these two agencies will not only mean a dollar-saving to the taxpayers but it will make available a large group of administrative and executive officials, as well as office space here in Washington for activities directly connected with the war effort. To merely cut their budgets down means to retain all the overhead and receive none of the benefits. We already have too many bureaucrats here in Washington who could better serve their country in the armed forces.

The time has come in America when we must eliminate a lot of things that may be good, or go down to an ignoble defeat. I hope the Congress will deal with these two agencies swiftly and effectively.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. BENDER] be permitted to extend his own remarks in the Record.

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

There was no objection.

APPEALS BY THE UNITED STATES TO THE CIRCUIT COURTS OF APPEALS IN CERTAIN CASES

Mr. McLAUGHLIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 139) to permit appeals by the United States to the circuit courts of appeals in certain cases, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. SUMNERS of Texas, McLAUGHLIN, and HANCOCK.

TAX LIABILITIES IN CERTAIN CASES

Mr. ROBERTSON of Virginia. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. ROBERTSON of Virginia. Mr. Speaker, the people of this Nation were astounded and disturbed by the recent revelation in the House Committee on Naval Affairs that a manufacturing firm in Ohio holding a \$50,000,000 contract to manufacture starters for naval airplanes was seeking to reduce its tax liability by inordinate and excessive allowances to its employees.

Knowing that the Internal Revenue Code, under the section dealing with allowable deductions by corporations from gross income in computing their net statutory taxable income, provided for the deduction of only reasonable salaries and compensation, I presented a hypothetical case to Mr. Randolph Paul of the Treasury as to what would happen if more than reasonable amounts were allowed for salaries, and so forth, and this is his reply to me under date of April 1:

In accordance with your oral request, the following is submitted as the tax effect on the given statement of facts:

Assuming a man earning \$10,000 salary in 1940 (from a corporation), on which he was liable for Federal income tax for that year in the amount of \$528, received an increase in salary for 1941 to \$125,000 and after investigation by the Bureau of Internal Revenue it was held that \$25,000 represented reasonable compensation resulting in the disallowance of \$100,000 of the deduction claimed by the corporation.

Since the individual received the entire amount, he would be taxable thereon while the corporation would be denied the benefit of the deduction of the excessive amount.

Assuming the individual is a married man having no other dependents, his tax liability on \$125,000 is \$69,939, while his liability on \$25,000 would be \$6,864. Hence, the tax on the excessive salary would be \$63,075 and the tax to be assessed against the corporation as a result of the adjustment (assuming it to be liable at the rate of 72 percent) would be \$72,000.

It will accordingly be observed that the aggregate of the additional tax to be assessed against the corporation as a result of the disallowance of the excessive salary in the amount of \$100,000 plus the tax payable by the recipient upon the excessive salary would be \$135,075; that is, \$72,000 plus \$63,075.

Therefore, if a corporation made an improper allowance in salary of \$100,000

to evade \$72,000 of excess profits tax, the combined tax on the corporation and on the individual would be \$135,000, or \$35,000 more than the entire allowance.

[Here the gavel fell.]

LABOR AND THE WAR EFFORT

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I first want to congratulate the Speaker pro tempore we have today. We have always had a great deal of confidence and respect for him. He is a gentleman—sound, sane, and sensible. I like to see him sitting in the Speaker's chair, and I hope some day he may be there permanently.

Mr. Speaker, it was with a great deal of rejoicing that I saw in the paper this morning that the C. I. O., whose president is Mr. Murray, and the American Federation of Labor, whose president is Mr. Green, had assured General MacArthur that labor would do everything in its power to furnish the clothing, food, guns, ships, ammunition, and planes that he needed.

That was fine; but then I read in the same paper that a jurisdictional strike had occurred between the C. I. O. and a local union in the textile industry in New England, which furnishes the clothing that is necessary for these boys. That does not sound very good. That sounds like the New Deal promising one thing and doing another.

Words are not going to win this war. Promises are not going to win this war. It will take action. It means results. We say to Mr. Murray and Mr. Green, to the C. I. O. and to the A. F. of L., and to any other employees' union, that we want them to produce those materials and implements that will win the war and save American liberty and American independence. Let us hope that they get together and put the radical labor leaders out of labor; take the fifth columnists and Communists and put them in concentration camps; then produce the goods for MacArthur that will win this war. That is what we want. That is what you promised, and nothing short of that will do. Nothing short of adequate supplies will satisfy the American people. Nothing short of adequate material to the front for our boys will win the war. Everybody must put his or her shoulder to the wheel for all-out aggressive warfare and victory.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. CASEY of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein two resolutions.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD

and include therein a recent radio address.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

THE DIES COMMITTEE

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I believe the gentleman from Pennsylvania will find himself to be in error about it having been either an A. F. of L. or a C. I. O. union that called the strike to which he referred. I am not excusing the strike. I do not think there should be a one of them. But this was an independent union and not one in either the A. F. of L. or C. I. O.

A couple of days ago I made some remarks here about the procedure whereby the chairman of the Dies committee wrote a letter concerning certain employees of the Board of Economic Warfare, and vigorously protested both the procedure employed and the inclusion on that list of at least two names of persons whom I am certain have been done a great injustice. I am convinced my position was and is sound on these points.

I am trying to be fair and just, and I want to give to the House such information as seems to me to be important on any side of the question. Another name that was included in the list was that of Mr. C. Hartley Grattan. On yesterday it was brought to my attention that Mr. C. Hartley Grattan, in May of 1940, which was between the time of the signing of the pact between Russia and Germany and the time that Germany attacked Russia, wrote the foreword to the so-called German white paper, which was an attempt to lay the blame for the invasion of Poland on certain American officials, and that this foreword consists all the way through of a vigorous denunciation of this country's foreign policy of support of England and France. The German white paper was distributed in the United States by Manfred Zapp, the head of Transocean News Service, which was shown conclusively, I believe, to be a Nazi propaganda agency.

I understand that the Vice President has stated that thorough investigation will be made of all these charges in order that justice may be done individuals and the Government service protected as well. I believe that in connection with such an investigation this fact about the German white paper, taken together with the other matters about Mr. Grattan presented by the gentleman from Texas [Mr. DIES] in his letter, make a most serious picture, indeed, so far as he is concerned.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to extend my own

remarks in the RECORD in connection with pending legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

FOREST PROTECTION

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PIERCE. Mr. Speaker, Oregon has more standing saw timber than any other State in the Union, in both fir and ponderosa pine. Oregon is sawing, at the present time, more timber than any other State in the Union, and can continue to be the first timber State in the Union if proper methods of selective cutting are adopted and enforced on private lands as well as Government timber lands. The larger portion of the prosperity of our State comes from timber. As a citizen of the State, I am very anxious for the preservation of this valuable natural resource, which can be continued indefinitely, on account of soil and climate, if proper safeguards are adopted to keep down the losses by fire, for protection of the young growth, and regulation of cutting.

When Governor of the State, a few years ago, I was instrumental in arranging a State forest in the western part of the State, which is now growing more valuable each year, and the ripe timber from that State forest will soon be ready for the woodman's ax. Our great danger at the present time is from fire—incendiary, from lightning, and from carelessness.

For several years the State has been highly favored by having many triple C camps, with groups organized into fire fighting units, which proved extremely valuable. Hundreds of fires have started in Oregon in the last 9 years, and have been put out before they have done much damage.

We are in danger this summer from high-flying airplanes, scattering incendiary bombs over the forest areas. Japanese airplanes can approach close to the coast in airplane carriers, and then at night can pass over these forests, distributing the bombs which will start many fires. Often, in the summer, Oregon gets very dry and the forest becomes a tinder box.

Because of war activities, a large amount of timber is now being cut, both on the privately owned lands, and in the forest reserves. The demand next year will be even greater, and wartime depletion of the forests may prove to be very serious. We cannot afford any hazard which can be prevented. It is to be regretted that the Appropriation Committee of the House saw fit to cut the appropriation for forest protection this year below the amount recommended by the Budget. It is to be hoped that the Senate will not only restore the original amount asked for forest protection by the Budget, but will make appropriations

for all that can be advantageously used to protect these forests in the critical, dry days of the summer. The forests of Oregon are a great asset to the State, to the Nation, and to civilization. We cannot afford to lose them. It would be an irreparable disaster.

Recently, the acting forester made his annual report. It is a document well worth reading. Our regional forester, Mr. Lyle F. Watts, of Portland, wrote me a letter, under date of March 27, which I ask unanimous consent to insert in the RECORD as a part of these remarks. It is of concern to all who are interested in preserving our natural resources.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

UNITED STATES DEPARTMENT OF
AGRICULTURE, FOREST SERVICE,
NORTH PACIFIC REGION,
Portland, Oreg., March 27, 1942.

HON. WALTER M. PIERCE,
House of Representatives.

DEAR GOVERNOR: The Chief's office has, of course, sent you, as a member of the Committee on Agriculture, a copy of the annual report. Some further notes of events in the North Pacific region may be of interest.

War activities have naturally taken priority, and the Forest Service has had a number of assignments. Beginning in June 1940, a detailed study was made of the quantity, location, and ownership of Sitka spruce for aircraft construction, the possibility of increasing the rate of production of logs of aircraft quality, sawing technique, and manufacturing problems.

At the request of the second interceptor command, the Forest Service, working with other forest-protection agencies, has made arrangements to use many lookouts as bases for airplane warning service. Many forest lookout stations in the Cascade and coast ranges now are manned on a 24-hour basis. Surveys have been made of the locations of strategic minerals as well as of the necessary roads to open them. The Chief has been supplied with maps and tabulations for the information of the Office of Production Management. We are constructing one cooperative 16-mile road to a chrome deposit on the Siskiyou National Forest.

Most of the west coast in Washington and Oregon is in a so-called target area. The possibilities of grounding planes, retarding traffic, threatening towns, cantonments, and power lines, and diverting labor from war production by means of forest conflagrations is known to our enemy. In 1940 a master regional protection plan, based on the worst probable conditions of war, was made. In the spring of 1941 Congress appropriated funds for the partial application of this plan in cooperation with State and private protection agencies. The funds became available just in time to meet the worst concentration of lightning fires that organized forest protection has ever had to meet in this area. The 600 additional men employed worked on 860 fires, of which only 2 reached major size.

A similar plan to take care of the even greater hazard this year is ready to put into effect as soon as the necessary appropriation is made available. The protection problem is made more difficult this year by the employment of labor in war industries, the withdrawal of Civilian Conservation Corps camps, and priorities on equipment. All heavy equipment in the region that can be used for fire control, such as tractors, trucks, and graders, is being inventoried. Help is being recruited from schools, colleges, sportsmen's clubs, and other sources. All protection facilities, including fire crews and supervisory overhead, will be pooled. Crews will,

of course, be trained in the technique of fire fighting. It is believed that the preparations will be adequate to meet any probable situation.

The Forest Service is participating in the project to map parts of the coast area as a war measure. The costs of this project are financed by the War Department.

Forest officials with training experience have cooperated with the War Production Board in conducting courses at the plant of the Oregon Shipbuilding Co. and elsewhere.

Forest Service officials serve as members of the Agricultural Planning Board, State and county United States Department of Agriculture war boards, and in similar activities. This vital work has made heavy demands on official and personal time. A number of men have joined the armed forces and have not been replaced. The increased demand for timber for war activities has taken much time.

The volume of timber cut in the region in calendar year 1941 in sales and land exchange was 870,678 M feet, valued at \$2,207,626. This is 72,209 M feet, \$163,429, more than calendar year 1940. The cut in Oregon for sales and exchanges was 553,596 M feet, with a value of \$1,238,705. The Deschutes National Forest was at the head of the list, with a cut valued at \$367,410. The Malheur was next. Although average stumpage prices are slightly higher than last year, this increase is small, due to the fact that most of the volume of timber sold is under long-term contracts. The region made 1,870 sales in 1941, 650 of them to residents at cost.

Permits were issued for about 487,700 sheep and 85,500 cattle and horses in the North Pacific region. This slight decrease is in line with the production goals of the Department of Agriculture, which call for increased marketing and better management rather than building up the number of stock. It is believed that this policy, accompanied by selective butchering, will produce an increased amount of meat and also build up the quality of the flocks and herds.

You have no doubt been informed of the changes in the organization of the State livestock associations' advisory boards. A permittee from each national forest is elected to the board. The board holds two meetings each year, one of which is held during the summer on the range. This cooperation should promote mutual understanding and better range management.

The number of special-use permits issued on the national forests during the fiscal year was 578, making 4,303 in effect. Of these, 2,334 were charge permits and 1,969 were free.

The number of visits to the national forests for recreation during 1941 was about 4,700,000. This is larger than for 1940, but the length of stay was about 1 day as compared with nearly 2 days for 1940. Defense will require extensive closures and correspondingly decreased use during the war. Tire shortages will reduce public travel. The plan is to interfere as little as practicable with recreational use of developed camp and resort areas along main travel routes. In the high country, where hazard and values are low, the users will be required to register. Use of high-hazard and high-value areas must be restricted strictly to those having business reasons for entry.

In the region 87,281 acres of forest land were obtained by exchange. Of this, 55,920 acres are in Oregon. This exchange of Forest Service timber for land in private ownership is an effective way of extending constructive woods practice.

In the 10-day period, July 11-20, 1,014 fires were caused by lightning on the national forests of the region. This was an unprecedented load. Of these, 881 were held to less than one-quarter acre, 100 to less than 10 acres, 12 exceeded 10 acres, but only 2 reached major size. Losses for the season on national-

forest lands were held to 11,559 acres, which is about four one-thousandths of 1 percent of the net area. After the July storms the season presented no unusual difficulties. The number of man-caused fires for the entire year was 226, compared with 514 the preceding year. The Keep Oregon Green and Keep Washington Green campaigns are entitled to much credit for this improvement.

