

OKLAHOMA

Clay B. Burnham, Hanna.
 Fred R. Clement, Haskell.
 Buford E. Stone, Manchester.
 Ada M. Thompson, Mannford.

OREGON

Leonard O. Ferguson, Arlington.
 Walter R. Powell, Burns.
 Emil L. Mueller, Clatskanie.
 Virginia A. Grubb, Gardiner.
 Myrtle E. Potter, Haines.
 Glen A. Henderson, Oak Rock.
 John W. Bubbs, Huntington.
 Fred Randolph Peat, Lakeview.
 Jay C. Freeman, Moro.
 Lora C. Coykendall, Oak Grove.
 Reginald C. Cooke, Oswego.
 Andrew L. Boe, Parkdale.
 Fred L. Hartman, Pilot Rock.
 Lorengil C. Holman, Richland.
 Gladys M. Heath, Rogue River.
 Margaret Daughtrey, Stanfield.
 Nealia G. Haven, Sweet Home.
 Joseph R. DeJardin, Taft.
 Louis Earl Hammer, Tillamook.
 Rosemary Schenck, Toledo.
 Carl W. Fegtly, Vale.
 Roy G. Magnuson, Warrenton.
 Esther Fawk, Willamina.
 Von D. Seaton, Yamhill.

PENNSYLVANIA

Joseph W. Kudasik, Central City.
 James M. Donahue, Coaldale.
 Howard D. Brown, Friedens.
 John Butchkosky, Jeddo.
 Helen P. Harter, Laurelton.
 Michael S. Karlitsky, Lyndora.
 Francis E. Feeney, Minersville.
 Jackley L. Hines, Mount Jewett.
 Leonard T. Cullen, New Albany.
 William R. Hanna, New Castle.
 John F. Hahn, Oil City.
 Benjamin Shaute, Peckville.
 Cleo W. Callaway, Shawnee on Delaware.
 Oscar F. Sutcliffe, Somerset.
 Elmer F. Bubbenmoyer, West Hamburg.

PUERTO RICO

Nicolas Ortiz Lebron, Aibonito.

RHODE ISLAND

Catherine L. Levesque, Portsmouth.

SOUTH CAROLINA

Katie Lee McIntyre, Clio.

SOUTH DAKOTA

Gladys W. Stanek, Fairfax.
 Mary A. Hurley, Lennox.
 Frank A. Allen, Wolsey.

TENNESSEE

Myrtis F. Ramer, Bethel Springs.
 John J. Parran, Bolivar.
 Walter E. Nixon, Dayton.
 Raymond Glenn Leech, Estill Springs.
 John F. Dunbar, Grand Junction.
 Samuel C. Jones, Lexington.
 Sam L. Cummins, Lyles.
 Otis K. Martin, McKenzie.
 Luther P. Speck, Monterey.
 Rufus V. Cawthon, Mount Juliet.
 Harmon B. Fox, Obion.
 Edwin L. Goddard, Saulsbury.
 Joseph H. Sevier, Savannah.
 James B. Goodwin, Trezevant.

Riley M. Grills, Trimble.
 John O. Bennett, Troy.

TEXAS

Willard E. Trimble, Carbon.
 Samuel Lee Hall, Roby.

VERMONT

Alice C. Carr, Derby.
 Douglas C. Montgomery, East Arlington.
 Agnes M. Bullard, Marshfield.
 Charles J. King, Milton.
 Charles J. Smith, Newbury.
 Thomas H. Barry, Waterbury.
 Marjorie M. Duval, West Burke.

WASHINGTON

James A. Dowdle, Arlington.
 John A. Bush, Dishman.
 Ralph Gildea, Garfield.
 Valentine Horwath, Northport.
 George E. Starr, Seattle.

WISCONSIN

Elsie M. Dussault, Land O'Lakes.
 Emma C. Andrews, Manitowish.
 Marion L. Shafer, Muscoda.

HOUSE OF REPRESENTATIVES

SATURDAY, JUNE 22, 1940

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Most merciful and gracious God, again we approach Thy throne with glad assurance, for Thou art man's unfailing friend, his ever-present help, and everlasting hope. In the revelation of Thyself we see Thy power to accomplish all that Thou hast promised, to confer upon us all that we need, and to do for us abundantly above all that we can ask or think.

We pray that the barriers which separate us from Thee may be submerged by a renewed consecration. May we supremely desire to live out our days in faith and in faithful obedience to the eternal will of God, for in Thy will is our peace.

Wilt Thou grant unto our President, our Speaker, and all leaders in the life of our Republic, during these perilous days, vision to recognize Thy will and courage to meet its challenging demands. Help us to see clearly, to walk uprightly, and to endure heroically. May we have within our hearts the testimony that we are serving our generation according to Thy holy will.

This we ask for the sake of suffering humanity and for the sake of Him who gave Himself for the life of the world. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 2354. An act for the relief of S. T. Enloe;

H. R. 2901. An act conferring jurisdiction upon the United States District Court for the Middle District of Georgia to hear, determine, and render judgment upon the claim of Geraldine Ash;

H. R. 3774. An act for the relief of Albert L. Barnholtz;

H. R. 3964. An act for the relief of H. S. Wayman;

H. R. 4801. An act for the relief of Mary Camastro, a minor;

H. R. 5211. An act conferring jurisdiction upon the United States District Court for the Eastern District of Kentucky

to hear, determine, and render judgment upon the claims of Mat Hensley, Arnold Blanton, Lillie Price, Clyde Thorpe, and D. L. Mason;

H. R. 5464. An act for the relief of Don E. Hicks;

H. R. 5571. An act for the relief of Minnie Lowery and Winell Lowery;

H. R. 5930. An act for the relief of Raymond C. Knight;

H. R. 6095. An act for the relief of Wilbur P. Riddlesbarger and Josephine Riddlesbarger;

H. R. 6548. An act for the relief of Isobell Shanks;

H. R. 6553. An act for the relief of the Pennsylvania State College;

H. R. 6596. An act for the relief of Charles H. Upton;

H. R. 6845. An act for the relief of Anthony Borsellino;

H. R. 6967. An act for the relief of Thomas Boyd;

H. R. 7116. An act to authorize defraying cost of necessary work between the Yuma project and Boulder Dam;

H. R. 7608. An act for the relief of J. Montrose Edrehi;

H. R. 7858. An act for the relief of Mary D. Briggs and Simeon G. Rigor;

H. R. 7959. An act for the relief of Nathan A. Buck;

H. R. 8076. An act to authorize the furnishing of steam from the Central Heating Plant to the National Academy of Sciences, and for other purposes;

H. R. 8258. An act for the marking, care, and maintenance of the Mount of Victory plot in the Cypress Hills Cemetery, in Brooklyn, N. Y.;

H. R. 8356. An act for the exchange of lands adjacent to the San Juan National Forest and the Rio Grande National Forest in Colorado;

H. R. 8414. An act for the relief of Charles E. Molster, former disbursing clerk for the Department of Commerce and the National Recovery Administration; J. L. Summers, deceased, former Chief Disbursing Clerk, Division of Disbursement, Treasury Department; and Guy F. Allen, Chief Disbursing Officer, Division of Disbursement, Treasury Department;

H. R. 9274. An act to amend the act entitled "An act to provide for the establishment of the Cape Hatteras National Seashore in the State of North Carolina, and for other purposes," approved August 17, 1937 (50 Stat. 669);

H. R. 9296. An act to authorize the attendance of the Marine Band at the convention of the Grand Army of the Republic to be held at Springfield, Ill., September 8 to 13, inclusive, 1940;

H. R. 9445. An act for the acquisition of Indian lands for the Grand Coulee Dam and Reservoir, and for other purposes; and

H. J. Res. 517. Joint resolution to clear title to certain real estate.

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

H. R. 9822. An act to expedite naval shipbuilding, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WALSH, Mr. TYDINGS, and Mr. HALE to be the conferees on the part of the Senate.

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

H. R. 5303. An act for the relief of Solomon Brown;

H. R. 6831. An act to authorize the Secretary of the Interior to lease certain of the public lands to the Metropolitan Water District of southern California for the extraction of sodium chloride for water-conditioning purposes;

H. R. 7736. An act authorizing the Secretary of the Interior to issue patents for lands held under color of title;

H. R. 7861. An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of Hannah S. Bray, Jane Bickers, and Frances Bickers;

H. R. 8450. An act to extend for 5 additional years the reduced rates of interest on Federal land-bank and Land Bank Commissioner loans; and

H. R. 9877. An act authorizing the Secretary of the Interior to promulgate and to put into effect charges for electrical energy generated at Boulder Dam, providing for the application of revenues from said project, authorizing the operation of the Boulder power plant by the United States directly or through agents, and for other purposes.

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

S. 71. An act to repeal the act entitled "An act relating to Philippine currency reserves on deposit in the United States";

S. 253. An act to authorize the leasing of certain Indian lands subject to the approval of the Secretary of the Interior;

S. 1433. An act to add certain lands to the Siuslaw National Forest in the State of Oregon;

S. 2171. An act for the relief of M. Seller & Co.;

S. 2880. An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment on the claim of R. Brinskelle and Charlie Melcher;

S. 2997. An act for the relief of the Greenlee County Board of Supervisors;

S. 3003. An act for the relief of Ralph C. Hardy, William W. Addis, C. H. Seaman, R. J. Polk, and E. F. Goudelock;

S. 3143. An act for the relief of Chandler V. Jensen;

S. 3437. An act for the relief of the Franco-American Construction Co.;

S. 3497. An act to require the issuance by the General Accounting Office of a quarterly certificate of settlement of money accounts to United States property and disbursing officers, of the National Guard of the several States, Territories, and the District of Columbia;

S. 3539. An act for the relief of Thomas M. Barnes;

S. 3582. An act relating to the status of certain natives and inhabitants of the Virgin Islands;

S. 3710. An act for the relief of James H. Hearon;

S. 3866. An act for the relief of George W. Coon;

S. 3879. An act to amend section 15 (g) of the Agricultural Marketing Act, as amended, relating to the definition of agricultural commodity;

S. 3926. An act to authorize the Secretary of War to provide a license for the construction of a pile dolphin and walkway at Fort Mifflin Military Reservation, and for other purposes;

S. 3962. An act for the relief of the Louis Puccinelli Ball Bond Co.;

S. 3998. An act to increase the credit resources of Commodity Credit Corporation;

S. 4008. An act to authorize the Reconstruction Finance Corporation to make loans for the development of deposits of strategic and critical minerals which, in the opinion of the Corporation, would be of value to the United States in time of war, and to authorize the Reconstruction Finance Corporation to make more adequate loans for mineral developmental purposes;

S. 4032. An act to provide for the reimbursement of Philip A. Penston, pharmacist's mate, first class, United States Coast Guard, for the value of personal and household effects lost and destroyed during the hurricane of September 21, 1938, at New London, Conn.;

S. 4037. An act to confer jurisdiction upon the United States District Court for the Western District of Kentucky to hear, determine, and render judgment upon the claim of Theodore R. Troendle, for the Dawson Springs Construction Co.; and

S. 4097. An act to provide for the disposition of estates of American citizens who die abroad.

FIRST SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION ACT, 1941

Mr. WOODRUM of Virginia. Mr. Speaker, I call up the conference report on the bill (H. R. 10055) making supplemental appropriations for the national defense for the fiscal year ending June 30, 1941, and for other purposes.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10055) making supplemental appropriations for the national defense for the fiscal year ending June 30, 1941, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 9, 10, and 15.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 4, 5, 7, 8, 11, 12, 13, 14, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 31, and 32; and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$50,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"Sec. 201. From the appropriations for 'Regular Supplies of the Army,' 'Clothing and Equipage,' 'Army Transportation,' 'Signal Service of the Army,' 'Air Corps, Army,' 'Medical and Hospital Department,' 'Engineer Service, Army,' 'Ordnance Service and Supplies,' 'Chemical Warfare Service,' and 'Seacoast Defenses,' for the fiscal year 1941, not to exceed a total of \$2,658,967 may be applied to the employment of persons and the procurement of supplies and services and printing and binding at the seat of government, and to pay of employees of the Finance Department in the field, under the following heads and within the respective limitations specified, as follows:

"SALARIES, WAR DEPARTMENT

"For temporary personal services:

"Office of the Secretary of War, \$617,110;
 "Office of Chief of Staff, \$96,980;
 "Adjutant General's Office, \$158,700;
 "Office of the Judge Advocate General, \$13,920;
 "Office of the Chief of Finance, \$60,120;
 "Office of the Quartermaster General, \$78,960;
 "Office of the Chief Signal Officer, \$67,490;
 "Office of the Chief of Air Corps, \$40,760;
 "Office of Chief of Engineers, \$130,260;
 "Office of Chief of Ordnance, \$719,740;
 "Office of Chief of Chemical Warfare Service, \$46,380;
 "Office of Chief of Infantry, \$2,880;
 "Office of Chief of Cavalry, \$2,880;
 "Office of Chief of Field Artillery, \$4,320;
 "Office of Chief of Coast Artillery, \$5,760;
 "Office of Chief of Chaplains, \$1,440;
 "National Guard Bureau, War Department, \$10,000;
 "In all, salaries, War Department, \$2,057,700.

"OFFICE OF THE SECRETARY

"Contingent expenses, War Department, \$216,772.
 "Printing and binding, War Department, \$177,995.

"MILITARY ACTIVITIES

"Finance Service, \$206,500."

And the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"Sec. 301. The Secretary of the Navy is authorized, where necessary, to exceed the statutory limit on repairs and alterations to vessels during the fiscal year 1941."

And the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In line 6 of the matter inserted by such amendment, strike out "shall" and insert "may"; and the Senate agree to the same.

C. A. WOODRUM,
 CLARENCE CANNON,
 LOUIS LUDLOW,
 J. BUELL SNYDER,
 EMMET O'NEAL,
 GEO. W. JOHNSON,
 JOHN TABER,
 R. B. WIGGLESWORTH,
 J. W. DITTER,

Managers on the part of the House.

ALVA B. ADAMS,
 KENNETH MCKELLAR,
 CARL HAYDEN,
 JAMES F. BYRNES,
 FREDERICK HALE,
 JOHN G. TOWNSEND,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10055) "Making supplemental appropriations for the national defense for the fiscal year ending June 30, 1941, and for other purposes," submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Treasury Department

On No. 1: Appropriates \$50,000, instead of \$98,880 as proposed by the Senate for salaries, Office of the Commandant, Coast Guard.

War Department—Civil functions

On No. 2: Strikes out the appropriation of \$8,127,000, inserted by the Senate, for maintenance and improvement of existing river and harbor works.

War Department—Military activities

On No. 3: Appropriates \$293,330,282 for "Air Corps, Army," as proposed by the Senate, instead of \$249,830,282 as proposed by the House.

On Nos. 4 and 5: The House bill authorizes not to exceed \$2,000,000 of the appropriation for expediting production to be used for the erection, equipment, and operation of a "pilot plant" for the beneficiation of manganese ores and the production of metallic manganese therefrom by the "electrolytic process." The Senate amendment makes the amount available for a "pilot plant or plants" and provides for the use of other processes in addition to the electrolytic process. The House accepts the Senate amendments.

On Nos. 6 and 7: The Senate added section 201 granting unlimited authority for the use of certain War Department field appropriations for personal services and other expenses at the seat of Government. The House accepts the Senate amendment modified so as to set forth the specific amounts for various War Department bureaus and offices for personal services at the seat of Government and other departmental expenses in accordance with the sums in the Budget estimates totaling \$2,658,967, which may be expended from such appropriations.

Navy Department

On No. 8: Appropriates \$7,500,000, as proposed by the Senate, for the Naval Reserve, and repeals, as proposed by the Senate, the limitations in the Naval Appropriation Act, 1941, limiting the number of drills of Naval Reserves to 48 per annum and limiting the number and rank of officers of the Naval Reserve and Marine Corps Reserve who may be employed on active duty in the fiscal year 1941 out of the appropriation in such Naval Appropriation Act, 1941.

On Nos. 9 and 10: Eliminates the increases of \$300,000 and \$100,000, respectively, made by the Senate in the appropriations for the Bureaus of Engineering and Construction and Repair, for facilities for Canton Island.

On Nos. 11 and 12, relating to the Bureau of Ordnance: Increases the appropriation for Ordnance and Ordnance Stores, Navy, by \$9,500,000, as proposed by the Senate, to provide for increased powder manufacture and storage facilities at Indianhead, Md., and to provide for additional armament and ammunition for the Marine Corps.

On Nos. 13, 14, 15, 16, 17, 18, and 19, relating to Public Works, Bureau of Yards and Docks: Makes a technical correction in connection with the limit of cost for the shipbuilding dock, Philadelphia Navy Yard; increases the limit of cost in the bill for the Naval Air Station, Quonset Point, R. I., \$24,000,000, to the authorized limit of cost, \$24,204,000; strikes out the proposed authorization of \$1,500,000, inserted by the Senate for the naval air station, Canton Island; increases the limit of cost in the bill for the naval air station, Tongue Point, Oreg., \$1,000,000, to the authorized limit of cost, \$2,000,000, as proposed by the Senate; includes the amendment, proposed by the Senate, providing that the pipe line in connection with the development of water supply, naval station, Key West, Fla., may be built in cooperation with an agency of the State of Florida; inserts the requirement, proposed by the Senate, that the fixed fee to be paid any contractor as a result of any contract hereafter entered into under the authority of the act of April 25, 1939, shall not exceed 6 percent of the estimated cost of the contract, exclusive of the fee, as determined by the Secretary of the Navy; and inserts the authority, proposed by the Senate, allowing a variation of 10 percent either upward or downward in the limits of cost of specific projects in the accompanying bill, and the Naval Appropriation Act, 1941, with the requirement that the aggregate of all such limits of cost shall not be exceeded by the exercise of such authority.

On Nos. 20 and 21, relating to the Bureau of Aeronautics: Increases the amount of the appropriation in the House bill from \$22,585,000 to \$22,885,000 as proposed by the Senate, and increases the amount that may be expended thereof for maintenance, etc., from \$870,400, as proposed by the House, to \$1,170,400, as proposed by the Senate.

On No. 22: Appropriates \$2,000,000 as proposed by the Senate for general expenses, Marine Corps.

On Nos. 23, 24, and 25, relating to alterations of naval vessels: Provides a direct appropriation of \$24,360,000, as proposed by the Senate, instead of a direct appropriation of \$14,360,000 and a contract authorization of \$10,000,000, as proposed by the House, and strikes out the authority proposed by the House bill for exceeding

the statutory limit on repairs of vessels in connection with the appropriation. This authority is provided generally for all appropriations for the fiscal year 1941 in section 301.

On No. 26: Makes a technical correction.

On No. 27: Appropriates \$10,000 for the Office of the Secretary of the Navy to provide the salary for the position of Under Secretary of the Navy.

On No. 28: Appropriates \$25,000,000, as proposed by the Senate, for an emergency fund for naval auxiliaries and patrol craft instead of a contract authorization for such purposes, as proposed by the House.

On No. 29: The Senate amendment authorizes the Secretary of the Navy to exceed the statutory limit on repairs and alterations to vessels during the existing emergency and with the funds appropriated in title III of the accompanying bill to acquire and convert auxiliaries for service with the fleet. The House accepts the Senate amendment modified so as to limit such authority to the fiscal year 1941 instead of to the existing emergency and to eliminate the language proposed in connection with the acquisition and conversion of auxiliaries. The latter language is eliminated for the reason that it is the opinion of the conference committee that the authority already granted in connection with the appropriations made in the bill for such purposes is sufficiently broad to accomplish the ends sought.

On No. 30: The Naval Appropriation Act, 1941, contains a requirement that the Secretary of the Navy, in filling out the allowances of naval vessels above 85 percent of complement, shall first assign to active duty for limited periods of training such naval reservists as will voluntarily accept active duty—not to exceed 5,000—and provided that to the extent such naval reservists are not available, the Secretary shall recruit regular enlisted men in the Navy to the extent necessary to provide an enlisted personnel of not to exceed 170,000 by July 1, 1941. The Senate amendment amends this latter provision by eliminating the limitation on the number of enlisted men to be attained by July 1, 1941, and directs the Secretary of the Navy to recruit regular enlisted men in the Navy to the extent that naval reservists are not available. The conference agreement accepts the Senate amendment modified so as to change the amendment from a "requirement" to recruit regular enlisted men when naval reservists are not available to "authority" to do so.

On No. 31: The Senate amendment authorizes the detail of enlisted men to the Office of Naval Intelligence during the fiscal year 1941. The House accepts the Senate amendment.

On No. 32: Corrects a section number.

C. A. WOODRUM,
CLARENCE CANNON,
LOUIS LUDLOW,
J. BUELL SNYDER,
EMMET O'NEAL,
GEO. W. JOHNSON,
JOHN TABER,
R. B. WIGGLSWORTH,
J. W. DITTER.

Managers on the part of the House.

Mr. WOODRUM of Virginia. Mr. Speaker, this is the last of the so-called emergency defense bills. There is nothing controversial in it so far as I know.

The amount of the bill as it passed the House was \$1,381,-917,147; amount of the bill as passed by the Senate, \$1,488,-353,027; amount of Senate recessions, \$8,575,880; amount of House recessions, \$97,860,000; amount of bill as agreed upon, \$1,479,777,147; amount of contract authorizations \$282,736,-761. The total amount of direct appropriations and contract authorizations is \$1,762,513,908.

Of the increase of \$97,860,000 over the House bill, \$35,-000,000 consists of changing contracts in House bill to direct appropriations and \$43,500,000 is for airplane engines for the Army Air Corps.

So far as I know, Mr. Speaker, there is nothing controversial in the bill, and I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, this conference report brings the total of the money made available for the Army and Navy and for defense purposes up to approximately \$6,000,000,000 at this session of Congress. It makes the total appropriations of this Congress, without reappropriations or contract authorizations being figured in, practically \$15,900,000,000. Many of the items in the \$15,000,000,000 are things we could have gotten along without and that we should have gotten along without. As far as the items for national defense go, and for putting our defenses in order, the minority has unanimously gone along with the majority in providing every cent that was needed.

The President at last has made a move with reference to the War Department and the Navy Department. Regardless

of whatever else it does, I hope he will let these men administer the Departments and not pass out his orders to the generals of the Army and the admirals of the Navy through William H. McReynolds, Harry Hopkins, and Tommy Corcoran; but the President has not shown that he is prepared to go along for defense. He has named Sidney Hillman to take charge of the training of young men and young women for war purposes. God knows it is bad enough if we have to have conscription in the United States, but to have conscription under the training of such a man is absolutely the reverse of national defense. I hope that if such a thing comes into this Congress that this House will stand against that sort of performance.

The President has also submitted Budget estimates for a new program for the T. V. A. totaling \$65,000,000 and an immediate appropriation of \$25,000,000, which, in the report of the Senate Appropriations Committee, thank God, have been ruled out. I hope that this Congress will not follow the President in trying to waste more money than is absolutely needed for national defense and that we can stick to honest national defense in the efforts we make in the next few days and the next few months. [Applause.]

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 10 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Speaker, repeatedly during this session I have called attention to the fact that the war in Europe might end by September and to the inevitable effect of the close of the war upon farm prices. Now, that prediction has come true even earlier than anticipated. To all intents and purposes the war, so far as it affects the American market, is over, and its repercussion upon the price of farm products is already painfully evident. Wheat which sold only a few weeks ago at \$1.13 on the Chicago market, is today bringing less than 60 cents on the farm.

Hogs which sold for more than a dime last September today bring less than a nickel. Cotton has not yet felt the full effect of the blow but its reaction to postwar conditions is merely a question of time. It is selling at a dime on the farm today; but with all ports of export closed is certain to fall slowly but steadily as foreign markets are closed and exports dwindle. I shall later insert in the RECORD a table showing the cessation of all exports of American farm products to foreign countries as Germany takes possession of them. In Norway, for example, where we imported as high as 46 percent, immediately upon German occupation American imports dropped to less than 3 percent. And the effect will become more pronounced as occupation and consolidation of customs administration proceeds. Now, by a remarkable contrast, the cessation of the war has had no effect on wage scales or industrial prices. In fact wages are higher in every city in America and the price of all manufactured commodities is advancing.

I can insert into the RECORD ample statistics on that, but owing to the limited time—

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

Mr. CANNON of Missouri. I much regret that the limited time I have will not permit. I hope the gentleman will excuse me.

Mr. ENGEL. Merely to ask the gentleman to place in the RECORD the price of wheat—

Mr. CANNON of Missouri. I thank the gentleman for his cooperation, and I will later follow his suggestion; but for the present I hope the gentleman will permit me to proceed at this time.

Astonishing as it may seem, although farm prices are in a tailspin and are dropping precipitously, wages are increasing and prices of all nonfarm commodities are stiffening. We have a very good example of that right here in the House. Just yesterday every Member of Congress was notified through the mails that after today he will not be able to buy a typewriter at the Government price of \$70, because under the law the price of typewriters has been fixed, and typewriters must hereafter be sold at \$100. It costs about \$18 to make a typewriter selling for \$100, but in the Government, where we buy in large quantities, and

in commercial schools, where they handle machines in bulk, they have been able to buy them for \$70. However, from now on the price has been fixed, and you will have to pay \$100 for the \$18 typewriter. If time permitted, I could give you an endless number of similar instances. Macy's, the great New York department store, advertised in full-page advertisements recently quoting parallel prices showing that such price maintenance increased the price to the consumer by heavy percentages.

Now, there is a reason for everything. This did not just happen. Why is it that only farm prices fall while wages and industrial prices are not affected? Just one thing, my friends—legislation. Laws passed by this Congress keep labor wages up and keep freight rates and industrial prices up. I do not have to name the long list of acts passed by Congress which arbitrarily support labor and industry. All of you are familiar with them, and most of you have helped pass them. And lack of similar legislation leave farm prices subject to every adverse wind and not only keep them below parity but keep them shifting from day to day, always to the loss of the farmer and all business and professional men dependent either directly or indirectly on farm patronage. This is not a new development. For years political parties have been promising agriculture economic equality with labor and industry. But we have had no opportunity here in the House to vote on legislation that would carry out that promise. While the Committee on Interstate and Foreign Commerce and the Committee on Labor and other committees of the House have been bringing out these laws which maintain wages and factory prices, the Committee on Agriculture has boondoggled with minor bills on rates of interest, farm loans, farm tenancy, and with other details, but which did not affect the one vital thing, namely, the price of farm products. You can give a man the lowest interest in the world and lend him all the money he wants, and buy him the best farm in the State; but if you do not give him a price that will pay him back the cost of production, the sheriff will take away everything he has, as certain as taxes and interest roll around.

There is a remarkable and significant attitude in respect to farm legislation by the metropolitan newspapers and the great industrial and labor organizations of this country. Whenever you bring in a bill to help farm tenancy, or to lend the farmer money, or to reduce the rates of interest, they are back of it, and they assure us they want to help the farmer, but whenever you suggest bringing in any legislation which would stabilize farm products, which would give the farmer parity prices, you find either emphatic opposition or a deep silence on the part of these interests which are so solicitous for the farmer's welfare on boondoggling legislation of the character just mentioned.

Why is that? Because there is a well-defined and well-organized policy throughout the Nation, based on the theory that this is an industrial country and that we must have cheap food so that we can have cheap labor and produce cheap industrial products to compete with the other industrial countries of the world. American labor does not compete with foreign labor for the home market. American industry does not compete with foreign industry in the United States. They are all protected, but the American farmer is in competition with the Chinese coolie, the South American peon, and the European peasant. It is interesting to note that the Washington newspapers, for example, which have been decrying parity-price legislation, which so roundly abused us when we made an appropriation for parity prices, the only thing we could do under the legislation that we had—it was interesting to note that at the time when we were getting \$24 for hogs and 35 cents for cotton and \$2.20 for wheat those same newspapers were selling on the streets of this city for 1 cent.

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

Mr. CANNON of Missouri. Now, when hogs are down to a nickel, and wheat is down to 60 cents and cotton down to a dime, that same paper is selling on the streets of the city for 3 cents.

But, why has not the Committee on Agriculture functioned these 4 years in the face of the greatest need in the economic set-up of the entire country? The excuse offered by the Committee on Agriculture the last time we discussed the matter on the floor of the House was that they did not have time. They said it was too near the end of the session. So they went into hibernation. They refused even to hold hearings on the subject. We pleaded with them. We said, You ought at least to be looking into it. You ought to be calling before you the men who should be heard on the various propositions that have been made to stabilize farm prices.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. HOBBS. Will the gentleman yield?

Mr. CANNON of Missouri. I hope the gentleman will pardon me. I wish I had the time. But I have only 2 minutes. The Committee on Agriculture excused themselves for not coming to the relief of the hard-pressed farmers by saying it was too near the end of the session. But since that time the Committee on Ways and Means has met, held hearings, brought out, and passed one of the most intricate tax bills in the revenue annals of the Government. Since that time we have enacted one of the most elaborate defense plans ever formulated in time of peace; but the Committee on Agriculture was either too tired or too slow or too disinterested to even consider the matter; to even call in witnesses to hear suggestions on a remedy or ask the Department of Agriculture for information or advice—and that in one of the most serious crises in the history of the Nation.

No; we are not going to adjourn. We have the summer before us, my friends on the Committee on Agriculture, and I hope that the 6 farmers out of the 16 members of that committee will use their efforts to give the farmers and the Nation a little service.

You know, back in the Sixty-ninth Congress they packed the Committee on Agriculture, both the Democrats and the Republicans packed their respective Representatives on the committee so that they would not report out the McNary-Haugen bill. They thought they had it buried for all time to come, but in spite of having packed the committee the demand from the country was so insistent that we were able to report it out by one vote. We no longer pack the Committee on Agriculture, but it should give a little more attention to the jurisdiction committed to its care. Every man of the Committee on Labor is interested in labor. That committee is meeting every day, bringing into this House at every opportunity legislation in behalf of labor.

I wish to take this opportunity to pay a tribute to the Committee on Labor. It is an admirable committee and has functioned as effectively as any committee in the House. I have no doubt that if we turned farm legislation over to it we would get prompt and effective action.

It is to be hoped that in the long summer before us, while we wait here in Washington, the Committee on Agriculture will find time to give this question, this most important question before the American people, a little attention. [Applause.]

[Here the gavel fell.]

NAVAL SHIPBUILDING

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9822) to expedite the naval shipbuilding, and for other purposes, with Senate amendments, disagree to all the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. VINSON of Georgia, SCHUETZ, and MAAS.

EMERGENCY DEFENSE APPROPRIATION

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, the gentleman from Virginia [Mr. WOODRUM], who is handling this bill, says that the bill, as it passed the House, amounted to \$1,381,000,000, and,

as it came from the Senate, it amounted to \$1,479,000,000. That makes an increase of \$98,000,000, and they give us 13 minutes in the House to talk about \$98,000,000. It is a great sum of money, increasing this bill by the Senate. I thought the Senate was for economy at the beginning of the session; seems as if they changed.

Now, it seems to me that 13 minutes is not time enough to discuss this great increase of \$98,000,000 because let me show you what our appropriations have been this year. The total is about \$15,900,000,000. Our receipts are \$5,600,000,000, according to the President's estimate. With the new tax bill passed recently of \$1,007,000,000, we are going to be short or in the red for the year 1941, \$9,300,000,000. Is it not terrible? Where is the economy this administration promised the American public? Why does not the President say anything about an economic operation of our Government?

Let me show you what this administration has paid for national defense from 1933 to 1940. It amounts to \$7,226,861,000. With the amount we have appropriated for national defense this year and authorized, \$5,900,000,000, that amounts to over \$13,000,000,000 for the national defense. I herewith enclose a table or figures showing expenditures for national defense from 1933 through 1939 and appropriated for 1940 and 1941, as follows:

Fiscal year	Navy	Army	Total
1933	\$349,361,924	\$268,417,426	\$617,779,350
1934	297,029,280	243,329,151	540,358,431
1935	430,477,860	273,485,711	703,963,571
1936	529,031,665	382,654,683	911,686,348
1937	548,801,242	374,260,148	923,061,390
1938	588,828,834	421,085,682	1,010,814,516
1939	659,040,284	480,900,733	1,139,941,017
1940	722,389,092	656,898,000	1,379,287,092
1941			5,900,000,000
Total			13,126,861,915

These billions of dollars were taken, or are to be taken, from the taxpayers. What defense have the taxpayers received for these billions? What have we spent this \$13,000,000,000 for? It seems to me that some committee of the House, someone in authority, ought to be able to tell you what the inventory of our national defense, as far as the Navy, the Army, and the air force is concerned, was in 1932, and then he ought to show what our inventory is going to be at the end of the time we have spent this \$13,000,000,000 for national defense under this administration, and let the people of the United States know what it has been spent for. Are we adequately prepared and will we be? Will our Treasury permit us to operate our military forces and Navy?

The great trouble with this Congress is we spend and spend and spend and we take no inventory of what we have received for the expenditure of these great sums of money. It seems to me we are going down the slide. We are going down the chute. We are going down to bankruptcy. We are carrying this Nation to such a depth financially that when the time comes that we have a big navy and a big army and a big air force, we will have no money in this country to operate it. It is going to be a serious time when we find out that that is the case. How will our children pay the cost of operating their government and pay your debt? Your debt will stagger them. It will break their backs to pay it. Why has not this administration economized, as it promised the people it would do in 1932? You have had a great deficit each year from one and one-half billions up to over four billions, and now for 1941 it will run close to \$9,000,000,000. Worse and more of it. Terrible, disgraceful, uncalled for, unwarranted. Oh, will wonders never cease. America, wake up and stop the waste; review the votes of your Congressman.

So I say let us have an inventory of what we have received for the expenditure of these funds for national defense. We need a business administration for the United States if we are going to keep from being sunk financially and if we are going to keep our Nation out of war.

Mr. WOODRUM of Virginia. Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.
The conference report was agreed to.
A motion to reconsider was laid on the table.

REVENUE ACT OF 1940

Mr. DOUGHTON. Mr. Speaker, I call up the conference report on the bill (H. R. 10039) to provide for the expenses of national preparedness by raising revenue and issuing bonds, to provide a method for paying for such bonds, and for other purposes.

The Clerk read the title of the bill.

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

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

There was no objection.

The Clerk read the statement of the managers on the part of the House.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10039) to provide for the expenses of national preparedness by raising revenue and issuing bonds, to provide a method for paying for such bonds, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27, 28, 29, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, and 44 and agree to the same.

That the Senate recede from its amendments numbered 30, 46, and 47.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"Section 1700 (a) (1) of the Internal Revenue Code is amended by striking out 'until July 1, 1941, is less than 41 cents' and inserting in lieu thereof 'until July 1, 1940, is less than 41 cents, and after June 30, 1940, and before July 1, 1945, is less than 21 cents' and by striking out 'is less than 41 cents, until July 1, 1941' and inserting in lieu thereof 'is less than 41 cents until July 1, 1940, and is less than 21 cents after June 30, 1940, and before July 1, 1945.'"

And the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"Sec. 212. Cigarettes.

"Subchapter A of chapter 15 of the Internal Revenue Code is amended by inserting at the end thereof the following new sections:

"Sec. 2004. Defense tax for five years.

"In lieu of the rates of tax specified in section 2000 (c) (2), the rates of tax for the period after June 30, 1940, and before July 1, 1945, shall be \$3.25 and \$7.80, respectively.

"Sec. 2005. Floor stocks tax.

"(a) Floor stocks tax: Upon cigarettes subject to tax under section 2000 (c) (2) which on July 1, 1940, are held by any person for sale, there shall be levied, assessed, collected, and paid a floor stocks tax at a rate equal to the increase in rate of tax made applicable to such articles by section 2004.

"(b) Returns: Every person required by this section to pay any floor stocks tax shall, on or before August 1, 1940, under such regulations as the Commissioner with the approval of the Secretary shall prescribe, make a return and pay such tax, except that in the case of articles held by manufacturers and importers the Commissioner may collect the tax with respect to all or part of such articles by means of stamp rather than return, and in such case may make an assessment against such manufacturer or importer having tobacco tax stamps on hand July 1, 1940, for the difference between the amount paid for such stamps and the increased rates specified in section 2004.

"(c) Laws applicable: All provisions of law, including penalties, applicable in respect of the taxes imposed by section 2000 shall, insofar as applicable and not inconsistent with this section, be applicable with respect to the floor stocks tax imposed by subsection (a)."

And the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(1) Upon all distilled spirits produced in or imported into the United States upon which the internal-revenue tax imposed by law has been paid, and which on July 1, 1940, are held and intended for sale or for use in the manufacture or production of any article

intended for sale, there shall be levied, assessed, collected, and paid a floor stocks tax of 75 cents on each proof-gallon, and a proportionate tax at a like rate on all fractional parts of such proof-gallon. The tax imposed by this subsection shall not apply to 100 wine gallons of the retail stocks of distilled spirits held by a person on premises as to which such person has incurred occupational tax as a retail dealer in liquors for the period beginning on July 1, 1940, and as to which no other occupational tax with respect to dealing in distilled spirits has been incurred by such person for a period beginning on such date.

"(2) Every person required by this subsection to pay any floor stocks tax shall, on or before August 1, 1940, under such regulations as the Commissioner, with the approval of the Secretary, shall prescribe, make a return and pay such tax. Payment of the tax shown to be due may be extended to a date not later than February 1, 1941, upon the filing of a bond for payment thereof in such form and amount and with such surety or sureties as the Commissioner, with the approval of the Secretary, may prescribe. Every retail dealer in liquors (even though not liable to pay such tax) shall make the return required by this paragraph."

And the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"Sec. 401. Section 205 of the Public Salary Tax Act of 1939 is amended by adding at the end thereof a new sentence to read as follows: 'If the amount of the deficiency in income tax for any taxable year beginning before January 1, 1939, attributable to compensation paid indirectly by the United States, or any agency or instrumentality thereof, for personal service as an officer or employee of a State, or any political subdivision thereof, or any agency or instrumentality of any of the foregoing, is paid on or before March 15, 1941, then with respect to failure to pay such amount or make return of such compensation: (a) No criminal penalty shall apply; and (b) the additions to tax provided in sections 291 and 293 of the Internal Revenue Code shall not apply.'

And the Senate agree to the same.

R. L. DOUGHTON,
THOS. H. CULLEN,
JOHN W. McCORMACK,
JERE COOPER,
ALLEN T. TREADWAY,
FRANK CROWTHER,
HAROLD KNUTSON,

Managers on the part of the House.

PAT HARRISON,
WILLIAM H. KING,
WALTER F. GEORGE,
ARTHUR CAPPER,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10039) to provide for the expenses of national preparedness by raising revenue and issuing bonds, to provide a method for paying for such bonds, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

On amendment No. 1: The Senate amendment provides that the tax on foreign corporations not engaged in trade or business in the United States and not having an office or place of business therein shall be at a uniform rate of 15 per centum. Under the House bill the rate was 11 per centum in the case of income from dividends and 16 per centum in the case of all other fixed and determinable receipts. (See amendments Nos. 2, 3, and 10.) The House recedes.

On amendment No. 2: The Senate amendment restores the 15 per centum withholding rate in the case of interest on tax-free covenant bonds paid to foreign corporations not engaged in trade or business in the United States and not having an office or place of business therein. Under the House bill the rate was 16 per centum. (See amendments Nos. 1, 3, and 10.) The House recedes.

On amendment No. 3: The Senate amendment provides for withholding of corporation tax at the source in the case of foreign corporations not engaged in trade or business in the United States and not having an office or place of business therein at the uniform rate of 15 per centum rather than the 16 per centum and 11 per centum rates provided in the House bill. (See amendments Nos. 1, 2, and 10.) The House recedes.

On amendment No. 4: The Senate amendment substitutes for the requirement of the House bill that every trust with a gross income of \$100 or over file an income tax return, a requirement that every trust with a gross income of \$800 or over file a return and every trust with a net income of \$100 or over file a return. The House recedes.

On amendment No. 5: The Senate amendment eliminates the provision of the House bill under which cigarette papers in books of 25 papers or less were to be subject to the cigarette-paper tax. The House recedes.

On amendments Nos. 6 and 7: These amendments make changes in section numbers. The House recedes.

On amendment No. 8: This amendment makes a change in a cross-reference, and the House recedes.

On amendments Nos. 9, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 22, 27, 28, 29, 32, 33, 34, 35, and 43: These amendments change the designation in the headings of sections and subsections and of columns in schedules, and references thereto, from "super-tax" to "defense tax." The House recedes.

On amendment No. 10: The Senate amendment provides for a uniform withholding rate of 16.5 percent for the 5-year period rather than the 12 $\frac{1}{10}$ -percent, 16 $\frac{1}{2}$ -percent, and 17 $\frac{1}{10}$ -percent rates provided in the House bill. The amendment also contains a clarifying change to assure the maintenance of treaty obligations in the case of withholding on dividends. (See amendments Nos. 1, 2, and 3.) The House recedes.

On amendments Nos. 20, 23, and 24: The Senate amendments provide that in cases where articles leased or sold with respect to which under section 3441 (c) of the Internal Revenue Code payment of the tax is required as the installment payments for the article are received, the increased rates in the bill will not apply if the lease, contract of sale, or conditional sale was made before July 1, 1940, and delivery of the article was made before that date. The House recedes.

On amendment No. 25: The Senate amendment eliminates the House provision under which admissions of more than 30 cents and less than 41 cents were subject to tax for the 5-year period. It substitutes therefor the following rates:

If the amount paid is 10 cents or more and less than 20 cents, 1 cent; if the amount paid is 20 cents or more, 1 cent for each 10 cents or fraction thereof; if the amount which would be charged for a single admission is 10 cents or more, 1 cent for each 10 cents or fraction thereof of the amount paid for a season ticket or subscription.

The other provisions of the amendment merely rewrite the provisions of existing law.

The House recedes with an amendment which restores the House provision but reduces the exemption so that admissions of less than 21 cents are exempt.

On amendment No. 26: The Senate amendment eliminates the increased rates of tax on tobacco products provided for the 5-year period by the House bill and the floor-stocks tax imposed thereunder.

The House recedes with an amendment which eliminates all increases in tax on tobacco products, except cigarettes, and eliminates the increase in tax on cigarette papers. The conference agreement also substitutes for the House rates on cigarettes of \$3.50 per thousand and \$8.40 per thousand rates of \$3.25 per thousand and \$7.80 per thousand. The conference agreement also imposes a floor-stocks tax at the increased rates on all cigarettes held on July 1, 1940, for sale.

On amendment No. 30: The Senate amendment increases for the 5-year period the rate on rectifying distilled spirits from 30 cents per proof gallon to 40 cents per proof gallon. There is no comparable provision in the House bill. The Senate recedes.

On amendment No. 31: The Senate amendment eliminates the exemption from the floor stocks tax on distilled spirits of 100 wine gallons held by a retail dealer in liquors. Under the amendment floor stocks of rectified distilled spirits are subjected to a rate 10 cents per proof gallon higher than the basic rate of 75 cents. For administrative reasons, this additional rate is not to apply to distilled spirits which are rectified spirits solely by reason of the addition of not more than 2 $\frac{1}{2}$ percent by volume of coloring, blending, smoothing, or flavoring materials, and is not to apply to liqueurs, cordials, or similar compounds. Technical changes are made in the provisions relating to return and payment of the floor-stocks tax.

The House recedes with an amendment which eliminates the additional 10-cent rate on floor stocks of rectified spirits. The amendment also contains an exemption of 100 wine gallons held by any person on retail stocks on July 1, 1940, on premises as to which he is for any period beginning on that date exclusively engaged in business as a retailer.

On amendments Nos. 36, 37, 38, 39, and 40: These Senate amendments increase the rates on certain still wines and strike out references to the tax on fortification of wine. These amendments are consistent with the recent increase in tax on still wines and the elimination of the tax on fortification of wines. The House recedes.

On amendments Nos. 41 and 42: Amendment No. 41 strikes out the exemption of retail dealers from the floor-stocks tax on fermented malt liquors. Amendment No. 42 inserts a modified exemption of retail stocks. This provides that the exemption shall apply only to retail stocks which, on July 1, 1940, are held on retail premises. Such premises are confined to premises with respect to which the dealer is a retail dealer exclusively. If with respect to such premises the dealer is a wholesale dealer or brewer also, the exemption is not allowed as to any of the fermented malt liquor held on the premises. The House recedes.

On amendment No. 44: This amendment inserts a new title number, "Title IV." The House recedes.

On amendment No. 45: The Senate amendment amends the Public Salary Tax Act of 1939 to provide that no income tax shall be assessed or collected after the date of enactment of the bill which is attributable to compensation received prior to January 1, 1939, for personal service as a State officer or employee even though such compensation was paid directly or indirectly by the United States. There is no comparable provision in the House bill. The House recedes with an amendment which provides that, if the amount of deficiency in income tax which is attributable to

such compensation is paid with interest on or before March 15, 1941, no civil or criminal penalties shall be imposed on account of failure to pay such amount or make return of such compensation.

On amendment No. 46: This amendment inserts a new section imposing an excess-profits tax. The Senate recedes.

On amendment No. 47: This amendment proposes taxes which become effective in the event of war. The Senate recedes.

R. L. DOUGHTON,
THOS. H. CULLEN,
JOHN W. McCORMACK,
JERE COOPER,
ALLEN T. TREADWAY,
FRANK CROWTHER,
HAROLD KNUTSON,

Managers on the part of the House.

Mr. DOUGHTON. Mr. Speaker, the bill as agreed to in conference yesterday by the conferees is estimated to raise approximately \$1,000,000,000, the amount we set out to raise when we began the preparation of this bill.

The report is unanimous on the part of the House conferees.

I believe it is as good a bill as could be prepared in the time that your committee felt it had at its disposal. We all realize that further study of the matter of taxation will be necessary, and our committee proposes to proceed as rapidly and expeditiously as possible to the further consideration of additional legislation on this very important matter.

Mr. Speaker, I yield 10 minutes to the gentleman from Tennessee [Mr. COOPER], who is chairman of the Subcommittee on Internal Revenue Taxation.

Mr. COOPER. Mr. Speaker, the revenue bill as passed by the House contained about 27 pages. When the bill came back from the Senate it contained 357 pages. Three hundred and thirty pages were added to the bill in the Senate. Forty-seven amendments were added to the bill in the Senate. I think it would be fair to state that about 33 of this number were of a clerical or clarifying nature. There are about 14 amendments of substance to the bill.

Title I of the bill, as passed by the House, provides for increases in the income-tax rates, and is permanent law. Title I of the bill as brought back to you from conference is substantially the same as passed by the House.

Title II is that part of the bill, as you will recall, that provides for certain temporary increases of certain taxes, and it is in title II that practically all of these 14 amendments of substance occur. With your indulgence I will endeavor to give a brief explanation of these 14 amendments of substance.

On Senate amendments 1 to 3 the House has receded. The purpose of these amendments is to place nonresident alien individuals and nonresident foreign corporations not having an office or place of business in the United States upon an equal footing with respect to the rate of taxation on fixed and determinable income received by them from sources within the United States. The present rate of 10 percent in the case of dividends is increased to 15 percent instead of 11, as provided in the House bill. The rate of tax on other fixed or determinable income which under the existing law is 15 percent and under the House bill was increased to 16 percent is left at 15 percent. Since these taxes are withheld at the source in many cases it is impossible for the withholding agent to determine whether the income is to go to a corporation or an individual. The Senate amendment removes any distinction between the corporate and individual rates, and that is agreed to by the House conferees and presented to you in the conference report.

On amendment No. 4 the House recedes. Under the House bill a trust was required to file an income tax return if its gross income for the taxable year was \$100 or more. The Senate amendment changes this provision so as to require a return only if the trust has a net income of \$100 or more, or a gross income of \$800 or more.

On amendment No. 10 the House recedes. The purpose of this Senate amendment is to reconcile the withholding rate while the defense tax is in effect with the change made in the permanent withholding rate by amendments 1 to 3.

The next amendment is one of importance and of interest to all Members of the House, I feel sure; that is with respect to the admissions tax. The House bill decreased the exemption under the admissions tax from 41 cents under existing law to 31 cents. The Senate amendment reduced the exemption to 9 cents, and upon admissions from 10 cents to 19 cents, inclusive, placed a tax of 1 cent; upon admissions of 20 cents or more the Senate rate was 1 cent of each 10 cents or fraction thereof. The conference agreement is a compromise between these two positions. Under the conference agreement admissions of less than 21 cents will pay no tax; upon admissions of 21 cents or more the rate is 1 cent for each 10 cents or fraction thereof.

Amendment No. 26 is another amendment of importance and of considerable interest to Members of the House, as it is the so-called tobacco tax amendment. The House will increase the tax on cigarettes, tobacco, and tobacco products by 16½ percent. For example, in the case of cigarettes the tax was increased from \$3 to \$3.50 per thousand. The Senate struck out these increases.

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

Mr. COOPER. I yield.

Mr. HARNESS. I would like information with reference to the floor tax on cigarettes.

Mr. COOPER. If the gentleman will kindly indulge me I will cover that in my statement.

Mr. HARNESS. What I wanted to know was whether it applied to retailers as well as to wholesalers.

Mr. COOPER. That is information I propose to give if the gentleman will allow me the opportunity.

The Senate struck out these increases as contained in the House bill. Under the conference agreement the Senate action was agreed to, except in the case of cigarettes, where the increased tax of 25 cents per 1,000 was provided. That is, the rate on cigarettes is increased from \$3 a thousand to \$3.25 per thousand. In addition, a floor-stock tax is provided upon all cigarettes held for sale whether by retail or otherwise.

Amendment No. 30 is the amendment referring to rectifiers of distilled spirits. This Senate amendment placed a 10-cent increase on the rectifying of spirits, therefore raising the rate from 30 cents to 40 cents. Upon disagreement the Senate conferees receded and the conference report provides for the present law to continue. That is, the tax on rectifiers is 30 cents, as provided in the House bill, which is the same as the present law, instead of 40 cents as provided in the Senate amendment.

Mr. CELLER. Will the gentleman yield?

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

Mr. CELLER. What was the situation with reference to stocks on the floor of a retail liquor dealer, such as we have in New York City? We have a great number of them. I refer to the floor stock.

Mr. COOPER. Does the gentleman mean with respect to rectifiers?

Mr. CELLER. Yes.

Mr. COOPER. There is no increase in the tax on rectifiers. The law continues as it is today.

Mr. CELLER. Is there not some other change in the rectified tax which refers to some stocks on the floors in the following amendment?

Mr. COOPER. There is no change whatever in the present law with respect to rectifiers.

Mr. KERR. Will the gentleman yield?

Mr. COOPER. I yield to the gentleman from North Carolina.

Mr. KERR. How much revenue do you propose to get by this floor-stock tax on cigarettes?

Mr. COOPER. The estimate of revenue on the cigarette floor tax will run, as I recall, about two and one-half million dollars, and it will cost about that much to administer it. I may say to the gentleman very frankly that your conferees included the floor-stock tax on cigarettes because of the interest we felt in the small dealers. It was pointed out to us

that a small dealer, because of limited capital and limited space in his place of business, could not put in a large stock of cigarettes.

On the other hand, a large institution with larger capital, with a larger place of business and facilities, could stock up, thereby get a competitive advantage over the small dealer. It was very largely for that reason your conferees included this floor-stock tax on cigarettes.

Mr. KERR. The real purpose of this item would be not to raise revenue but to protect the small dealers who handle cigarettes?

Mr. COOPER. I think that is a fair statement. There is not much revenue involved, but we do think the provision here presented is very much in the interest of small dealers, so far as the competitive situation is concerned.

Mr. TREADWAY. Will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. I thoroughly agree with the gentleman's statement that the changes made in the bill are in favor of the small dealers, and we were all anxious to protect the small dealers; but in doing that we reached a rather peculiar situation in that, by the estimate of the Treasury, we will spend more for the collection of the floor tax than we will receive from it. Am I not correct?

Mr. COOPER. That is probably true, insofar as a comparison of cost of collecting from retailers and the amount collected. On the floor-stocks tax as a whole, substantial revenue will be received.

Mr. EBERHARTER. Will the gentleman yield?

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

Mr. EBERHARTER. How will the floor tax be collected; from the retailer, wholesaler, and jobber?

Mr. COOPER. It will be collected from everybody who has cigarettes for sale.

Mr. EBERHARTER. A floor tax will be collected from all of them?

Mr. COOPER. Yes.

Mr. EBERHARTER. And it will be collected by the stamp method?

Mr. COOPER. It is my understanding that the Treasury Department expects to use the stamp method with respect to manufacturers and importers.

Mr. EBERHARTER. Will this floor tax become effective immediately on the passage of the bill?

Mr. COOPER. On July 1 of this year.

Mr. EBERHARTER. On July 1 of this year?

Mr. COOPER. That is right. The rate of tax is \$3.25 per thousand, an increase of 25 cents per thousand on cigarettes, and the floor-stocks tax will be 25 cents per thousand.

Mr. DOUGHTON. Will the gentleman yield?

Mr. COOPER. I yield to the gentleman from North Carolina.

Mr. DOUGHTON. One of the purposes in placing a floor-stock tax on cigarettes in the hands of the retailer was to prevent evasion of the law as well as unfair competition.

Mr. COOPER. That is true.

Mr. Speaker, amendment No. 31 relates to a floor-stock tax on distilled spirits. The floor-stock tax of 10 cents on rectified spirits was eliminated by the conferees to conform to the recession of the Senate in connection with the rectifying-tax amendment. In addition, an exemption of 100 wine-gallons was allowed in the case of retailers only. To protect this provision, it is provided that persons, both as wholesalers and retailers on the same premises, cannot get the advantage of the 100-gallon exemption.

Mr. CELLER. Will the gentleman yield?

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

Mr. CELLER. I would like to have an explanation of what this statement means under amendment 31. According to the amendment, floor stocks of rectified distilled spirits were subjected to a rate of 10 cents per proof-gallon higher than the basic rate of 75 cents.

Mr. COOPER. That was the Senate amendment, and it is eliminated.

Mr. CELLER. I see.

Mr. COOPER. The Senate receded and it is not in the bill now.

Amendments Nos. 41 and 42 relate to the floor tax on beer. Here a similar provision was adopted to take care of the case where beer dealers transact both a wholesale and retail business on the same premises.

Amendment No. 45 was added in the Senate. It was an amendment offered on the floor of the Senate, not included in the report of the Finance Committee. Upon this amendment the House receded with an amendment to assure that no penalties would be inflicted upon certain classes of State employees with respect to back income taxes. This situation arises out of the so-called Government Salary Tax Act. The Senate amendment provided for these Government employees to be relieved of certain taxes that had been assessed against them. The provision agreed to in conference was that they should not be relieved from payment of the taxes, but they are relieved from the payment of the penalty if they paid the tax and interest on or before March 15, 1941.

Amendments Nos. 46 and 47 are the so-called La Follette and Connally amendments. The Senate recedes on both of these amendments.

As I stated in the beginning the other amendments were of a clerical nature and the House conferees receded on most of them. I may give just a word of explanation with respect to one amendment, relating to the so-called supertax as included in the House bill. The name of it is changed to "defense tax."

If there are any further questions, I shall be pleased to try to answer them.

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

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

Mr. CRAWFORD. Did I correctly understand the gentleman to say that about 330 pages were added to the bill? Am I correct in understanding that the so-called Connally and La Follette amendments were both rejected by the committee on conference?

Mr. COOPER. The La Follette bill was added as amendment No. 46, and the Connally bill was added as amendment No. 47.

Mr. CRAWFORD. They were approved by the other body?

Mr. COOPER. The Senate passed both of them on roll-call votes, and in conference the Senate conferees receded on both of them.

Mr. CRAWFORD. They are entirely out of the bill?

Mr. COOPER. That is correct.

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

Mr. COOPER. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. I believe that in answer to the gentleman from Michigan it is fair to say that the so-called La Follette amendment, the excess-profits tax, took up only 15 pages. That was not so serious. The so-called Connally amendment, the war-profits amendment, consisted of over 300 pages.

Mr. COOPER. The gentleman is correct.

Mr. TREADWAY. So that the complaint of not having time to consider the whole matter was largely in connection with the Connally amendment rather than the La Follette amendment.

Mr. COOPER. The gentleman is correct as to the number of pages. However, I do submit to the gentleman that both the La Follette amendment and the Connally amendment are matters that should be gone into very carefully and thoroughly. I am sure the gentleman agrees with me.

Mr. TREADWAY. I agree with the gentleman's statement fully.

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

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

Mr. DONDERO. I have had considerable protest from amusement corporations relating to instances where small admission fees are charged at picnic grounds and other amusement resorts. Do I correctly understand that the minimum has been raised from 10 cents to 20 cents and that admission fees under that are free from tax?

Mr. COOPER. The gentleman is correct. Everything from 20 cents down is free from tax.

Mr. DONDERO. It was a protest lodged in favor of the poor people who might enjoy that simple method of amusement.

Mr. COOPER. Your House conferees had that in mind. I am sure our views are in accord with the views of the gentleman from Michigan.

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

Mr. COOPER. I yield to the gentleman from Kentucky.

Mr. MAY. I have had several inquiries from automobile dealers and operators of filling stations who have supplies and are interested in the proposed raise in the tax on automobile accessories. As I understand, there was a 10-percent raise. Is that correct?

Mr. COOPER. The gentleman is correct. There is no change in that item here. The provisions of the House bill still obtain with respect to that.

Mr. MAY. The House in the first instance put it in the bill, and there was no change in the Senate of what the House did?

Mr. COOPER. That is true.

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

Mr. COOPER. I yield to the gentleman from Missouri.

Mr. ANDERSON of Missouri. With regard to the floor-stocks tax on beer, has there been any change made in the conference report?

Mr. COOPER. Only a slight change in this respect: We tried to deal with the situation where the same dealer may be in the retail business and the wholesale business; in other words, we exempt the part of his business that is purely retail if it is on separate premises, but we apply the floor-stocks tax to the part of his business that is wholesale.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield?

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

Mr. VOORHIS of California. I wanted to ask about the La Follette amendment. I was interested in that amendment and rather sorry it was left out. I wonder if the gentleman would tell us what we can expect about action on an excess-profits tax.

Mr. COOPER. I rather anticipated that the distinguished gentleman from California or someone else would ask that question. I believe the gentleman's question can best be answered by reading a resolution adopted in conference with respect to the excess-profits tax:

RESOLUTION OF COMMITTEE OF CONFERENCE ON H. R. 10039 (TAX BILL) ADOPTED JUNE 21, 1940

Resolved by the committee of conference on H. R. 10039, That the committee is firmly of opinion that an excess-profits tax should be enacted as soon as possible and be made applicable to the calendar year 1940 and all taxable years beginning in 1940, and to all subsequent years. In pursuance of this policy the Treasury Department is urgently requested to submit to the Ways and Means Committee of the House and to the Finance Committee of the Senate not later than October 1, 1940, a plan for such tax, together with supporting data and drafts for proposed legislation.

Mr. VOORHIS of California. I thank the gentleman very much.

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

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

Mr. CELLER. I just wish to say that as far as I am concerned I believe the conferees on the part of the House are entitled to a great deal of credit for doing a very fine job.

Mr. COOPER. I appreciate the remarks of the gentleman from New York. I do feel, Mr. Speaker, that it can be said that the House conferees have brought back to the House the bill substantially as it passed the House.

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

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

Mr. RICH. In getting the data for an excess-profits tax from the Treasury Department, is it customary for the Ways and Means Committee to secure that draft and then adopt the suggestions made by the Treasury Department, or is it the duty of the Committee on Ways and Means to draft the kind of an excess-profits tax bill they believe ought to be enacted in order to keep the corporations that have exorbitant earnings down to a certain limit of profit consistent with good business and regard for this country in time of war? We ought not to permit these excess war profits at this time, and I think the Ways and Means Committee ought to take that into consideration in framing a new tax bill.

Mr. COOPER. The gentleman from Pennsylvania and the House may rest assured that your Committee on Ways and Means in this instance will, as it has done on all other occasions, draft the bill itself and bring it to the House as the product of the Ways and Means Committee. We receive data, information, and material from the Treasury Department, from the staff of the Joint Committee on Internal Revenue Taxation, and we have the very valuable services of the drafting service of the House in preparing all legislation that is reported by the Ways and Means Committee to the House, and that practice will be followed with respect to this bill.