A condition that may be especially troublesome in 1942 is the amount of slash in the woods. Last year, heavy rains fell during the normal slash-burning season, and all but a small fraction of the 1941 slash remains unburned in the woods in addition to the very large current year's addition. Every effort has been and will be made to get rid of this slash before the fire season opens. In State and private-protection areas it is the source of much concern.

On the State and private lands, covered by cooperative protection under the Clarke-McNary Act, the 1941 season resembled that of the national forests. The proportion of fires caused by lightning was the highest of record—more than one-third the total in Washington; well over a half in Oregon. The number of man-caused fires was well below the average, for which much credit is due the fire-prevention campaigns. The area burned, 49,714 acres in Washington, 9,281 acres in Oregon, was much below the usual loss. Incendiarism and land clearing continue to be prolific causes of forest fires.

The Clemons Tree Farm, of 130,000 acres, in Washington, and the Willamette Valley Tree Farms in Oregon are new and welcome developments in private forestry. Intensive protection, planting, and other details of forest management have been started or are planned. Presumably, the areas gradually will increase. Otherwise, the small percentage of the total acreage in private ownership that is involved would be of no great significance. The possibility has been mentioned that the legislation proposed by the joint congressional committee, and which has been submitted to the Congress may have stimulated this advance. Whatever the cause, it is a good beginning.

After the war, an estimated twenty to twenty-five million workers must be shifted from wartime to peacetime employment, and the uncertainty of this adjustment causes much uneasiness. Winning the war takes priority over any activity that cannot become operative until victory is gained. However, this adjustment inevitably must be met, and planning and some preparatory measures merit serious consideration now. The rehabilitation of great areas of forest land in the north Pacific region will give employment to many men for a long time, and will add to the permanent wealth and stability of the Nation.

This sketchy account of the situation in Oregon and Washington of necessity omits many important items. It will be a pleasure to furnish any additional information about the Northwest's forest resources and industry that you may request.

Very sincerely yours,

LYLE F. WATTS,
Regional Forester.

LABOR LEGISLATION

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN of Mississippi. Mr. Speaker, I rise at this time to congratulate the United States Senate. I note the Members of that body have agreed on

a definite day to begin discussion of amendments to the labor bills we passed through the House some time ago. I hope, in doing so, they will also investigate thoroughly and debate this question of discriminations against agriculture.

The farmers of this Nation cannot survive on 20 cents an hour, the rate the cotton farmers are now receiving, and pay prices for manufactured articles based upon an average of 80 cents an hour for industrial wages.

Our boys cannot win this war as long as strikes, slow-downs, and racketeering deny to them the weapons they need, as well as ships and other means of transportation. They get no time and a half for overtime and no double pay for Sundays and holidays.

The system is wrong, and it must be corrected. We cannot afford to let this country go the way of France.

The American people do not want fascism, they do not want nazi-ism, they do not want communism, and they do not want anybody planning a new form of government for us when this war is over. They expect us to maintain representative government, which means democracy for the American people, for us, and for our children. It means liberty, freedom, self-determination, the American way of life, the perpetuation of our form of government and our sacred institutions. That is our responsibility.

Let us keep the faith.

PERMISSION TO ADDRESS THE HOUSE

Mr. BARRY. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BARRY. Mr. Speaker, now that we are at war, the debate on what our foreign policy should have been before the Japanese attack on Pearl Harbor is no longer an issue, its discussion should be abandoned forever, or at least suspended, until after we have won the war. Every American has an equal stake in the outcome of this great struggle. We cannot afford to lose. We must win or else become serfs under the yoke of Hitler. We must win or else become creatures of a barbaric civilization that existed more than a thousand years ago. Defeat for us would mean the loss of modern liberties, the restoration of ancient tyrannies, and a return to the depths of the Dark Ages.

Hitler seeks to bring back upon the stage of history a new order which destroys all individuality in the human being, which lives one uniform life of iron discipline and rigid custom, which yields obedience to one master, which marches armed with lust and hate against its enemies, and which moves to destroy all evidences of beauty, enlightenment, and culture. Hitler's domination would make life not worth living.

In this gigantic struggle we and our Allies have met with reverses. These set-backs, however, do not justify any fears for ultimate victory. They do, however, serve as a warning that our Na-

tion faces a hard struggle which requires the united effort of all of us. We cannot and must not permit ourselves to be divided in our war effort—for that is the purpose of Hitler's propaganda; and should his devilish design succeed, we might lose this war. It is an old saying, but worth repeating, "United we stand, divided we fall."

Anti-Semitism is one of Hitler's favorite subjects. His propaganda machine never tires of it. His agents are now secretly spreading it throughout the length and breadth of our country. As in Nazi-Germany, Hitler seeks to separate the gentiles of America from their fellow American Jews by a gulf of hate.

The trend of his recent propaganda is to create the impression in the minds of American gentiles that the Jews are not patriotic and are not assuming their responsibilities for winning this war. This anti-Semitism and Hitler-inspired propaganda comes to my attention through the mails, and more frequently than ever before through the conversation of glibbie gentiles whose emotions are so stirred by the war that they frequently fail to check into their sources of information.

Whenever and wherever this malicious propaganda rears its ugly head, we must fight it with the weapons of truth.

We must remind the spreaders that Jews are conscripted for military service on an equal basis with their fellow citizens of other races and religions.

We must remind them that Jews have been prominent in American life since colonial days and are not newcomers to the American scene. Tell them of men like Moses Sexias, who founded the Bank of Rhode Island, and of his brother Gershom, a rabbi, who served as trustee of Columbia College from 1787 to 1815, and who as an ardent patriot participated with 13 other clergymen in the inauguration of President Washington in 1789. Remind them of Rabbi Kaugal of Newport, who was the close friend of Ezra Stiles, president of Yale College, who frequently attended his synagogue to hear him preach, of Israel Jacobs, who was a member of the Pennsylvania Assembly in 1771 and of the United States Congress in 1791-93, of Uriah P. Levy, who at the time of his death in 1862, the highest ranking officer in the United States Navy, presented to the United States Government the famous bronze statue of Thomas Jefferson in the Capitol at Washington, and achieved the establishment of Jefferson's home, Monticello, as a national shrine. Tell them of Haym Solomon, who was of invaluable assistance to Robert Morris in financing the early struggle of our Republic, and who had been interned in prison by the British during the Revolutionary War for 2 years as a spy. Point out to them that Jews here fought in all of our wars, that Jewish veterans of the Civil War, Spanish-American War, and World War No. 1 are alive today. Remind them that when Colin Kelly sank a Japanese warship and became America's first hero of the present war, Meyer Levin, a Jew, was his bombardier, and that Levin is still carrying the fight to the enemy in the Far East as he did with Kelly.

From the founding of our country until the present day, the Jew has helped build up this Nation, and has along with Americans of other races and religions performed his patriotic duties in time of war. He will continue to do so. The first settlement of Jews was established in New York (then New Amsterdam) in 1654, when 23 Jewish refugees arrived on the sail ship *Catarina* from Brazil. Today there are approximately four and a half millions. The emigrants came from everywhere; refugees from Spanish and Portuguese inquisitions, German and Austrian refugees from the despotism of central Europe, and Polish, Russian, and Rumanian refugees from the barbarous bigotry of eastern European tyrants.

These American Jews, whether born abroad or descendants of the refugees on the *Catarina*, know more than any other group in America the blessing of liberty and the horrors of dictatorship and persecution. There have been other Hitlers in their history. They were called Pharaoh and Antiochus, Chmielnicki and Petlura. The Jews have survived them all. They will be a great people when Hitler will be but a horrible memory in the civilized world.

Let us who are not Jews reject the Hitler-inspired propaganda of anti-Semitism. Its purpose is to destroy our national unity and bring about our Nation's destruction. Let me reiterate, "United we stand, divided we fall."

THE MERRY-GO-ROUND COLUMN

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, it is a great source of satisfaction to me to note that there are others catching up with the two "headache boys," referred to as such by the Times-Herald this morning, namely, Pearson and Allen.

Here is a statement signed by Jesse H. Jones, and it is quoted from the Times-Herald this morning:

There is no truth in the Merry-Go-Round story of April 1 about me. The subject was never mentioned between the President and me, and I am informed by Sidney Weinberg that he never at any time made any such statement to anyone as that accredited to him. As a matter of fact, I favored both the Executive order and the small business bill. Practically all references to me and my work by these columnists over the year have been made for the purpose of injuring me, and where there has been any basis for reference to me, the facts are maliciously distorted through innuendo. This article is typical of their column.

JESSE H. JONES.

These two men, while I admire their ability to ferret out a great deal of news here in Washington, some of which has accomplished a lot of good, have also made their errors, whether intentional or not, and have blasted Mr. Jones for a year or so. Mr. Jones says that where there has been any basis for reference to him in this column the facts were maliciously distorted through innuendo. Mr. Jones has probably been sitting back

and letting these columnists go on their merry way. However, there is a time to call a halt to everything, and apparently Mr. Jones thought this was the time.

I am glad that others are checking up. Now, here is what happened with these same two so-called headache boys concerning myself.

I quote from an article appearing in their column last summer:

The other day WHEELER called in O'CONNOR and informed him that he was to oppose MURRAY in the Democratic senatorial primary next year.

"MURRAY must go," said WHEELER flatly, "and you're the man to beat him. We need someone of your caliber in the Senate, JIM, and with my backing you can't miss."

"That suits me, BURT," replied O'CONNOR. "But who will run for my seat in the House?"

"Oh, that's all arranged," said WHEELER. "Bailey Stortz, my right-hand man here, will be the candidate for your job."

Mr. Speaker, there is not a single word of truth in this publication. No such conversation occurred. There is no more truth in this than in the story denied by Jesse H. Jones, and I am glad there are others besides myself finding out the fact that you cannot believe all you read in that column gotten out by these two so-called headache boys, in spite of the fact that they are nationally known correspondents.

PURCHASE OF AUTOMOBILE TAGS BY DEFENSE WORKERS

Mr. WICKERSHAM. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my own remarks in the RECORD.

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

There was no objection.

Mr. WICKERSHAM. Mr. Speaker, a number of law-enforcement bodies in the various States are requiring the soldiers, patriotic defense workers, and those working for the War Department and other governmental defense agencies to purchase additional 1942 automobile tags, even though they have been in the temporary location a short time.

These citizens, who are performing a real service and furthering the defense program, have purchased their 1942 tags in their respective places of abode and it is very unfair to require them to purchase another 1942 tag every time they accept a temporary position in another defense area in another State. It certainly works an undue hardship on them.

This situation is happening quite frequently and I believe it would be wise for each of the Members of the House to look into the matter. I feel sure that the Governors of the various States would not want the police to bother these defense workers who are temporarily located away from their own State.

I believe if our President would issue an Executive order, an additional tag would not be required.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a newspaper article regarding the 40-hour week.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on three topics, and in one to include an article from the Philadelphia Record, in another to include a letter from a leading for-ester in the Pacific Northwest, and in the other a letter from a leading lawyer in the Pacific Northwest.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. Under special order of the House heretofore granted, the Chair recognizes the gentleman from Washington [Mr. SMITH] for 15 minutes.

AMENDMENTS TO BONNEVILLE ACT

Mr. SMITH of Washington. Mr. Speaker, yesterday afternoon Senator HOMER T. BONE, our senior Senator for the State of Washington, acting also in behalf of Senator MON C. WALLGREN, introduced in the Senate certain amendments to the Bonneville Project Act of 1937, S. 2430. Senator McNARY, of Oregon, expressed his approval of these amendments. In his remarks on the floor of the Senate, Senator BONE stated that it was my intention to introduce a companion measure in the House, and I am doing so at this time. I am asking that it be referred to the Committee on Rivers and Harbors, which has jurisdiction of all the Bonneville-Grand Coulee legislation, on which committee I am serving.

These amendments deal with the same problems as the larger bill which I introduced last year, and which was also a companion bill to the one introduced by Senator BONE. While the Bone-Smith bill was somewhat more comprehensive, I think that these proposed amendments have the advantage of being more simple and concise. I believe that this legislative procedure will not only simplify the problem of the Congress but will assure to the Bonneville Power Administration the continuity of authorized operation that it must have during these critical times.

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

Mr. SMITH of Washington. Certainly, I yield to my colleague from Washington.

Mr. LEAVY. I wish to say to my colleague that I congratulate him on the introduction of the legislative proposal. I am very familiar with it. It deserves early and favorable consideration.

Mr. SMITH of Washington. I thank my colleague for his contribution. The Bonneville Power Administration is now an important war agency of the Government, and these amendments which I am introducing will render it a more effective one. They will make that agency responsible for unifying the power resources of the Columbia River region so that they will be more effective in furthering and aiding the war effort. These amendments provide the unified command so necessary in this sector of the battle front for war materials. The great Pacific Northwest will produce a great

proportion of our aluminum and magnesium requirements. Power from our great Federal dams is flowing to aluminum plants, pulp plants, shipyards, sawmills, arsenals, steel and ferroalloy plants and a host of other war industries. No single other factor in the operation of this great new industrial region approximates in importance the great resource of cheap power that the Congress has created in this region. Those of us who sponsored the original Bonneville legislation in 1935 and secured its enactment into law, despite bitter opposition, have had the pleasure of assisting in its development into what is today one of the most essential units in our all-out victory program in the United States.

The amendments that I have introduced and for the enactment of which I intend to devote myself assiduously have several specific objectives. In the first place, we have sought to bring under the terms of the present Bonneville Act the sale of the power from that other great Columbia River development, the Grand Coulee Dam.

At the present time the Bonneville Power Administration is selling Grand Coulee power by virtue of the terms of an Executive order of the President. I would like to see the Congress carry that Executive order into permanent law so as to establish a definite, permanent policy with respect to the sale of power that the Government produces on the Columbia River. I want to urge that we continue the unified command of these great power resources that we have created. I am convinced that the people of my State and of my district want this unified arrangement. I believe that they are looking to us to establish a Columbia Power Administration that will carry forward the great progress that has already been made in the marketing of the energy from these Government dams.

Secondly, these amendments provide a unified command for the acquisitions of private-utility properties that the public bodies and cooperatives of my State have so long sought to make. The slow, cumbersome and costly process of having each public utility district, each cooperative and each municipality attempt separately to purchase the properties in its respective area from the remotely controlled private companies is not a practical workable arrangement. It is expensive both to the public bodies and to the legitimate investors in the private-utility properties. Piecemeal acquisitions entail severance damages that do not benefit the acquiring public body. They are merely an effort to compensate the company for loss of business and are not easily translated fairly and equitably into dollars and cents. Even with the payment of these damages the companies look forward to an uncertain future. The continuation of piecemeal acquisitions will mean that the companies will be left with uneconomic remnants of their systems and their customers will be forced to pay higher charges for the operation of these remaining properties.

A unified command to take over this troublesome and important acquisition problem will make it possible for the public bodies and cooperatives to secure in

the most economical and efficient method the properties they have for so long been seeking to secure. The amendments that I have introduced will permit the Columbia Power Administration to take the leadership and to acquire by purchase, lease, condemnation, or donation the properties of the private companies whenever such acquisitions are feasible and desirable. The Administration will be required to sell as speedily as possible to the appropriate public bodies and co-operatives the distribution facilities thus acquired. It may retain the generating and transmission properties within its own system so that there will be a single unified power wholesaler in the region.

In order to effect these acquisitions the Administration is authorized to issue revenue bonds. These bonds are payable solely out of the income from the project and do not add 1 penny to the indebtedness of the United States. This latter fact I desire to emphasize very strongly, for it is of the utmost importance during this period of huge, astronomical expenditures for military purposes. We do not, I repeat, impose any financial obligation upon the Federal Government and do not add to the national debt. The bonds will be secured solely and exclusively by the revenues of this great hydroelectric-power project and from our experience with this type of financing in the Pacific Northwest, I am certain in my own mind that these bonds will be so good that our interest rates will be as low if not lower than that generally paid by the Federal Government.

Thirdly, and finally, the amendments which Senator BONE and I have introduced provide for the businesslike operation of this vast public enterprise. The Administration will be decentralized and will have the power to make its day-to-day decisions in the region, providing the type of home rule which Senator BONE and I and the other Members of the congressional delegations from our section have been contending for. It will be enabled to follow sound business practices and will be subject to the same accounting principles as any utility operation. It will have the authority to make all proper business judgments and will be independent in a very real sense from the ordinary cumbersome procedures and practices. The Columbia Power Administration must be in a position to act quickly and efficiently. The amendments that I am introducing will make possible such expeditious handling of the Administration's affairs. Its accounting and funding arrangements will permit the flexibility necessary to the operation of such an enterprise. It will have the right to deal with labor locally and to effect proper agreements for the protection of the workers on the project. We safeguard and secure the hard-won rights of labor to collective bargaining and all the other gains made by labor during the past decade. It will have the same rights and responsibilities with respect to suits and claims that ordinary business enterprises have. The Columbia Power Administration will be an agency that operates under a broad charter of powers, policies, and responsibilities laid down by this Congress. It

will be a responsible organization that will pay its own way and return to the Treasury the moneys that have heretofore been appropriated for its use and prove to be self-liquidating and self-amortizing.

In short, the Federal Government has created in the great dams on the Columbia River at Bonneville and Grand Coulee a huge reservoir of power that must be sold so that it will benefit the people of the region. It must be sold in the public interest. It must assume the responsibilities incumbent upon the largest supplier of power in the region. Upon this great utility enterprise will be dependent not only the homes and farms of our section of the country but also the great industrial enterprises that have been brought into the region and that are so important to our national defense. As a public utility the Columbia Power Administration must act quickly. It must be efficient. It must not be free from rules that are proper for the conduct of research bureaus and offices. Its tempo must be geared to the tempo of its generators. For those reasons these amendments provide in the Columbia Power Administration a unified command of all the problems and practices of this enterprise.

Mr. LEAVY. Mr. Speaker, will the gentleman yield again?

Mr. SMITH of Washington. Yes; I yield.

Mr. LEAVY. This legislation is so drastic that one of its primary concerns is to pay to the Federal Government every dollar that it has invested in both the Bonneville and Grand Coulee, and in the Bonneville administration transmission system.

Mr. SMITH of Washington. The gentleman is correct, and we have every reason to believe, and I know that my colleague will agree with me, that those great hydroelectric projects on the Columbia River will be liquidated and amortized in far less time than was originally contemplated when the projects were authorized by the Congress. We are marketing the power generated to a greater extent than ever anticipated, due to the demands of war production, thereby increasing the revenues.

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

Mr. SMITH of Washington. I yield to the gentleman from Louisiana.

Mr. BROOKS. And when it is finally concluded the projects would not cost the Federal Government 1 cent?

Mr. SMITH of Washington. The gentleman is correct. These projects will not have cost the taxpayers of the United States one penny, and the money appropriated and expended will be returned to the Federal Treasury with interest.

Mr. COFFEE of Washington. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Washington. I yield to my colleague from Washington [Mr. COFFEE].

Mr. COFFEE of Washington. And could the gentleman not differentiate between publicly owned power systems and private systems, by calling attention to the fact that in publicly owned systems the bonded indebtedness is rapidly

amortized and reduced, whereas it has been characteristic of privately owned power systems that their bonded indebtedness continues undiminished, because they build their rates upon their bonded indebtedness and securities outstanding.

Mr. SMITH of Washington. My colleague has called attention to an important distinction, and has revealed one of the iniquities and one of the worst evils of private ownership of utilities. The policy of the private power companies, to which he alludes, has been responsible for the high rates which the public has had to pay.

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

Mr. SMITH of Washington. I yield to my colleague from Oregon.

Mr. ANGELL. Is it not also true that if it were not for the immense volume of power that is produced at Bonneville and Grand Coulee, we would be unable to carry forward our present war program, particularly with reference to aircraft?

Mr. SMITH of Washington. That is so. We are producing now in the two aluminum plants which are already operating and being served by Bonneville power, both of which happen to be in my district at Vancouver, Wash., and Longview, Wash., I am advised, 242,000,000 pounds of ingot aluminum per year, which is more than the entire national output of aluminum a few years ago, and is absolutely essential to the production of aircraft for the successful waging of the war in which we are engaged.

Mr. ANGELL. And is it not also true that the ultimate program for aluminum is 2,000,000,000 pounds, and that 30 percent of that will be produced from the Columbia River power in these two projects?

Mr. SMITH of Washington. I thank the gentleman for his contribution, and I believe those figures are correct.

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

Mr. SMITH of Washington. I yield to my colleague from Oregon.

Mr. PIERCE. Speaking of the capitalization of private utilities, is it not a fact also that they not only have capitalized for money invested but for value of franchise and their opportunity to do business so that their capitalization basis reaches far more than the money invested?

Mr. SMITH of Washington. I think that is the history of private power companies in our country everywhere, and it has been one of the worst abuses that the public and consumers of electric light and power have had to contend with, and has been responsible for the extortionate rates which have been charged the public by the private power companies.

Mr. PIERCE. I think that is a very proper description.

Mr. SMITH of Washington. Mr. Speaker, may I digress at this point to say that when I came to Congress in 1933 we did not have a single P. U. D. district in my entire congressional district. The private power interests had a stranglehold on the citizens, industries, and rural communities of my district. After meeting with several defeats and set-backs we now have P. U. D. districts functioning

successfully in every one of the nine counties of my district, and we have Rural Electrification projects in five counties. We are hooked up with Bonneville in eight of my nine counties and in the very near future will be using Bonneville power in every one of the nine counties.

In addition to the establishment of numerous new industries and pay rolls as a result of this public-power development made possible by Bonneville, we have obtained electric-rate reductions which cause substantial savings to all our people. Bonneville has brought, and will continue to bring, to the citizens of southwest Washington more benefits and advantages than any project or enterprise, public or private, in our entire history. It will serve coming generations as well.

Mr. Speaker, the Columbia Power Administration will, of course, not be cut loose from the Federal Government. It is true that it will be financially independent in that it will have to make its revenues provide its operation and maintenance expenses as well as the charges on the bonds and on the debt it owes the Treasury. This Administration will still be tied into the executive branch of the Government and its policies and practices, based upon the rules that we lay down, will be subject to Executive review. These amendments set forth arrangements that will permit flexibility where flexibility is needed and control where control is essential.

In recommending these amendments to my colleagues on the floor of the House, I want to make it clear that they have been studied not only by myself but by many of my colleagues. In the main, they are the product of Senator Bone, who has led the public-power movement in the Pacific Northwest for the past 25 years. I know that the whole delegation from the State of Washington is standing solidly behind the principles of these amendments. I know that many of our colleagues from other regions interested in public power have studied them carefully. I know that a number of experts in the executive branch have gone over them and believe them to be a practical, workable, and effective means of discharging the task which needs to be accomplished in the Pacific Northwest. I know that representatives of the Grange, of the public-utility districts, and of the labor unions have agreed to their provisions, for I have been in constant consultation with them. I speak, therefore, not for myself alone but for a large group of citizens who are interested in the conservative development of the Federal Government's great public-power program and in its progressive expansion. I speak, if you please, for the little fellow—the farmer, the worker, and the businessman—in the Pacific Northwest. These folks look to the Columbia River as the master key to unlocking the vast potentialities of our region. We also look upon the Columbia River as one of the most potential weapons in our arsenal which God has provided.

Mr. Speaker, the enactment of the legislation I propose will strengthen the arm of democracy by providing for the unification of the power resources of this great source of raw materials. This leg-

islation will result in untold benefits to our Nation as a whole. It will aid us in achieving victory in the war of today and bring blessings in the peacetime of tomorrow.

[Here the gavel fell.]

The SPEAKER pro tempore. The Chair recognizes the gentleman from South Dakota [Mr. CASE] for 10 minutes.

EXCESS PROFITS ON WAR CONTRACTS

Mr. CASE of South Dakota. Mr. Speaker, I asked for this time in order that I might say for the RECORD a few things with reference to the profits-limitation amendment which the House adopted the other evening on the \$18,000,000,000 appropriation bill. At the outset, I may say that I have been amused at the editorials that have attempted to dispose of the issue by an observation that the amendment was adopted without debate or without any explanation.

Those who have made that observation are open to the suggestion that they have not read the RECORD. In fact, in another body yesterday I understand a distinguished member of that body stated that the amendment had been adopted without even the author of the amendment opening his mouth about it. Of course, that distinguished gentleman also had not consulted the RECORD, because on page 3137 of the RECORD for March 28 it will be noted that I did explain the background of the amendment at some length. It occupies a column and a half of the RECORD. I stated that I would offer an amendment at the appropriate place, and asked support for it.

Mr. SMITH of Washington. Mr. Speaker, will the gentleman yield?

Mr. CASE of South Dakota. I yield to my colleague.

Mr. SMITH of Washington. I was present on the floor, I will say, when the gentleman's amendment was considered by the House. It was explained to the House, and I was very happy to support it, as were many of this side of the aisle as well as on the gentleman's side of the aisle.

Mr. CASE of South Dakota. I thank the gentleman for that observation.

The fact that there was no further explanation at the time the amendment itself was voted upon was due to the fact that the House, at the request of the chairman of the Appropriations Committee, had limited debate, and time for debate at that time had expired. But, in offering the original amendment, I stated, as the RECORD shows, that I was offering an amendment which I had previously explained. The gentleman from Missouri made a point of order against the amendment as first offered, because it called for affirmative action by an administrative officer. I conceded the point of order and immediately offered the amendment, changed in that particular, and the House adopted it 70 to 8. Personally, I think the first form of the amendment was the better, more workable, if you prefer; but the point of order left me no choice in the matter. I shall revert to this point a little later.

Now, a proper understanding of the amendment calls for recalling the circumstances back of it. Everybody agrees

that excessive profits should be curbed; the question is how to do something about it. The amendment which I offered seeks to secure for the Government the right to renegotiate a contract when experience demonstrates that excessive profits are being made.

This approach grew out of the decision in the Bethlehem Steel Co. case, in which the United States Supreme Court delivered a decision on the 16th of February. In that decision Mr. Justice Black pointed out that—

The problem of war profits is not new in this country. Every war we have engaged in has provided opportunities for profiteering, and they have been too often scandalously seized. * * * But if the Executive is in need of additional laws by which to protect the Nation against war profiteering, the Constitution has given to Congress and not to the Court the power to make them.

The decision of the Court went back to a review of the contract which was given the Bethlehem Corporation by the Government under powers given to the Fleet Corporation in the World War, and pointed out that—

The price to be paid for each vessel to be constructed and furnished in accordance with the terms of the contract shall be the actual cost, plus the definite amount of profit hereinafter in this article provided for, based upon an estimated base cost to the contractor.

And the contract provided that—

Should the actual cost be less than the estimated cost, the contractor shall be allowed as profit on each vessel in addition to said fixed sum for profit * * * one-half the amount by which such actual cost of each vessel falls short of the estimated cost—

As Mr. Justice Black very properly observed:

Thus, a high estimated cost would increase the probability of savings to be divided between Bethlehem and the Government. And the more the estimated cost exceeded actual cost, the greater would be Bethlehem's share. It can be seen, therefore, that the estimated cost agreed upon by the parties is a pivotal figure.

It was for that reason that the Court, in making its holding, said:

The profits claimed here arise under contracts deliberately let by the Fleet Corporation under authority delegated by the President in accordance with an act of Congress. * * * The question of whether or not this policy was wise is outside our province to decide. Under our form of government we do not have the power to nullify it, as we believe we should necessarily be doing, were we to declare these contracts unenforceable on the ground that profits granted under congressional authority were too high. The profits made in those and other contracts entered into under the same system may justly arouse indignation. But indignation based on the notions of morality of this or any other court cannot be judicially transmuted into a principle of law of greater force than the expressed will of Congress.