Mr. RICH. There is one other question I would like to ask the gentleman. In section 205, the capital-stock tax, on page 16, amendment No. 13, the Senate struck out "super tax" and you have inserted the words "defense tax." That would be applicable to the enormous amount that we are spending this year over last year, but what is the Ways and Means Committee doing to get taxes to make up for the enormous deficits that we have had each year for the last 10 years? We cannot let that burden pass on to our children, because we would wreck them. Unless this Congress takes some action in an effort to alleviate the burden that is going to be placed on our children, I can see nothing but a chaotic condition coming later on, and it is our business, it is your business and my business, to try to see that that does not happen and I do not think "defense tax" is a good expression here. It might be termed "deficit tax."

Mr. COOPER. As I endeavored to explain earlier, in title II of this bill the increase of the amount of the tax as provided under existing law was termed a "supertax." The Senate changed the name from super tax to defense tax and the House conferees agreed to that Senate amendment. It is simply a change in name only and it applies all through title II of the bill which is the title providing a temporary increase of taxes, all of which is to be used for retiring national-defense obligations.

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

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

Mr. CRAWFORD. If I understood the gentleman correctly he read a resolution which was approved by the conference committee with reference to an excess-profits tax.

Mr. COOPER. The gentleman is correct.

Mr. CRAWFORD. Would the gentleman give us encouragement by making some kind of statement to the effect that if Congress remains in session for some several weeks we may have the privilege of voting for an excess-profits tax during the present calendar year?

Mr. COOPER. I cannot give the gentleman any assurance as to a few weeks, but I think during this calendar year we hope to accomplish that purpose.

Mr. TREADWAY. Mr. Speaker, will the gentleman allow me to interrupt here?

Mr. COOPER. I yield to the gentleman with pleasure.

Mr. TREADWAY. I would say, for the information of the gentleman from Michigan, that one of the last things said in conference yesterday afternoon was by the representative of the Treasury, who informed us very positively that such a bill could be written and submitted to our committee within 2 months—the expression "2 months" was used.

Mr. COOPER. That is correct.

Mr. DOUGHTON. Mr. Speaker, will the gentleman yield to me?

Mr. COOPER. I yield to the chairman of our committee.

Mr. DOUGHTON. It is also true that the Treasury experts stated that it would take something like 2 months to make a pattern by which they could recommend legislation on this subject, because it is so difficult to draft a bill that would be fair and equitable to all interests. We had an excess-profits tax just after the World War, and it was drawn hastily and we had a great deal of trouble and a great deal of expense and a great deal of litigation. In order to obviate that the Treasury suggested, and I think very wisely so, that they would not be willing to be responsible for suggestions or recommendations on the subject made in less than about 2 months.

Mr. TREADWAY. One of the reasons, if I may be allowed to speak further—

Mr. COOPER. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. One of the reasons we could not possibly take it up in the conference was the fact that the experts informed us there were 300 questions of policy that must be decided before such a bill could be written, and we had 24 hours to bring in a report. The gentleman can readily see that we absolutely could not accomplish it physically, if we had the power mentally to do it.

Mr. COOPER. Let me say this, too: Under the last excess profits tax law that we had there were some 10,000 litigated cases. Forty-seven of those cases are pending now, or were a week ago. This gives you some idea of the extreme difficulty involved in preparing legislation of this type. It is hoped by the Treasury Department and by your committee that by taking time we may be able to iron out the thing, profit by the experience of the past, and avoid at least a part of those 10,000 cases that were litigated.

Mr. CRAWFORD. Mr. Speaker, if the gentleman will permit this observation, I think we owe it to American industry to give them a rough indication at the present time that an excess-profits tax is definitely on the way, and that if Congress remains in session for 3 or 4 months they may expect it during the calendar year now going on, because it is a job to handle corporate affairs so that these tax burdens can be provided for.

Mr. COOPER. I think the resolution adopted in conference and the further fact that the Ways and Means Committee included a statement in its report on the bill when it was reported to the House give ample notice to the people of the country that they may reasonably expect legislation of this type.

Mr. COCHRAN. And to apply to the calendar year 1940.

Mr. COOPER. That is so stated in the committee report.

Mr. Speaker, I ask unanimous consent to insert in the RECORD a statement correcting an error in the House committee report upon the original bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. COOPER. By unanimous consent I insert the following statement correcting an error in a House committee report on original bill.

In order to avoid confusion in the minds of taxpayers the Ways and Means Committee desires to correct an error in the committee report, House Report 2491. The example of the application of the 10-percent increase in income tax to individuals found at the bottom of page 15 and the top of page 16 is not entirely complete, and hence inaccurate, for it fails to take into account the fact that the normal tax and surtax apply only after the application of the personal exemption and credit for dependents. The following should be substituted for the paragraph in question:

"The net income of an individual entitled to the maximum earned income credit and having no capital gains or losses, is \$752,400. After application of the personal exemption and credit for dependents, it is \$750,000, and his tax liability computed without regard to section 15 is \$497,724. The difference between the net income and the tax liability is \$254,676. The tax under section 15 is \$497,724 plus 10 percent of \$254,676, or \$523,191.60. If such a limitation had not been provided for, the tax under section 15 would have been \$547,496.40. It should be noted that the effect of this limitation on the 10-percent increase is to relieve from any increase a taxpayer who under existing law, as amended by title I, has no net

income, because he has a net long-term capital loss, but is subject to tax under section 117 (c) (2) of the Internal Revenue Code."

In the table on page 15, relating to the 10-percent increase in the tax in the case of corporations, a line should be inserted after the line beginning "Net income," reading:

Normal tax, net income..... \$100,000

Mr. DOUGHTON. Mr. Speaker, I yield 10 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Speaker, the gentleman from Tennessee [Mr. COOPER] has so fully covered the details of the conference report that I shall not take up the time of the House in elaborating upon them further. I shall however refer to certain items.

At the outset, I desire to answer further the interrogatory of the gentleman from Pennsylvania [Mr. RICH] as to the method of procedure in the Committee on Ways and Means. I assume that all Members of the House realize the tremendous complications that arise in writing legislation which comes within the jurisdiction of that committee—taxation, tariff, social security, and other subjects of importance. The details of these measures are complicated, and we must have evidence not only from people of experience in the practical side of the propositions but from the experts in the departments and of our own staff, including the office of the legislative counsel and the joint committee on taxation. I think perhaps I am as critical as any man of any partisanship that may come up. I am a partisan and always admit it, but I do say that while I have been a member of the minority of that committee, there never has been a time when the cards were all put on the table as freely by the majority side as they have been during this present session of Congress. We have prepared the bills in committee. We have had the advice and the assistance of our own experts and those in the departments, and while some of us in the minority cannot approve of all the recommendations that are submitted to us, nevertheless I hope when we are in the majority next year, we will be as fair to the minority, now the majority, as they have been to us in the past year. [Applause.] So I say to the gentleman from Pennsylvania [Mr. RICH] he need not have any fear that in writing an excess profits tax bill, it is going to be written down town. It is going to be written in the Ways and Means Committee room in the House Office Building, and to the best of the ability of the members of the committee. Of course, mistakes will creep in; we cannot help that, because it is a big, complicated question.

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

Mr. TREADWAY. Yes.

Mr. McCORMACK. In my 10 years' experience on the Ways and Means Committee, I have served under both Republican and Democratic administrations, and we have had tax bills under both administrations. I think it is a fair statement to say that the Ways and Means Committee has received all advice possible from the Treasury Department, without regard to administration, and that the committee itself has written all bills.

Mr. TREADWAY. And in many instances I would say in addition to that we have received less advice than we would like to have received, particularly from the people who are affected by the tax bills, or the tariff bills, or whatever we have under consideration. We appeal to the people, and now that notice is being given to them by the adoption of the resolution which the gentleman from Tennessee [Mr. COOPER] has read, I hope that those people to whom I refer who are particularly affected, will give us the benefit of their practical views and experience.

I want now particularly to refer further to the extravagant expenditures of this administration. The gentleman from New York [Mr. TABER] a short time ago said it seemed to him that there should be some economy in connection with the billions of dollars being spent in the operation of government, before putting on new taxes. I thoroughly agree with that suggestion. I am extremely sorry that the principle involved in the amendment of Senator BYRD providing for a mandatory cut of 10 percent in nondefense appropriations was so destroyed and nullified by the Senate that the

author of it himself moved to have it stricken from the bill. It was a serious blunder not to include it in the bill. I tried to have the Byrd amendment included by the Ways and Means Committee, but was unsuccessful. The people today demand of us economy in government. They are going to shoulder these increased taxes that we are putting on them for purpose of defense but, nevertheless, they do expect that we reciprocate and show economy in government, when they are being taxed as they are by this bill. I feel that the principle of the Byrd amendment is desirable, and should have been kept in the bill.

The question of the writing of the excess-profits tax will include an item which I brought up originally in the Committee on Ways and Means, and with respect to which we inserted a reference in the committee report—namely, the amortization of investments in excess of actual business needs made by taxpayers to carry on the defense program. It is going to be very difficult to interest business in elaborating and extending their plants unless they are assured of being able to get back in special amortization deductions the capital invested in the business to help the defense program of the Government. I know the two matters will be given the most careful consideration by the Treasury and by the committee during the summer recess. Business people can be assured of prompt and favorable action by Congress on amortization, and the public can be assured of action in levying reasonable excess-profits taxation.

Bear in mind that the report from the Government officials, requested by the resolution referred to by the gentleman from Tennessee [Mr. COOPER], must be in the hands of Congress by October 1. We are going to forget that October 1 is only 1 month before election time. I am willing to stay here and help on this defense program whether or not it hurts me in my district to be away from it. Perhaps being away from it will be a good thing. But whatever the situation, our duty to ourselves and to our constituents and to our country is to be on the job here and be ready for that report, and keep prodding the Department a little to make sure that they live up to the resolution of the conference committee referred to by the gentleman from Tennessee.

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

Mr. TREADWAY. I yield.

Mr. RICH. The gentleman has been here a great many years. Does he know, in all the time he has been in Congress, of any more extravagant expenditures of taxpayers' funds than he has noticed in the last 5 or 6 years?

Mr. TREADWAY. No; I do not. That is the price we are paying for the mistake which the voters of the country made 4 years ago when they retained the present President in the White House.

Mr. RICH. The question I want to ask the gentleman is this: Has he seen more than a few on the Democratic side of this House make any effort for economy in Government operations? Can he show me one place where they have made any effort to economize?

Mr. TREADWAY. Yes.

Mr. RICH. Where?

Mr. TREADWAY. On paper. The White House brought out the statement that they might be able to save a few dollars about 10 days ago, after the Republicans had gone on record for economy in the strongest kind of language.

Mr. RICH. The gentleman is talking about the President saying he was going to reduce expenditures 25 percent and consolidate departments, but you have not seen him do anything, have you?

Mr. TREADWAY. Not to date.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield on that question?

Mr. TREADWAY. I yield.

Mr. CRAWFORD. Will the gentleman permit this observation? I think there are men on the Democratic side of this House who have worked and spoken and voted as conscientiously as any man on earth could to bring about greatly decreased expenditures the last several years. At

least they have impressed me they were sincere about it, and I think we ought to give them credit for it. [Applause.]

Mr. TREADWAY. I agree there are Democrats conscientiously anxious for economy, but they are few in number. The Republican-Democratic economy coalition has been outvoted.

Mr. RICH. Will the gentleman yield further?

Mr. TREADWAY. I will have to have some more time if I am going to yield.

Mr. DOUGHTON. I yield the gentleman 5 additional minutes, Mr. Speaker.

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

Mr. RICH. There is a handful of men on that side who have tried to do something, but the majority is over there. That is where they should do it.

Mr. TREADWAY. I have tried to support the Republican doctrine of economy to the best of my ability. I cannot criticize other people for not always agreeing with my views. However, I think the record of the Republicans for economy is excellent, and it will be a factor in the election.

But let me proceed to one or two other matters directly affecting us in this report. There has been something said about the change of the name from "supertax" to "defense tax." Of course, that is all poppycock. It is perfectly ridiculous. There is no more reason to try to sugar-coat the pill represented by these increased taxes. You can not get away with it, because this tax is coming out of the pockets of the people. You can call it by any name you want to. You can call it a gift from heaven, or anything else, but, regardless of whether you change it from "supertax" to "defense tax," you are not satisfying anybody called upon to pay the tax.

However, I want to say in connection with this matter that I took the trouble yesterday in conference to ask the Treasury officials whether in levying the additional excise taxes it would appear what part of it was the old tax and what part of it was this so-called defense tax. I was assured that the old tax stamp would still be used, and where you see the word "defense" it refers only to the levy made by this bill. When the present supply of stamps runs out they will print some more with the regular rates on. So that it will continue to be known for 5 years as a defense tax, and the old tax will remain as is. That will cover that feature, I think.

Now, there are two other subjects I would like to speak about. Mr. Speaker, I was very glad, indeed, that the House conferees were able to reach a compromise on the admission charges. When I first saw the Senate bill I was astounded that they proposed to tax admissions of 10 cents or more and that all the proposed increase was taken off cigarettes and tobacco. Without seeming to be unduly critical of the Senate, I think that was a serious mistake. Imagine taking the increase off cigarettes and making up the revenue by taxing a small admission fee for a child going to a movie. We were able to compromise on that and raise the exemption to 20 cents, which is much more preferable. The 20-cent bracket, according to the statistics furnished us, will bring in \$60,000,000 additional revenue over the present law, which provides for a 40-cent exemption. Of course, that is a large sum to get from that source. So that was a very definite gain on the part of the House conferees, that we were not obliged to go to that lower figure. I think it would have been extremely unpopular and very unfair and unwise in every sense of the word to have reduced the admission tax to tickets costing 10 cents or more.

Mr. McCORMACK. Will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. McCORMACK. I think it is also fair to say that the House conferees in all probability would not have gone that far.

Mr. TREADWAY. We were very insistent against it. There was not a single House conferee who favored the Senate provision.

With regard to tobacco, the conference agreement eliminates all proposed increases except with respect to cigarettes,

which are increased from \$3 per thousand to \$3.25 per thousand. A floor tax of 25 cents per thousand will be imposed on all floor stocks on hand on July 1, including retail stocks.

There is one matter in which my district is particularly interested, and I would like to say a word about it—namely, the tax on cigarette papers.

It happens that my district is a paper-manufacturing district. Among other mills there is a large mill manufacturing cigarette paper.

The proposed increase in tax meant a revenue of only \$3,000,000 and it was a desirable thing not to impose a tax on the papers given away. It was incongruous to my mind to tax something that was free. Under the present law, if you had 24 papers in a booklet given away with a package of tobacco there was no tax on the papers. It did not seem right or proper that that should be taxed. The action of the conferees eliminates the provision of the House bill which would have subjected these papers to tax.

Both Senate and House bills provided for an increase in the tax on liquor from \$2.25 to \$3 per proof gallon, so that item was not before the conferees. A floor tax of 75 cents per proof gallon is imposed on stocks on hand July 1. The conference agreement restores the 100-wine-gallon exemption for retailers, as provided in the original House bill. The exemption is limited to retailers who do not have wholesale stocks on the same premises.

The tax on rectified spirits was another important item in disagreement. The House bill did not increase present rate of 30 cents per gallon. The Senate increased rate to 40 cents. The conference report leaves rate at 30 cents, as under House bill.

As to beer, the conference agreement retains the exemption of retail dealers from the floor tax on beer, but confines it to retailers not having wholesale stocks on the same premises.

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

Mr. TREADWAY. Yes; I yield to the gentleman from Massachusetts.

Mr. GIFFORD. I was particularly interested in the gentleman's remarks deploring that there had been no attempt at any economy, and that we must impose such a terrific tax on our people. A definition of economy is: A way of spending money and getting no fun out of it.

Mr. TREADWAY. You cannot get any fun out of a tax bill, that is certain.

Mr. GIFFORD. But it has been such a lot of fun to build Tugwell towns. And their building must still go merrily on. [Here the gavel fell.]

Mr. DOUGHTON. Mr. Speaker, I yield the gentleman 2 additional minutes.

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

Mr. TREADWAY. I yield.

Mr. FISH. As I understand it, therefore, there is no tax on cigarette papers in this bill.

Mr. TREADWAY. No change is made in the present law. There is, at present, a tax on packages of cigarette papers where the package contains 25 or more. The tax is one-half cent for each 50 papers or fraction thereof.

Mr. FISH. That is the present law.

Mr. TREADWAY. That is the present law.

Mr. FISH. But there is no change in the present law in any way on cigarette papers.

Mr. TREADWAY. No.

Mr. FISH. I think that action is very right.

Mr. TREADWAY. In examining the bill, Mr. Speaker, the Members will, of course, find that perhaps they are not at all certain as to existing law on some of these taxes. The gentleman from Tennessee has made a very complete explanation of the changes that have been made in the bill.

In conclusion let me say that the conferees as well as the members of the minority of the Ways and Means Committee have been very appreciative of the courtesies shown them both by our chairman, by the chairman of the subcommittee on taxation, and by the Department officials and experts who worked with us. We have been perfectly satisfied in every

respect, and we thank the majority and the experts for the kindly treatment we have received at their hands.

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

Mr. TREADWAY. I yield.

Mr. REED of New York. Not being one of the conferees I think I can modestly congratulate the conferees in insisting on taking out those regimentation features in the bill covering many phases.

Mr. TREADWAY. I think the conference report could be covered, Mr. Speaker, as it was in my remarks on the original measure when we had it before us. It is a makeshift tax bill, but it is the best we can work out under the circumstances. We have brought in a fair compromise. Give us a little time later on and I am sure—while we cannot reduce taxes from now on—we can smooth out some inequalities that are in existing law. [Applause.]

I thank the House.

Mr. DOUGHTON. Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The conference report was agreed to, and a motion to reconsider was laid on the table.

COL. WILLIAM MITCHELL

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

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. Mr. Speaker, I am about to introduce a House concurrent resolution which reads as follows:

That the Congress hereby regards Col. William Mitchell as having been exonerated of all the charges on account of which a judgment of court martial was on January 28, 1926, entered against him, and the causes which he espoused and by reason of which such court martial was instituted to have been vindicated by the passage of time; and the Congress further regards his resignation from the Army to have been under honorable circumstances.

In the introduction of this resolution I wish to bring to the attention of Congress these facts. Col. William, "Billy," Mitchell was court-martialed because he advocated in speeches and written articles his honest and sincere belief in the possibilities and destructiveness of the airplane in modern warfare. He was brought before the court-martial board on the ninety-sixth article of war, not for treason to our country in war or for not giving his best in France with the A. E. F., but for speaking his thoughts in regard to a subject of which he was an expert on because of the long hours that he had spent studying the important part that aviation should and would play in warfare.

We all recognize the great work of General Mitchell—at the time of his court martial Colonel Mitchell. He was years ahead of his time in his views on national defense and on our air forces. It is my opinion that in justice to his memory and to the great cause for which he fought, which is now recognized by everyone as being correct, the adjudication of guilty by the court martial should be expunged from the record. [Applause.]

[Here the gavel fell.]

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. St. Clair, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 10104. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1940, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1940, and June 30, 1941, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ADAMS, Mr. GLASS, Mr. MCKELLAR, Mr. HAYDEN, Mr. BYRNES, Mr. HALE, and Mr. TOWNSEND to be the conferees on the part of the Senate.

ALIEN REGISTRATION ACT OF 1940

Mr. HOBBS. Mr. Speaker, I call up the conference report on the bill (H. R. 5138) to make unlawful attempts to interfere with the discipline of the Army, the Navy, and the Coast Guard; to require the deportation of certain classes of aliens; to require the fingerprinting of aliens seeking to enter the United States; and for other purposes.

The Clerk read the title of the bill.

Mr. HOBBS. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

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

There was no objection.

The Clerk read the statement of the managers on the part of the House.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5138) to make unlawful attempts to interfere with the discipline of the Army, the Navy, and the Coast Guard; to require the deportation of certain classes of aliens; to require the fingerprinting of aliens seeking to enter the United States; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"TITLE I

"SECTION 1. (a) It shall be unlawful for any person, with intent to interfere with, impair, or influence the loyalty, morale, or discipline of the military or naval forces of the United States—

"(1) to advise, counsel, urge, or in any manner cause insubordination, disloyalty, mutiny, or refusal of duty by any member of the military or naval forces of the United States; or

"(2) to distribute any written or printed matter which advises, counsels, or urges insubordination, disloyalty, mutiny, or refusal of duty by any member of the military or naval forces of the United States.

"(b) For the purposes of this section, the term "military or naval forces of the United States" includes the Army of the United States, as defined in section 1 of the National Defense Act of June 3, 1916, as amended (48 Stat. 153; U. S. C., title 10, sec. 2), the Navy, Marine Corps, Coast Guard, Naval Reserve, and Marine Corps Reserve of the United States, and, when any merchant vessel is commissioned in the Navy or is in the service of the Army or the Navy, includes the master, officers, and crew of such vessel.

"Sec. 2. (a) It shall be unlawful for any person—

"(1) to knowingly or willfully advocate, abet, advise, or teach the duty, necessity, desirability, or propriety of overthrowing or destroying any government in the United States by force or violence, or by the assassination of any officer of any such government.

"(2) with the intent to cause the overthrow or destruction of any government in the United States, to print, publish, edit, issue, circulate, sell, distribute, or publicly display any written or printed matter advocating, advising, or teaching the duty, necessity, desirability, or propriety of overthrowing or destroying any government in the United States by force or violence;

"(3) to organize or help to organize any society, group, or assembly of persons who teach, advocate, or encourage the overthrow or destruction of any government in the United States by force or violence; or to be or become a member of, or affiliate with, any such society, group, or assembly of persons, knowing the purposes thereof.

"(b) For the purposes of this section, the term 'government in the United States' means the Government of the United States, the government of any State, Territory, or possession of the United States, the government of the District of Columbia, or the government of any political subdivision of any of them.

"Sec. 3. It shall be unlawful for any person to attempt to commit, or to conspire to commit, any of the acts prohibited by the provisions of this title.

"Sec. 4. Any written or printed matter of the character described in section 1 or section 2 of this Act, which is intended for use in violation of this Act, may be taken from any house or other place in which it may be found, or from any person in whose possession it may be, under a search warrant issued pursuant to the provisions of title XI of the Act entitled 'An Act to punish acts of interference with the foreign relations, the neutrality and the foreign commerce of the United States, to punish espionage, and better to enforce the criminal laws of the United States, and for other purposes', approved June 15, 1917 (40 Stat. 228; U. S. C., title 18, ch. 18).

"Sec. 5. (a) Any person who violates any of the provisions of this title shall, upon conviction thereof, be fined not more than \$10,000 or imprisoned for not more than ten years, or both.

"(b) No person convicted of violating any of the provisions of this title shall, during the five years next following his conviction, be eligible for employment by the United States, or by any department or agency thereof (including any corporation the stock of which is wholly owned by the United States).

"TITLE II

"Sec. 20. Section 19 of the Immigration Act of February 5, 1917 (39 Stat. 889; U. S. C., title 8, sec. 155), as amended, is amended by inserting, after 'Sec. 19.', the letter '(a)', and by adding at the end of such section the following new subsections:

"(b) Any alien of any of the classes specified in this subsection, in addition to aliens who are deportable under other provisions of law, shall, upon warrant of the Attorney General, be taken into custody and deported:

"(1) Any alien who, at any time within five years after entry, shall have, knowingly and for gain, encouraged, induced, assisted, abetted, or aided any other alien to enter or to try to enter the United States in violation of law.

"(2) Any alien who, at any time after entry, shall have on more than one occasion, knowingly and for gain, encouraged, induced, assisted, abetted, or aided any other alien or aliens to enter or to try to enter the United States in violation of law.

"(3) Any alien who, at any time after entry, shall have been convicted of possessing or carrying in violation of any law any weapon which shoots or is designed to shoot automatically or semi-automatically more than one shot without manual reloading, by a single function of the trigger, or a weapon commonly called a sawed-off shotgun.

"(4) Any alien who, at any time within five years after entry, shall have been convicted of violating the provisions of title I of the Alien Registration Act, 1940.

"(5) Any alien who, at any time after entry, shall have been convicted more than once of violating the provisions of title I of the Alien Registration Act, 1940.

"No alien who is deportable under the provisions of paragraph (3), (4), or (5) of this subsection shall be deported until the termination of his imprisonment or the entry of an order releasing him on probation or parole.

"(c) In the case of any alien (other than one to whom subsection (d) is applicable) who is deportable under any law of the United States and who has proved good moral character for the preceding five years, the Attorney General may (1) permit such alien to depart the United States to any country of his choice at his own expense, in lieu of deportation, or (2) suspend deportation of such alien if not racially inadmissible or ineligible to naturalization in the United States if he finds that such deportation would result in serious economic detriment to a citizen or legally resident alien who is the spouse, parent, or minor child of such deportable alien. If the deportation of any alien is suspended under the provisions of this subsection for more than six months, all of the facts and pertinent provisions of law in the case shall be reported to the Congress within ten days after the beginning of its next regular session, with the reasons for such suspension. The Clerk of the House shall have such report printed as a public document. If during that session the two Houses pass a concurrent resolution stating in substance that the Congress does not favor the suspension of such deportation, the Attorney General shall thereupon deport such alien in the manner provided by law. If during that session the two Houses do not pass such a resolution, the Attorney General shall cancel deportation proceedings upon the termination of such session, except that such proceedings shall not be canceled in the case of any alien who was not legally admitted for permanent residence at the time of his last entry into the United States, unless such alien pays to the Commissioner of Immigration and Naturalization a fee of \$18 (which fee shall be deposited in the Treasury of the United States as miscellaneous receipts). Upon the cancellation of such proceedings in any case in which such fee has been paid, the Commissioner shall record the alien's admission for permanent residence as of the date of his last entry into the United States and the Secretary of State shall, if the alien was a quota immigrant at the time of entry and was not charged to the appropriate quota, reduce by one the immigration quota of the country of the alien's nationality as defined in section 12 of the act of May 26, 1924 (U. S. C., title 8, sec. 212), for the fiscal year then current or next following.

"(d) The provisions of subsection (c) shall not be applicable in the case of any alien who is deportable under (1) the Act of October 16, 1918 (40 Stat. 1008; U. S. C., title 8, sec. 137), entitled "An Act to exclude and expel from the United States aliens who are members of the anarchist and similar classes", as amended; (2) the Act of May 26, 1922, entitled "An Act to amend the Act entitled 'An Act to prohibit the importation and use of opium for other than medicinal purposes', approved February 9, 1909, as amended" (42 Stat. 596; U. S. C., title 21, sec. 175); (3) the Act of February 18, 1931, entitled "An Act to provide for the deportation of aliens convicted and sentenced for violation of any law regulating traffic in narcotics", as amended (46 Stat. 1171; U. S. C., title 8, sec. 156a); (4) any of the provisions of so much of subsection (a) of this section as relates to criminals, prostitutes, procurers, or other immoral persons, the mentally and physically deficient, anarchists, and similar classes; or (5) subsection (b) of this section.

"Sec. 21. The Act entitled 'An Act to provide for the deportation of aliens convicted and sentenced for violation of any law regulating traffic in narcotics', approved February 18, 1931, is amended—

"(1) By striking out the words 'and sentenced';

"(2) By inserting after the words 'any statute of the United States' the following: 'or of any State, Territory, possession, or of the District of Columbia,' and

"(3) By inserting after the word 'heroin' a comma and the word 'marihuana'.

"Sec. 22. No alien shall be deportable by reason of the amendments made by section 20 or 21 on account of any act committed prior to the date of enactment of this Act.

"Sec. 23. (a) The first paragraph of section 1 of the Act entitled 'An Act to exclude and expel from the United States aliens who are members of the anarchistic and similar classes', approved October 16, 1918, as amended, is amended to read as follows:

"That any alien who, at any time, shall be or shall have been a member of any one of the following classes shall be excluded from admission into the United States:

"(b) Section 2 of such Act of October 16, 1918, as amended, is amended to read as follows:

"Sec. 2. Any aliens who was at the time of entering the United States, or has been at any time thereafter, a member of any one of the classes of aliens enumerated in section 1 of this Act, shall, upon the warrant of the Attorney General, be taken into custody and deported in the manner provided in the Immigration Act of February 5, 1917. The provisions of this section shall be applicable to the classes of aliens mentioned in this Act, irrespective of the time of their entry into the United States."

"TITLE III

"Sec. 30. No visa shall hereafter be issued to any alien seeking to enter the United States unless said alien has been registered and fingerprinted in duplicate. One copy of the registration and fingerprint record shall be retained by the consul. The second copy shall be attached to the alien's visa and shall be taken up by the examining immigrant inspector at the port of arrival of the alien in the United States and forwarded to the Department of Justice, at Washington, District of Columbia."

"Any alien seeking to enter the United States who does not present a visa (except in emergency cases defined by the Secretary of State), a reentry permit, or a border-crossing identification card shall be excluded from admission to the United States.

"Sec. 31. (a) It shall be the duty of every alien now or hereafter in the United States, who (1) is fourteen years of age or older, (2) has not been registered and fingerprinted under section 30, and (3) remains in the United States for thirty days or longer, to apply for registration and to be fingerprinted before the expiration of such thirty days.

"(b) It shall be the duty of every parent or legal guardian of any alien now or hereafter in the United States, who (1) is less than fourteen years of age, (2) has not been registered under section 30, and (3) remains in the United States for thirty days or longer, to apply for the registration of such alien before the expiration of such thirty days. Whenever any alien attains his fourteenth birthday in the United States he shall, within thirty days thereafter, apply in person for registration and to be fingerprinted.

"Sec. 32. Notwithstanding the provisions of sections 30 and 31—

"(a) The application for the registration and fingerprinting, or for the registration, of any alien who is in the United States on the effective date of such sections may be made at any time within four months after such date.

"(b) No foreign government official, or member of his family, shall be required to be registered or fingerprinted under this title.

"(c) The Commissioner is authorized to prescribe, with the approval of the Attorney General, special regulations for the registration and fingerprinting of (1) alien seamen, (2) holders of border-crossing identification cards, (3) aliens confined in institutions within the United States, (4) aliens under order of deportation, and (5) aliens of any other class not lawfully admitted to the United States for permanent residence.

"Sec. 33. (a) All applications for registration and fingerprinting under section 31 shall be made at post offices or such other places as may be designated by the Commissioner.

"(b) It shall be the duty of every postmaster, with such assistance as shall be provided by the Commissioner, to register and fingerprint any applicant for registration and fingerprinting under such section, and for such purposes to designate appropriate space in the local post office for such registration and fingerprinting. Every postmaster shall forward promptly to the Department of Justice, at Washington, District of Columbia, the registration and fingerprint record of every alien registered and fingerprinted by him. The Commissioner may designate such other places for registration and fingerprinting as may be necessary for carrying out the provisions of this Act, and provide for registration and fingerprinting of aliens at such places by officers or employees of the Immigration and Naturalization Service designated by the Commissioner. The duties imposed upon any postmaster under this Act shall also be performed by any employees at the post office of such postmaster who are designated by the postmaster for such purpose.

"Sec. 34. (a) The Commissioner is authorized and directed to prepare forms for the registration and fingerprinting of aliens under this title. Such forms shall contain inquiries with respect to (1) the date and place of entry of the alien into the United States; (2) activities in which he has been and intends to be engaged; (3) the length of time he expects to remain in the United States; (4) the criminal record if any, of such alien; and (5) such additional matters as may be prescribed by the Commissioner, with the approval of the Attorney General.

"(b) All registration and fingerprint records made under the provisions of this title shall be secret and confidential, and shall be made available only to such persons or agencies as may be designated by the Commissioner, with the approval of the Attorney General.

"(c) Every person required to apply for the registration of himself or another under this title shall submit under oath the information required for such registration. Any person authorized to register aliens under this title shall be authorized to administer oaths for such purpose.

"Sec. 35. Any alien required to be registered under this title who is a resident of the United States shall notify the Commissioner in writing of each change of residence and new address within five days from the date of such change. Any other alien required to be registered under this title shall notify the Commissioner in writing of his address at the expiration of each three months' period of residence in the United States. In the case of an alien for whom a parent or legal guardian is required to apply for registration, the notices required by this section shall be given by such parent or legal guardian.

"Sec. 36. (a) Any alien required to apply for registration and to be fingerprinted who willfully fails or refuses to make such application or to be fingerprinted, and any parent or legal guardian required to apply for the registration of any alien who willfully fails or refuses to file application for the registration of such aliens, shall, upon conviction thereof be fined not to exceed \$1,000 or be imprisoned not more than six months, or both.

"(b) Any alien, or any parent or legal guardian of any alien, who fails to give written notice to the Commissioner of change of address as required by section 35 of this Act shall, upon conviction thereof, be fined not to exceed \$100, or be imprisoned not more than thirty days, or both.

"(c) Any alien or any parent or legal guardian of any alien who files an application for registration containing statements known by him to be false, or who procures or attempts to procure registration of himself or another person through fraud, shall, upon conviction thereof, be fined not to exceed \$1,000, or be imprisoned not more than six months, or both; and any alien so convicted within five years after entry into the United States shall, upon the warrant of the Attorney General, be taken into custody and be deported in the manner provided in sections 19 and 20 of the Immigration Act of February 5, 1917, as amended.

"Sec. 37. (a) The Commissioner, with the approval of the Attorney General, is authorized and empowered to make and prescribe, and from time to time to change and amend, such rules and regulations not in conflict with this Act as he may deem necessary and proper in aid of the administration and enforcement of this title (including provisions for the identification of aliens registered under this title); except that all such rules and regulations, insofar as they relate to the performance of functions by consular officers or officers or employees in the Postal Service, shall be prescribed by the Secretary of State and the Postmaster General, respectively, upon recommendation of the Attorney General. The powers conferred upon the Attorney General by this Act and all other powers of the Attorney General relating to the administration of the Immigration and Naturalization Service may be exercised by the Attorney General through such officers of the Department of Justice, including officers of the Immigration and Naturalization Service, attorneys, special attorneys, and special assistants to the Attorney General, as he may designate specifically for such purposes.

"(b) The Commissioner is authorized to make such expenditures, to employ such additional temporary and permanent employees, and to rent such quarters outside the District of Columbia as may be necessary for carrying out the provisions of this title.

"Sec. 38. (a) For the purposes of this title—

"(1) the term 'United States,' when used in a geographical sense, means the States, the Territories of Alaska and Hawaii, the District of Columbia, Puerto Rico, and the Virgin Islands;

"(2) the term 'Commissioner' means the Commissioner of Immigration and Naturalization.

"(b) The provisions of this title shall take effect upon the date of enactment of this Act; except that sections 30 and 31 shall take effect sixty days after the date of its enactment.

"Sec. 39. The President is authorized to provide, by Executive order, for the registration and fingerprinting, in a manner as nearly similar to that provided in this title as he deems practicable, of aliens in the Panama Canal Zone.

"TITLE IV

"Sec. 40. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of the Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

"Sec. 14. This Act may be cited as the 'Alien Registration Act, 1940.'"

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.

HATTON W. SUMNERS,
SAM HOBBS,
C. E. HANCOCK,

Managers on the part of the House.

TOM CONNALLY,
JNO. E. MILLER,
JOHN A. DANAHER,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes on the Senate amendment to the bill (H. R. 5138)

to make unlawful attempts to interfere with the discipline of the Army, the Navy, and the Coast Guard; to require the deportation of certain classes of aliens; to require the fingerprinting of aliens seeking to enter the United States; and for other purposes, submit the following statement, explaining matters agreed upon by the conference committee and recommended in the accompanying conference report:

The Senate amendment and the conference agreement retain provisions designed to accomplish all of the general purposes of the House bill. The Senate amendment also includes provisions, which were not in the House bill, for the registration and fingerprinting of all aliens in the United States. The conference agreement retains these provisions of the Senate amendment.

Title I of conference agreement

Section 1 makes it unlawful for any person, with intent to interfere with, impair, or influence the loyalty, morale, or discipline of the military or naval forces, to advocate or cause insubordination, disloyalty, mutiny, or refusal of duty by any member of the military or naval forces of the United States, or to distribute any written or printed matter which advocates such insubordination, disloyalty, mutiny, or refusal of duty.

Section 2 makes it unlawful for any person to knowingly or willfully advocate, or (with the intent to cause the overthrow or destruction of any government in the United States) to publish or circulate any written or printed matter which advocates, or to organize any society or group (or knowing the purposes thereof to affiliate with any such society or group) which advocates the overthrow or destruction by force or violence of the Government of the United States, the government of any State, Territory, or possession of the United States, the government of the District of Columbia, or the government of any political subdivision of any of them.

Section 3 makes it unlawful to attempt to conspire to commit any of the acts prohibited by this title.

Section 4 provides for the taking under a search warrant of any written or printed matter intended to be used in violation of the act.

Section 5 fixes the penalties for violation of this title.

Title I of the Senate amendment covered substantially the same subject matter as titles I and II of the House bill. However, the House bill prohibited the advocacy of disobedience by any member of the crew of a documented vessel of the United States which has been warranted to fly the flag of the Naval Reserve to the laws or regulations governing the military or naval forces, or to the lawful orders of a superior, while the corresponding provision of the Senate amendment was applicable to the master, officers, and crew of any merchant vessel when it is commissioned in the Navy or is in the active service of the Army or the Navy. The Senate amendment also omitted a section of title I of the House bill which made it unlawful to justify or defend the assassination or assault of certain public officers. The provisions of title I of the Senate amendment are retained as title I of this conference agreement.

Title II of conference agreement

Section 20 amends section 19 of the Immigration Act of February 5, 1917, by adding thereto several new subsections, the principal provisions of which are as follows:

Subsection (b) provides that, in addition to aliens who are deportable under other provisions of law, the following aliens shall be taken into custody and deported: Aliens who knowingly and for gain have assisted any other alien to enter or to try to enter the United States in violation of law, aliens who have been convicted of possessing and of carrying certain firearms in violation of law, and aliens convicted of violating the provisions of title I of this bill.

Subsection (c) provides that in certain cases, generally those in which aliens are deportable solely because of illegal entry, the Attorney General may allow aliens to depart at their own expense, or may, subject to congressional review, suspend orders of deportation where deportation would result in unwarranted hardship. Subsection (d) provides that the benefits of subsection (c) shall not be extended to aliens who are deportable on grounds which may be generally described as those grounds which indicate that such aliens are likely to be undesirable residents.

Section 21 of the amendment amends an act of February 18, 1931, which provides for the deportation of aliens convicted and sentenced for violation of narcotics laws, so as to provide for the deportation under such act of aliens convicted of violating the narcotics laws of any State, Territory, possession, or the District of Columbia, as well as those of the United States, and so as to provide for deportation on account of violations of laws relating to marihuana, as well as laws relating to other narcotics.

Section 22 provides that aliens shall not be deportable under amendments made by this title on account of acts committed prior to the date of enactment of this act.

Section 23 amends the act of October 16, 1918, which provides for the exclusion and deportation from the United States of aliens who are members of the anarchistic and similar classes, so as to provide that no alien shall be admitted to the United States who has at any time been a member of such classes, and to also provide that any alien who has been a member of such classes at any time after his admission to the United States (for no matter how short a time or how far in the past so long as it was after the date of entry) shall be deported.

Title II of the Senate amendment covered substantially the same subject matter as titles III and IV of the House bill. The

provisions of the House bill providing for the deportation of aliens who had engaged in espionage or sabotage and aliens who are habitual users of narcotics were omitted from the Senate amendment. With respect to suspension of deportation in "hardship cases," the House bill required deportation unless Congress took affirmative action approving the suspension, while the Senate amendment required deportation only if Congress took affirmative action disapproving the suspension. The other changes made by the Senate amendment in this part of the House bill were technical in character. The conference agreement retains the provisions of title II of the Senate amendment with changes in section 23 which make it clear that under the act of October 16, 1918, aliens who at any time after their entry into the United States shall have been members of the anarchistic or similar classes shall be deported.

Title III of conference agreement

This title provides for the registration and fingerprinting of aliens.

Section 30 provides for the registration and fingerprinting of aliens entering the United States after the effective date of this section.

Section 31 requires the registration and fingerprinting of aliens already in the United States, and aliens who might in any manner gain admission to the United States without being registered and fingerprinted under section 30. Under this section aliens less than 14 years of age are not required to be fingerprinted, but they must be registered.

Section 32 fixes the time within which registration is required for aliens in the United States on the effective date of sections 30 and 31, provides an exemption from the registration and fingerprinting provisions for officials of foreign governments and members of their families, and authorizes special regulations to be made for the registration and fingerprinting of special classes of aliens.

Section 33 provides for the registration and fingerprinting to be done at post offices or such other places as may be designated by the Commissioner of Immigration and Naturalization.

Section 34 provides for the preparation of the necessary forms, provides that registration and fingerprint records shall be secret and confidential, and provides that the information necessary for registration shall be submitted under oath.

Section 35 requires aliens who are registered to notify the Commissioner of Immigration and Naturalization concerning their whereabouts.

Section 36 prescribes the penalties for failure to register, for false registration, and for failure to give the required notice concerning the whereabouts of an alien.

Section 37 contains authority to make necessary rules and regulations and other administrative provisions.

Section 38 contains definitions and also fixes the effective date of the registration and fingerprinting requirements at 60 days after the date of enactment of the act.

Section 39 authorizes the President to provide for the registration and fingerprinting of aliens in the Panama Canal Zone. It is necessary to make special provision for the Canal Zone, because it is not within the jurisdiction of the Immigration and Naturalization Service, and that Service has no representatives there.

Title V of the House bill required the fingerprinting of aliens to whom visas for entering the United States are hereafter issued. Title III of the Senate amendment required these aliens to be fingerprinted and also required that they be registered. The Senate amendment also required the registration and fingerprinting of aliens in the United States. The conference agreement retains the provisions of title III of the Senate amendment with a number of technical changes.

Title IV of conference agreement

This title contains the customary separability clause and a short title for the act, which were in the Senate amendment.

The House recedes from its disagreement to the amendment of the Senate to the title of the bill.

HATTON W. SUMNERS,
SAM HOBBS,
C. E. HANCOCK,

Managers on the part of the House.

Mr. HOBBS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the Congress of the United States is to be congratulated upon bringing to enactment this excellent piece of legislation.

It is said to be the first and only thoroughgoing attempt to plug the holes which experience has developed in our immigration and deportation laws, which were passed a quarter of a century ago. It is believed that it does that job and does it well.

It is my joy to announce that this bill will do, in a perfectly legal and constitutional manner, what the bill specifically aimed at the deportation of Harry Bridges seeks to accomplish. This bill changes the law so that the Department of Justice should now have little trouble in deporting Harry Bridges and all others of similar ilk. The Supreme Court of the United States, in its decision of the Joe Strecker case, held that the provisions of our deportation statute of 1918

did not apply to an alien who had been a member of an organization which advocated the overthrow of our Government by force or violence if he had ceased to be a member. The pending measure amends that law so that it will provide that any alien who at any time after his entry into the United States shall have been a member of any such organization shall be deported. Therefore, after this bill becomes law, it will be perfectly clear that any alien who has ever been a member of such an organization before coming to this country cannot enter, or if at the time of his entry or at any time thereafter he has been, even for 1 minute, a member of such an organization he shall be deported. These provisions, in conjunction with the other improvements in our deportation law wrought by this bill should make it impossible for any such alien to enter this country in future and also enable us to deport all those of that kind who are now here.

The bill of which our distinguished colleague from Louisiana [Mr. ALLEN] is the author, even if it becomes law, can, in my judgment never accomplish its avowed purpose. In my opinion, it is unconstitutional and will be so declared if it ever reaches the stage where its constitutionality may be challenged.

In addition to the strengthening of our deportation law, this bill protects the Army, Navy, Coast Guard, and to some extent the Merchant Marine from subversive propaganda. For the first time in the history of our Nation, the activities of the prapagandists who in peacetime seek to impair the loyalty, morale, or discipline of our military or naval forces, or to induce insubordination, disloyalty, or mutiny, are outlawed.

The pending measure requires every alien who applies for a visa to be fingerprinted in duplicate. This fingerprinting is required to be done in the alien's home country at the time of his application for visa. Also it is required that every alien in the United States be registered and fingerprinted. The reasons for these requirements are manifest.

The conferees are delighted to present a unanimous conference report. There has been much hard work done both in the House and Senate Committees on the Judiciary, and by the conferees. The distinguished author of the bill, Judge HOWARD SMITH, of Virginia, has been continuously interested and helpful.

All of us who have labored to bring this bill to its satisfactory state commend it to you unhesitatingly. We believe that it covers much of the ground that needs to be covered. The new grounds of deportation should be exceedingly helpful in purging our body politic of poisonous elements. We confidently expect that the authorities charged with the responsibility of administration will find this act workable.

Not desiring to consume unnecessarily a single moment of the time on this final day before recess, I will not continue unless there are questions which Members desire to ask.

Mr. McCORMACK rose.

Mr. HOBBS. I am delighted to yield to the distinguished gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Is this the Smith bill?

Mr. HOBBS. Yes, sir; the conference report thereon.

Mr. McCORMACK. The gentleman will remember that I offered an amendment which the House adopted, making it a crime to knowingly and willfully advocate the overthrow of the Government by force and violence. Is that written into this bill?

Mr. HOBBS. Of course it is, in substance.

Mr. MURDOCK of Utah. Will the gentleman yield?

Mr. HOBBS. I yield gladly to the gentleman from Utah.

Mr. MURDOCK of Utah. The gentleman said, if I understood him correctly, that the bill now before us will do what the Allen Bridges deportation bill attempted to do?

Mr. HOBBS. Attempts to do.

Mr. MURDOCK of Utah. But which, in the opinion of the gentleman from Alabama, never could be done there—under because of the unconstitutionality of the Allen bill?

Mr. HOBBS. That is true.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. HOBBS. I am pleased to yield to the gentleman from New York.

Mr. MARCANTONIO. Will the gentleman explain what justification was advanced for the registration of noncitizens of this country?

Mr. HOBBS. I think the distinguished gentleman from New York, who is one of the most brilliant and able Members of this House, knows full well the purpose of that provision. I will be happy to yield to him in order to allow him to voice his protest against it.

We all must admit that there never has been a time in the history of this country when it was so necessary to identify all of the residents of this land. Fingerprinting is the modern way of positive identification, and if there is any reason whatsoever why any person does not desire to be fingerprinted and registered, there may be a good reason for his wish not to be fingerprinted, and thus identified. We believe that the more objection there is to registration or fingerprinting, the more reason there is for the requirement.

Mr. WALTER. Will the gentleman yield?

Mr. HOBBS. I am delighted to yield to the distinguished gentleman from Pennsylvania.

Mr. WALTER. Wherein does the registration provision in this report differ from that contained in the original bill that was considered by our committee?

Mr. HOBBS. In the bill considered by our committee, as the distinguished gentleman, my colleague on the Judiciary Committee, knows, there was this same provision in substance. But on account of the expense entailed and because of the fact that the census was about to be taken and much of this information would be gleaned by that, we omitted from the bill that we favorably reported to the House the general provision, leaving in it the requirement only that every alien applying for a visa in a foreign country should be fingerprinted. The exigencies of the case a year later induced the Senate to write substantially the same provisions which were originally reported by our committee to the House, and we have agreed to recede and concur in the Senate amendment.

Mr. CELLER. Will the gentleman yield?

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

Mr. CELLER. I believe that the compromises made by the conferees are most creditable, but I would like to know just a little something concerning the hardship cases. There is a memorandum in the statement which I do not quite understand.

[Here the gavel fell.]

Mr. HOBBS. Mr. Speaker, I yield myself 2 additional minutes.

These so-called hardship cases are taken care of in this way. Any alien who is illegally in this country is given a chance to convince the Attorney General that there would be an economic loss to a citizen of the United States if he should be deported. Then, if and when he shows to the satisfaction of the Attorney General that that is so, that he has a wife—or in the case of a woman, a husband—who will suffer by reason of the deportation, the Attorney General may, if, in his sound discretion, after full hearing, he so determines, order the suspension or cancellation of the deportation order; provided, however, that he must report every case to the Congress; and if the Congress, by concurrent resolution, vetoes his decision, of course the deportation order stands.

Mr. RAMSPECK. Will the gentleman yield?

Mr. HOBBS. I am always delighted to yield to the gentleman from Georgia.

Mr. RAMSPECK. I have had letters recently asking why Congress does not outlaw the Communist, Nazi, and Fascist organizations in this country. Is it the opinion of the gentleman that title I of this bill goes as far in that direction as we can go under the Constitution of the United States?

Mr. HOBBS. It is, and I believe that the results will be wholly efficacious. Of course, I respectfully submit that we should never go to the extent of calling names of particu-

lar persons or organizations in legislation. In this connection it must be borne in mind that many of the Communists in the United States, many of the Nazis and Fascists, are American citizens. We have no power whatever to deport any citizen. Hence, any provision of law which would make deportable all Communists, or all Nazis, or all Fascists, would be plainly condemned by the Constitution. This bill in its deportation provisions, therefore, is strictly limited to aliens and to those aliens who have committed a deportable offense.

I am glad that the distinguished gentleman correctly limited his inquiry to title I, which does not deal with deportation at all. It is strictly a criminal statute applying to any person who may commit any of the numerous offenses described therein, and punishes any person who violates any of its provisions upon conviction thereof by fine of not more than \$10,000 or imprisonment for not more than 10 years, or both. In addition to fine and imprisonment, it also provides that no person convicted of violating the provisions of title I shall, during the 5 years next following his conviction, be eligible for employment in the United States or by any department or agency thereof—including any corporation, the stock of which is wholly owned by the United States.

Mr. RAMSPECK. I agree with the gentleman.

Mr. HOBBS. Mr. Speaker, before I yield the floor, I feel that I must advert to the subject discussed a few minutes ago by the able and distinguished gentleman from Missouri [Mr. CANNON].

Parity prices for farm products is a subject very dear to my heart, I think I introduced the first resolution, or bill, in the history of the Congress, seeking that end. I have been fighting for parity for 6 years. I am certain that parity is the only way to attain and maintain general, national prosperity.

But, with the highest respect for the gentleman from Missouri [Mr. CANNON] and for his opinion, I cannot agree with him in his criticism of our Committee on Agriculture. Much of his argument is as true as gospel. The facts he gave are accurate and convincing. But I have faith in the ability, the integrity, and the zeal of the members of that great committee. I am sure that they are sympathetic with the tragic plight of every American farmer, and sincere in their efforts to promote his interests. They have worked, and will continue to work, for the good of agriculture.

The fact that they do not seem to appreciate the vital necessity for parity prices for farm products as the only guaranty of general, Nation-wide prosperity, does not mean that they are drones, nor that they lack interest in their work. They are winding up and I predict that they will pitch.

Most of us, I hope, join in the prayer of the gentleman from Missouri, CLARENCE CANNON, for action with all the expedition possible. This is not only an S O S appeal for the farmer, but also for every other American. All business needs the market which fair treatment of agriculture would mean.

[Here the gavel fell.]

Mr. HOBBS. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. HANCOCK], one of the conferees.

Mr. HANCOCK. Mr. Speaker, I merely wish to verify what the distinguished gentleman from Alabama has stated with reference to this bill. I may add that the Commissioner of Immigration, the Secretary of State, and the Attorney General had representatives at the conference and made certain suggestions. Those suggestions were adopted, and the bill as it is now drawn has the approval of the Secretary of State, the Attorney General, and the Commissioner of Immigration.

The bill was redrafted in the Senate and put in much better form than the House bill. The only important change is the one which has already been alluded to, the provision providing for the fingerprinting and registration of aliens in this country. Although it will cause them some inconvenience, honest aliens should not object to proper identification. A

year ago this provision in the bill might have been rejected, but we now know that the modern technique of war involves "fifth columns." Aliens come from foreign countries illegally or under one pretext or another to organize espionage, sabotage, and subversive movements. We regard it as a measure of self-defense to provide for the fingerprinting and registration of all aliens in the United States. We also regard it as a safeguard to know something about their activities and their movements here.

I may say that the conferees spent 5 or 6 hours considering this conference report, and they are unanimous in recommending its adoption. [Applause.]

Mr. HOBBS. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. LELAND M. FORD].

Mr. LELAND M. FORD. Mr. Speaker, this may be a very good bill; I have not read it. If it is what they say it is, I will support it. Nevertheless, this bill should not supplant the Allen bill, because all the Allen bill does is to draw the attention of officers of the United States who have not done their duty and direct them to do their duty. If the officers of the United States had done their duty, this bill, perhaps, would not have been necessary. No bill, I do not care what it is, will be any good unless the officers of the United States enforce it. If the officers of the United States do not enforce the laws, there is only one thing left for this Congress to do, and that is to impeach those officers and put in officers who will enforce them. I refer to the head of the Department of Justice now, and I certainly refer to Mme. Perkins in her refusal to enforce the law she already has on the books. The Allen bill simply directs officers of the United States to do their duty, and it should be continued and become law. [Applause.]

Mr. HOBBS. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Virginia [Mr. SMITH], the author of the bill.

Mr. SMITH of Virginia. Mr. Speaker, I do not wish to consume the time of the House except, as the author of the bill, to express my gratification that it is approaching the stage of adoption. I also wish to express my gratitude to the members of the Committee on the Judiciary, especially the gentleman from Alabama [Mr. HOBBS] and the gentleman from New York [Mr. HANCOCK], who have worked so assiduously on this difficult proposition.

I believe it ought to be said that this bill has in it every substantive proposition that was in the original bill, and every substantive provision that was in the bill that passed the House last year with only 48 negative votes.

I believe it should also be said at this time, in view of the attacks that were made on the bill at the time of its passage last year, that this bill is not intended to persecute aliens generally, it is not intended as a measure to put any restrictions other than proper restrictions upon those visitors within our gates. We should all realize, however, that in these times of stress we should be able to identify and know something about the noncitizens who are with us, and that we should take proper precaution to see that other aliens who would not be desirable citizens are not permitted to enter the country. I do not believe that any alien within our gates who is a desirable alien will for one moment object to having the protection, both to this country and to himself, of having himself properly identified so that he may be under the protection of our Government and so that our Government may know where he is at all times. I hope that this bill will not be construed as a general attack upon the many very fine aliens who are in our country today.

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

Mr. SMITH of Virginia. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Does not the gentleman believe that perhaps the annoyance and inconvenience to which many aliens will be put in registering will perhaps act as an invitation to them to change their status from that of alien to that of citizen?

Mr. SMITH of Virginia. I have no doubt that it will be a very strong reminder of that. [Applause.]

For the information of those Members who have not had an opportunity to read the conference report, I would like to give a brief statement of the provisions of the bill as finally contained in the conference report. The bill provides as follows:

It makes it unlawful for any person to attempt to cause insubordination, disloyalty, or mutiny in the United States naval and military forces;

It makes it unlawful to advocate the overthrow or destruction of the Government of the United States by force or violence or by the assassination of any official of such Government, or to print, publish or distribute written or printed matter advocating the same or to organize or help organize any society or group who advocates the overthrow of the Government by force or to become a member of any such group;

The bill also makes it unlawful for any person to attempt to commit or conspire to commit any such offense;

The bill also provides for the deportation of aliens who knowingly for gain assist other aliens to enter the country in violation of the law, of aliens convicted of possessing machine guns, of aliens violating any of the foregoing provisions of this act, and of aliens sentenced for violation of the narcotics act of any State;

The bill further provides that any alien hereafter applying for a visa to enter the United States shall be registered and fingerprinted before being permitted to do so;

As to aliens already in the United States, the bill provides that within 4 months after its effective date, every resident alien shall register and be fingerprinted at his local post office. Provisions are made for the mechanical arrangements for carrying out the details of registration through the various post offices. The records of such registrations are then to be forwarded to the Department of Justice to be filed with the Immigration Commissioner;

The act becomes effective with respect to registration 60 days after its enactment;

Any alien changing his post-office address is required to notify the Commissioner of Immigration within 5 days after such change of address and each alien is required to also notify the Commission in writing of his address at the expiration of each 3-month period.

Penalties are provided for violation of any provisions of the act.

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

Mr. MARCANTONIO. Mr. Speaker, at the very outset I want to pay my personal tribute to the gentleman from Alabama [Mr. HOBBS] for having struck a blow in favor of constitutional procedure last week when he voted against the Bridges bill. I believe the gentleman from Alabama is one of the most distinguished constitutional authorities in this House, and I am always rather hesitant to take issue with him because of his ability and his integrity. However, he and I represent two different viewpoints with regard to the alien question and various other aspects of our Bill of Rights.

It seems to me that in a period as trying as is this period, the test of a democracy lies in the ability of that democracy to maintain its liberties, to preserve those liberties, and to have more freedom rather than less freedom during the period of crisis. I know that the overwhelming majority of the Members of this body believe to the contrary, so here we have two opposing philosophies with regard to democratic rights in America. I maintain that the philosophy advanced under this bill, a bill which establishes a Federal criminal syndicalist law, a bill which enacts into law a military disaffection bill, which has been fought bitterly in this Congress for years and years, a bill which now provides for the registration of every noncitizen in the United States, represents that philosophy of restricting liberty and freedom in America; and we restrict that liberty and freedom under the guise of protecting our American democracy.

I believe this is the most incongruous proposition I have ever heard. On one hand you say that you want to preserve

American liberty and you then attempt to preserve American liberty by destroying American liberty. You are curtailing democratic rights in America under the guise of trying to protect American democracy. You end, if you carry out your course, with no freedom and no democracy. Such has been the history of nations that did just what we are now doing.

[Here the gavel fell.]

Mr. HOBBS. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. MARCANTONIO. I know that, perhaps, I am just a voice in the wilderness on this question, the wilderness in this case being Congress, for I believe that my views reflect the traditional love of freedom on the part of the American people, but I take this position because I want to preserve American democracy. To me it means a great deal, it means a great deal to the people I represent, but you cannot preserve American democracy by destroying it, by curtailing it, or by limiting it. American democracy can live only by letting it live. Amputation of the Bill of Rights will not permit American democracy to live, it will kill it, and what I am fearful of is that under the guise of supporting and maintaining our American way of life, by this type of legislation we are taking steps with seven-league boots toward establishing in America, in free America, the slavlike institutions of Nazi Germany.

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

Mr. MARCANTONIO. I yield.

Mr. GAVAGAN. I am quite certain that the distinguished gentleman from New York will readily concede the right of democracy to protect itself.

Mr. MARCANTONIO. There is no question about that. A democracy has a perfect right to protect itself, but remember this: You are not protecting democracy by this legislation. Spies and saboteurs will not register nor submit to fingerprinting. You are not protecting democracy by discriminating against the noncitizen by forcing him to be fingerprinted and registered. What difference is there between this procedure and that of Gestapo Germany? What protection are you giving our democracy when you substitute for the traditions and institutions of American freedom the concepts and practices of Hitlerism? I believe that spies and saboteurs and anybody who engages in any illegal activity should be immediately apprehended and severely punished. You do not accomplish that end by this bill. You only undermine American freedom. You pass this kind of legislation and what are you doing? You are destroying the very thing you say you are trying to protect, and that is going to the very roots of American democracy as you are hitting at its very foundations. [Applause.]

[Here the gavel fell.]

Mr. HOBBS. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from New York, the ranking member of the Judiciary Committee [Mr. CELLER].

Mr. CELLER. Mr. Speaker, judging the temper of the Nation, I believe this compromise report is the best to be had under the circumstances and I shall vote for it despite the fact that I am not inclined to have fingerprinting of aliens—in fact I am opposed in principle to it. I would much prefer fingerprinting of the entire population and I want to point out that I have the fear that the danger in this legislation will fall, not upon aliens necessarily, but upon citizens. Many citizens in this Nation today cannot prove that they are citizens. In the old days many babies were brought into the world by midwives and no records of births have been kept. In many instances files of naturalization papers have been lost. Courthouses and county clerks' offices have been destroyed and those who wish to find the records of their birth or the records of their naturalization may be sorely put to it, and there may be some rascals in the Nation who will prey upon these citizens who cannot give proof of their naturalization or of their having been born in this land of ours. Will Rogers, some time ago, tried to get a passport. He had to prove his citizenship. He could not procure a record of his ever having

been born here. He was sorely put to it to convince the Department of State he was a citizen. Ordinarily, in the absence of records, birth or citizenship is established by testimony of two or more eyewitnesses as to birth or naturalization. I will bet few of us in this Chamber could bring forth without the greatest difficulty two witnesses who happened to be present at our birth.