In other words, the Court said the responsibility belongs in the lap of Congress, and if the Congress wants to recapture unconscionable profits, Congress itself must act in advance. In the absence of fraud or duress, the courts cannot recapture profits after final settlement has been made. In this case duress was alleged, but denied.

Now, then, that problem of recapture has received considerable attention in committees of the House and by Members of the House, but the difficulty has been how to get at the problem. If taxation would solve the problem, the Bethlehem case would never have been in the Supreme Court. If the mere fixing of profits by law, saying that you shall not make more than so much, would solve the problem, the problem would never have appeared in court as it was here, because supposedly we had a statutory limitation on profits in the World War.

The effect of the Bethlehem decision was to say that if the Government is to recapture unconscionable profits it must preserve its rights before final settlement is made on any given contract. The recapture must be at the source. The stable must be locked before the horse is taken.

So those of us who have been thinking about that phase of it have sought to find some way in which the Government could preserve its right to recovery in spite of making final settlement, some way for the Government to assert a right, if the contractor is not willing to renegotiate voluntarily, and renegotiate the contract on the basis of the costs established by actual performance of the contract.

Mr. COLE of New York. Mr. Speaker, will the gentleman yield?

Mr. CASE of South Dakota. I yield briefly.

Mr. COLE of New York. I do not follow the gentleman's reasoning that the surtaxes and the profits taxes cannot reach these cases.

Mr. CASE of South Dakota. Had they reached the World War Bethlehem case it never would have been in the courts in 1942.

Mr. COLE of New York. Is it the gentleman's position that excess-profits taxes cannot be levied on any profits on a contract once that contract has been consummated and payments made?

Mr. CASE of South Dakota. No; that is not my contention. But it is my contention that such a method is not effective. If the gentleman will read the very interesting opinion of the Court in the Bethlehem case, he will see why the excess-profits tax of itself did not reach the case because of the terms of the contract. The decision makes a very interesting reference to the findings of former Chief Justice Hughes in his justly famous investigation of World War aircraft profits which were not effectively curbed by taxation.

Mr. WILLIAM T. PHEIFFER. Mr. Speaker, will the gentleman yield?

Mr. CASE of South Dakota. I yield. Mr. WILLIAM T. PHEIFFER. I have followed the gentleman with much interest up to this point. I believe he is on the right track with regard to limiting these exorbitant profits. I would like to know what means could be invoked, in the gentleman's opinion, to prevent the covering up of these profits in the form of excessive salaries and the padding of pay rolls such as was developed in the scandalous Jack & Heintz case recently.

Mr. CASE of South Dakota. The means suggested in my amendment is to require a certificate of costs. Of course, that certificate becomes subject to verification of true costs. It was precisely to meet that problem and related problems that I conferred with some of the officials in the War Department who were working on procurement. I found they had been seeking some voluntary renegotiation of contracts after costs were established. I found they were actually re-writing contracts and reducing the prices to be paid.

I found also that Colonel Kutz, in the Ordnance Department, had evolved a contract which provided that after 25 percent of the run had been made under the contract there would then be a renegotiation of the contract based upon the experience of the costs established up to that point. He testified in our hearings before the committee on this \$18,000,000,000 bill, a portion of which was recited in my remarks the other day, that in the case of a machine-gun contract, after a 25-percent run had been made, the costs were examined and the contract was renegotiated with a reduction of 50 percent in the price for the balance of the contract.

So far so good, but, as was observed by one of the officers with whom I discussed this matter, the problem is not with the firm or corporation that is willing to renegotiate on the basis of the cost discovered. The difficulty is to get some means for requiring a renegotiation with the firm or the corporation that does not want to renegotiate. The problem is the bad boy who does not want to be good. So machinery of compulsion was suggested in the amendments which I proposed. In its best form it was in the first amendment, the one dropped by the point of order. I want to read that to you, because, in my own mind, that amendment is preferable to the one the House adopted.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that the gentleman from South Dakota may proceed for 10 additional minutes.

Mr. CARTER. Mr. Speaker, reserving the right to object, are there not other special orders pending?

The SPEAKER pro tempore. The Chair is reluctant to put the gentleman's request in view of the fact that the gentleman from New York, the gentleman from Oregon, and the gentleman from California all have special orders.

Mr. CASE of South Dakota. Mr. Speaker, I would not indicate a desire to proceed further were it not for the fact that the gentleman from Washington, who just preceded me, was granted a similar request and I made no objection to his request.

Mr. COLE of New York. Mr. Speaker, so far as I am concerned I have no objection to a reasonable extension.

Mr. ANGELL. Mr. Speaker, I have no objection.

The SPEAKER pro tempore. The Chair will entertain a request that the gentleman proceed for 5 additional minutes.

Mr. O'CONNOR. Mr. Speaker, I modify my request accordingly.

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

There was no objection.

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

Mr. CASE of South Dakota. I yield.

Mr. O'CONNOR. I want to say to the gentleman that the American people owe him a debt of gratitude for offering that amendment, which covers the case completely. As I recall, the gentleman's amendment covers not only contracts to be negotiated under that bill but also covers contracts heretofore entered into.

Mr. CASE of South Dakota. If the final payment is to be made out of funds carried in this bill.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield for a unanimous-consent request?

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

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and include therein a letter from Mr. Frank Haley, Americanism legislative chairman, Military Order of the Purple Heart, with a short editorial.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

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

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

Mr. LEAVY. I think there is much in what the gentleman is saying. In the Bethlehem case, to which the gentleman referred, the Government was forced to take the position, by reason of Congress failing to enact adequate legislation, that it was coerced into signing the contract. It is a most unusual and unheard of position for a sovereign to take with reference to some of its subjects.

Mr. CASE of South Dakota. Especially with reference to war powers.

Mr. LEAVY. We ought not to be chargeable with the same dereliction this time that they were 25 years ago.

Mr. CASE of South Dakota. The gentleman is absolutely right, and I daresay every Member of Congress has said he wanted to take the profit out of war. Moreover, there is a great demand in the country today for the enactment of some legislation dealing with the labor situation, but everyone must recognize that the Congress stands no chance of effectively dealing with the labor situation unless it does something to curb excessive and unconscionable profits.

The proposal in the way in which I first offered it provided that that portion of contract payments designated as "the final payment" should not be made from funds in this appropriation bill "until the contractor shall have filed with the procuring agency a certificate of costs and an agreement for renegotiation and reimbursement satisfactory to the Secretary of War or the Secretary of the Navy, as the case may be."

It is the latter language to which objection was made on a point of order by

the gentleman from Missouri, the requirement for affirmative action by the procuring Secretary, a provision which kept the machinery of adjustment flexible. That forced me then to offer the amendment with the rigid condition of the 6-percent limitation, rather than permitting the renegotiation agreement to be one satisfactory to the Secretary of War or the Secretary of the Navy. The Members will recognize, of course, that the original draft gave it more leeway and permitted adaptation to circumstances; yet it specifically preserved to the Government the right to renegotiate the contract and to require renegotiation of it on the basis of actual costs. Unless we do something about that, unless we protect our right before that final settlement is made, under the Bethlehem case, the Government is powerless to recover through the courts.

It should be pointed out further that at the time this limitation becomes effective all risk in the contract has been eliminated. The contract has been completed. The costs have been determined. No one can be hurt unless the certificate of costs reveals that there has been an excessive profit, and then the contractor is under obligation to renegotiate on a basis of known costs with an agreement satisfactory to the procuring agency.

Mr. COLE of New York. Mr. Speaker, will the gentleman yield?

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

Mr. COLE of New York. I feel quite sure the gentleman does not want to take the position that an appropriate excess-profits tax will not reach excessive profits on war contracts, even though his amendment is not in the law.

Mr. CASE of South Dakota. I am not concerned so much about the amendment as I am about curbing excessive war profits. The Bethlehem decision seems to say that if something is to be done, Congress must do it in advance. I possibly may not have made my meaning clear, but I fear, for example, that an excess-profits tax does not permit the Government adequately to examine into the case of excessive salaries, such as were cited by the gentleman from New York [Mr. WILLIAM T. PHEIFFER]. A proper certificate of costs should permit the Government to examine into unusual or improper items of cost and determine their validity as an item of cost.

Mr. COLE of New York. I wonder if the gentleman heard the gentleman from Virginia [Mr. ROBERTSON] this afternoon quoting an expression of opinion from the Treasury Department in which it was said that these excessive salaries would be reached both by taxes against the corporation and taxes on the individual.

Mr. CASE of South Dakota. Yes; but when the tax is placed on the individual it is at a different rate than on the corporation.

Mr. COLE of New York. But it is on the corporation as well.

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

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

Mr. O'CONNOR. Is it not a fact that the corporation itself escapes these separate taxes by handing out these bonuses to its employees, and then the tax the Government collects is only from the employees that receive the bonuses?

Mr. CASE of South Dakota. Certainly that is what happens in the majority of such cases. I am hopeful that a certificate of costs satisfactory to the Secretary of War or the Secretary of the Navy would permit the Secretary of War or the Secretary of the Navy to examine into these bonuses and determine whether they are proper costs.

I realize we are tackling a difficult problem, but the difficulty of doing something is no excuse for doing nothing. The people of the country expect us to try. My suggestion is that we preserve the right to renegotiate on the basis of actual costs before final settlement is made.

[Here the gavel fell.]

The SPEAKER pro tempore. Under a previous order of the House, the Chair recognizes the gentleman from New York [Mr. COLE] for 30 minutes.

GUAM

Mr. COLE of New York. Mr. Speaker, the unfortunate disaster at Pearl Harbor and the naval operations in the Pacific since the 7th of December last have commanded the attention of columnists, of editors, and of a considerable number of swivel-chair strategists. Speculations in which the "ifs" appear more prominently than the "hows" have been broadcast from one end of the country to the other. A favorite topic in these speculative adventures has been the island of Guam, its fortification, the part that it might have played had a more extensive shore development program been undertaken there, and in that respect the Congress has been charged with dereliction of duty. Many of the statements are at variance with the actual facts, and the resultant confusion of thought prompts an examination of the record.

Within a very short time after the opening of hostilities in the Pacific on December 7, 1941, our island possession of Guam was captured by the Japanese. The early fall of Guam was not unexpected by our Government, since it was close to and practically surrounded by Japanese-held insular territory, practically devoid of fortifications, and apparently garrisoned by only a small force of fifty-odd sailors and marines.

Guam is the largest and the most populous of the Marianas or Ladrone Islands in the North Pacific. It is about 5,000 nautical miles west of San Francisco, 3,300 miles west of Honolulu, 1,500 miles east of Manila, and about 1,350 miles south of Tokyo. Wake Island is about 1,300 miles to the east. The other Mariana Islands, mandated to Japan after World War No. 1, lie to the north of Guam. Rota, the closest, is only about 50 miles from Guam. To the south are the Caroline Islands and to the east and southeast the Marshall Islands, both also mandated to the Japanese after the World War. Guam is about 30 miles long, has an average width of about 7 miles, and a land area of 206 square miles.

The 1940 population was 22,290. The chief city is Agaña, which had a population of 10,004 in 1940. Apra, on the middle west coast, is the only good harbor.

Guam was acquired by the United States from Spain in 1898 as a result of the Spanish-American War. It has been administered by the Navy Department ever since. In 1919 the joint Army and Navy board recommended that Guam be developed as an advance naval base and fortified, but no action was taken then. In article XIX of the Washington Naval Armament Limitation Treaty of 1922 the United States, the British Empire, and Japan agreed to maintain the status quo in the Pacific, with certain exceptions, like Hawaii, with regard to fortifications and naval bases. This meant that no new fortifications or naval bases could be established and no measures taken to increase existing naval facilities or coast defense. Therefore the United States could not, under its treaty obligations, develop Guam as a fortified naval base. An aviation force of four planes was stationed there from 1920 to 1932. The planes were withdrawn in 1932.

In December 1934 Japan gave notice of its intention to terminate the Washington Naval Armament Limitation Treaty in December 1936. The treaty was terminated on December 31, 1936, and therefore the restrictions on the development and fortification of the Pacific bases were no longer in force. Japan had withdrawn from the League of Nations in 1933 after the Manchurian episode. In 1936 Japan openly associated itself with Germany by entering the anti-Comintern Pact and in 1937 opened large-scale military operations against China.

Although the other powers lacked authoritative information, it seemed clear that Japan was expanding and developing naval and air bases in various places, and it was suspected that Japan was even developing bases in its mandated islands in violation of the terms of the mandate. In the meantime, our interests in the Far East were changed somewhat by the passage in 1934 of the Mc-Luffie-Tydings Act, which provided self-government for the Philippines and complete independence in 1946.

With the restrictions on development of bases in the Pacific lifted at the end of 1936, the United States Navy began to make plans for the improvement of the facilities at Guam and other islands. On March 15, 1937, the Chief of the Bureau of Aeronautics addressed a letter to the Chief of Naval Operations, pointing out that Apra Harbor, Guam, was very unsatisfactory for the operation of seaplanes, due to the presence of coral reefs and shoals, and recommending that steps be taken to remove the coral heads and reefs and shoals. Then the Naval Expansion Act of May 17, 1938, directed the Secretary of the Navy to appoint a board of naval officers to investigate and report upon the need, for the purposes of national defense, of additional submarines, destroyer, mine, and naval air bases on the coasts of the United States, its Territories and possessions. This board, with Rear Admiral A. J. Hepburn acting as chairman, reported to the Secretary of the Navy on December 1,

1938; a few days more than 3 years thereafter Pearl Harbor was attacked.