See, therefore, how difficult we may make it for citizens who might be accused of being noncitizens. Blackmailers and culprits will be busy in this regard.

I do hope, therefore, that the appropriate committee in due course will give consideration to the question of the registering of all persons, aliens and citizens alike, and that proof of birth or naturalization be established more easily. I am for that wholeheartedly, and I may say that there are those who deal in Trojan-horse processes whom we call "fifth columnists," in the ranks of citizens, as well as in the ranks of aliens. There should be attempts made to get after those citizens, as well as getting after the aliens who deal in subversive activities, who seek to overthrow our Government, unfortunately, by force and violence. The Moseleys and Pelleys and Browders are not aliens. They are citizens, and I hope that the time will soon come when we shall have the privilege of voting for fingerprinting and registration of aliens and citizens alike.

Furthermore, I think the conferees have done a good job; because the punishment is not too great that falls upon the alien who deliberately fails to register. There must be proof brought by the authorities that the alien willfully refuses to register himself or a minor under his charge. If there are cases or hardship, old persons above 70 or 80 who do not know the statute, who cannot read or write English, to whom knowledge has not been brought home as to the necessity of registration, it must be proved in such cases that they willfully refused to register.

It is for these reasons that I am going to accept this conference report, despite the fact that I have always resisted registration of aliens, and I do hope—and I repeat this with all the vehemence within me and with all the strength within me—that there may be registration of all persons within the confines of the United States.

A provision has been added to the bill which softens considerably its severity. I refer to section 22, which provides that aliens shall not be deported on account of acts committed prior to the effective date of the act. Originally the act was retroactive. Any reprehensible act, interdicted by the act, like the use of narcotics, possession of firearms, and so forth, any time prior to the effective date of the act, could cause deportation. This meant that the dereliction of duty covered by the act which occurred scores of years ago could come back to plague the unfortunate alien, regardless of the expiation of the wrong or the unassailable conduct of the alien in the interim. Such unjust provision has been eliminated from the act. However, the act is, nevertheless, retroactive in regard to aliens who are members of the anarchist or similar classes. I believe it would have been better to eliminate even such retroactive provisions.

In the original act provision was made for the suspension of deportation in hardship cases. But that suspension could be effected only by a specific act of Congress in each specific case. It would have been impossible to get both Houses to act in that fashion. There are a number of alien-baiting Members in both Houses who never would vote to suspend deportation no matter how cruel and inexorably unjust, because of extenuating circumstances, such deportation would be. But the conferees have now seen the light and have provided that the Attorney General shall have the discretionary power to suspend deportation in these hardship cases. His action shall not be vetoed or gainsaid unless Congress specifically vetoes or cancels his waiver of deportation or suspension of deportation in each case. This is a great difference. It makes the act humane and reasonable. It was inhumane and unreasonable before.

While I am at it, I will say something concerning the activities of a certain Senator from the State of North Carolina by the name of REYNOLDS. He is a distinguished gentleman, but his views on aliens are most severe and unfair. He amended the so-called La Follette civil-liberties bill to forbid the employment of more than 10 percent of aliens engaged in any industry in interstate commerce. Such amendment shows how far the Senate and even the House occasionally can go in their alien-baiting activities. Frankly, this Reynolds amendment is palpably unconstitutional. Prior to the last war, Arizona passed a statute to the effect that every businessman in Arizona, when employing more than five persons, must see to it that 80 percent of the personnel be citizens. This law was declared unconstitutional in 1915. Chief Justice Hughes delivered the opinion. He was then an Associate Justice. He said:

It requires no argument to show that the right to work for a living in the common occupations of the community is of the very essence of the personal liberty and opportunity that it was the purpose of the [fourteenth] amendment to secure. The discrimination is against aliens as such in competition with citizens in the described range of enterprises, and in our opinion it clearly falls under the condemnation of the fundamental law.

Some of the headnotes of this case, known as *Truax and the Attorney General of the State of Arizona v. Raich* (239 U. S. 33) are, as follows:

An alien admitted to the United States under the Federal law has not only the privilege of entering and abiding in the United States but also of entering and abiding in any State, and being an inhabitant of any State entitles him, under the fourteenth amendment, to the equal protection of its laws.

The description in the fourteenth amendment of any person within the jurisdiction of the United States includes aliens (*Yick Wo v. Hopkins* (118 U. S. 356)).

The right to work for a living in the common occupations of the community is of the essence of that personal freedom and opportunity which it was the purpose of the fourteenth amendment to secure.

The power to control immigration—to admit or exclude aliens—is vested solely in the Federal Government, and the States may not deprive aliens so admitted of the right to earn a livelihood as that would be tantamount to denying their entrance and abode.

A State may not, in order to protect citizens of the United States, in their employment against noncitizens of the United States in that State, require that employers only employ a specified percentage of alien employees—such a statute denies to alien inhabitants the equal protection of the law and so held as to statute of Arizona of December 14, 1914.

In conclusion, I repeat, we should register aliens and citizens alike. There should be no discrimination. I drew the minority report against this bill originally, because it provided some very harsh provisions against aliens. Some of the harshness and some of the severity of the original bill have been eliminated. Nevertheless, the bill is still a bitter pill to swallow. Frankly, I do not like it, but I must admit that it is the best to be had under the circumstances. We must be mindful of the dangerous times in which we are now living. Candidly, I am informed that if we do not accept this bill, we will get one far worse. Any bill containing dreadful provisions against the alien would pass this House with no substantial opposition. In common parlance, it would go through "like a dose of salts." I am, therefore, endeavoring to be practical. In fear of a worse bill, we must accept this bill.

Incidentally, this bill will affect 360,000 Russians, 365,000 Germans, 500,000 Poles, and 700,000 Italians.

Mr. D'ALESSANDRO. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. D'ALESSANDRO. Did the committee consider fingerprinting of the entire Nation?

Mr. CELLER. I do not believe that was given any real thought. I do not think the bill was considered in that special light at all.

Mr. D'ALESSANDRO. I agree with the gentleman that that should be done.

[Here the gavel fell.]

Mr. HOBBS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their own remarks upon this bill.

The SPEAKER pro tempore (Mr. RAYBURN). Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the adoption of the conference report.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 142, noes 4.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground that there is not a quorum present, and I make the point of order that there is not a quorum present.

The SPEAKER pro tempore. The Chair will count. [After counting.] One hundred and eighty Members present; not a quorum. The question is on the adoption of the conference report. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 382, nays 4, not voting 45, as follows:

[Roll No. 161]

YEAS—382

Alexander	Cooley	Geyer, Calif.	Kennedy, Martin
Allen, Ill.	Cooper	Gibbs	Kennedy, Md.
Allen, La.	Corbett	Gifford	Kennedy, Michael
Allen, Pa.	Costello	Gilchrist	Keogh
Andersen, H. Carl	Courtney	Gille	Kerr
Anderson, Calif.	Cox	Goodwin	Kilburn
Anderson, Mo.	Cravens	Gore	Kilday
Andresen, A. H.	Crawford	Gossett	Kinzer
Andrews	Creal	Graham	Kirwan
Angell	Crowe	Grant, Ala.	Kitchens
Arends	Crowther	Grant, Ind.	Kleberg
Arnold	Culkin	Green	Knutson
Austin	Cullen	Gregory	Kocialkowski
Ball	Cummings	Griffith	Kramer
Barden, N. C.	Curtis	Gross	Kunkel
Barnes	D'Alesandro	Guyer, Kans.	Lambertson
Barry	Darden, Va.	Gwynne	Landis
Barton, N. Y.	Davis	Hall, Edwin A.	Lanham
Bates, Ky.	Delaney	Hall, Leonard W.	Larrabee
Bates, Mass.	Dempsey	Hancock	Lea
Beam	DeRouen	Hare	Leavy
Beckworth	Dies	Harness	LeCompte
Bell	Dingell	Harrington	Lesinski
Bender	Dirksen	Hart	Lewis, Colo.
Blackney	Disney	Harter, N. Y.	Lewis, Ohio.
Bland	Ditter	Harter, Ohio	Luce
Bloom	Dondero	Hartley	Ludlow
Boehne	Doughton	Havenner	Lynch
Boland	Douglas	Hawks	McAndrews
Bolles	Doxey	Healey	McArdle
Boren	Duncan	Hendricks	McCormack
Boykin	Dunn	Hennings	McDowell
Bradley, Mich.	Durham	Hess	McGehee
Brewster	Dworshak	Hill	McGranery
Brooks	Eaton	Hinshaw	McGregor
Brown, Ga.	Eberharter	Hobbs	McKeough
Brown, Ohio	Edelstein	Hoffman	McLaughlin
Bryson	Edmiston	Holmes	McLeod
Buck	Elliott	Hook	McMillan, Clara
Buckler, Minn.	Ellis	Hope	McMillan, John L.
Buckley, N. Y.	Elston	Houston	Maciejewski
Bulwinkle	Engel	Hull	Magnuson
Burch	Englebright	Hunter	Mahon
Byrne, N. Y.	Evans	Izac	Maloney
Byrns, Tenn.	Faddis	Jacobsen	Mansfield
Byron	Fay	Jarman	Marshall
Caldwell	Fenton	Jarrett	Martin, Iowa
Camp	Ferguson	Jeffries	Martin, Mass.
Cannon, Mo.	Fernandez	Jenkins, Ohio	Massingale
Cartwright	Fish	Jenks, N. H.	May
Case, S. Dak.	Fitzpatrick	Jennings	Michener
Casey, Mass.	Flaherty	Jensen	Miller
Celler	Flannagan	Johns	Mills, Ark.
Chapman	Flannery	Johnson, Ill.	Mills, La.
Church	Folger	Johnson, Ind.	Monkiewicz
Clark	Ford, Leland M.	Johnson, Luther A.	Monroney
Clason	Ford, Miss.	Johnson, Lyndon	Moser
Claypool	Fries	Johnson, Okla.	Mott
Clewenger	Fulmer	Johnson, W. Va.	Mundt
Cochran	Gamble	Jones, Ohio	Murdock, Ariz.
Coffee, Nebr.	Gartrett	Jones, Tex.	Murdock, Utah
Coffee, Wash.	Gathings	Jonkman	Murray
Cole, Md.	Gavagan	Kean	Myers
Cole, N. Y.	Gearhart	Kee	Nichols
Collins	Gehrman	Keefe	Norrell
Colmer	Gerlach	Kefauver	Norton
Connery		Kelly	O'Brien

O'Connor	Richards	Smith, Conn.	Treadway
O'Leary	Robertson	Smith, Maine	Van Zandt
Oliver	Robison, Ky.	Smith, Ohio	Vincent, Ky.
O'Neal	Rockefeller	Smith, Va.	Voorhis, Calif.
Osmers	Rodgers, Pa.	Smith, Wash.	Vorys, Ohio
O'Toole	Rogers, Mass.	Smith, W. Va.	Vreeland
Pace	Rogers, Okla.	Snyder	Wadsworth
Parsons	Routzohn	Somers, N. Y.	Walgren
Patman	Rutherford	Sparkman	Walter
Patrick	Ryan	Spence	Ward
Patton	Sabath	Springer	Warren
Pearson	Sandager	Steagall	Weaver
Peterson, Fla.	Sasser	Stearns, N. H.	Weich
Peterson, Ga.	Satterfield	Stefan	West
Pfeifer	Schaefer, Ill.	Summer, Ill.	Wheat
Pittenger	Schafer, Wis.	Summers, Tex.	White, Idaho
Poage	Schiffler	Sutphin	Whittington
Polk	Schulte	Sweet	Wigglesworth
Powers	Schwert	Taber	Williams, Del.
Rabaut	Seccombe	Talle	Williams, Mo.
Ramspeck	Secret	Tarver	Winter
Randolph	Seger	Terry	Wolcott
Rankin	Shafer, Mich.	Thill	Wolfenden, Pa.
Rayburn	Shanley	Thomas, Tex.	Woodruff, Mich.
Reece, Tenn.	Shannon	Thomason	Woodrum, Va.
Reed, Ill.	Sheppard	Thorkelson	Youngdahl
Reed, N. Y.	Sheridan	Tibbott	Zimmerman
Rees, Kans.	Short	Tinkham	
Rich	Simpson	Tolan	

NAYS—4

Marcantonio	O'Day	Smith, Ill.	Sweeney
NOT VOTING—45			
Bolton	Drewry	Mouton	Sullivan
Bradley, Pa.	Ford, Thomas F.	Nelson	Taylor
Burdick	Halleck	Pierce	Tenerowicz
Burgin	Horton	Plumley	Thomas, N. J.
Cannon, Fla.	Keller	Risk	Vinson, Ga.
Carlson	Lemke	Robinson, Utah	Whelchel
Carter	McLean	Romjue	White, Ohio
Chiferfield	Maas	Sacks	Wolverton, N. J.
Cluett	Martin, Ill.	Schuetz	Wood
Crosser	Mason	Scrugham	
Darrow	Merritt	South	
Dickstein	Mitchell	Starnes, Ala.	

So the conference report was agreed to.
The Clerk announced the following pairs:
General pairs:

Mr. Vinson of Georgia with Mr. Wolverton of New Jersey.
Mr. Drewry with Mr. Halleck.
Mr. Martin of Illinois with Mrs. Bolton.
Mr. Burgin with Mr. Cluett.
Mr. Wood with Mr. Plumley.
Mr. Sullivan with Mr. Mason.
Mr. Romjue with Mr. Chiferfield.
Mr. Mouton with Mr. Sacks.
Mr. Nelson with Mr. McLean.
Mr. Schuetz with Mr. Thomas of New Jersey.
Mr. Starnes of Alabama with Mr. Carlson.
Mr. Crosser with Mr. Horton.
Mr. Bradley of Pennsylvania with Mr. Carter.
Mr. South with Mr. White of Ohio.
Mr. Cannon of Florida with Mr. Burdick.
Mr. Merritt with Mr. Darrow.
Mr. Whelchel with Mr. Risk.
Mr. Scrugham with Mr. Lemke.
Mr. Pierce with Mr. Thomas F. Ford.
Mr. Tenerowicz with Mr. Robinson of Utah.
Mr. Taylor with Mr. Mitchell.
Mr. Dickstein with Mr. Keller.

The result of the vote was announced as above recorded.
The doors were opened.

EXTENSION OF REMARKS

Mr. HARE. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein an editorial from the Index Journal.

The SPEAKER. Is there objection?
There was no objection.

A REPUBLICAN WARNING ON RECENT CABINET APPOINTMENTS

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

The SPEAKER. Is there objection?
There was no objection.

[Mr. WARREN addressed the House. His remarks appear in the Appendix of the RECORD.]

CHARGES FOR ELECTRICAL ENERGY, BOULDER DAM

Mr. WHITE of Idaho. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 9877) authorizing the Secretary of the Interior to promulgate and to put into effect charges for electrical energy generated at

Boulder Dam, providing for the application of revenues from said project, authorizing the operation of the Boulder power plant by the United States directly or through agents, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and appoint conferees.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER appointed the following conferees: Mr. WHITE of Idaho, Mr. HAWKS, and Mr. HILL.

MAJ. SMEDLEY BUTLER

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

The SPEAKER. Is there objection?

There was no objection.

Mr. SWEENEY. Mr. Speaker, I rise at this time to pay tribute to a man who passed away yesterday at Philadelphia, Pa., a great soldier, a great citizen of the Republic, Maj. Gen. Smedley Butler. He was every inch a soldier, the one man who had the distinction of coming up from the ranks of a humble private to become a major general in the military forces of the United States. Twice the Congress of the United States conferred medals of honor upon him. He distinguished himself on the field of battle; always he was courageous as a soldier and as a private citizen. For the last 8 years he toured this country, pleading for national defense and opposing wars of aggression. As a soldier he knew what war propaganda was. I occupied the platform with him on many occasions, before huge gatherings of our citizens when he protested against our entrance into foreign wars. Repeatedly he inveighed against the warmongers and the international bankers who cause these man-made wars. His passing now is a national calamity to those of us who insist that Congress remain in session and not adjourn, but watch these "fifth columns" and propaganda agencies, especially the British agencies, that are drawing us closer and closer to the brink of war. This great soldier is no more, but in his memory I hope we will emulate Smedley Butler in fighting the insanity of war. God rest his soul.

The SPEAKER. The time of the gentleman from Ohio has expired.

EXTENSION OF REMARKS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent to extend my remarks and to include a resolution of the State Federation of Labor of New Mexico.

The SPEAKER. Is there objection?

There was no objection.

Mr. SMITH of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks and to include an address by Dr. George Norlin, of the University of Colorado.

The SPEAKER. Is there objection?

There was no objection.

THE LATE WILL ROGERS

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. LELAND M. FORD. Mr. Speaker, I am introducing today the following concurrent resolution:

Whereas the city of Santa Monica, Calif., the last home town of Will Rogers, is holding memorial ceremonies dedicated to the memory of the late Will Rogers on July 25, 26, 27, 1940, and in further recognition of the good will achieved by Will Rogers through his life and works: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That this resolution be adopted as a mark of respect and appreciation of the efforts during the lifetime of Will Rogers, to bring about national and international peace and good will.

Mr. Speaker, I shall not take the time to eulogize Will Rogers, because I believe he spoke for himself. I hope this resolution may be speedily adopted.

EXTENSION OF REMARKS

By unanimous consent, Mr. ANDERSON of Missouri, Mr. MCGREGOR, and Mr. MOSER were granted permission to extend their own remarks in the RECORD.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks on two subjects: In one to include a letter from the Attorney General to Senator RUSSELL and in the other to include a brief newspaper editorial.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. REECE of Tennessee. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the life and character of our late colleagues, J. Will Taylor, Sam D. McReynolds, and Carl E. Mapes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

TREATMENT OF ALIENS

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SUMNERS of Texas. Mr. Speaker, I would like to say just a word to the people of America. We are coming under the influence of war psychology or something very closely akin to it. Public interest is very acute and public feeling is very tense. There are many foreign-born persons, many aliens, in this country, here by invitation, here by permission. In dealing with all questions which arise out of this acute situation, and which may become even more acute, the people of the several communities, the people who are responsible for community attitude, should feel a tremendous responsibility and duty to protect these minorities, these people in our midst, against any unreasonable, unwarranted acts, especially on the part of irresponsible people, which may amount to persecution by a majority of a helpless minority. I do not at all mean that the people of this country should be indulgent with reference to what is called subversive activities, this "fifth columnist," whether alien, naturalized, or native. I mean people scattered throughout the country who are behaving themselves who happen not to be American citizens or are foreign-born. I have heard of a few—I am glad a very few—instances of great injustices being done. It is not only unfair, but it is contrary to sound public policy. On the other hand, these people must realize the situation and so conduct themselves as not to add to the difficulties of their protection. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article which appeared in the Washington Times-Herald.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. THORKELSON. I make a second request, Mr. Speaker, to extend my remarks and include a quotation from Senate Report No. 944 on the munitions industry.

The SPEAKER. Is there objection?

There was no objection.

THE CONFESSION OF FAILURE

Mr. LEWIS of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks by including an editorial.

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

There was no objection.

[Mr. LEWIS of Ohio addressed the House. His remarks appear in the Appendix of the RECORD.]

EXTENSION OF REMARKS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. KNUTSON] may extend his own remarks and include an editorial.

The SPEAKER. Is there objection?

There was no objection.

Mr. FENTON. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a short editorial from the Sunbury (Pa.) Item.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to insert in the RECORD an editorial from the Bucyrus (Ohio) Telegraph Forum.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on Smedley D. Butler, who was a great American, a great Marine, and a son of a former distinguished Member of the House.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to insert in the Appendix of the RECORD a radio address delivered by the Honorable Louis Johnson on the question of coal and security.

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

There was no objection.

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a recent article published by the Down Town Association of San Francisco.

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

There was no objection.

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial received from Mr. D. C. DeVaney, a former State president of the South Dakota Press Association, and a copy of the letter I sent him in acknowledgment thereof.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HARTER of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short resolution.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. JENKS of New Hampshire. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include therein an excerpt from the United States News of May 24.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. JENKS of New Hampshire addressed the House. His remarks appear in the Appendix of the RECORD.]

EXTENSION OF REMARKS

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD on the subject of the power plant at Cascade Locks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PIERCE. I also ask unanimous consent, Mr. Speaker, to revise and to extend my remarks and to include therein an article from the Oregonian, an outstanding article on the Age of Machines.

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

There was no objection.

GEN. SMEDLEY BUTLER

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

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KINZER. Mr. Speaker, announcement has just been made of the death of that great soldier, Gen. Smedley

Darlington Butler, son of former Representative Thomas S. Butler, who was dean of this body and who represented the Eighth Congressional District of Pennsylvania, part of which it is now my privilege to represent.

General Butler had a brilliant record in the United States Marines. His service in Latin American waters, China, the Philippines, and all over the world is a part of the glorious history of the Marine Corps.

He will be mourned by a host of friends for his fearless devotion to and defense of Americanism.

EXTENSION OF REMARKS

Mr. JOHNSON of Indiana. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to include therein a short report from the Department of Commerce.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JOHNSON of Indiana. I also ask unanimous consent, Mr. Speaker, to extend my remarks on the W. P. A.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. THILL. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein brief excerpts from rules and regulations and also a list of alien agents registered with the State Department.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BENDER. Mr. Speaker, I make the same request, to extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include certain extraneous matter therein.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. D'ALESSANDRO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a statement made by Mr. Charles Ruzicka, a member of the standing committee on jurisprudence and law reform of the American Bar Association, before the House Judiciary Committee on April 3, 1940.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

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

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix of the RECORD.]

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

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. FISH]?

There was no objection.

Mr. FISH. Mr. Speaker, President Roosevelt's attempt to purge Democratic Senators and Representatives elected by the people who had the courage of their convictions in fearlessly upholding constitutional government is a matter of history. It has left a bad impression in the minds of the American people.

The purge of Secretary of War Harry H. Woodring of Kansas because of his opposition to our involvement in the European war and his unwillingness to denude the defenses of America, at the dictation of President Roosevelt, goes far beyond former attempts to purge Members of Congress in his own party. It creates a Nation-wide and national issue that transcends all party lines and involves the actual defense of the United States.

There should be a complete and thorough investigation of all the facts to ascertain if Secretary of War Woodring, a former past commander of the American Legion of the State of Kansas, is being purged because of his opposition to inter-

vention and war, to selling Army equipment needed for our own defense, and the alleged attempt to divulge Army secret inventions including our airplane bomb sight. [Applause.]

[Here the gavel fell.]

STILL FURTHER MESSAGE FROM THE SENATE

A still further message from the Senate by Mr. Baldrige, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 544) entitled "Joint resolution making appropriations for work relief and relief, for the fiscal year ending June 30, 1941."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9007) entitled "An act making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1941, and for other purposes," and that the Senate recede from its amendments numbered 35, 36, 37, 38, and 39 to said bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10055) entitled "An act making supplemental appropriations for the national defense for the fiscal year ending June 30, 1941, and for other purposes."

AMENDMENT TO FEDERAL RESERVE ACT

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 543 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 543

Resolved, That immediately upon adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 10127, a bill to amend the Federal Reserve Act, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, I know of no opposition to this rule. It is fair and equitable in every respect. This is, however, a very important piece of legislation and it should be discussed and debated very carefully. Therefore I yield 5 minutes to the gentleman from Massachusetts from the committee reporting this bill [Mr. GIFFORD].

Mr. GIFFORD. Mr. Speaker, it is difficult indeed to decide what opposition there ought to be to this bill. It is another chip that we are placing on our shoulder. As a neutral nation, so-called, we are taking upon ourselves great responsibilities. For a very few brief moments of hearing, the Federal Reserve officials came before the committee. I would like to call your attention to the features in the bill, and trust you have a copy of the report before you.

Heretofore the Federal Reserve could do business only with foreign correspondents and their agencies. Now it is to be with foreign states, governments, and instrumentalities thereof, and in the second section of the bill they include persons or partnerships—everybody. It not only includes money that the Federal Reserve bank may accept for safekeeping but even if they sell something at the request of the depositor and turn it into money—jewelry, for instance—they keep control of it.

Mr. Speaker, I want to make this plain: The Federal Reserve may now be a depository for other nations and their citizens of their wealth in all practical forms, and may keep

it here until the Secretary of State recognizes the nation that he may deem entitled to it after wars are over. If a Frenchman wants us to keep his wealth, we may. If the German Embassy appears and says, "I am ordered by my Government, who has acquired, by code, treaty, deed, or in any way, this property, to demand that you give it to me," the Federal Reserve may simply say: "We cannot until the Secretary of State has recognized that that former government does not now exist. The President has declared that we cannot recognize any nation acquiring the property of another nation by force."

The edict has gone forth already, as everyone knows. I wish I could recall the exact words of the President, but he stated in substance, "We will still recognize that government subjugated by an invader by force." There is Norway, Czechoslovakia, and the others. How about it? Is there not a Czechoslovakian Embassy still in Washington and recognized by our State Department? If they ask us to keep these goods inviolate, of course, we must keep them.

Mr. DINGELL. Will the gentleman yield?

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

Mr. DINGELL. What is wrong with that policy? Are we to recognize these predatory governments that are preying on small nations in Europe and are we to surrender to them such property as is in the United States? What is wrong with a policy that is against that sort of thing?

Mr. GIFFORD. Did the gentleman hear my first remark? I am not declaring against the policy. We have done that already, but shall we vote for a bill unless we know what we are voting for? We decided recently that non-American nations shall not take title to land in this hemisphere now owned by another non-American nation. That was the first chip. This is another. The Federal Reserve wants to protect itself from the courts. No court can attach this money. We as a government stand back of the Federal Reserve, no matter what they do. The policy may be correct, but do you know what you are doing when you legislate it?

Would any other nation on this globe dare make such an assertion? I recall again the edict of nonrecognition of the invader has gone forth. Of course, the Secretary of State must back up his President and say he will not recognize such a nation. I wonder if the old Ethiopian Government is still recognized? I wish you would read this bill, because it may go too far. It provides that bankers and governments and their instrumentalities in the other nations may deposit for safety with the Federal Reserve. Not only governments or any instrumentality of governments but defines persons who may be allowed the privilege. We may withhold from Germany, the conqueror, any of these goods. If you want to do it, let us do it with our eyes wide open. It is a very simple proposition, and there is little use enlarging upon it any more. That is practically all there is to it. Small wonder the Federal Reserve is worried. They want to avoid lawsuits; they want to be able to say politely to the German Ambassador, if he arrives with an order for these goods, "We cannot deliver these goods because we still recognize the former governments." They wish to place all responsibility on the Secretary of State, if by error in judgment they be forced to pay twice. Also to prevent any court action. He says, "But we have title." We say, "Well, that does not make any difference. We will not give it up." That is a declaration of an unfriendly act toward the conquering nation, without any question. So we are so able to withstand that.

[Here the gavel fell.]

Mr. FISH. Does the gentleman desire any more time?

Mr. GIFFORD. About a quarter of a minute.

Mr. FISH. Mr. Speaker, I yield the gentleman 5 minutes. I am in a very generous mood today.

Mr. GIFFORD. I cannot seem to bait anybody into making any inquiries.

Mr. FISH. I was hoping that if the gentleman continued someone would ask him a question.

Mr. GIFFORD. This is a dose of medicine everybody is taking without making any faces.

Mr. FISH. I think the gentleman is quite right.

Mr. GIFFORD. They know it is a big dose of medicine to take, but it is the policy of the President and at this particular moment no criticism should be made of his foreign policy. I am hoping somebody will want to know something about the bill and ask a question. Let me read from the bill:

For the purposes of this paragraph, the term "property" shall include, without limitation, gold, silver, currency, credits, deposits, securities, choses in action, and any other form of property, the proceeds thereof, and any right, title, or interest therein; the term "foreign state" shall include, without limitation, any foreign government or any department, district, province, county, possession, or other similar governmental organization or subdivision of a foreign government, and any agency or instrumentality of any such foreign government or of any such organization or subdivision.

Then the bill goes on to declare what the term "person" shall include.

The Federal Reserve is to be protected by this Government against any possible action of recovery by a friendly power. Is the German Embassy still established in Washington? Are they still able to come to the State Department to demand their rights? If they are, and when they demand them, and we say, "We cannot give you your rights because we do not recognize that you have the rights yet," then I think you are taking simply another step, that is all.

Is there no one here who cares to make an observation?

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

Mr. GIFFORD. Yes; but I wish Members on this side would ask questions.

Mr. BENDER. Does not the gentleman believe this is in keeping with our good-neighbor policy?

Mr. GIFFORD. In keeping with our good-neighbor policy?

Mr. BENDER. It is a very good-neighbor policy.

Mr. GIFFORD. I read the other day that our Secretary of State, highly esteemed by me and everybody else, was wandering around in a dazed, stunned condition. A good-neighbor policy toward Germany? What we have heard in high places the last 2 years, the accumulation of it all, is ruinous to any good-neighbor policy. Oh, this is something short of war, that is all.

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

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

Mr. HINSHAW. Is this bill set up to protect the funds not only of foreign states but of foreign international bankers as well?

Mr. GIFFORD. Yes.

Mr. HINSHAW. In other words, does it place the United States in the position of acting as a protective depository for all of the funds of all of the international bankers who are now being warred upon?

Mr. GIFFORD. Outside of Germany. But any person or partnership may take the jewelry and turn it into money. They will take anything.

Mr. HINSHAW. Does the gentleman mean that any person now residing in a foreign country can deposit his jewelry with the Federal Reserve banks?

Mr. GIFFORD. Certainly, and turn it into cash or leave it there.

Mr. HINSHAW. That makes the United States responsible for the protection of their property that is in the United States against the foreign government that may have attacked them?

Mr. GIFFORD. Absolutely, and we will hold it just so long as the President's edict continues, "we will not recognize Germany's right to anything belonging to any nation she has taken by force."

I am sorry that you do not want to hear about this, but perhaps the Chairman will gloss it over.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD], a member of the committee.

Mr. CRAWFORD. Mr. Speaker, we cannot very well overlook the fact that civilization as it operates today makes use

of banking facilities. We also have to bear in mind that for some 25 or more years we have had our banking facilities definitely tied into the Federal Reserve System. We must also recognize that in this day and age we permit our banks to accept deposits of governments and central banks of other governments, and in recent years we have received billions of dollars of deposits in the form of what might be termed "hot money." At the same time, the stock of our Federal Reserve banks is owned by the member banks. The stock of the member banks in turn is held by individual citizens of the United States.

As I comprehend this bill, it is to be enacted for the protection of the structure of the 12 Federal Reserve banks and their 25 branches and our whole banking system. If we do not want to protect that banking system as such, it is about time we divorced our other banking structure, that is, the State banks that are members of the Federal Reserve System and the national banks that are members of the Federal Reserve System, so that they do not dovetail into the Federal Reserve System. Of course, the Congress has no idea of taking such a step at this time. Therefore, it becomes necessary for us to protect the structure of the 12 Federal Reserve banks and, as I comprehend this proposal, that is exactly what it does insofar as foreign deposits in those banks are concerned.

Mr. VORYS of Ohio. How does it do that?

Mr. CRAWFORD. The central banks of other governments as well as the governments themselves carry deposits with our Federal Reserve banks, at least some of them. This bill prohibits our Federal Reserve banks from getting into lawsuits which might cause judgment to be granted against them by courts on account of deliveries of those deposits they might make to belligerents, conquered territories, and so forth. Unless we do something of this kind, it seems to me there is a possibility that foreign governments may bring suit against our Federal Reserve banks, and get judgment, and thereby set in operation forces that will run contrary to all of the member banks which have their reserves deposited with the Federal Reserve bank and all of our citizens who have their funds deposited in the member banks which go to make up the Federal Reserve Banking System.

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

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

Mr. HINSHAW. How did we get into a position where a foreign government, by placing its funds on deposit with us, could, in turn, ruin all the Federal Reserve banks in the United States?

Mr. CRAWFORD. As an illustration, suppose Germany forces France to consent to an absolute surrender of the deposits of the French Government or the Central Bank of France, now held by our Federal Reserve System, and suppose Germany makes some Low Country or some other country over there surrender title to their deposits over here under duress; and then suppose Germany demands that those deposits be turned over by our Federal Reserve bank to the German representatives; and suppose our banks refuse to do so and say, "No; we will not act until the courts say what the situation shall be." Immediately your Federal Reserve banks become involved in litigation. Now, suppose the banks, instead of saying we will wait until the courts act, make a delivery of the funds and later on some other suit is brought for payment to a third party? In other words, I feel, in spite of all the legal technicalities that may be wrapped around this thing, that, after all, we live in a practical world; and, after all, we are going to need bank facilities with which to do business even on a barter basis.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield the gentleman from Michigan 5 additional minutes.

Mr. CRAWFORD. We are going to do business through banks if this civilization continues. Therefore, if the Congress is going to say what banks may or may not do, Congress might just as well make up its mind to assume some responsibilities in connection with banking in the years to come, par-

ticularly the immediate years now ahead of us. I think we are, perhaps, just starting into the woods and not getting out of them at all.

If that has not answered the gentleman's question, let me put it this way: So long as we permit our banking system to accept the deposits of foreign governments and other banking systems, we may or may not be faced with problems such as are involved in this bill.

Mr. HINSHAW. In other words, if these deposits had been accepted by some international bank like J. P. Morgan & Co. instead of the Federal Reserve System, then our Federal Reserve System would not be liable in the event Germany would make this demand for French deposits that are now here.

Mr. CRAWFORD. No; they certainly would not. The Federal Reserve bank is not liable for something it has no connection with whatsoever.

Mr. HINSHAW. Do I gather from the gentleman's statement that on account of the fact that the Federal Reserve bank has foreign government deposits, that that makes us liable for the protection of those deposits in case that foreign government goes down?

Mr. CRAWFORD. If our Federal Reserve banks accept these dollar deposits or deposits of gold bullion, there is a contractual relationship between the banks and the depositors. There is no getting away from that. I do not think this Congress is going to extend its neck by saying to the Federal Reserve banks, the fiscal agents of the United States Government, that they must not accept deposits of foreign countries or, say, of central banks.

Mr. HINSHAW. Do they not accept these deposits without liability in the first instance?

Mr. CRAWFORD. You cannot accept deposits without liability, because the laws and the courts and the precedents all show that there is a contractual legal debt and, certainly, the gentleman does not mean that.

Mr. HINSHAW. So we have gold down here at Fort Knox, Ky., with our soldiers standing guard over it day and night for and on behalf of the French Government?

Mr. CRAWFORD. No; the earmarked gold does not enter into your monetary system and therefore it does not go into your gold reserve deposits at Fort Knox, Ky.

Mr. HINSHAW. Where does it go?

Mr. CRAWFORD. But if a central bank of Europe wishes to deposit earmarked gold with our Federal Reserve Bank at New York, the Federal Reserve will accept the deposit, not a book transaction insofar as monetary transactions are concerned, but, of course, there is an account kept of the earmarked deposits made.

Mr. HINSHAW. Is that concerned in this bill—the earmarked gold?

Mr. CRAWFORD. It certainly is.

Mr. HINSHAW. If they demand that earmarked gold of the French Government from us and the French Government in their treaty of peace or by a declaration agrees to transfer that gold, then can our State Department still prevent that transfer under this act?

Mr. CRAWFORD. You are putting a lot of power here in the State Department, there is no question about that, and some may argue that therefore the State Department may get you into trouble with foreign governments. But the State Department, together with the President, very largely passes on all the other foreign relations, so I am not going to get scared about that and run down a back alley, so far as I am concerned. In other words, you are going to assume responsibility from here on, and plenty of it, and quite a bit by this proposition right here, and if you let the hot money come into this country, you are going to assume responsibilities in connection with that hot money as it relates to short-term and long-term investment.

Mr. VORYS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. VORYS of Ohio. As I understand this, the certification of the Secretary of State will exonerate the Federal

Reserve System if they refuse to make a transfer, and will exempt them from any possible law suits.

Mr. CRAWFORD. I think if we pass this bill the Federal Reserve banks will not have to make refusal. They will simply act when the Secretary of State certifies to whom the payment shall be made.

Mr. VORYS of Ohio. Is the converse of that true, that if the Secretary of State orders a transfer, that no one can bring suit or test that transfer in law?

Mr. CRAWFORD. This language is very clear on that in my opinion. See lines 22, 23, 24, and 25 on page 2, and lines 1 to 3 on page 3.

Mr. VORYS of Ohio. Line 18, page 2, the following language is found:

And so long as the Secretary of State recognizes and accepts the authority so certified to him, shall be conclusively presumed to be lawful, and shall constitute a complete discharge and release of any liability for or with respect to such property.

Mr. CRAWFORD. Yes.

Mr. VORYS of Ohio. Does the language preceding that mean that not only is a refusal to transfer protected, but that a transfer is protected, in that if the Secretary of State recognizes A as the proper government, and A makes a transfer, that B can in no wise come in and contend he has the proper and legal right to contest that?

Mr. CRAWFORD. I think the language is clear on page 3, line 3:

No court shall, at the instigation of any third party, by attachment, injunction, or other similar proceeding, in any way, directly or indirectly, restrain or prevent a Federal Reserve bank from making any payment, transfer, delivery, or other disposal of property herein referred to.

In other words, I understand this bill protects the Federal Reserve Banking System going and coming, and if it does not, then, personally, I think proper legislation should be enacted.

The SPEAKER pro tempore. The time of the gentleman from Michigan has again expired.

Mr. FISH. Mr. Speaker, I yield the gentleman 3 minutes more.

Mr. CRAWFORD. Mr. Speaker, I want to make one other additional observation, if I may. Personally I have advocated that the Securities and Exchange Commission and the Treasury Department, and these other Government agencies which have jurisdiction over such matters, get control of this loot which the aggressor in Europe is picking up from these countries from time to time, and I think this bill moves in the direction which I have been asking, and I congratulate the Treasury Department and the Federal Reserve officials for bringing in this legislation. There is one other point I want to mention, and may I have permission to extend in my remarks at this point a statement in reference to the silver loot which Germany has taken up in connection with some of the countries that have been overrun?

The SPEAKER pro tempore. Is there objection?

There was no objection.

[From the New York Times of June 21, 1940]

MORGENTHAU TO SIFT RUMOR OF SALE BY NAZIS OF SILVER FROM INVASIONS—SECRETARY ACTS ON REPORTS LOOT IS REACHING TREASURY THROUGH MEXICO—RECEIPTS HELD USEFUL IN PROPAGANDA HERE

WASHINGTON, June 20.—Secretary Morgenthau will look into reports that Nazi invaders are selling looted silver to the United States by way of Mexico, he told his press conference today.

The Treasury is paying 35 cents an ounce for foreign silver under a policy of buying all that is offered by foreign sellers.

The Secretary confirmed today, however, that he had the power to prohibit purchase of foreign silver or limit it in any way which is found to be in the public interest.

Senator TOWNSEND's bill to stop foreign silver buying has been passed by the Senate and is now before the House. An attempt to attach the Townsend measure as a rider to the defense tax bill was defeated in the Senate.

A check of Treasury records shows that the countries thus far invaded by Germany had at least 100,000,000 ounces of silver coins, many of which would be hoarded or carried away by refugees. On the other hand, it was believed a considerable amount might be in local banks, shops, and homes, easily available to the Nazis.

In addition to the silver coins which might be available, there would be a considerable amount of silver in the form of household

utensils, jewelry, and other ornamentation which could easily be melted down for foreign sale.

Reports reaching here from Mexico indicate that it was part of the Nazi war plan to "cash in" on silver looted during invasions by selling it to the United States Treasury by way of Mexico, which is normally a heavy seller of silver to this country.

Assuming that the Nazis obtained 100,000,000 ounces of silver in their conquests and could sell it to the Treasury at the current price, \$35,000,000 would be added to the Nazi war chest. Opinion here is that the sum would be used for propaganda or trade purposes in the Western Hemisphere, since the proceeds would be available to Nazi agents in the form of dollar credits.

In addition to the silver the Germans may have looted, Germany itself has a small amount of silver bullion, and the Italian Government recently called in its silver coinage, amounting probably to more than 10,000,000 ounces.

Mr. CRAWFORD. Here is a case where something like 100,000,000 ounces of silver are involved. Germany can move that silver through Mexico and sell it to the United States at 35 cents an ounce and pick up \$35,000,000 as a result of disposing of the loot. Also there is \$3,000,000,000 of credits running in favor of France and other defeated European countries. Personally I do not want that kind of silver operation to be carried on and used as a "blitzkrieg" against our people, and in charge of some very capable man like Mr. Schacht, because they can raise the very devil with our people as when and if the opportunity is given, and this bill is one way of our getting control of that situation.

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

Mr. CRAWFORD. Yes; I yield.

Mr. AUGUST H. ANDRESEN. The gentleman knows that our country has approximately \$14,000,000,000 of gold due it from many of these countries now being overrun. Does not the gentleman feel that before any of these funds are turned over to their conqueror we should attach the funds to apply on obligations due the United States rather than turn the funds over?

Mr. CRAWFORD. I would like very much to have the privilege of voting for such a bill, because why should an obligation of France to Germany be more sacred or important than an obligation of France to the United States, and if we are the holder of a billion dollars in gold and a billion or two dollars in credit, why have we to recognize the claim of Germany as against our claim against France?

Miss SUMNER of Illinois. While the bill was in the committee I suggested we should have an amendment to that section of the bill in order to make it clear that we intended to hold that money until the debts were paid in case there was a balance, but Mr. Eccles, of the Federal Reserve Bank, seemed to feel there was not time to draw such an amendment and consult the State Department.

The SPEAKER pro tempore. The time of the gentleman from Michigan has again expired.

Mr. FISH. Mr. Speaker, I yield 2 additional minutes to the gentleman, and hope that he will be kind enough to yield to the gentleman from Nebraska [Mr. STEFAN].

Mr. CRAWFORD. I yield first to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. We have \$1,200,000,000 due us from Germany. Does the gentleman know of any reason why a citizen of the United States could not begin attachment proceedings in any Federal court in this country and attach the credits due those belligerent nations which now owe us money?

Mr. CRAWFORD. I am not qualified to answer that question, but I can express my opinion about it; that is, I hope we do not give up two or three billion dollars worth of gold when we have a chance to make some collections for our own pocketbook.

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

Mr. CRAWFORD. I yield.

Mr. STEFAN. I wish the gentleman had more time to discuss the question of "hot" money. There is no security anywhere in Europe at this time for those who have deposited their money for safety—who have gone from Germany, France, and everywhere else. They have deposited it in Switzerland. Switzerland is shaky. Considerable amounts

of this money are coming here and, as the gentleman has said, a lot of silver and gold has come here through the back door. The other day we voted \$1,608,000 for the transportation of \$8,000,000,000 worth of gold from New York to Fort Knox, making a total of \$19,000,000,000 at Fort Knox.

Mr. CRAWFORD. Oh, no; the gentleman is mistaken about that. They have probably \$7,000,000,000 worth of gold at Fort Knox. The balance is stored around in subtreasuries and elsewhere.

Mr. STEFAN. What is the balance?

Mr. CRAWFORD. About nineteen and one-half billion dollars altogether.

Mr. STEFAN. To whom does that other \$9,000,000,000 belong that is not deposited at Fort Knox? As I understand it, none of the gold owned by foreign governments, individuals, and corporations is at Fort Knox at this time. Where is it located?

Mr. CRAWFORD. The earmarked gold does not enter into the Treasury account and does not enter into the monetary and banking system.

[Here the gavel fell.]

Mr. FISH. I yield the gentleman 1 additional minute.

Mr. STEFAN. The other \$9,000,000,000 worth of gold belonging to foreign governments, do we have a record of that and to whom it belongs?

Mr. CRAWFORD. No; I do not understand that the foreign governments have \$9,000,000,000 deposited in this country. The Treasury statement shows approximately nineteen and one-half or nineteen and three-quarters billion dollars in the hands of the Treasury. The Federal Reserve banks hold almost seventeen and one-half billion dollars' worth of certificates against the Treasury gold.

Mr. STEFAN. Of course, the gentleman understands that Federal Reserve banks are not Government banks as we know them.

Mr. CRAWFORD. That is true; but they hold certificates, which are warehouse receipts, you might call them, or claims against the gold. If you take those certificates out of the Federal Reserve banks you have to substitute something in their place to offset the liabilities with the Federal Reserve banks. So you cannot do any monkey business in that respect.

Mr. STEFAN. Has your committee made any suggestion to the Treasury Department whereby we can in some way secure information or secure in a material way some of this gold which is owned by governments, which perhaps may not be governments tomorrow and which owe us money?

Mr. CRAWFORD. We are securing it by issuing dollar credits against it at the rate of two or three hundred million dollars a week. So, apparently, we will get about all of it that we want.

Mr. VORYS of Ohio. Will the gentleman yield?

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

Mr. VORYS of Ohio. This bill not only refers to nations at war and this loot the gentleman is talking about, but to any nation where the laws, orders, or regulations of the United States impose controls or restrictions of any kind on the exporting or dealing in property in the United States.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. KINZER] such time as he may desire.

Mr. KINZER. Mr. Speaker, I desire to extend my remarks which I made this afternoon with reference to the death of Maj. Gen. Smedley Butler.

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

There was no objection.

Mr. FISH. Mr. Speaker, I yield the balance of my time to the gentlewoman from Illinois [Miss SUMNER].

Miss SUMNER of Illinois. Mr. Speaker, I think somebody should tell the House that this bill has not had any hearings; that it was reported out without our knowing very much about it; and that under this bill when countries are conquered we will be in the position of having to protect their property. There is great temptation under this bill, therefore,

for countries which fear aggression or are in the throes of battle with an aggressor, to send their property and their gold here in order that we shall protect it. The head of the Federal Reserve Bank told us it was very necessary that this bill go through quickly, but I do not mind saying it worries me to think of what might happen when frightened countries start shipping their property here. Congress is recessing quickly, yet some of us protested very loudly indeed, yesterday, at the bill coming out of committee.

Mr. VORYS of Ohio. Will the gentlewoman yield?

Miss SUMNER of Illinois. I yield.

Mr. VORYS of Ohio. Why is there emergency need for covering the property of nations that are not at war at all?

Miss SUMNER of Illinois. Mr. Eccles came to me after the committee meeting and said that the position I have just mentioned was right, and also that it was right for us to have the chance to hold foreign property in payment of war debts; yet he said this bill is necessary immediately on account of South American withdrawals. That is all I know in that respect.

Mr. GIFFORD. Mr. Speaker, will the gentlewoman yield?

Miss SUMNER of Illinois. I yield.

Mr. GIFFORD. We shall expect someone to assure us that this is only to protect the Federal Reserve against attachment and trouble.

Miss SUMNER of Illinois. That is right.

Mr. GIFFORD. The bill, if you read it carefully, means, does it not, "Germany, if you want this money we have held intact for other people, come and get it"?

Miss SUMNER of Illinois. I have found that often when these administration bills come over, such as the spend-lend bill and the housing bill, they look small and concise and harmless, but after 6 weeks or so of investigation you find out that you have opened up a well without a bottom.

[Here the gavel fell.]

Mr. SMITH of Ohio. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the address I delivered this morning may be printed in the Appendix of the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

FEDERAL LAND-BANK AND COMMISSIONER LOANS

Mr. JONES of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8450) to extend for 5 additional years the reduced rates of interest on Federal land-bank and land-bank commissioner loans, with Senate amendments, and agree to the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 8, strike out "1945" and insert "1942."
 Page 2, line 14, after "section", insert "shall not exceed 4 percent per annum for all interest payable on installment dates occurring on or after July 22, 1937, and prior to July 1, 1940, and."
 Page 2, line 17, strike out "22, 1937" and insert "1, 1940."
 Page 2, line 17, strike out "1945" and insert "1942."
 Amend the title so as to read: "A bill to extend for 2 additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans."

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

Mr. HOPE. Mr. Speaker, reserving the right to object, will the gentleman explain the changes?

Mr. JONES of Texas. The only change in this measure is the length of time the bill is operative. As the House passed the bill it provided 3½ percent interest on land-bank and commissioner loans on farm mortgages for a 5-year period. The Senate limited it to a 2-year period. In view of the fact that the old rate goes back to July 1, after consulting with members of the committee we have thought it better to accept the limitation, as it makes no substantial change in the bill.

Mr. HOPE. I will say to the gentleman that while I would personally prefer to see the House provision retained, I agree

with the gentleman that it is of sufficient importance to accept the Senate change and pass the bill at this time. I feel that the House is justified in concurring in the Senate amendments.

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

Mr. JONES of Texas. I yield.

Mr. PACE. Does the Senate amendment change the interest rate on commissioner loans, or does that remain at 3½ percent?

Mr. JONES of Texas. The Senate did make a corrective change in that they permitted the 4-percent rate on commissioner's loans to continue until July 1 of this year, the end of the interest period.

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

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

AMENDING THE FEDERAL RESERVE ACT

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 10127) to amend the Federal Reserve Act, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 10127) to amend the Federal Reserve Act, with the gentleman from California [Mr. COSTELLO] in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. The gentleman from Alabama [Mr. STEAGALL] is recognized for 30 minutes. The gentleman from Michigan [Mr. WOLCOTT] is recognized for 30 minutes.

Mr. STEAGALL. Mr. Chairman, this resolution is simply intended to protect instrumentalities of our Government against the possibility of multitudinous suits and unnecessary litigation. It so happens that quite recently a question confronted the Federal Reserve banks respecting a deposit made by a foreign government to be paid out to another government. The matter became involved in a controversy between the latter government and a banking institution. The Federal Reserve banks were then confronted with a problem such as this bill is designed to remedy. The Federal Reserve banks met that situation by pursuing their own judgment and the advice of its lawyers after consultation with other departments of the Government. They did so, however, at the risk of possible subsequent litigation.

The Federal Reserve banks, being instrumentalities of the Government, cannot sue or be sued without specific authority of law. The existing law confers that authority. What this bill undertakes to accomplish is to do away with the right to sue a Federal Reserve bank on the claim of a foreign government or the central bank or other agency of a foreign government in cases where the banks have discharged their liability by meeting the requirements outlined in this measure. These requirements are first that the Federal Reserve banks observe the licensing provisions of existing law respecting the payment of deposits or the delivery of properties to other governments or to the central banks of other governments. And second, by making payment to someone designated by the duly accepted representative of the foreign government.

This measure would authorize a Federal Reserve bank, when presented with a claim of another government or the central bank of another government, to avail itself of the protection provided by consulting the State Department, ascertaining the authority of the accredited representative of the foreign government, and acting upon the authority of that representative in determining to whom a claim for deposit should be paid. The provisions apply in case of

a foreign state engaged in war or in which insurrection exists.

Mr. HARE. Will the gentleman yield?

Mr. STEAGALL. In just a moment. That is all this bill undertakes to do. The world is in confusion. A number of governments or nations have been overrun, but there has been no final adjustment of their status, and as we see from the press, there will not be until the end of the war, when each and every government involved will have its status determined in a final settlement. Pending that, many of these governments have incurred obligations in the United States in carrying on their activities. They have representation that necessitates expenditures for various purposes in this country. They have made purchases of products in this country that have not been paid for, and, of course, some of these governments are indebted to the Government of the United States.

There are questions arising daily that must be determined by the Federal Reserve banks with respect to meeting the obligations created by deposits with our Federal Reserve banks and property held by them. It would be an unfortunate thing if there should be litigation involving enormous amounts, and that is highly possible, because there are enormous amounts of deposits held by the Federal Reserve banks, either earmarked or otherwise. It is not inconceivable that suits might be brought for stupendous amounts. This would be very unfortunate and disturbing. Something should be done to enable the banks to discharge their liability and to be able to do so with certainty that their rights will be protected. That is all this bill undertakes to do.

No one need fear that these deposits will be returned until the accredited representative of the Government involved certifies to the Federal Reserve banks, with the approval of the State Department, upon the authority of the representative of the foreign government, the proper person to whom these obligations shall be paid. It is only desired to bring about a simplification of the methods by which our Federal Reserve banks may discharge their responsibility and that they may do so from this date on without waiting for adjustments of world complications and difficulties. I yield to the gentleman from South Carolina.

Mr. HARE. Did I understand the gentleman to say that under the existing law a foreign nation would be able to sue the Federal Reserve bank, just as it would be able to sue the Government?

Mr. STEAGALL. May I say to the gentleman that these deposits are, in fact, carried in the name of the central banks of these foreign governments and, of course, they would have a right to proceed in the courts and enforce their claims against the Federal Reserve banks.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, the gentleman from California [Mr. COSTELLO] Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 10127) to amend the Federal Reserve Act, and for other purposes, had come to no resolution thereon.

DEFICIENCY APPROPRIATION BILL—1941

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 10104) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1940, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1940, and June 30, 1941, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference requested by the Senate and the appointment of conferees; also that the managers on the part of the House may have authority to agree to Senate amendments with or without amendments notwithstanding the provisions of clause 2, rule XX.

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

There was no objection.

The Speaker appointed the following conferees on the part of the House: Messrs. TAYLOR, WOODRUM of Virginia, CANNON of Missouri, LUDLOW, SNYDER, O'NEAL, JOHNSON of West Virginia, TABER, WIGGLESWORTH, LAMBERTSON, and DITTER.

AMENDMENT TO FEDERAL RESERVE ACT

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10127) to amend the Federal Reserve Act, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10127) with the gentleman from California [Mr. COSTELLO] in the chair.

The Clerk read the title of the bill.

Mr. HARE. Then, as I understand, the purpose of this bill is to give the Federal Reserve banks the right to oppose suits by foreign governments as it has the right to oppose suits by individuals in this country without authority of law from this Congress?

Mr. STEAGALL. I do not know that I catch the gentleman's question. As I said a moment ago, the deposits at this time are carried in the name of the central banks of other countries. Of course, the central banks of other countries would have a perfect right to sue the Federal Reserve banks in the United States.

Mr. HARE. Under existing law?

Mr. STEAGALL. That is right.

Mr. HARE. But, under the proposed law, they would not have the right to come in and bring suit without other authority of law or without the action contemplated by this act.

Mr. STEAGALL. This measure does not attempt to foreclose any right to apply to the courts for remedy in enforcing these claims against Federal Reserve banks except in cases where the property is claimed by a foreign government or its agencies or instrumentalities.

Mr. WHITE of Idaho. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. The gentleman has legislation here dealing with earmarked gold received from foreign sources. Do I understand that gold is used in connection with our monetary system?

Mr. STEAGALL. No.

Mr. WHITE of Idaho. I understand what earmarking means. But who pays the bills? First, where is this gold stored?

Mr. STEAGALL. It is stored in the Federal Reserve banks.

Mr. WHITE of Idaho. It is my understanding that as fast as gold is imported into the United States it is purchased by the Federal Government and stored at the expense of the Federal Government. Is this gold stored at the cost of the Government or the bank?

Mr. STEAGALL. I am not able to tell the gentleman the details of the transaction in handling earmarked gold. I assume that there are some charges covering the movement by the Federal Reserve banks, but I have not inquired into that. But such gold is not bought by the Government.

Mr. WHITE of Idaho. Is it not a fact that all gold must be owned by the Government, and nobody has a right to own gold but the Federal Government, not even the Federal Reserve System?

Mr. STEAGALL. No. The Federal Reserve System does not undertake to own earmarked gold. It is simply held in storage and it does not enter into our gold transactions at all. It is not different from what it would be if an individual simply had in his possession gold owned by some individual in a foreign country.

Mr. WHITE of Idaho. Is it the gentleman's understanding that large volumes of foreign-owned gold are deposited in this country for safekeeping with the Federal Reserve bank?

Mr. STEAGALL. Yes; I do not have the figures, but we know, of course, there are large amounts of earmarked gold. Earmarked gold, of course, is one of the things that is involved in this legislation, gold so held by the Federal Reserve banks.

Mr. WHITE of Idaho. Is there any obligation on this gold except the warehouse receipts or certificates of deposit?

Mr. STEAGALL. There is no necessity for anything other than the obligation of the Federal Reserve banks. The Federal Reserve banks, of course, would not undertake to secure a deposit of that sort, which is only held for safekeeping and cannot be used.

Mr. WHITE of Idaho. As a general proposition, the gold comes in here, and as fast as it comes in it is turned over to the Treasury and the Federal Reserve banks are paid in gold certificates?

Mr. STEAGALL. The gentleman is speaking about gold owned. That is another matter.

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

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

Mr. SIMPSON. I see by the papers that France accepts an armistice. One does not know what the terms will be, but assuming that one of the terms by which France gets peace is that France agrees to transfer to Germany certain credits it has in this country, will this bill in any way keep the Federal Reserve from paying that money to Germany if the established Government in France so orders?

Mr. STEAGALL. That would be determined under the provisions of this bill and dealt with when the occasion arises. That would depend upon the representatives of France sent here and what our State Department said as to the authority.

Mr. SIMPSON. In effect, then, our State Department is in a position where they can, if they see fit, operate contrary to the wishes of the French Government, who are trying hard at this time to make peace, and we might in one way or another, if our Secretary of State saw fit, make it extremely difficult for a nation at war seeking peace to get the peace they desire?

Mr. STEAGALL. What we are undertaking to do here is to protect the Federal Reserve banks of this country against unnecessary litigation and possible suits in the courts.

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

Mr. STEAGALL. I yield to the gentleman from Tennessee.

Mr. GORE. Is not one of the purposes of this act to give authority to handle situations similar to that of which the gentleman is speaking?

Mr. STEAGALL. That is what the bill provides as to that responsibility. We would trust our State Department.

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

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

Miss SUMNER of Illinois. Does the gentleman know of any occasion when any foreign country ever did attempt to sue the Federal Reserve bank?

Mr. STEAGALL. No; there has been no such occasion, and it may never arise, but we are undertaking to protect the Federal Reserve banks against such contingencies.

Miss SUMNER of Illinois. Would it not be true that since the Federal Reserve bank is an agency of our Government it could not be sued except with the permission of the Congress?

Mr. STEAGALL. No; we gave specific authority to the Federal Reserve banks to sue and be sued. This bill takes away the right to sue the Federal Reserve banks after they have complied with the requirements of this bill.

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

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

Mr. CRAWFORD. I want to know if the chairman of our committee agrees with me, and I am sure I agree with him if this is his proposition, that it is far better for us to protect the people of the United States and our whole banking system through protecting the Federal Reserve banks in this manner than it is to let the goose run wild and have suits brought against the 12 Federal Reserve banks, which in turn involves our whole banking structure and all the deposits of our people.

Mr. STEAGALL. Absolutely. If it were not for the fact that the holdings of the member banks are limited in amount

to 6 percent of their capital, as they are, it would be conceivable that a suit by one of these governments against the Federal Reserve banks might involve such an amount as would endanger the banking structure of the Nation.

Mr. BARTON of New York. Mr. Chairman, will the gentleman yield?

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

Mr. BARTON of New York. Since, as the gentleman says, there has never been a suit of this kind, why is it necessary to bring in here a bill of this importance without any hearings? I understand the bill was reported out by the committee without any hearings.

Mr. STEAGALL. We had before the committee representatives of the different departments interested in this proposed legislation, and this measure is recommended by the Treasury, by the Governors of the Federal Reserve Board, by the Budget Bureau, and by the State Department. I have the letters here if the gentleman would care to see them. I did not care to take up time unnecessarily by reading the letters. We did not have time to reduce the hearings to writing and print them for the benefit of the House.

Mr. WHITE of Idaho. The gentleman says the committee did not have time. What is the reason the committee did not have time?

Mr. STEAGALL. Because this matter was presented to us a day or two ago and these are emergency conditions and developments that no man could foresee. There are conditions ahead of us that possibly no one can foresee. We are attempting to anticipate our difficulties as far as we can and protect the banking structure of the United States in the right to discharge their obligation by acting upon the authority of the Government interested in the deposits that are left here. We do not know of any better method by which to protect our banks.