The recommendations of the Hepburn board could not be mistaken; not only did the board urge that Guam be developed as a major air and submarine base but the construction of an advanced fleet base was also advocated. "Adequate air and submarine protection securely based on Guam" were the conditions advanced by the board as necessary for making "the island secure against anything short of a major effort on the part of any probable enemy." In the light of our experience at Pearl Harbor, the conditions established by the board, as well as the character of the effort—"a major effort"—are both significant; nor should it be overlooked that the report included "appropriate antiaircraft and coast-defense equipment" as essential for the purposes intended. In other words, "adequate air and submarine protection" and "appropriate antiaircraft and coast-defense equipment" were the requisites laid down by the board for the proposed development at Guam. If the island was to play the part envisioned by the Hepburn board, planes and submarines adequate in number and in type and antiaircraft guns and coast-defense equipment of appropriate kinds would have to be available as a part of the program. The dearth of some, if not all, of these essential pieces of equipment at this time, in even more important and strategic places, cannot be ignored as speculative appraisals are made of what might have been Guam's value.

It should be emphasized that the Hepburn board's recommendations contemplated a development program of great magnitude:

A major air and submarine base . . . the establishment of a fully equipped fleet base at Guam, capable of maintaining at least the major part of the fleet in all types.

In connection with this recommendation, the board, apparently having in mind the international situation then existing, recognized that—

There are, however, other considerations and possibilities of a far greater significance which it is pertinent to take account of in this connection. Although these considerations may be regarded as beyond the precept of the Board, they are of such far-reaching importance that the Board feels impelled to include them in this report.

Aside from other factors, the time required to complete such an undertaking cannot be lightly dismissed.

In January 1939, a bill was introduced in Congress to authorize the construction of certain aviation facilities at Guam, but the project included in the authorization was not that recommended by the Hepburn board.

All that the Navy asked for Guam in January 1939 was an authorization, first, to build a breakwater at Apra Harbor at a cost not to exceed \$2,200,000; second, to dredge the harbor to remove coral heads, to provide channels for ships, and for seaplane operations at a cost not to exceed \$1,900,000; and, third, to build seaplane ramps and parking space, small

power plant, and necessary accessories at a cost not to exceed \$900,000. The total authorization would amount to \$5,000,000. In the hearings on the bill the representatives of the Navy were very clear and insistent that the proposed project was not that recommended by the Hepburn board and that no fortification was involved. The \$5,000,000 was to be used for improving the harbor mainly for seaplanes. The construction of the air and submarine base recommended by the Hepburn board would cost about \$80,000,000, and the conversion into an advance fleet base would cost about \$150,000,000.

In speaking for the Navy Department, Assistant Secretary of the Navy Edison stated that it was not the policy of the Navy then to fortify Guam or do any more than was asked for in the bill. Mr. Edison said in part on January 31, 1939:

With specific reference to a question as to whether the project for the Island of Guam is the first step in a program of fortification or whether it is a development separate and distinct from the recommendations made by the Hepburn board, I will state that while the developments now proposed would be useful in connection with any future developments of the harbor and shore facilities at Guam, nevertheless the \$5,000,000 project in the bill before the committee falls so far short of meeting the requirements of the Hepburn board that it can, in reality, be considered a separate and distinct development which is an entity in itself and which will be useful to the Navy and to commercial air traffic whether or not any further development is made.

The proposed development will permit the operation of airplanes that may at any future time be in that area. With such a development airplanes can be flown from the continental United States via Oahu, Midway, and Wake. Without such a development planes cannot be operated to the westward beyond their radius from Midway.

Facilities for the operation of airplanes from Guam will add materially to the defensive power of the fleet.

It is impossible to look into the future and see whether or not there will be need for future development of Guam as an airplane base, but we may hope that the future international situation will not make it necessary to use Guam except as a commercial airport.

It is the present policy of the Navy Department now to ask for development only to the extent stated in the bill before this committee.

If unforeseen changes in the international situation should indicate a necessity for further development of an airplane base, then the Congress will be so informed.

We hope that there will be no necessity for further development—none is contemplated at the present time.

The statement of the Assistant Secretary of the Navy indicated clearly that the Navy looked upon the project which it was then advocating as "a separate and distinct development" from that recommended by the Hepburn board.

Admiral Leahy, Chief of Naval Operations, also pointed out that the Guam project did not involve fortifications. But Admiral Leahy added:

The necessity for a fully equipped base at Guam seems to depend entirely on the national policy, for which the Navy has no responsibility.

In view of the Hepburn board's report which Secretary of the Navy Swanson stated he approved, and Admiral Leahy's statements, it would seem that the Navy favored the development of Guam as an advance fleet base, or at least as an air and submarine base, but that national policy precluded such recommendation in 1939. In other words, the President's foreign and other policies at that time ruled out the effective fortification or development of Guam as a naval base.

Whether the President had reached a definite decision on foreign policy at that time, especially as to our relations with Japan, is not known. But, apparently, he was hesitant to take such steps as were recommended by the Hepburn board for it does not appear that he made any requests for the necessary authorizations to carry out the proposals. As Admiral Leahy said:

The necessity depended entirely on the national policy for which the Navy has no responsibility.

That responsibility rested with the President.

The House Naval Affairs Committee reported the base authorization bill with the \$5,000,000 Guam item included. A minority report was filed. Those who joined in the report stated that they recognized the right of the United States to establish military facilities at Guam and approved of the necessity of the harbor improvement for the purpose of aiding commercial trans-Pacific aviation. They would approve of harbor work if it were done as a regular river and harbor improvement by the Army Engineers, as in the case of the improvements being made at Midway. To do the work by the Navy Department would involve hazards which would constitute too great a price to pay for the benefits which might inure either to commercial aviation or to the naval service.

The debate on the base bill in the House largely centered around the \$5,000,000 Guam authorization. The gentleman from Georgia, Chairman VINSON, of the Naval Affairs Committee, led the fight for its retention, pointing out that the project did not involve fortification but only the improvement of the harbor, primarily for seaplane use. Members of both parties spoke against it. The gentleman from New Jersey, Representative SUTPHIN, Democratic member of the Naval Affairs Committee, moved to strike out the Guam item. The Sutphin motion carried on February 23, 1939, by a vote of 205 to 168, with 63 Democratic Members in support of the motion. Obviously, national policy had not as yet been crystallized by the President to such an extent that the fortification of Guam should be advocated or encouraged.

No better authority on this point could be quoted than the chairman of the Naval Affairs Committee of the House, who said during the course of the debate:

The one item of this bill that has received the most publicity and the one that has been subject to the most criticism is the provision to expend \$5,000,000 to improve the harbor facilities for seaplane operation at the island of Guam in the mid-Pacific.

Opposition to this item has been based on the assumption that Guam is to be fortified and made into a strongly defended naval base for airplanes and submarines.

In view of this opposition, the committee has gone into this matter at great length, and I can assure you that there is no intention on the part of the Navy Department to fortify Guam or to do anything further than what is included in this bill.

The Senate Naval Affairs Committee reported the bill without the Guam project, and the Senate passed the bill also without it. And since no authorization for the Guam project was voted, no money was appropriated for it.

Included in the Budget proposal for public works for 1941 was a \$5,000,000 project labeled "Fourteenth naval district, improvements of harbors and channels." Of the \$5,000,000, \$4,000,000 was for Guam for the following purposes:

Breakwater across entrance of Apra Harbor	\$2,200,000
Removal of coral heads in outer harbor	800,000
Dredging inner lagoon and connecting channel	1,000,000

When members of the House Naval Appropriations Subcommittee questioned Rear Admiral Moreell, Chief of the Bureau of Yards and Docks, as to the procedure which has been followed, he admitted that the items of harbor improvement for Guam were included as a part of the project for which Congress had refused authorization the year before. To justify the request for the appropriation when the authorization had been rejected the year before, Admiral Moreell cited Cannon's Procedure.

He also contended that the project was quite different from that of the previous year since it included only 3 of 15 items then asked for. It is true that the 1939 items of seaplane ramps and parking space, small power plant, and necessary accessories, totaling \$900,000, did not appear in the 1940 request. It was contended that the harbor improvement was needed for safe operating conditions for aircraft and vessels en route to and from the Asiatic station. No fortification was involved. Up to this time national policy had not been determined by the President to the point suggested by Admiral Leahy at an earlier date.

The House Appropriations Committee reported the bill with the Guam project retained but with the total-cost limit reduced from \$4,000,000 to \$3,000,000 and a cash appropriation of \$1,000,000 for the fiscal year 1941. The debate in the House was similar to that of the year previous. Finally Representative RICHARDS, Democrat of South Carolina, moved to strike out the item. His motion carried in a teller vote, 123 to 114, and again the Guam Harbor improvement was rejected by the House, this time in the form of an appropriation.

The Navy requested the Senate Appropriations Committee to restore the Guam item, but the committee did not accede to the request. So there was no appropriation for the Guam Harbor improvement project in the Navy Department Appropriation Act for 1941.

Early in 1941 an authorization as well as an appropriation bill for Guam was

introduced in Congress. The project included the following items:

Breakwater across entrance to Apra Harbor	\$2,200,000
Removal of coral heads, outer harbor	800,000
Dredging inner lagoon and connecting channel	1,000,000
Bombproofing power plant, Piti	175,000
Conversion of power plant, Agana, to oil burning and bombproofing	100,000
Bombproof shelters for personnel	200,000
Recreation facilities	75,000
Bombproofing communication center	150,000

This authorization was accepted by Congress and included in the act of March 23, 1941. The appropriation of the \$4,700,000 was made in the Fourth Supplemental National Defense Appropriation Act for 1941 which was signed on March 17, 1941.

As yet the Congress has no information of the progress which had been made in the work at Guam prior to the time the Japanese took over the island early in December. It must be remembered that the far-away location of this outpost makes speedy construction most difficult. Whether the harbor facilities and the bombproofing of certain shore establishments proved to be of any value must be determined in the future. Whether fortifications, such as were contemplated by the Hepburn board, but never pressed by the Navy or the President, would have materially changed the results of the surprise attack early in December is a debatable question. However, we do have an assertion by a high naval officer in the Department that construction and completion of the \$5,000,000 item recommended by the Department in 1939 would not have avoided the devastating attack on Pearl Harbor and would only have made available to the enemy an additional base from which to operate airplanes against us.

In conclusion, a few comments are appropriate. In the first place, it should be clear that no specific proposal for the fortification of Guam and its development as an effective naval base was submitted to Congress for action. The Hepburn board recommended such development and Secretary of the Navy Swanson transmitted its report to Congress "with my approval." Admiral Leahy, Chief of Naval Operations in 1939, testified that in his own opinion such development would be very valuable to the Navy. But such a program was never approved by the President's Budget Bureau in the form of either a request for an authorization or appropriation. It was not a part of his program.

The 1939 request for a \$5,000,000 authorization for harbor improvement at Guam was by no means a proposal for fortification. Such improvement would have made Guam more useful for seaplanes and for light naval vessels, but it is clear that the defenses of Guam against the Japanese attack would not have been appreciably strengthened. Failure to fix with any degree of definiteness or certainty our national policy at a very much earlier date than it was fixed appears to be the one factor for not undertaking such fortifications as would

have lent themselves to the defense of the island at the time of the attack.

An observation made by Maj. George Fielding Eliot early in 1939 on Guam is pertinent:

The decision to fortify Guam, or not to fortify, is bound up with the broader question of what our policy in the Far East is going to be. It would be difficult to find a better example of the interlocking character of military and foreign policy, which requires the former to be adequate to support the latter, while requiring the latter not to go beyond the bounds of the former's ability so to support it.

Certainly, the fortification of Guam, the existence there of any considerable striking force, would make easier the operations incident to a war with Japan. But merely beginning these fortifications might precipitate such a war.

Who is there who will deny that the item for harbor improvement as recommended by the Department in 1939 if done as a military project might have been the spark which would have ignited hostilities many months before Pearl Harbor and at a time when this country was far less prepared for war than it was in December 1941? It may well be that the President was reluctant to press the military development of Guam for fear that as Eliot said it might precipitate a war at a time when there was claimed to exist certain commitments made by him with other foreign nations involving extraordinary and far-reaching military obligations and responsibilities.

The SPEAKER pro tempore. Under a previous order of the House, the Chair recognizes the gentleman from California [Mr. VOORHIS] for 10 minutes.

BUREAU OF THE BUDGET

Mr. VOORHIS of California. Mr. Speaker, I have asked for this time to discuss a matter which has disturbed me for some time; that is, the matter of certain action on the part of the Bureau of the Budget.

I should like to introduce what I have to say by pointing out that during the past fiscal year the Bureau of the Budget has frozen \$37,000,000 of funds that were appropriated by the Congress to the Department of Agriculture for the carrying out of the purposes of section 32. Those purposes have included the stamp plan, the school lunches, and other similar methods of distribution and increased consumption of agricultural commodities, with the primary purpose in view of stabilizing farm prices and preventing surpluses from glutting the market, but with a corresponding effort to get food-stuffs to the people who really need them. The beneficial results of these programs on the health and attendance records of school children are universally acclaimed.

The amount of money frozen by the Budget is enough to have permitted every single one of the estimated 9,000,000 undernourished children in this country to purchase, at a cost of 1 cent, a half pint of milk a day for a year. It is enough, if added to the amount appropriated by the House this year, to have had a school lunch for every one of the 9,000,000 undernourished children in this country during the coming year, and the health of our children is the main

protection against disease and the main assurance of the kind of stalwart people Americans must be as we face this war and the dangers that lie ahead. At the same time, I would point out we have appropriated about \$2,000,000,000 directly for lend-lease food shipments. I am not going into a long discussion today about the school-lunch program, in which I believe so much, but I do ask unanimous consent, Mr. Speaker, to include with my remarks a very excellent article appearing in the Washington Post of last Sunday on this general subject.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The matter referred to follows:

[From the Washington Post of March 29, 1942]

BUDGET-AXING PERILS DISTRICT OF COLUMBIA'S PENNY MILK

(By Gerald G. Gross)

Crippling of the Federal Government's surplus-foods program appeared as an immediate threat yesterday.