Mr. BARTON of New York. That is the real purpose of the bill?

Mr. STEAGALL. Certainly; that is the purpose of the bill.

Mr. BARTON of New York. And if the Polish Government makes a treaty of peace with Germany, a part of which involves the handing over of Polish money in this country to Germany, it is not the purpose for the bill to be rushed through now so we can say that we are not going to hand the money over?

Mr. STEAGALL. No; we are not undertaking to deal with that situation. They are matters that will be left in the realm of our international relationships to be handled by the Department of State. This bill is here for the purpose of protecting the banking structure of the United States against unnecessary litigation.

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

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

Mr. Chairman, I think, probably, the most important part of this bill is the first amendment, which changes the policy of the Federal Reserve System, and that amendment should be considered in the light of the Johnson Act and the Neutrality Act.

We provide in section 1 of the bill that we establish a council of foreign banks and bankers and for foreign states and governments, agencies, and instrumentalities thereof. This, for the first time since the Federal Reserve System was set up, authorizes the Federal Reserve banks to take private accounts. Heretofore the Federal Reserve banks could establish accounts for other Federal Reserve banks for exchange purposes and they might open and maintain correspondents and agents in foreign governments as agents of the Federal Reserve bank, and they might open accounts with these agents of the Federal Reserve banks, but up to the time that this bill was presented to us, no attempt had ever been made to make it possible for the Federal Reserve banks to take private accounts.

Now, if there is any danger in this bill, it is not in the second section, which not only safeguards the banking structure of the United States, but also keeps this property of foreign governments in a position where we can make some

use of it if we have to, but the danger, if there is any, lies in section 1 of the bill which makes the Federal Reserve banks the fiscal agents of belligerent countries.

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

Mr. WOLCOTT. I yield.

Mr. KEAN. The present law states that the Federal Reserve may have accounts for such foreign correspondents or agencies. Therefore, they can open accounts for practically anybody they want in foreign countries at present, the only thing being that they have to keep a deposit over there. By this amendment there is no deposit needed to be kept abroad, and it helps the Federal Reserve bank in saving them that.

Mr. WOLCOTT. My understanding is that the committee has made a mistake—we might as well be frank about it—in recommending that the language "by such correspondents or agents" be stricken out. I do not think the committee knew what it was doing when they did that, and I do not think the Federal Reserve knew what it was doing when they recommended it to the committee, because it is very obvious that these foreign correspondents or agents referred to the foreign correspondents and agents of the Federal Reserve System itself and not the agencies of any foreign government. However, that is subject to interpretation.

Mr. KEAN. They could name anybody as their foreign correspondent.

Mr. WOLCOTT. Yes; they can name anybody as their foreign correspondent, but they become the agent of the Federal Reserve System. They could name a foreigner as an agent, but nevertheless they are the agent of the Federal Reserve System and therefore the account which is opened for that agent in a foreign country is an account which is controlled by the bank for the benefit of this agent of the Federal Reserve System, and they have absolute control over it, and at no time have we ever authorized a foreign country or a foreign-controlled bank to open an account with a Federal Reserve bank in the United States as we are doing here.

The Johnson Act expressly exempts all Government agencies or corporations set up by the Congress or corporations in which the Federal Government owns a controlling amount of stock. So, of course, it follows that the Johnson Act does not prohibit the Federal Reserve banks from establishing credits and making loans to countries which owe the United States money at the present time.

When the Neutrality Act was up for consideration last fall it seemed necessary to call attention to the fact that the Neutrality Act might be interpreted in the light of the Johnson Act, and that the word "person" when it was used in the Neutrality Act, referring to these corporations and agencies, might be interpreted in the light of the Johnson Act, and if it was interpreted in the light of the Johnson Act then it would naturally follow that the Federal Reserve banks did not come within the provisions and inhibitions of the Neutrality Act. With that question arising, I happened to be present when the Governor of the Federal Reserve Bank of New York was called on the phone and inquiry was made if they had been receiving any accounts from foreign countries.

He gave us positive assurance that they had no accounts in foreign countries excepting what were authorized by law in the Gold Act and the Silver Act, that it was not their intention to take private accounts and become fiscal agents of foreign countries. Of course, we should know what we are doing when we pass this act. Frankly, I do not know whether we should do it or not. I am a little doubtful of the advisability of it. We provide that the Federal Reserve banks become the fiscal agents of any country which has now an account in the banks or which might later on acquire an account. Whether or not that is prejudicial to our neutrality I am not prepared to say, but I do know that at the present time there is \$1,662,000,000 of gold held by the Federal Reserve System, earmarked for foreign accounts, and we do know that the bulk of this gold is held to the account of belligerent countries, and if we make the Federal Reserve banks the fiscal agents of foreign countries, then we have put them in a position where they can do two

things, one of which is good in my opinion and the other of which is bad in my opinion.

The first, which I think is good, is that by providing that the Federal Reserve banks become the fiscal agent of a belligerent which at some time has earmarked to its account of gold in the Federal Reserve System, we are given reasonable assurance that gold will be put to use for the payment of goods purchased by belligerents in the United States.

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

Mr. WOLCOTT. Mr. Chairman, I yield myself 10 additional minutes. The thing which I consider is bad is the fact that upon the basis of these deposits, new credits will be established to the prejudice of this Nation, in the case of default by belligerent nations. In respect to section 2 it must be understood that the belligerents and others owe the taxpayers of the United States something like \$12,000,000,000, and they have on deposit, as I have said, about \$1,662,000,000. I can see in section 2 of this bill a possibility that under certain conditions there might be paid into the Federal Treasury as a set-off against that indebtedness, the amount of gold which is on deposit with the Federal Reserve, now to the account of the debtor nation, and unless this bill is passed, there is little likelihood that we are ever going to collect anything of the debt.

It safeguards the Nation from having to recognize the order or draft of the victor nation over a defeated creditor, and this amount will allow of our setting off against that situation any indebtedness which the defeated nation owes to the United States, and inasmuch as it has been universally held and understood that the Federal Government can impair the obligation of a contract, and has on other occasions done so in respect to our own citizens, we should not hesitate whatsoever to confiscate this gold which is now to the credit of the belligerent nation if it becomes necessary to safeguard it and prevent it from falling into the hands of those who might at some future date become an enemy of the United States. I think we should have it distinctly understood now that the United States has no enemies in the world—anything to the contrary notwithstanding.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. VORYS of Ohio. As I read section 2, it would exonerate and protect the Federal Reserve System against suit in case of a transfer, but it does not protect them from suit by way of mandamus or otherwise in case of a refusal to transfer. Is that the gentleman's understanding?

Mr. WOLCOTT. The Federal Reserve will transfer or pay to the country claiming the deposit or the property which is found by the Secretary of State to be entitled to it. We mean by that that if a European country has made deposit of \$200,000,000, say, of gold in the Federal Reserve, and that country is seized by another country and the seizure is not recognized by our Government, then the State Department would undoubtedly continue to hold that that gold could be released only upon the order of the accredited representative of the country which made the deposit, and in case the victor country, as a part of the peace terms, compelled the country which made the deposit to transfer the deposit to the victor country then the State Department would recognize the order of the country making the deposit in keeping with the terms of the armistice or the peace treaty.

Mr. VORYS of Ohio. This bill has to do with stopping lawsuits. Is not that correct?

Mr. WOLCOTT. It not only stops lawsuits, but it safeguards the Federal Reserve Banking System from having to pay out money twice.

Mr. VORYS of Ohio. Now, if any member who has a deposit in a Federal Reserve bank was held by the Federal Reserve bank to be the agency of some foreign organization and that member's money was transferred to some-

body else, under this legislation that member would be forever barred from suing anybody. Is that not correct?

Mr. WOLCOTT. I believe so. If it had been determined that the Federal Reserve System had paid in accordance with the license issued by the Secretary of State, they would be estopped from coming in and making any claim adverse to the finding of the Secretary of State as to which country or which organization or which agency loaned the money.

Mr. VORYS of Ohio. If it were merely a case involving such a question, no American citizen could even bring suit, as I understand this bill, because it includes any agency or instrumentality of any foreign organization or subdivision, and if that question is involved, suit cannot be brought.

Mr. WOLCOTT. It is not my understanding that this involves the rights of citizens to test these exchanges. If they have a substantial interest in the exchange or in the property, then they can contest it, but this has to do only with foreign property which is on deposit with the Federal Reserve System.

Mr. VORYS of Ohio. It does not say anywhere in this bill that the agency cannot be an American citizen or an American corporation.

Mr. WOLCOTT. That is right, and if the American citizen becomes the agent of a foreign country, then he is bound by the findings of our Secretary of State.

Mr. VORYS of Ohio. That question of agency is a question of law, which the citizen should have the right to test in court.

Mr. WOLCOTT. It is a question of common law, and we have abrogated common law on certain occasions recently. [Laughter.]

Mr. BARTON of New York. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. BARTON of New York. Did the Secretary of State appear before the committee in connection with these hearings?

Mr. WOLCOTT. No. I came into the committee a little late, as usual, and the bill had been reported out and they had started hearings. I mean that literally. The bill had been reported out, and they held hearings after the bill was reported out.

Mr. BARTON of New York. As the gentleman knows, we are remaining in session this summer because the American people have demanded it, because they are suspicious of any legislation brought out in this time and put through without any sort of explanation or debate. Does not the gentleman feel we are violating the mandate given to us by the American people if we consider a bill on which there has been no hearings and which the committee itself does not seem to know very much about?

Mr. WOLCOTT. I quite agree with the gentleman that the committee knows very little about this bill. I will also add to that, as one member of the committee, I was sorry I was not present at the time the bill was reported out to protest the fact that there was not such an emergency incident to the reporting of this bill that we could not afford to wait 48 hours to study the matter.

Mr. BARTON of New York. Does not the gentleman think it would be a good thing to vote against this on that ground?

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

Mr. WOLCOTT. I yield to the gentleman from Illinois.

Mr. MASON. Would you not say that under the conditions under which this bill has been brought out, the best thing we can do is to vote to recommit it for further consideration? Would the gentleman be willing to go that far?

Mr. WOLCOTT. Well, I would not go that far, because I think that personally I have an understanding of the bill. I personally talked to Mr. Eccles after the hearing and I have been assured personally, but I do not know as I should take the responsibility of assuring the House that this bill is all right, because, after all, hearings by a legislative committee are for the purpose of informing the House and every Member of the House what goes on. Although I have been personally assured, I think that any other Member of the House who did not have the same opportunity for assurance

that I had would be perfectly justified in voting to recommit the bill.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COSTELLO, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 10127) to amend the Federal Reserve Act, and for other purposes, had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. St. Claire, one of its Clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10039) entitled "An act to provide for the expenses of national preparedness by raising revenue and issuing bonds, to provide a method for paying such bonds, and for other purposes."

The message also announced that the Senate requests the House to return to the Senate the bill (H. R. 9007) entitled "An act making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1941, and for other purposes."

DEPARTMENT OF LABOR AND FEDERAL SECURITY AGENCY APPROPRIATION BILL, 1941

The Speaker laid before the House the following request from the Senate:

Resolved, That the Secretary be directed to request the House of Representatives to return to the Senate the bill (H. R. 9007), entitled "An act making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies for the fiscal year ending June 30, 1941, and for other purposes."

The SPEAKER. Without objection, the request will be granted.

There was no objection.

AMENDING THE FEDERAL RESERVE ACT

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10127, to amend the Federal Reserve Act, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10127, with Mr. COSTELLO in the chair.

The Clerk read the title of the bill.

Mr. WOLCOTT. Mr. Chairman, I yield to the gentleman from Illinois [Miss SUMNER] 3 minutes.

Miss SUMNER of Illinois. Mr. Chairman, I just heard that the gentleman from Ohio [Mr. SMITH] contemplated offering a motion to recommit. I shall not support that motion to recommit, because the committee has already heard the Governor of the Federal Reserve bank and his department. The only information that remains that is important for us to obtain is from the State Department. I believe that the information which we would like to get from the State Department and which would be necessary and proper for us to have from the Federal Reserve System is information that we cannot get for a very fundamental reason. That is, that whereas we have a democracy or a republic in our domestic affairs, we do not have a democracy in our foreign affairs. All we have ever had in this country where foreign matters are concerned is a one-man government—a dictatorship.

Every bill that comes to Congress that has anything to do with foreign affairs brings us right up against a big blank wall. The executive department hoards foreign secrets the

way a squirrel hoards hickory nuts, and always has—not only this administration, but in previous ones. It is otherwise in England, in France, and in other democracies. When, for instance, Mr. Chamberlain was Prime Minister of England and he went into the House of Commons the members had the right to question him up to the point that he could say it would be a violation of the interest of his country to give the information. But we do not have that right. We are fighting in the dark, and will be thus fighting blindly all the way through on our defense program in trying to defend our country from participation in war. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. WOLCOTT. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, I wonder if this House has any conception at this moment of what it is actually doing?

The claim made here that this will give an opportunity to the United States to tie up foreign gold deposits is notice to the world that the United States formally places itself in a position where it may arbitrarily go off the international gold standard.

Make no mistake, this is a serious move. We have gone off the gold standard domestically, but we have not gone off the gold standard internationally. When we formally place ourselves in the position where we may arbitrarily go off the international gold standard, which this bill provides, we are taking a very serious step.

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

Mr. SMITH of Ohio. I yield.

Mr. HINSHAW. Does the gentleman mean to say that this bill would provide for an embargo against the shipment of gold from this country at the will of the Secretary of State?

Mr. SMITH of Ohio. Exactly so. Every nation in the world is going to observe what we do here today.

It is true under the Gold Reserve Act of 1934 the President could perhaps withhold gold payment to foreigners. Of course, he has not done so, nor would he think of doing this, for to do so would be an announcement to the outside world that we had renounced our contractual relations with them, that we intended to violate our bond. To withhold gold payment to any foreigners who might choose to be paid in gold for their goods, or to refuse gold payment for trade balances, would shake our international trade to its very foundation.

Such an act would cause the whole world to lose confidence in America. It would place our international trade squarely on a barter system.

It is one thing for the politicians to confiscate our gold, forbid us to use it domestically, and force us on irredeemable paper currency. It is quite another thing for the United States to attempt to force the rest of the world to accept a mere political promise to pay. It is one thing for our politicians to force our own people to value their services, labor, and goods in inconvertible paper currency, but it is quite another thing for the United States to attempt to do this with foreign nations.

It is the extraordinary conditions under which the grant of power contained in this bill would operate that make it dangerous. Many nations are now at war with each other. They hold varying amounts of gold, securities, and other property in the United States. The total value of these holdings runs into many billions of dollars. Undoubtedly, at the conclusion of the conflict, transfers of these holdings will be effected by voluntary agreement between the victors and the vanquished. Difficulties between them in making such transfers will, no doubt, be encountered.

What this bill virtually does is to give to the Chief Executive the sole power to determine whether any property, and if so how much, shall be transferred from the losing to the winning side. Bear in mind it gives him absolute power to prevent such transfer, even if the losing nation desires it, even if it may be to its vital interest to have the transfer made.

The right to exercise this power would add a most potent danger to push our Nation into the war. It can and likely

would ensnare us in a sea of international ill will and hate that could not be undone for a hundred years. And it must not foolishly be thought that this ill will and hate would come only from the nations that might for the moment be in ill grace with the present administration. It could just as readily come from some, or for that matter all, of the nations with whom this administration is now in sympathy.

This bill should be returned to the Banking and Currency Committee for further consideration. I intend to offer a motion to recommit it.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. REED of New York. If the gentleman is accurate in his statement, and I know he probably is, it would force the country into a dubious situation.

Mr. SMITH of Ohio. Exactly; it would force us into a most dubious situation.

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

Mr. SMITH of Ohio. I yield.

Mr. SCHAFER of Wisconsin. Will the gentleman include in his motion to recommit instructions that the committee hold public hearings on the bill?

Mr. SMITH of Ohio. The motion to recommit will provide for the holding of public hearings.

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

Mr. SMITH of Ohio. I yield.

Mr. KEAN. This bill applies only when the Federal Reserve bank had received money from a foreign state which is in a state of war, or insurrection exists in such foreign state, or the laws, orders, and regulations of the United States impose controls. So it refers only to those nations which are at war, or to those nations on which we have imposed controls, nations which may go out of the war, where we have imposed controls to prevent the seizure of their gold by force by attacking nations.

Mr. SMITH of Ohio. It is a big question. Who is going to say when nations are at war or when they are at peace? Who will decide when a state of insurrection exists? These and many other questions would arise to plague us.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield the balance of my time to the gentleman from Michigan.

The CHAIRMAN. The gentleman from Michigan [Mr. CRAWFORD] is recognized for 4 minutes.

Mr. CRAWFORD. Mr. Chairman, I wanted this additional time in order to ask the gentleman from Michigan [Mr. Wolcott] one or two questions with reference to his remarks.

Did I understand the gentleman from Michigan to say that the law as it now stands does permit our Federal Reserve banks to carry deposits in central banks of foreign governments and that this bill strikes out of the present law that privilege, so that hereafter our Federal Reserve banks cannot carry deposits in foreign countries? Is that what I understood the gentleman to say with reference to the amendment?

Mr. WOLCOTT. I think at the present time the Federal Reserve bank can establish agencies and correspondents in foreign countries, and they can open in their banks accounts for these agents. They appoint these correspondents and that is as far as they can go. It is not my understanding of the law that a Federal Reserve bank could take a deposit from a foreign country for the agent of the foreign country. I have been given to understand that they have on some occasions acted on behalf of the fiscal agents of foreign countries, for example the Bank of France, and the Bank of England; but that is about as far as they have gone, and they have not treated them as private deposits in the sense that a national of a foreign country could open an account with the Federal Reserve Bank of New York.

Mr. CRAWFORD. If this bill does resolve itself into a law which prevents our Federal Reserve banks carrying deposits in western European central banks, that step would please me very much. I do not care how much we interfere with Federal Reserve banks extending credit to these central

banks of western European countries. I consider the situation over there very uncertain and risky.

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

Mr. CRAWFORD. I yield.

Mr. HINSHAW. Is the gentleman willing that foreign governments should make this Government's banks a repository for their funds?

Mr. CRAWFORD. I certainly am, because if we are not willing to maintain some kind of a safe-deposit device in this country, why all of our shouting about preserving democracy for the world or making the world safe for democracy, or trying to pose as a friend to civilization subsequent to the cessation of war hostilities in western Europe? If we are going to lead I always believe in doing so in a very material way. In other words, I would like to have a little butter, bread, and bacon in the basement for reserve and if we can induce other people to have a little reserve on hand, perhaps that will prevent us from having to hand to them their entire grubstake when the battle is over and we start to rebuild the house. So, I see no reason at all why we should not accept safety deposits from nationals of other governments in this country; that is, dollar deposits or gold bullion and all for safe keeping. I am not in favor of creating dollar deposits by buying their gold, but if they want to send something here to deposit for safe-keeping with us, let us give them the best safekeeping we can until the thing grows so hot over here they may want to take it to some other country, which they may want to do, and I think Switzerland will be running to this country with hundreds of millions, perhaps billions of dollars within the next few months because the situation will grow so hot that they will not want to keep it over there. We should not, of course, get out on a limb by intermingling this "hot money" with our domestic demand and savings and time deposits and our gold reserves. In that direction we have, no doubt, probably traveled too far. If we extend demand-deposit facilities out of proportion to our ability to meet, on demand, and with gold, the withdrawals, we thereby incur a liability that might prove disastrous to our economy. But safe-deposit devices for the accommodation of gold and silver bullion or for foreign or domestic currencies will not so involve us.

[Here the gavel fell.]

The Clerk read as follows:

Be it enacted, etc., That subsection (e) of section 14 of the Federal Reserve Act is amended by striking out at the end of the first sentence thereof the words "for such foreign correspondents or agencies", and inserting in lieu thereof the words "for foreign banks and bankers, and for foreign states and governments, agencies, and instrumentalities thereof."

Sec. 2. Section 25 (b) of the Federal Reserve Act is amended by adding at the end thereof a new paragraph reading as follows:

"Whenever any Federal Reserve bank has received from a foreign state recognized by the Government of the United States or a central bank of any such state, or holds or controls any property in which such a foreign state or a central bank thereof has, or may have, any interest and a state of war or insurrection exists in such foreign state or the laws, orders, or regulations of the United States impose controls or restrictions by licensing arrangement or otherwise on the export of, or dealing in, property in the United States belonging to such foreign state or central bank, payment, transfer, delivery, or other disposal of such property to or upon the order of the person who the representative of such foreign state duly accredited to the Government of the United States shall certify to the Secretary of State has authority to receive, control, dispose of, or otherwise exercise dominion over such property, provided and so long as the Secretary of State recognizes and accepts the authority so certified to him, shall be conclusively presumed to be lawful and shall constitute a complete discharge and release of any liability for or with respect to such property. The Federal Reserve bank shall not be subject to any claim or liability in any court by way of suit, counterclaim, set-off, recoupment, or other affirmative action or defense in its own name or in the name of any of its officers, agents, or employees, as a consequence of any action which it takes in accordance with this paragraph. No court shall, at the instigation of any third party, by attachment, injunction, or other similar proceeding, in any way, directly or indirectly, restrain or prevent a Federal Reserve bank from making any payment, transfer, delivery, or other disposal of property herein referred to. For the purposes of this paragraph, the term 'property' shall include, without limitation, gold, silver, currency, credits, deposits, securities, choses in action, and any other form of property, the proceeds thereof, and any right, title, or interest therein; the term 'foreign

state' shall include, without limitation, any foreign government or any department, district, province, county, possession, or other similar governmental organization or subdivision of a foreign government, and any agency or instrumentality of any such foreign government or of any such organization or subdivision; the term 'central bank' shall include any foreign bank or banker which performs any one or more of the functions of a central bank; and the term 'person' shall include, without limitation, any corporation, partnership, association, or other similar organization."

With the following committee amendment:

Page 2, line 5, between "or" and "a" insert "from."

The committee amendment was agreed to.

Mr. HINSHAW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish that I understood this bill. I do not believe that any of us understands the full import of it. On page 2 of the committee report, if I may read it to you, it is stated:

The legal principles upon which the bill is based are as follows: The power and authority of representatives of foreign governments are political in character, and when the executive branch of the Government through the State Department accepts or acts upon the representation of a foreign ambassador or minister concerning his powers or the powers of any other officer of his government, such representation is conclusive in our courts.

I do not know whether that places any additional powers in the hands of the State Department or not, nor whether it involves an important change in our foreign policy, but I presume it does, or it would not otherwise be necessary to make this statement. Then the report goes on to say:

The acts of a recognized foreign sovereign insofar as they apply to nationals of that sovereign are not limited to the territorial jurisdiction of the sovereign, and furthermore, as a matter of comity, the acts of a recognized foreign sovereign are given extraterritorial application, if so intended, unless to do so would be in violation of the public policy. This legislation would constitute a statement of the public policy involved.

I regret this matter has to come up at this late stage when we are expecting to recess over next week. I think we all could wish that this bill had also been referred to the Committee on Foreign Affairs, as I believe it has a great deal to do with our foreign relations and that great committee is very able in its understanding of these things. I wish that we could have had a further discussion of the bill, as it may involve things that are far away and beyond the protection of gold supplies in this country.

I find myself at sea in the matter of voting upon it, because I, along with a good many other Members, have difficulty in understanding what the bill does and what it purports to do. I would like to vote for its recommittal in order to obtain a further study of it and a clearer explanation, but, on the other hand, upon the representations of the able chairman of the Committee on Banking and Currency and upon the representations of the minority members of the committee that it is important the bill be passed today, I shall be impelled to vote in favor of the bill in spite of the inadequacy of the information presented in the brief time allotted for its discussion.

Mr. GIFFORD. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I am a little disturbed. So many say they do not understand this bill. It is not a hard bill to understand if we read it and leave out some of the superfluous language. I said in 1937 when Congress convened that it would be the duty of the minority to know more about legislation than the majority and I reckoned that it would not be a difficult assignment. In this case it is refreshing to see the minority insisting on receiving full knowledge of the bill. It does not seem to interest the other side of the House. This is an administration bill and, of course, that is all they need to know about it.

Mr. Chairman, simply stated, section 1 is only an enlargement of power. Before this the Federal Reserve had its correspondents and agencies in foreign countries and they had to have reciprocal balances with each other. Now, they can do business directly with banks, any bank, any government, its subdivisions and its instrumentalities that wishes to send property here, and we will keep it safely on deposit for them.

When one nation conquers another nation their duly accredited representative will come to the Federal Reserve bank and demand the money for which he has a draft. The Federal Reserve says, "We cannot recognize this government. You are a conquering nation. We still recognize the other government. But we will call up the Secretary of State and ask his decision." The Secretary of State advises whether or not our Government has recognized this conqueror. He will say, "No; we still recognize the Government of Czechoslovakia and other invaded nations having their representatives still in Washington, and you must hold those funds for them." Then the conqueror may say, "We will go to the courts."

"Oh, no," Congress has said to the courts that they removed such jurisdiction. The Federal Reserve will be fully protected. They can keep the funds on deposit; they can sell the property, if desired, and can make any other disposal of it as they see fit. They may return it to the former Government representatives to bury it in the ground, where nobody may know its whereabouts.

Everybody knows how the President feels about recognizing a conquering country. The power to protect the property of invaded nations is greatly enlarged by this bill. If tomorrow the Czechoslovakian or Polish Ambassador appeared at the Federal Reserve bank and said, "I want that money because I want to hide it," and they called up the Secretary of State, he would say, "Why, certainly. That is the Government we now recognize," and the Federal Reserve would be obliged to hand it over to him.

The Federal Reserve does not want to be sued in the courts. It does not want to have to pay this money twice if, afterward, the Government makes a different decision or is forced to do so. They want to transfer to the Government the whole and complete responsibility. This is a simple bill and ought not to cause so much confusion.

It may be difficult for us to decide whether we want to vote for it, knowing the side our Government is taking. It is a political question. It says so in the report. The courts are debarred. The owner must be determined by the administration; therefore, it is a political question. Who shall we recognize as the proper party to claim the money? Is not that simple? Why say you do not understand it? There is but little to understand. Do we want to be the depository for defeated countries and say to the conqueror, "You cannot have it"? That is the edict that is gone forth. Is not that simple? We must buttress that policy. It is already declared.

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

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

Mr. JOHNS. I do not understand why our Federal Reserve System should go into the pawnbroker business. We have a lot of pawnbrokers in this country.

Mr. GIFFORD. Because this administration wants them to.

Mr. JOHNS. With what are we to credit these foreign countries when we sell their jewelry or gold?

[Here the gavel fell.]

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I plead with this Congress not to enact this legislation. Let us return this bill to the Committee on Banking and Currency. If the purpose is to provide for a priority claim on the part of the United States Government against any gold held by a belligerent that owes us money, then it should be plainly written into this bill. I have no objection to that whatever. My objection to this bill is that it formally places our Nation in a position where it can say to the world at any moment, "We are going off the international gold standard." Certainly we do not wish to do anything like that. If this bill is passed, it will have repercussions that will extend throughout the world. Every nation that trades with us must take heed of our action and must say to itself, "At any moment my country may be forced upon a barter system with the United States." This bill touches the fundamental economy of the entire world. We are dealing with the gold problem. I plead with you to send this bill back to the committee and have public hearings on it so we may under-

stand what it is and determine definitely what we really should write into it. What this bill actually does is to give to the President the green light to take our Nation off the international gold standard. I submit to you this is a serious matter.

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

Mr. SMITH of Ohio. I yield to the gentleman from Pennsylvania.

Mr. RICH. Does not the gentleman believe it would be a wise thing for the United States to attach all moneys here belonging to any country that owes us, even on the war debts, so that if anything happens to them now we may attach that money and apply it on the debts?

Mr. SMITH of Ohio. I want to be fair about this matter. I am merely asking that the bill be sent back to the Committee on Banking and Currency so that questions like that may be given consideration. As this bill stands it is vicious and most dangerous. It should not be enacted into law. No measure since I have been in this Congress has been presented to this body for consideration that was more fundamental than this one now before us. This measure, if enacted into law, promises world repercussions that cannot help but be exceedingly inimical to our welfare.

Certainly no harm could possibly be done to recommit the bill and give it the consideration which it merits. I plead with each and every Member of this House to vote to recommit this measure.

I should be glad to do everything I can to rewrite it so as to achieve the purposes which the face of the bill indicates.

To give the Executive this vast power over our gold means, under the conditions of war that prevail and those that must present themselves when final settlement between the belligerent nations takes place, that in all likelihood this power will be used to prevent transfer of gold held by belligerents in this country. The point is that such an act will unquestionably involve the withholding of gold payment to foreigners. To the extent that this would be done, it would be a violation of the international gold standard. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. COSTELLO, chairman of the Committee of the Whole House on the state of the Union, reported that the Committee having had under consideration the bill (H. R. 10127) to amend the Federal Reserve Act, and for other purposes, pursuant to House Resolution 543, reported the same back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

Mr. SMITH of Ohio. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. SMITH of Ohio. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. SMITH of Ohio moves to recommit the bill (H. R. 10127) to the Committee on Banking and Currency with instructions to that committee to hold hearings thereon.

Mr. STEAGALL. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. SMITH of Ohio) there were—ayes 42, noes 121.