Penny milk, 5-cent quarts, school lunches, food stamps, direct distribution of food—all are in danger of drastic curtailment because the Budget Bureau has snipped \$100,000,000 off the Agricultural Marketing Administration's 1942-43 allotment.

Not only do some 10,000,000 relief and low-income families stand to suffer, if Congress does not restore all or part of the cut, but so do the thousands of farmers who are beneficiaries at the production end. The issue rests, for the moment, with the Senate Appropriations Subcommittee, which will open hearings this week on the agriculture supply bill.

STORY IN BRIEF

What has happened, in substance, is this: In 1941 Congress appropriated, with the Budget Bureau's assent, \$100,000,000 to supplement Agriculture's statutory allotment for continuation of its surplus-marketing program. By "statutory allotment" is meant the provision in the 1935 Agricultural Adjustment Administration Act by which 30 percent of customs revenue is made available for this form of agricultural relief each year.

During the current fiscal year, accordingly, the Agricultural Marketing Administration had \$197,000,000 to spend—\$97,000,000 derived from its customs percentage and \$100,000,000 as a necessary supplement. Actually, Congress appropriated \$125,000,000, but \$25,000,000 was impounded by the Budget Bureau last summer for economy reasons.

For the year beginning July 1, however, the Bureau has withheld approval of any supplemental appropriation whatever. Hence, when the agriculture supply bill passed the House recently, it carried nothing for the surplus-foods program.

SHARP REDUCTION LOOMS

Unless there is restorative action by Congress before the bill goes to the President for signature, there will be no alternative to a sharp reduction of the Marketing Administration's activities in behalf of farmers glutted with seasonal surpluses and malnourished consumers in need of this food.

The sum of \$131,000,000 will be available under the customs provisions, compared with this year's \$97,000,000. Without a supplementary appropriation, however, Agriculture officials face what is to them the unpleasant necessity of literally taking the food out of several million mouths.

Here is Washington's situation:

Thirty-four thousand half-pint bottles of milk are being distributed daily in 64 schools (public and parochial) and 7 settlement

houses. More are on a waiting list. But this project, hailed by school and welfare leaders since its inception in January, stands to be cut at least 25 percent—and conceivably abolished—if Congress does not come through.

Eight thousand youngsters in the Capital's elementary schools and 3,000 more in the junior and senior highs are receiving free hot lunches daily. A 40-percent slash is in prospect here.

25,000 BENEFIT MONTHLY

Each month 25,000 men, women, and children on relief or in the lowest income brackets are being aided by free distribution of 600,000 pounds of flour, fruits, vegetables, corn meal, salt pork and sundry surplus foods bought up by the Agricultural Marketing Administration. A still unestimated reduction in this activity is likewise inevitable, as the appropriations bill now stands.

Washington's poor also are served by the Agriculture-Work Projects Administration 5-cent milk plan, by which some 3,700 families are buying an average of 90,000 quarts a month at a nickel each, due to the Federal subsidy which similarly makes the school milk program possible. This successful form of public assistance faces the ax, too.

Also affected would be the District's many summer camps for underprivileged children, which depend in large measure upon surplus food aid and, in the same category, various Work Projects Administration household projects.

The Capital's plight, serious as it is, pales besides that of the Nation as a whole.

The food stamp plan, whose place is taken in the District by direct distribution of surplus foods, today covers 19 States in their entirety. It is in operation in 1,224 counties and 83 cities. In February there were 3,600,000 participants, who obtained in exchange for their blue stamps food valued at \$9,600,000.

SIX MILLION ONE HUNDRED THOUSAND SCHOOL LUNCHES

During the same month 6,100,000 children got free hot lunches in 93,000 schools. Into these meals went 66,700,000 pounds of beans, oranges, flour, pork, and dozens of other ingredients worth \$5,300,000 on the retail market.

The school-lunch program is in operation in all 48 States, Hawaii, Puerto Rico, the Virgin Islands, and the District of Columbia. February volume of participation and food consumed marked an all-time high.

Through direct distribution of excess foodstuffs, under which the needy are certified as eligible by their local welfare agencies (this is the system in vogue here), 4,400,000 persons obtained 57,000,000 pounds, valued at \$4,200,000, without cost to them, last month.

More than 700,000 boys and girls in 29 cities and marketing areas, from Boston to Phoenix, are drinking "penny half-pints" of milk each school day. In 37 other communities programs have been approved and their initiation is awaiting only the letting of contracts.

Six cities, Washington included, are offering 5-cent quarts to families in economic distress, with some 450,000 persons participating and 200,000 quarts being distributed daily.

Cognizant of the fact that all these activities must be curtailed in 1942-43 if Congress withholds a supplementary appropriation, Representative JERRY VOORHIS (Democrat), of California, tried in vain to have a \$40,000,000 allotment inserted in the Agriculture supply bill when it was brought out on the House floor on March 12.

In a 5-minute speech, Voorhis argued the inconsistency of cutting down on surplus food relief in this country when millions of tons are being shipped abroad under lend-lease—"this, I believe, is right"—to launch identical projects over there.

He quoted figures showing that 15 percent of all men examined for selective service have been rejected because of nutritional deficiencies.

He pleaded that "farmers who are now engaged in this food-for-freedom program have a right to expect that we will not go back on our moral obligation to see that their prices do not collapse."

But his amendment was defeated on a point of order.

Since there is no special authorization by Congress to appropriate for these surplus marketing and distribution activities, other than the aforementioned section 32 of the Agricultural Adjustment Act of 1935, the raising of a point of order against any restorative amendment that may be proposed on the Senate side would kill hopes for a supplemental allotment.

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

Mr. VOORHIS of California. Yes; I yield.

Mr. MURDOCK. Do I understand that the money the gentleman speaks of has been appropriated by the Congress and its expenditure has been held up by the executive department?

Mr. VOORHIS of California. That is right. By the Budget Bureau. The money was specifically appropriated by the Congress for this purpose. The Bureau of the Budget, however, decides on its own motion that the money should not be spent for this purpose. They freeze it in a fund and it is not available for the purpose for which Congress decided it should be available.

Mr. MURDOCK. It is an illustration of the interesting point which has recently arisen in our Government as to the powers of the two departments of our Government.

Mr. VOORHIS of California. That is correct.

This is not the only case in which this has happened. It happened in the case of the Civil Aeronautics Authority, and the gentleman from California [Mr. CARTER] I am sure will confirm that.

Mr. CARTER. I was just going to suggest that that took place in that instance, and I wanted to ask the gentleman from California whether or not he has made a study of the legal phase of the question.

Mr. VOORHIS of California. I will say to the gentleman that I have tried to do that. I am under the handicap of not being an attorney, but, so far as I can determine—and I have asked that a study be made of this question—the authority of the Bureau of the Budget comes, they claim, from an act called the Antideficiency Act, which was passed in 1906. That act reads as follows:

All appropriations made for contingent expenses or other general purposes except appropriations made in fulfillment of contract obligations expressly authorized by law, or for objects required or authorized by law without reference to the amounts annually appropriated therefor, shall, on or before the beginning of each fiscal year, be so apportioned by monthly or other allotments as to prevent expenditures in one portion of the year which may necessitate deficiency or additional appropriations to complete the service of the fiscal year for which said appropriations are made.

The job of enforcing this provision was given to the Bureau of the Budget by Executive Order No. 6166, which I will quote in a moment. It provides that the Bureau of the Budget shall have the

power to determine the allocation and apportionment of appropriations. The purpose of that act, as I understand it, was to give the Budget the power to prevent a department from expending its money so rapidly at the beginning of the fiscal year that they would not have anything at the end of it. It seems to me it is an unwarranted extension of that authority to say that they have a right to determine in effect how much Congress has the right to appropriate for a certain purpose. Executive Order No. 6166, section 16, which was issued by the President under the first reorganization bill, I believe, in March 1933, had these words in it:

The functions of making, waiving, and modifying apportionments of appropriations are transferred to the Director of the Bureau of the Budget.

It does not seem to me that you can read into this Executive order the authority to go beyond the apportionment as between the quarters of the fiscal year and actually curtail the total amount of appropriations made for a specific purpose. Indeed, I claim that that is to interpret these powers in a seemingly illegal manner.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. AUGUST H. ANDRESEN. What the gentleman points out is just a sample of what is being done in many instances by bureau chiefs who interpret the law the way they want it interpreted and not according to the intent of the Congress.

Mr. VOORHIS of California. I am inclined to agree with the gentleman that sometimes that apparently happens. I think that is the reason I am here today.

I would like to point out some of the possibilities involved in this procedure. If it is possible, for instance, for the Bureau of the Budget to freeze funds for school lunches which, maybe, some of the other Members are not so interested in as I am, I would like to point out to them the fact that if the Budget can freeze those funds, it also can freeze funds for the legislative appropriations if it wants. At least, there is no more reason, it seems to me, why they could not do it in connection with the legislative appropriation bill carrying the money necessary to maintain the Congress, than it is for them to do it in any one of these other cases.

I would like to follow this up by asking this, if the Budget can decide that the Congress appropriated too much for a certain purpose then why cannot they decide it appropriated too little for another purpose? And if this next step were taken in this direction, the Budget would be in the position of being able to say we are going to take money appropriated for one thing and give it to another. When that time comes the power over the purse of Congress will be gone.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman referred to buying lunches in schools, which I think is a very fine

thing, but I just want to point out one part of that program. Down here they had canned stuff delivered in one of the finest dairy sections of the country to the country schools where the pupils did not know what to do with it. This shows how inconsistent they are in their policies.

Mr. VOORHIS of California. I am sorry if that happened. It is the first time that I have heard of it.

Mr. Speaker, I realize that these things have been done for the purpose of reducing expenditures, and I think most of the Members of Congress would be in favor of doing that objective where it can properly and wisely be done, but I submit if the Bureau of the Budget can, upon its own motion, make decisions like this without any approval on the part of Congress, that it is a distinct invasion of the power of Congress to appropriate money and decide how it is to be spent. At the very least, it seems to me the Congress should insist that when the Bureau of the Budget proposes action of this kind it should have first the approval of Congress by means of a joint resolution for its action.

I submit these things for the consideration of the membership and ask unanimous consent to include with my remarks certain quotations from some of the laws, particularly the Antideficiency Act of 1906, upon which I understand the power of the Bureau of the Budget is based, and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. Under special order heretofore made, the Chair recognizes the gentleman from Oregon [Mr. ANGELL] for 10 minutes.

OREGON'S WAR PRODUCTION

Mr. ANGELL. Mr. Speaker, I compliment the gentleman from Washington [Mr. SMITH] for his excellent analysis made on the floor a short time ago of the development of hydroelectric power in the Columbia River Basin. A little later in my remarks, I shall go a little further into the details of the power situation, particularly as it affects my own State of Oregon. Before doing so, however, I shall proceed briefly with another matter.

Mr. Speaker, for over 3 years now the Congress has been in continuous session, with the exception of a few very brief intervals when recesses were taken. We recall that early in the summer of 1940 it was suggested that the Congress adjourn and go home. Even the President himself shared this opinion. The Congress, however, refused to adjourn, and later the world situation became so serious it was found necessary for the Congress to take up immediately for consideration and passage many important matters of legislation having to do with all-out defense. Since that time the exigencies of world conditions have required that Congress stay on the job.

From the outset I supported such a program. I now feel that the House decided correctly in refusing to recess over the Easter holidays but to remain officially in session. I regret, however, that

the leaders have decided that controversial matters should not be taken up during this period. There are so many far-reaching legislative programs now pending in the committees of the House which should have immediate consideration, that in my judgment the House erred in refusing to take up these urgent legislative matters having to do with the prosecution of the war. Everyone of us during these critical hours must be willing to make every sacrifice and to devote every available hour of our time for carrying forward our war effort. Congress itself is no exception.

Mr. Speaker, those behind the scenes who are charged with the responsibility of carrying forward our war program freely predict that the remainder of the calendar year 1942 may be the darkest period in the history of our country. The forces of evil which are alined together seeking to strike down forever the civilization of the world are marshaling all of their forces for a heroic effort on every available front to crush us and the other United Nations. They realize fully that when America shall have reached its full stride in the war of production, and ships, tanks, planes, and ammunitions of every description continue to roll without interruption out of our plants and factories, that we and our allies will have gained the superiority in the air, on the water, and on land which will spell defeat to the Axis Powers.

Mr. Speaker, I am sure the American people are aroused to the grim realities that face us. They now realize that we are embroiled in a life-and-death struggle to protect our own country; we are fighting with our backs to the wall. This fight is ours; we are defending our own country and our own people and the American way of life. Our enemies are treacherous, cunning, well equipped and efficient, and are making every sacrifice and employing all of their energies and resources to crush us and the United Nations fighting with us. Nothing counts now except to win the war, which we must and can do if we Americans are willing to pay the price for victory. There is no easy road to victory. It means sacrifice, sweat, and American blood. We must put aside every activity that does not contribute to the winning of the war. All our energies, all our resources, and all our loyalties must be freely given, and we must make every sacrifice to the one supreme objective of crushing the fiendishly efficient Japanese and Nazi hordes who seek our destruction.

The Congress has lodged supreme control and power in the hands of the President, as the Commander in Chief of our military forces, who, with the War Board authorized by the Congress, has full power to conduct the war to a successful termination. For my own part, as a Member of the Congress, I have given and will continue to give complete and full support to the President as Commander in Chief and those under him in charge of the war program to carry forward unhampered during these tragic days confronting us. Partisan politics and personal considerations must have no part in this life-and-death struggle to save America and our people. We are

in for a long, hard pull; but in the end, if we Americans of today will fight as our forebears fought in the Revolutionary days and in the long, hard years of sixty-one to sixty-five, and as General MacArthur and his heroic men fought at Bataan, we will win, because we are fighting a just cause, and we are fighting for the defense of our homes and our country, and we are fighting to crush forever the enemies of civilization itself.

The stupendous task which confronts us demands that every dollar appropriated for all-out defense must be honestly spent and a dollar's worth received for each dollar expended. Waste, graft, and furbelows in war activities must cease; we cannot dance our way to victory. Huge and unconscionable profits must be prohibited, and the crushing burden of taxation necessary for carrying on this almost superhuman effort must be equitably distributed upon all of our citizens. We must be willing to be taxed to the full limit of our ability to pay. We must sacrifice and forego the pleasures to which we have been accustomed, and even many of the peacetime necessities, in order to provide our fighting men at the front with ships, planes, tanks, munitions, and supplies so that they will be adequately equipped to meet our enemies and come out victorious. General MacArthur and his brave American and Philippine soldiers, compelled to fight without adequate planes and reinforcements, should spur every American on to make the greatest sacrifice within his power in order to provide the tools of war and reinforcements so sorely needed. Are we not willing to have less that our soldiers fighting for us may have more with which to crush the treacherous Japanese reaching for their throats? Is it not cheaper to buy victory, regardless of its cost and sacrifices, than to suffer defeat, which means death or slavery?

Mr. Speaker, I have not had an opportunity since last September to return to my own district in Oregon to consult with my constituents. I would be most happy to do so. It would not only give me an opportunity to learn first-hand from the citizens of my district their views on these momentous questions facing our Nation, but would also afford me the opportunity to make surveys and examinations of the various Government projects that have been constructed and are being carried forward now in Oregon. However, I have talked personally with many of the people from my district who have had occasion to come to the Capital, and through an extensive correspondence I have been able to keep in close touch with the viewpoints of my constituents. I know that there are no more loyal citizens in the Nation today than those who live on the west coast. Many of them are descendants of pioneers who migrated to the Oregon country in the covered-wagon days of the forties and fifties. They are a hardy, virile type of citizen and have been accustomed by heritage and personal experiences to depend upon their own endeavors and to reclaim and build for themselves, and I am sure now they are more than anxious to carry the full weight of the responsi-

bilities resting upon them as citizens of this great country. In fact, they are doing this very thing. When the bombs were dropped by the treacherous Japanese at Pearl Harbor a number of the brave sons of Oregon paid the supreme sacrifice. Realizing the great needs of our Government for war funds, our State was one of the first, if not the first in the Nation, to go over the top in the sale of Defense bonds and stamps.

Fortunately, my native State of Oregon borders upon the Columbia River, the second largest river in the United States and the greatest in potential hydroelectric power. The Northwest likewise is blessed with an abundance of natural resources in timber, ores, and metals, which form such a vital part of the defense program. Power and raw materials go hand in hand in building ships, planes, and other tools of war, which we must have in unending abundance if we are to win. It was indeed a fortunate circumstance that many of us in the Pacific Northwest, long before the war broke upon the world, realized the possibilities in the development of these natural resources and critical and strategic materials and the utilization of the hydroelectric power going to waste in the Columbia River. As a result, Bonneville and Grand Coulee came into being. Since my service here in the House, now going on 4 years, I have availed myself of the opportunity on many occasions to draw to the attention of the House from this Well the need for the early completion of Bonneville and the grid system of transformation and transmission facilities, providing the means to bring this huge reservoir of power from Bonneville and Grand Coulee to the areas of production. The great Bonneville project is now nearing completion. Recently I urged on the floor of the House the appropriation which will complete the generating units. The dam itself has long been completed. There are 10 generating units in this great power development, 6 of which have now been completed, and 5 are in operation, and work is progressing on the remaining 4. When all of them shall have been completed, which will be within the next couple of years, the total capacity of the plant, 518,400 kilowatts, will be put to work in our war defense program. In 1941 there were generated 1,480,390,000 kilowatt-hours at Bonneville, which is 86 percent of the maximum possible energy which could have been generated by the equipment installed in that project and utilizing the water available. Of this amount, 93.5 percent was delivered to the Bonneville administrator for sale. The aluminum-reduction plant at Troutdale is being rushed to completion and construction work is advancing on the transmission lines to connect with the Troutdale operation. One of the bottlenecks in our all-out war effort is the lack of fighting aircraft, and the huge generators in the Columbia River area, both at Bonneville and Grand Coulee, are supplying the much-needed energy to produce aluminum and other materials needed for aircraft in our war production program. Approximately 350,000 kilowatts from the 3 new Grand Coulee units will be brought

into service during 1943. The total of these 2 Columbia River power projects—Bonneville and Grand Coulee—coming into production in 1943 will be in excess of one-half million kilowatts.

In this calendar year Bonneville and Grand Coulee will provide about one-half of the light metals required by our air program, or an amount in excess of the total amount of such metals manufactured in the entire United States a year and a half ago. The ultimate aluminum program has now been placed at two and two-tenths billion pounds of ingot metal, about one-third of which will come from Columbia River power alone. It will thus be seen the important role being played in war production by Columbia River power.

SHIPBUILDING

Shipbuilding has become one of the most active defense construction activities in my district and the contiguous Washington side of the Columbia River. Bonneville power is being or will be used in the three shipyards now actively at work or under construction. About 1,000 kilowatts of Bonneville power is required for each shipway. The Oregon Shipbuilding Co. of Portland, Oreg., has been using about 8,500 kilowatts of Bonneville power since May 24, 1941. This company of late has been launching a ship a day, cargo vessels probably about five or six thousand tons each. Since the estimates recently before the House were prepared, two new shipbuilding facilities have been authorized for the lower Columbia. The first is to be located on Swan Island, Portland, which will require 10,000 kilowatts with 10 shipways. It is planned that this new Swan Island yard will be brought into operation the 15th of May 1942. The Swan Island development will be about 20 percent larger than the Oregon shipbuilding project.

With the recent award of 56 tankers to the Swan Island yard of the Kaiser Co., the total number of ships being produced by this one company in the Columbia River area is 119 ships at Vancouver, 56 tankers at Swan Island, and 131 liberty ships at the St. Johns yard. All of these ships are to be completed next year. It is estimated that 60,000 more shipyard workers will be required in the next 6 months for the new Vancouver and Swan Island yards, which, together with 250,000 already building freighters in the Portland area, means that the supply of skilled workmen is being exhausted. It is estimated that an additional 10,000 workers will be needed in Oregon for cantonment construction and metalcraft industries. Many of these will need vocational training to fit them for the work. The Willamette Iron & Steel Co. and other war industries are similarly engaged in war production. I am advised that an around-the-clock program is in effect in these shipbuilding operations. Our industries have taken an outstanding forward position in this respect. There have been no strikes or other stoppages in these enterprises.

Mr. Speaker, on January 21 this House passed the bill authorizing an appropriation of \$750,000,000 for minor combatant and naval vessels of various types, to be used in seaway duty. While for military

reasons it is not permitted to discuss the particular types of vessels that will be constructed, I may say that it is not unlikely that some of them will be of wood construction. We in the Columbia River area are particularly well situated for the construction of this type of vessel. During World War No. 1 we established an outstanding record for the construction of wooden ships. With the necessity for strict enforcement of priorities, limiting the use of steel and other metals, it is becoming more apparent that we must utilize our facilities for the construction of many types of wooden seagoing ships for war purposes. Portland is the hub of the greatest lumber-producing area in the United States, if not in the world. The Long Bell Lumber Co. on the north side of the Columbia River at Longview took the lead in lumber production in the West in 1941, with an output of over 454,000,000 board feet. On the Oregon side, the C. D. Johnson Lumber Co. of Toledo produced 190,000,000 board feet. The greatest available standing body of timber, consisting of Douglas, fir, pine, spruce, cedar, and other varieties, is located in this Northwest area, in what was largely the Old Oregon Country, now comprising the States of Oregon, Washington, and Idaho.

Mr. Speaker, I am sure that the record made by the citizens of this Northwest area entitles them to recognition as forward-looking patriotic supporters of our all-out war program. They realize the grim tragedy facing us as a Nation. They know that we cannot win the war with patriotism alone or with huge appropriations made by the Congress or with high-sounding phrases and patriotic speeches. They know, from bitter experience, that war means work, death, and destruction. They know too well that we can lose this war. But they have an abiding faith that we will win and in the resourcefulness of the American people and their loyalty and willingness to make every sacrifice and to do the things which are not easy but difficult and necessary if we are to win. I am happy to be the spokesman for these American citizens in the Third Congressional District of Oregon who are doing and will continue to do their full share in America's great effort to protect and preserve our American democracy.

The SPEAKER pro tempore. Under previous order, the Chair recognizes the gentleman from New York [Mr. CROWTHER] for 3 minutes.

CRITICISM OF ONE HOUSE OF CONGRESS BY THE OTHER

Mr. CROWTHER. Mr. Speaker, since the tragic debacle at Pearl Harbor on December 7, followed by the declaration of a state of war existing between the United States and Japan, Germany, and Italy, there has been an ever-increasing appeal for unity. I regret that the two Houses of Congress have not set an example for the great body politic to follow. The old ethical standard which frowned on criticism of the House by the Senate, and vice versa, seems to have been temporarily, at least, set aside. Such action, if continued, will destroy that unity of

purpose that is so necessary in successfully carrying on the war effort. The House and Senate are the Congress of the United States. Distinguished Speakers of the House have in the past commented upon this subject and there is no doubt that under a strict interpretation of the rules such criticism would not be tolerated. I trust that the casting of aspersions upon the integrity of one body by the other will from now on discontinue, and thus add to the confidence that the people of the country ought to have in their Representatives in Congress.

EXTENSION OF REMARKS

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech delivered by me on March 22, 1942, at the Shaarey Zedek Temple, Detroit, under the auspices of the Zionist Council of Detroit, Mich.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. DINGELL. Also, Mr. Speaker, I ask unanimous consent to extend my remarks by the insertion in the RECORD of a broadcast by the late Ignace Jan Padrewski in regard to the sale of Defense Savings bonds.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent that the gentleman from South Carolina [Mr. FULMER] have unanimous consent to extend his remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein an address made by Mr. M. E. Darden before a mass meeting held recently in Louisiana.

The SPEAKER pro tempore. Is there objection?

There was no objection.

DESTRUCTION OF SMALL BUSINESS

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, the speed with which certain administration leaders are trying to liquidate small businesses in this country is very alarming.

I call particular attention to what is happening in the automobile industry, particularly with dealers who have charge of the retail sale and repair of automobiles and tires.

Some weeks ago Mr. Leon Henderson made a statement to the effect that the Government would seize tires from private cars. An experience from my district as a result of this statement will illustrate the effect of such statements in liquidating small automobile dealers. One dealer wrote me that prior to Henderson's statement he had signed up about 50 automobiles for overhauling. When Mr. Henderson made the state-

ment that the Government would seize the tires on private cars, every one of the orders he had taken for repair and overhauling of cars was canceled.

A few days ago Mr. Joseph Eastman, of the Interstate Commerce Commission, made a speech in St. Louis. In that speech he stated that the Government would requisition and seize privately owned cars. It seems to me that some of these officials are making a lot of loose statements which are not based upon fact. If the administration intends to seize tires from private cars, or if they intend to requisition cars, they should say so, rather than to intimate that the Government may do this or that. What these and other officials are publicly saying causes further disruption and liquidation of the small business of our country. The backbone of our country is the small businessman of the United States, and it is up to us in Congress to try to protect his integrity, so that he may still furnish that part of our American structure which has made our country free and great.

Mr. Speaker, I will have more to say, at a later date, on what governmental policies are doing to liquidate small business in our country.

[Here the gavel fell.]

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 716. An act for the relief of Hazel M. Lewis; to the Committee on Claims.

S. 1044. An act for the relief of L. H. Goodman; to the Committee on Claims.

S. 1227. An act for the relief of Mr. and Mrs. R. F. Claud; to the Committee on Claims.

S. 1334. An act for the relief of Anthony Famiglietti; to the Committee on Claims.

S. 1542. An act to authorize the leasing of the segregated coal deposits of the Choctaw and Chickasaw Nations in Oklahoma; to the Committee on Indian Affairs.

S. 1648. An act conferring jurisdiction upon the United States District Court for the District of Oregon to hear, determine, and render judgment upon the claim of the Shaver Forwarding Co., of Portland, Ore.; to the Committee on Claims.

S. 1732. An act for the relief of Max Miller and Vera Caroline Miller and others; to the Committee on Claims.

S. 1756. An act for the relief of Franklin Benjamin McNew; to the Committee on Claims.

S. 1944. An act for the relief of Thomas Samuel Wurlu; to the Committee on Immigration and Naturalization.

S. 1991. An act for the relief of Mrs. William Meister; to the Committee on Claims.

S. 2025. An act to readjust the pay and allowances of personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service; to the Committee on Military Affairs.

S. 2048. An act for the relief of Lt. William Stewart Walker; to the Committee on Claims.

S. 2069. An act for the relief of the Quimby-Ryan Engineering Sales Co., Inc.; to the Committee on Claims.

S. 2116. An act for the relief of Frank S. Mathias and Elsie Mathias; to the Committee on Claims.

S. 2221. An act to provide for the adjustment of certain tort claims against the United States and to confer jurisdiction in respect thereto on the district courts of the

United States, and for other purposes; to the Committee on the Judiciary.

S. 2235. An act for the relief of Harriett Boswell, guardian of Betty Fisher; to the Committee on Claims.

S. 2250. An act to mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes; to the Committee on Banking and Currency.

S. 2278. An act for the relief of Bob Sampley; to the Committee on Claims.

S. 2286. An act to authorize inclusion of service on active duty as service on the active list in computation of service of commissioned warrant officers in the Navy for pay purposes; to the Committee on Naval Affairs.

S. 2288. An act to amend subsection 11 (b) of the act approved July 24, 1941, entitled "An act authorizing the temporary appointment or advancement of certain personnel of the Navy and Marine Corps, and for other purposes"; to the Committee on Naval Affairs.

S. 2305. An act to relieve disbursing and certifying officers of the United States of responsibility for overpayments made on transportation accounts under certain circumstances; to the Committee on Expenditures in the Executive Departments.

S. 2309. An act for the relief of the First National Bank of Huntsville, Tex.; to the Committee on Claims.

S. 2327. An act to provide for payment and settlement of mileage accounts of officers and travel allowance of enlisted men of the Navy Marine Corps, and Coast Guard; to the Committee on Naval Affairs.

S. 2353. An act to amend sections 1305 and 1306 of the Revised Statutes, as amended, to eliminate the prohibition against payment of deposits and interest thereon, of enlisted men until final discharge; to the Committee on Military Affairs.

S. 2356. An act authorizing the Administrator of Veterans' Affairs to grant easements in certain lands of the Veterans' Administration Facility, Murfreesboro, Tenn., to the city of Murfreesboro, State of Tennessee, to enable the city to construct and maintain a water-pumping station and pipe line; to the Committee on World War Veterans' Legislation.

S. 2380. An act to suspend for the duration of the present war all prohibitions against the marriage of officers of the land and naval forces of the United States; to the Committee on Military Affairs.

S. 2381. An act to provide that certain provisions of law relating to the Navy shall be held applicable to the personnel of the Coast Guard when that service is operating as a part of the Navy; to the Committee on Naval Affairs.

S. 2382. An act to amend the act approved June 24, 1926, entitled "An act to authorize the construction and procurement of aircraft and aircraft equipment in the Navy and Marine Corps, and to adjust and define the status of the operating personnel in connection therewith," so as to provide for the establishment of the designation of naval aviation pilot (airship), and for other purposes; to the Committee on Naval Affairs.

S. 2387. An act to equalize the rates of pay of all personnel in the United States Army, the Navy, the Philippine Scouts, and the Philippine Commonwealth Army, and for other purposes; to the Committee on Military Affairs.

S. 2399. An act to amend the act entitled "An act to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes," approved June 8, 1938, as amended; to the Committee on the Judiciary.

S. 2406. An act to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; to the Committee on Naval Affairs.

S. J. Res. 68. Joint resolution for the relief of sundry Indians of the Five Civilized Tribes; to the Committee on Indian Affairs.

ENROLLED BILLS SIGNED

Mr. KIRWAN from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 639. An act for the relief of Edd Nevins;

H. R. 710. An act for the relief of Martin N. Mayrath;

H. R. 2922. An act for the relief of Albert Edward Whiteside;

H. R. 3091. An act for the relief of Martin J. Price;

H. R. 3722. An act for the relief of Lt. Col. S. W. McIlwain;

H. R. 3732. An act for the relief of Ida Baird;

H. R. 4099. An act for the relief of Onie Martin and Betty Martin;

H. R. 4151. An act to authorize the acquisition by the United States of lands lying between the present boundary of the Naval Air Station, Lakehurst, N. J., and the new boundary of Fort Dix in the county of Ocean and State of New Jersey;

H. R. 4464. An act for the relief of Henry J. McCloskey;

H. R. 4625. An act for the relief of Karl K. Wilkes;

H. R. 4955. An act for the relief of Geoffrey Orme;

H. R. 5069. An act for the relief of George Garca;

H. R. 5363. An act for the relief of Johnston-Hall Hospital, Calhoun, Ga., and Dr. Z. V. Johnston, Calhoun, Ga.;

H. R. 5452. An act for the relief of Emmett Armstrong;

H. R. 5500. An act for the relief of the estate of Charles L. Clark;

H. R. 5504. An act for the relief of H. J. Abney;

H. R. 5559. An act for the relief of William Horsman;

H. R. 5576. An act for the relief of A. L. Freeman;

H. R. 5652. An act to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments and allow such credit therefor as is necessary in the accounts of certain disbursing officers, and for other purposes;

H. R. 5686. An act for the relief of Lewis J. and Mary Black;

H. R. 5866. An act for the relief of the city of Atlanta, Ga.;

H. R. 5977. An act for the relief of Mr. and Mrs. F. Wilder Temple;

H. R. 6023. An act to provide for the payment for accumulative or accrued annual leave to certain employees of the United States, its Territories or possessions, or the District of Columbia, who voluntarily enlist or otherwise enter the military or naval forces of the United States;

H. R. 6273. An act to amend the provisions of the Internal Revenue Code by setting new maximum limits on allowances for losses of distilled spirits by leakage or evaporation while in internal-revenue bonded warehouses, and for other purposes;

H. R. 6360. An act to amend the act known as the "Perishable Agricultural Commodities Act, 1930" (46 Stat. 531), approved June 10, 1930, as amended;

H. R. 6367. An act to extend the crediting of military service under the Railroad Retirement Acts, and for other purposes;

H. R. 6440. An act to authorize the renewal of the lease of the old Naval Hospital in the District of Columbia for an additional period of 15 years; and

H. R. 6714. An act for the relief of Daniel Elliott and Helen Elliott.

ADJOURNMENT

Mr. COOPER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 29 minutes p. m.), pursuant to its order heretofore entered, the House adjourned until Monday, April 6, 1942, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Tuesday, April 14, 1942. Business to be considered: Hearings along the line of the Sanders bill, H. R. 5497, and other matters connected with the Federal Communications Commission.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1545. A letter from the president of the Board of Commissioners of the District of Columbia, transmitting a draft of a proposed bill to exempt custodial employees of the District of Columbia Board of Education from the operation of the provisions of section 6 of the Legislative, Executive, and Judicial Appropriation Act approved May 10, 1916; to the Committee on the District of Columbia.

1546. A letter from the Archivist of the United States, transmitting a list of papers for disposal by him from certain agencies of the Federal Government; to the Committee on the Disposition of Executive Papers.

1547. A letter from the Secretary of the Navy, transmitting a draft of a proposed bill to prescribe the relative rank of members of the Navy Nurse Corps in relation to the commissioned officers of the Navy, and for other purposes; to the Committee on Naval Affairs.

1548. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated August 23, 1941, submitting a report, together with accompanying papers and illustrations on a review of reports on the Illinois River, Ill., with a view to the use of levee districts as reservoirs for the protection and improvement of navigation and flood control in the several drainage districts between Grafton and Starved Rock, Ill., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on February 5, 1937 (H. Doc. No. 692); to the Committee on Rivers and Harbors and ordered to be printed, with three illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. CELLER: Committee on the Judiciary. H. R. 5503. A bill to authorize the Attorney General to stipulate to the exclusion of certain property from condemnation proceedings; without amendment (Rept. No. 1966). Referred to the Committee of the Whole House on the state of the Union.

Mr. CELLER: Committee on the Judiciary. H. R. 6634. A bill to facilitate the employment by defense contractors of certain former members of the land and naval forces, including the Coast Guard, of the United States; without amendment (Rept. No. 1967). Referred to the Committee of the Whole House on the state of the Union.

Mr. CELLER: Committee on the Judiciary, H. R. 4934. A bill to provide for the punishment of persons conspiring to violate the laws relating to counterfeiting and certain other laws; without amendment (Rept. No. 1968). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. BLAND:

H. R. 6887. A bill relating to service on oceangoing vessels of the United States by licensed officers; to the Committee on the Merchant Marine and Fisheries.

By Mr. DIMOND:

H. R. 6888. A bill to provide for the cost of subsistence and transportation of the families of civilian employees who are assigned to duty beyond the continental United States; to the Committee on Expenditures in the Executive Departments.

By Mr. HILL of Washington:

H. R. 6889. A bill to amend the Bonneville Act to authorize the acquisition of utility systems and to coordinate the operation of the Government's power facilities on the Columbia River, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. SMITH of Washington:

H. R. 6890. A bill to amend the Bonneville Act to authorize the acquisition of utility systems and to coordinate the operation of the Government's power facilities on the Columbia River, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. SUMNERS of Texas:

H. R. 6891. A bill authorizing the judicial council of the circuit to direct that a term of court be not held where the public convenience does not require the holding of such term and there is insufficient business to warrant the holding of such term, and for other purposes; to the Committee on the Judiciary.

By Mr. YOUNG:

H. R. 6892. A bill to designate the national-service flag and national-service emblem; to define organizations and persons who shall be entitled to display and wear the same, and for other purposes; to the Committee on the Judiciary.

By Mr. VOORHIS of California:

H. R. 6897. A bill to provide for the dollar-for-dollar matching by the United States of savings by enlisted men in the armed forces through the sale of soldiers, sailors, and marines savings bonds, and for other purposes; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. HILL of Washington:

H. R. 6893. A bill for the relief of N. C. Lloyd; to the Committee on Claims.

By Mr. McMILLAN:

H. R. 6894. A bill to authorize and direct the Commissioners of the District of Columbia to set aside the trial-board conviction of Detective Sgt. Herbert E. Brodie and Pvt. Leo Murray, and their resultant dismissal, and to reinstate Detective Sgt. Herbert E. Brodie and Pvt. Leo Murray to their former positions as members of the Metropolitan Police Department; to the Committee on the District of Columbia.

By Mr. TERRY:

H. R. 6895. A bill conferring jurisdiction upon the United States District Court for the Eastern District of Arkansas to hear, determine, and render judgment upon the claims of W. M. Hurley and Joe Whitson; to the Committee on Claims.

By Mr. TOLAN:

H. R. 6896. A bill to make Ali Mohammad eligible for naturalization; 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:

2640. By Mr. FORAND: Resolution of the Rhode Island Federation of Men's Bible Classes, protesting against the sale of intoxicating beverages within military establishments that house armed forces of the United States; to the Committee on Military Affairs.

2641. By Mr. HOPE: Petition supporting the Sheppard bill (S. 860); to the Committee on Military Affairs.

2642. By Mr. MARTIN of Iowa: Petition of Rev. Matthew Kelly and Lessie Lander and other leading citizens of Danville, Iowa, urging the passage of Senate bill 860, a bill relating to the sale of alcoholic liquors and the suppression of vice in the vicinity of military camps and naval establishments; to the Committee on Military Affairs.

2643. By Mr. VINCENT of Kentucky: Petition of Nina Hammer and other citizens and residents of Bowling Green and Warren County, Ky., urging the passage of legislation that will speed up the war effort; stop strikes; place all strikers in military service for the duration of the war at regular soldier's pay; change the 40-hour workweek to 48 hours with no extra pay for overtime, Sundays, or holidays; compel by law industry to change from nonessential to war production those refusing to be placed under Government supervision, etc; to the Committee on Naval Affairs.

SENATE

FRIDAY, APRIL 3, 1942

(Legislative day of Monday, March 30, 1942)

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

Rev. J. L. Fendrich, D. D., pastor of the Metropolitan Presbyterian Church, Washington, D. C., offered the following prayer:

Our Father, grant this day that we may each one be aware of Thy Presence and Power within us. May we so give ourselves to Thy Guidance and Leading that in the deliberations of this hour we may consciously express Thy Will and Law. Through us in this hour may there be expressed a Wisdom to bless our Nation, and an outflowing purpose which may bless the whole earth with the foundation seeds of Peace and Brotherhood. These things we ask in the name of our Lord and Saviour, Jesus Christ. Amen.

THE JOURNAL

On request of Mr. GREEN, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, April 1, 1942, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT— APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, who also announced that on

April 2, 1942, the President had approved and signed the act (S. 2339) to provide for the expeditious naturalization of former citizens of the United States who have lost United States citizenship through service with the allied forces of the United States during the first or second World War.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its clerks, announced that Hon. E. E. Cox, a Representative from the State of Georgia, had been elected Speaker pro tempore of the House during the absence of the Speaker.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 139) to permit appeals by the United States to the circuit courts of appeals in certain cases, and requested a conference with the Senate on the disagreeing votes of the two Houses thereon.

ENROLLED BILLS SIGNED

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

H. R. 639. An act for the relief of Edd Nevins;

H. R. 710. An act for the relief of Martin N. Mayrath;

H. R. 2922. An act for the relief of Albert Edward Whiteside;

H. R. 3091. An act for the relief of Martin J. Price;

H. R. 3722. An act for the relief of Lt. Col. S. W. McIlwain;

H. R. 3732. An act for the relief of Ida Baird;

H. R. 4099. An act for the relief of Onie Martin and Betty Martin;

H. R. 4151. An act to authorize the acquisition by the United States of lands lying between the present boundary of the Naval Air Station, Lakehurst, N. J., and the new boundary of Fort Dix, in the county of Ocean and State of New Jersey;

H. R. 4464. An act for the relief of Henry J. McCloskey;

H. R. 4625. An act for the relief of Karl K. Wilkes;

H. R. 4955. An act for the relief of Geoffrey Orme;

H. R. 5069. An act for the relief of George Carcavy;

H. R. 5363. An act for the relief of Johnston-Hall Hospital, Calhoun, Ga., and Dr. Z. V. Johnston, Calhoun, Ga.;

H. R. 5452. An act for the relief of Emmett Armstrong;

H. R. 5500. An act for the relief of the estate of Charles L. Clark;

H. R. 5504. An act for the relief of H. J. Abney;

H. R. 5559. An act for the relief of William Horsman;

H. R. 5576. An act for the relief of A. L. Freeman;

H. R. 5652. An act to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments and allow such credit therefor as is necessary in the accounts of certain disbursing officers, and for other purposes;

H. R. 5686. An act for the relief of Lewis J. and Mary Black;

H. R. 5866. An act for the relief of the city of Atlanta, Ga.;

H. R. 5977. An act for the relief of Mr. and Mrs. F. Wilder Temple;

H. R. 6023. An act to provide for the payment for accumulative or accrued annual