Mr. SMITH of Ohio. Mr. Speaker, I object to the vote on the ground that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and ninety-three Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 102, nays 273, not voting 56, as follows:

[Roll No. 162]

YEAS—102

Alexander	Fish	Knutson	Routzohn
Andersen, H. Carl	Gerlach	Landis	Rutherford
Andersen, A. H.	Gillie	LeCompte	Sandager
Angell	Goodwin	Lewis, Ohio	Schafer, Wis.
Austin	Graham	McDowell	Schiffler
Barton, N. Y.	Grant, Ind.	McGregor	Secombe
Bender	Gross	Marshall	Simpson
Blackney	Guyer, Kans.	Martin, Iowa	Smith, Ohio
Bolles	Gwynne	Martin, Mass.	Springer
Bradley, Mich.	Hall, Edwin A.	Mason	Sumner, Ill.
Brown, Ohio	Hall, Leonard W.	Michener	Sweet
Carlson	Harter, N. Y.	Monkiewicz	Talle
Case, S. Dak.	Hess	Mott	Thill
Church	Hoffman	Mundt	Thorkelson
Clason	Hope	Murray	Tibbott
Clevenger	Jarrett	O'Brien	Tinkham
Cluett	Jenks, N. H.	Oliver	Treadway
Corbett	Jensen	Reed, Ill.	Van Zandt
Crowther	Johns	Reed, N. Y.	Vorys, Ohio
Culkin	Johnson, Ill.	Rees, Kans.	Wheat
Curtis	Johnson, Ind.	Rich	Williams, Del.
Dondero	Jones, Ohio	Risk	Winter
Dworshak	Jonkman	Robson, Ky.	Wolfenden, Pa.
Elston	Keefe	Rockefeller	Youngdahl
Englebright	Kilburn	Rodgers, Pa.	
Fenton	Kinzer	Rogers, Mass.	

NAYS—273

Allen, La.	Cummings	Hart	Marcantonio
Allen, Pa.	D'Alesandro	Hartley	Massingale
Anderson, Calif.	Darden, Va.	Havenner	Miller
Anderson, Mo.	Davis	Healey	Mills, Ark.
Andrews	Delaney	Hennings	Mills, La.
Arends	Dempsey	Hinshaw	Monroney
Arnold	DeRouen	Hobbs	Moser
Ball	Dickstein	Holmes	Murdock, Ariz.
Barden, N. C.	Dies	Hook	Murdock, Utah
Barnes	Dingell	Houston	Myers
Barry	Dirksen	Hull	Nichols
Bates, Ky.	Disney	Hunter	Norrell
Bates, Mass.	Doughton	Izac	Norton
Beam	Doxey	Jacobsen	O'Connor
Beckworth	Duncan	Jarman	O'Day
Bell	Dunn	Jeffries	O'Leary
Bland	Durham	Jennings	Osmers
Bloom	Eaton	Johnson, Luthera.	O'Toole
Boehne	Eberharter	Johnson, Lyndon	Pace
Boland	Edelstein	Johnson, Okla.	Parsons
Boren	Edmiston	Jones, Tex.	Patman
Boykin	Elliott	Kean	Patrick
Bradley, Pa.	Ellis	Kee	Patton
Brewster	Engel	Kefauver	Pearson
Brooks	Evans	Keller	Peterson, Fla.
Brown, Ga.	Faddis	Kennedy, Martin	Peterson, Ga.
Bryson	Fay	Kennedy, Md.	Pfeifer
Buck	Ferguson	Kennedy, Michael	Pierce
Buckler, Minn.	Fernandez	Keogh	Poage
Buckley, N. Y.	Fitzpatrick	Kerr	Polk
Bulwinkle	Flannagan	Kilday	Powers
Burch	Flannery	Kitchens	Rabaut
Burgin	Folger	Kieberg	Ramspeck
Byrne, N. Y.	Ford, Leland M.	Kocialkowski	Randolph
Byrns, Tenn.	Ford, Miss.	Kramer	Rankin
Byron	Ford, Thomas F.	Kunkel	Rayburn
Caldwell	Fries	Lanham	Reece, Tenn.
Camp	Fulmer	Larrabee	Richards
Cartwright	Gamble	Lea	Robertson
Casey, Mass.	Garrett	Leavy	Robinson, Utah
Celler	Gartner	Lesinski	Rogers, Okla.
Chapman	Gathings	Lewis, Colo.	Ryan
Clark	Gavagan	Luce	Sabath
Claypool	Gearhart	Lynch	Sacks
Cochran	Gehrmann	McAndrews	Sasser
Coffee, Nebr.	Geyer, Calif.	McArdle	Satterfield
Coffee, Wash.	Gibbs	McCormack	Schaefer, Ill.
Cole, Md.	Gifford	McGehee	Schuetz
Colmer	Gilchrist	McGranery	Schultz
Cooley	Gore	McKeough	Schwert
Cooper	Gossett	McLaughlin	Secrest
Costello	Grant, Ala.	McLean	Seger
Courtney	Green	McLeod	Shanley
Cox	Gregory	McMillan, Clara	Shannon
Cravens	Griffith	McMillan, John L.	Sheppard
Crawford	Hancock	Maas	Sheridan
Creal	Hare	Magnuson	Smith, Conn.
Crowe	Harness	Mahon	Smith, Ill.
Cullen	Harrington	Maloney	Smith, Maine

Smith, Va.	Stefan	Vincent, Ky.	Welch
Smith, Wash.	Summers, Tex.	Vinson, Ga.	West
Smith, W. Va.	Sutphin	Voorhis, Calif.	Whelchel
Snyder	Sweeney	Vreeland	Whittington
Somers, N. Y.	Tarver	Wadsworth	Williams, Mo.
Sparkman	Tenerowicz	Wallgren	Wolcott
Spence	Terry	Walter	Zimmerman
Starnes, Ala.	Thomas, Tex.	Ward	
Steagall	Thomason	Warren	
Stearns, N. H.	Tolan	Weaver	

NOT VOTING—56

Allen, Ill.	Drewry	Ludlow	Shafer, Mich.
Bolton	Flaherty	Maciejewski	Short
Burdick	Halleck	Mansfield	South
Cannon, Fla.	Harter, Ohio	Martin, Ill.	Sullivan
Cannon, Mo.	Hawks	May	Taber
Carter	Hendricks	Merritt	Taylor
Chipperfield	Hill	Mitchell	Thomas, N. J.
Cole, N. Y.	Horton	Mouton	White, Idaho
Collins	Jenkins, Ohio	Nelson	White, Ohio
Connery	Johnson, W. Va.	O'Neal	Wigglesworth
Crosser	Kelly	Pittenger	Wolverton, N. J.
Darrow	Kirwan	Plumley	Wood
Ditter	Lambertson	Romjue	Woodruff, Mich.
Douglas	Lemke	Scrugham	Woodrum, Va.

So the motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Jenkins of Ohio (for) with Mr. Wolverton of New Jersey (against).

Mrs. Bolton (for) with Mr. Sullivan (against).

Until further notice:

Mr. Drewry with Mr. Halleck.

Mr. Wood with Mr. Plumley.

Mr. Romjue with Mr. Chipperfield.

Mr. Collins with Mr. Thomas of New Jersey.

Mr. Crosser with Mr. Horton.

Mr. Hendricks with Mr. Carter.

Mr. South with Mr. White of Ohio.

Mr. Cannon of Florida with Mr. Burdick.

Mr. Merritt with Mr. Darrow.

Mr. Scrugham with Mr. Lemke.

Mr. Kelley with Mr. Ditter.

Mr. Ludlow with Mr. Taber.

Mr. Mansfield with Mr. Pittenger.

Mr. Nelson with Mr. Douglas.

Mr. O'Neal with Mr. Hawks.

Mr. May with Mr. Short.

Mr. Mouton with Mr. Cole of New York.

Mr. Harter of Ohio with Mr. Allen of Illinois.

Mr. Johnson of West Virginia with Mr. Wigglesworth.

Mr. Cannon of Missouri with Mr. Lambertson.

Mr. Woodrum of Virginia with Mr. Shafer of Michigan.

Mr. Kirwan with Mr. Woodruff of Michigan.

Mr. Flaherty with Mr. Maciejewski.

Mr. Martin of Illinois with Mr. Hill.

Mr. White of Idaho with Mr. Mitchell.

The result of the vote was announced, as above recorded.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the bill was passed.

A motion to reconsider was laid on the table.

ANNOUNCEMENT

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to make an announcement.

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

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, Messrs. TAYLOR, CANNON of Missouri, WOODRUM of Virginia, JOHNSON of West Virginia, O'NEAL, TABER, WIGGLESWORTH, LAMBERTSON, LUDLOW, and DITTER are engaged in an important conference and were unable to vote on this roll call.

The SPEAKER. The Chair thinks that under the circumstances this is a proper announcement and does not contravene the position taken by the gentleman from Missouri.

PRAYERS OF THE CHAPLAIN OF THE HOUSE

Mr. JARMAN. Mr. Speaker, from the Committee on Printing, I report back favorably, without amendment, a privileged resolution (H. Res. 513) authorizing the printing of additional copies of the prayers of the Chaplain of the House, and I ask for its present consideration.

The Clerk read the resolution, as follows:

House Resolution 513

Resolved, That 2,500 copies of the prayers offered by the Reverend James Shera Montgomery, Chaplain of the House, at the opening

of the daily sessions of the House during the Seventy-fourth, Seventy-fifth, and Seventy-sixth Congresses, including the current session, be printed and bound for the use of the House of Representatives.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?
Mr. JARMAN. I yield.

Mr. MICHENER. How are these copies to be distributed; through the folding room?

Mr. JARMAN. Through the folding room; yes.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REPORT ON LABOR IN THE TERRITORY OF HAWAII

Mr. JARMAN. Mr. Speaker, from the Committee on Printing, I report back favorably, without amendment, a privileged resolution (H. Res. 519) authorizing the printing of a letter of the Secretary of Labor, together with a report on labor in the Territory of Hawaii, and I ask for its present consideration.

The Clerk read as follows:

House Resolution 519

Resolved, That the letter of the Secretary of Labor, transmitted to the House and referred to the Committee on the Territories on June 4, 1940, together with the report on "Labor in the Territory of Hawaii," which was prepared by the Bureau of Labor Statistics pursuant to the organic law of the Territory of Hawaii in 1900, as granted April 8, 1904, be printed as a document.

The resolution was agreed to.

A motion to reconsider was laid on the table.

HOUSE CONFERENCE ON UNEMPLOYMENT

Mr. JARMAN. Mr. Speaker, from the Committee on Printing, I report back favorably, without amendment, a privileged resolution (H. Res. 540) authorizing the printing of reports of the various committees of the House Conference on Unemployment.

The Clerk read as follows:

House Resolution 540

Resolved, That the manuscript of the reports of the various committees of the House Conference on Unemployment, composed of House Members who voluntarily made a general study of the causes of unemployment and the fundamental measures necessary to accomplish its solution, be printed as a House document.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMPOSITION OF THE UNITED STATES NAVY AND CONSTRUCTION OF CERTAIN NAVAL VESSELS

Mr. SABATH. Mr. Speaker, I call up House Resolution 538.

The Clerk read as follows:

House Resolution 538

Resolved, That immediately upon adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 10100, a bill to establish the composition of the United States Navy, to authorize the construction of certain naval vessels, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours to be equally divided and controlled by the chairman and ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. SABATH. Mr. Speaker, I shall, later on, yield 30 minutes to the gentleman from New York [Mr. FISH].

Mr. Speaker, to save the time of many Members who have inquired as to how long the debate will take, or when a vote may be expected, I call attention to the fact that about 40 minutes of the 1 hour on the rule will be utilized and the rule itself provides for 2 hours of general debate. I understand that not all of the 2 hours will be used and, consequently, we may conclude the consideration of the rule and the bill around 6 o'clock.

This is a broad rule, making in order an extremely important bill, a bill which provides for an increase in our Navy, if I am not mistaken, of 400,000 tons. The able chair-

man of the Committee on Naval Affairs will thoroughly explain the details of the bill to the satisfaction of Members of the House and I know that after you have listened to him there will be no question about your vote on the rule or on the bill.

Personally, Mr. Speaker, I regret that I am obliged to take a few minutes more than I expected on the rule, and I am doing so because I feel that we are here providing for appropriations of billions, not millions, but billions of dollars, for our national defense and while we are doing this I regret to say there are people within our midst who are undermining and therefore weakening us at home. I think this should stop. For instance, I now have in my hand many letters I have received, not as a Member of Congress, but as a delegate to the Democratic National Convention, from many so-called German organizations. Each and every one of them is exactly alike, and I feel that this kind of propaganda, which is not for the best interests of our country, should cease and that these misguided people should be set right.

Mr. Speaker, I hope during the last few days of this session some of those gentlemen in the Congress who have given aid and comfort to those whom I consider enemies of our country, will desist. Frankly, I do not blame the Republicans for wanting to remain in Washington. They do not want to adjourn because they are afraid to go home.

In view of saving time, I shall not read the letters to which I have referred, but I ask unanimous consent that I may insert one of the many letters—and they are all alike—in the RECORD to familiarize the House with them.

The SPEAKER. Is there objection?

There was no objection.

Mr. SABATH. Mr. Speaker, here are a few of the organizations from which I have received identical letters within the last few days: Sachsenverein "Saxonia," Chicago, Ill.; Deutsch-Galizien Kranken-Unterstützungs-Verein, Chicago, Ill.; Society of the Sudeten Germans, Chicago, Ill.; Karnthener-Club Koschat, Chicago, Ill.; Arion Mannerchor Der Sudseite, Chicago, Ill.; Harlem Maennerchor, Forest Park, Ill.; German-Hungarian-American Citizen's Organization, Chicago, Ill.; Verein Deutscher Weltkriegs-Veteranen, Chicago, Ill. (association of German veterans of the World War).

Mr. Speaker, this is a sample of the type of letter that I am receiving by the hundreds:

SACHSENVEREIN "SAXONIA,"
Chicago, Ill., May 31, 1940.

DEAR NATIONAL CONVENTION DELEGATE:

If ever there were times when the fate of all Americans was at jeopardy, it is now. Your vote, as a delegate to the national convention of your party, will be one of the deciding factors in shaping the destiny of our country. Your aim is not only to benefit our country by your decision, but also you desire that the candidate of your organization shall win at the fall election, and thereby become the next President of the United States of America. The ultimate decision in this matter, however, rests with the people.

We, as Americans of Germanic ancestry, are interested at this time primarily not in political parties but in America, and shall vote for the best candidate nominated, irrespective of party, who is pledged to a platform which must answer the following:

1. That the Presidential candidate be an American and not an internationalist or a Tory;

2. That he have an honest desire to enforce the Constitution of the United States of America and abide thereby without slight-of-hand tricks;

3. That he refrain from entering into secret agreements and understandings with foreign nations;

4. That he agree to concern himself with the affairs at home and the welfare of our fellow citizens, rather than with the welfare of the rest of the world; and that he refrain from international meddling;

5. That he have an abiding desire and will to keep us out of Europe's present war, and that he pledge himself to work in favor of reinstating the arms embargo, which we deem necessary to safeguard the peace and neutrality of the United States;

6. That he be of such prior experience as would qualify him for the high office.

Believing, as we do, that all shortcomings at home can and will be adjusted if we will only concern ourselves about our domestic affairs instead of meddling in the affairs of every other nation in this world and instead of playing international power politics, we absolutely demand the fulfillment of the foregoing requirements, in addition to a sane program on all points usually outlined in a party's platform.

We trust that your action at the national convention of your party will aid in the construction of an inspiring platform and the nomination of a candidate for the office of President of the United States of America, who, above all, will truly be an American.

Very truly yours,

WALTER GERMER.

Mr. Speaker, all of us can understand the underlying reasons for the sending out of these letters. On the other hand, I have received thousands of petitions, letters, and telegrams urging that I stand by the President in his extraordinary efforts to keep the United States out of war.

GERMANY HAS LONG DREAMED OF OBTAINING A FOOTHOLD IN THE WESTERN HEMISPHERE

There is no longer the slightest doubt in the world but that Nazi-ists have been planted and are carrying on their propaganda in practically every country in South and Central America. Almost daily the press associations are carrying items about some newly discovered German plotting in almost every South American capital.

Bribery, sabotage, intrigue, and nefarious propagandizing has always been a part and parcel of German warfare. We have only to recall the brazen note of Zimmerman, the German foreign minister to the German legation in Mexico, to realize that this was so in the World War, and there is no reason to believe that since then the tiger has lost its stripes nor the leopard its spots. Zimmerman offered Mexico as a bait for its assistance against the United States the opportunity "to reconquer the lost territory of New Mexico, Texas, and Arizona," saying to his Mexican agents, "The details are left to you for settlement."

The text of Zimmermann's message, which was captured by American secret-service agents late in 1916, tells its own story, as follows:

On the 1st of February we intend to begin the unlimited submarine warfare unrestricted. In spite of this, it is our intention to keep neutral the United States of America.

If this attempt is not successful, we propose an alliance on the following basis with Mexico. That we shall make war together and together make peace. We shall give general financial support and it is understood that Mexico is to reconquer the lost territory of New Mexico, Texas, and Arizona. The details are left to you for settlement.

You are instructed to advise the President of Mexico of the above in the greatest confidence as soon as it is certain that there will be an outbreak of the war with the United States, and suggest that the President of Mexico, on his own initiative, should communicate with Japan suggesting at once adherence to this plan. At the same time offer to mediate between Germany and Japan.

Please call the attention of the President of Mexico that the employment of ruthless submarine warfare now promises to compel England to make peace in a few months.

ZIMMERMANN.

Zimmerman had deposited \$500,000 in New York banks for the exclusive purpose of his "Mexican campaign." It is believed that Huerta, a former Mexican general and President, received \$100,000 of this sum and that he would probably have received more had he not died soon after.

There is no doubt that Hitler has some kind of designs on the Western Hemisphere; otherwise, why would he be sending so many of his agents to this continent? As a matter of fact, Hitler has always talked and dreamed of coming to South America. He told a German writer, one of his closest friends, Herman Rauschning, a member of the Reichstag, about it as long ago as 1933, and Rauschning wrote the story in his book, *The Voice of Destruction*. At the same time he told of his plans to capture Norway, Holland, Belgium, Denmark, Poland, and all or most of the things he said then have already come true. Speaking in the first person, Hitler declared excitedly:

My troops will appear in the streets of their capitals suddenly, and they will be fully uniformed and armed, and no one will stop them.

And they appeared just that way in the capitals of Denmark and Norway, after his "fifth column" had preceded them and prepared the ground. Referring to South America, Hitler said, away back in 1933, mind you, his mind inflamed just after he had been talking with a trusted

leader, Sturmabteilung, who had recently returned from South America:

We shall create a new Germany there. * * * We shall find everything we need there. * * *

"Besides, we have a right to that continent," declared Hitler, his eyes wild with excitement, "for the Fuggers and Welsers had possession there."

The Fuggers were wealthy Germans who helped rape Spain 300 years ago. Hitler thought, as long as 7 years ago, that South Americans and Mexicans had lost confidence in the United States. He said:

They knew they were being exploited by them and had nothing to expect from them for the development of their country. * * * If ever there is a place where democracy is senseless and suicidal it is in South America. They must be enabled to throw both their liberalism and their democracy overboard.

JUNIOR CHAMBER OF COMMERCE

Mr. Speaker, just before I took the floor I was handed a statement which I was given to understand came from the junior chamber of commerce. I am pleased that such was not the case.

It pertained to another organization, and not being in the habit of doing anything that might reflect unfairly or unjustly on any organization or person, I withdraw the remarks and make due apology.

However, the demonstrations carried on for the past four nights by members or guests of that organization were extremely provoking to those of us who are obliged to reside in hotels. That they desired to excel in the pranks of other organizations may be understood. They are young, and I hope the hundreds of men and women resident in other hotels who were similarly disturbed will forgive and forget as I am doing.

Mr. Speaker, I also received today several releases from the so-called National Small Business Men's Association, which would have been more in keeping if they had been circulated by some Republican campaign committee. These releases carry willful and deliberate misstatements of facts and unjustifiably criticize the Army and the Navy. I feel that such a campaign and attacks, especially at this time, when we are doing all possible to strengthen our national defense, is harmful and encourages those within our midst who sympathize with the Nazi-Communist activities.

The bulletins published under the caption of the National Small Business Men's Association does not appear to me to be the representative attitude of small business toward the policies of the present administration.

The information contained in the two copies is a deliberate attempt at perversion of the facts and status of conditions now existing in the Army and Navy—smacking and closely resembling the type of insidious propaganda being spread by the Nazi agents in this country to undermine and malign public opinion. It is a deliberate, malicious, and vitriolic attack not only against the administration but the good sense of the American people. In such hours of emergency such attempts at malignment are certainly directed to thwart the unity of thought and the unity of action in standing solidly and united against our common enemies now within the country.

It certainly is evident from just a perusal of the bulletins that the information is sponsored by "fifth columnists"—persons actively engaged for the sole purpose of destroying democracy and the country as we know it.

The figures contained in the first few pages of the bulletin dated June 7 are grossly distorted and deliberate lies. The editors seem to forget that military equipment manufactured during these critical days become obsolete with continued invention of new weapons of war.

The editors, on page 4 of the same bulletin, complain that only 31 of the 1,500 airports built by W. P. A. can handle military aircraft. Query, Is it the writer's opinion that each commercial airport in this country, whether strategically or otherwise situated, is to become an armed encampment and military arsenal?

The writers further state that "if we had statesmen in Washington instead of politicians this country would not need fear attack from within or without." The editorial staff certainly does not reflect public opinion as indicated by the Gallup poll as to the rising popularity of the Roosevelt New Deal policies manifesting approval of the progress and program achieved and proposed for the tremendous strides in recovery during the past 7 years by the present administration.

The bulletins accuse the President of "warmongering" and fanflaring war hysteria. Are the writers aware of the Nazi-Fascist activity in South America, Mexico, and right here in our own midst? All they need do is read the recent speech by Dictator Vargas, Premier of Argentina.

The propaganda contained in the bulletins is vicious, and its attack, deliberately un-American, truly representative of the insidious type of stuff that is being fabricated in the high-g geared "lie factories" under the direction of Dr. Goebbels and Streicher's Sturmer in Nazi Germany.

Those allegedly "respectable businessmen" who are behind this propaganda have not the manhood to identify themselves. I believe there are none such. I defy anyone to give me the name of even one respectable businessman who would subscribe to such anonymous and scurrilous attacks upon the President of the United States and our Army and Navy.

I am satisfied that in the near future I shall be able to ascertain the source of the funds for the printing of these bulletins. I believe I will be able to prove that it comes not only from a Republican campaign fund but from the coffers of those who are opposed to the best interests of our Nation.

Mr. Speaker, I intended to read an editorial appearing in the June 19 issue of the Chicago Daily Times, but in order to save the time of the House while such vitally important legislation is before us, I ask unanimous consent to insert it in the Appendix as an extension of remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. SABATH. Mr. Speaker, I reserve the remainder of my time and yield to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, I yield myself 10 minutes.

Mr. SECCOMBE. Mr. Speaker, will the gentleman yield to me?

Mr. FISH. I yield.

Mr. SECCOMBE. The gentleman from Illinois [Mr. SABATH] just made the statement, if I am correct, that the Junior Chamber of Commerce holding those conventions here at this time are not patriotic. I say to that gentleman that the Junior Chamber of Commerce represents the finest and greatest patriotic organization in this country.

Mr. SABATH. If the gentleman had watched them perform in these various hotels of the city he would not make that statement.

Mr. SECCOMBE. Oh, they are not the first group that has had a good time here, and I am not making any apology for them, but that does not signify that they are not patriotic, and I resent that statement.

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

Mr. FISH. Yes.

Mr. THILL. Mr. Speaker, I am sure the gentleman from Illinois [Mr. SABATH] does not mean what he said about the Junior Chamber of Commerce. That group is made up of representative young men from every State in the Union. The Members of Congress in the Texas delegation were instrumental in entertaining other Members of Congress and the convention delegates of the Junior Chamber of Commerce at a barbeque which I myself attended. I approve of the patriotic activities of the Junior Chamber of Commerce.

Mr. FISH. I join in upholding the patriotism of the Junior Chamber of Commerce.

Mr. Speaker, this is a fair rule. There is no opposition to the rule that I know of. It brings before the House a highly important bill involving the sum of \$4,000,000,000, one of the greatest authorizations in the history of the Congress of the United States, and very possibly in the history of any deliberative body. I believe it is the will of both the Democrats

and Republicans alike in this great national crisis to make America invincible on land and sea and in the air. This bill proposes to double the size of our Navy, the greatest navy today in the world, and when we vote for this bill we do so knowing that we are authorizing over a 6-year period funds to double the size of our present Navy.

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

Mr. FISH. Yes.

Mr. DIES. Mr. Speaker, I did not hear the remarks of the gentleman from Illinois [Mr. SABATH], but certainly the gentleman did not mean to cast aspersion or reflection upon the members of the Junior Chamber of Commerce. There are no more patriotic citizens in America than those young men who attended this convention and I think something should be said to that effect.

Mr. FISH. I thoroughly agree with the gentleman in what he says and that is why I yielded to gentlemen on this side of the aisle. I think the gentleman from Illinois [Mr. SABATH] gave the wrong impression and that he should withdraw his adverse criticism. The gentleman has no right to speak for the gentleman from Illinois, nor have I, but I suggest, in view of the fact that he gave that impression to the House, he ought to withdraw those remarks.

Mr. SABATH. Mr. Speaker, I have been away for a minute.

Mr. FISH. The gentleman did not hear the remarks of the gentleman from Texas?

Mr. SABATH. No.

Mr. FISH. The gentleman suggested the gentleman from Illinois did not mean to make any reflection on these young men of the Junior Chamber of Commerce.

Mr. SABATH. I think in haste to get through with my remarks I may have been misunderstood. I said they did not behave.

Mr. FISH. The gentleman does not want to make any reflection upon their patriotism?

Mr. SABATH. No.

Mr. FISH. Mr. Speaker, contrary to the facts, the public back home is under the impression because of the war hysteria which has led them to believe that our Navy does not amount to much, that we are practically defenseless and in the same category as China, Abyssinia, Poland, or some of those other weaker nations. I asked the gentleman from Georgia [Mr. VINSON], who is the distinguished chairman of the Naval Affairs Committee in charge of this bill, the other day, in order to clarify this situation—and he agrees that we have the best navy in the world. I am frank to say there are many veterans in my district, good, personal friends of mine, that do not believe it when I tell them that we have got a great navy in America; that we have the greatest navy in the world. They tell me, "Why, you are just talking through your hat. We know better."

A little while ago when Senator WALSH, who knows as much about the strength of the Navy as anybody in Congress or out, went before the Daughters of the American Revolution convention and ventured the statement that we had a great Navy, he was hissed and booed by the convention. They knew better. The American people actually believe that our Navy is second or third rate and in no way equipped to defend our shores. So I asked about a week ago the chairman of the committee, my distinguished friend, with whom I have served so many years in the Congress, the gentleman from Georgia [Mr. VINSON], about the size of the Navy:

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

Mr. VINSON of Georgia. I yield.

Mr. FISH. I find there is a good deal of misunderstanding about the size of our Navy; a great deal of confusion and bewilderment in the minds of the people. Some people actually feel that we have no Navy at all. I would like to ask the gentleman, who is the greatest authority in the whole Congress on the Navy, if it is not a fact that we have the greatest, the most powerful, and efficient Navy in the world today?

Mr. VINSON of Georgia. The gentleman from New York is absolutely correct. There is no navy in the world equal to the Navy of the United States.

Mr. FITZPATRICK. Mr. Speaker, will the gentleman yield right there?

Mr. FISH. I yield.

Mr. FITZPATRICK. It is not surprising that people on the outside would feel that our Navy was weak, when Members of the House will get up on the floor and say that we have not made any preparation.

Mr. FISH. Well, I do not think it comes so much from Members of the House. I think it comes from these warmongers and these hysterical Communists or columnists—one is as bad as the other [laughter]—who are trying to promote war psychology; that we have got to go to war in defense of ourselves because we have no Navy and are about to be invaded.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. FISH. I yield.

Mr. VINSON of Georgia. I will state to the gentleman that Congress has not been negligent in its appropriation for ship construction. In the last 7 years there has been over \$1,600,000,000 appropriated for building ships in the Navy—new construction.

Mr. FISH. Colonel Lindbergh was right when he said in one of his recent radio speeches:

Let us stop this hysterical chatter about calamity and invasion that has been running rife these last few days. It is not fitting to the people who built this Nation. The only reason that we are in danger of becoming involved in this war is because there are powerful elements in America who desire to take part. They represent a small minority of the American people, but they control much of the machinery of influence and propaganda. They seize every opportunity to push us closer to the edge.

He refers to these interventionist columnists who want people to think that we are disarmed and to get us into war on some pretext of defense.

Now, starting from this premise that we have the greatest navy in the world—and thank God we have—for the first time in our history, since the Civil War. We have the greatest navy in the world, a navy greater than the British Navy, because the British Navy has lost a number of ships in the last few months. Ours is getting greater and greater every day. We are six or seven times greater than the German Navy. I believe that most Members of the House, however, have made up their minds that we should prepare now to have even a greater navy. This authorization will double our Navy in 6 years' time.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield myself 10 additional minutes.

This Navy will become twice the size of our present Navy and unquestionably twice the size of any other navy. We will have a navy on each coast equal to any in the world. The admirals of our own Navy say that if any nation wants to come over here and attack us, they must have a navy two or three times as large as ours to even dare to attack us. So after our Navy has been increased to twice the size of the present Navy, if all the navies of the world combined to attack, they would make no impression on us if they came over to our shores looking for war. All I hope is that this navy—and I am going to vote for it—will not be used for offensive purposes and for aggression and to police and quarantine the world.

Mr. MAGNUSON. Will the gentleman yield?

Mr. FISH. I yield.

Mr. MAGNUSON. I wish the gentleman would point this out, that although we have the largest Navy in the world in tonnage, we have a two-ocean proposition, and should we split our navies, for instance, in the Pacific, then we would have a Navy in the Pacific that would be smaller than the present Japanese Navy. Therefore the necessity for this is obvious. We should have not only the largest Navy in the world, but we should have the largest Navy in each particular ocean.

Mr. FISH. That is the argument for the bill, and that is why Members of Congress largely are going to support it. I am going to vote for it from the same point of view as the gentleman has expressed.

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

Mr. FISH. I yield.

Mr. HINSHAW. How long will it be before this Navy we are authorizing today will be built and ready for service?

Mr. FISH. About 6 years.

Mr. HINSHAW. Will not a great part of our present Navy by that time be in a state of obsolescence and ready for the junk heap?

Mr. FISH. I do not know so much about that. It is a question how long these battleships are useful. I rather think our Navy is pretty efficient at the present time.

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

Mr. FISH. I yield.

Mr. BENDER. I have a telegram from a substantial organization in Chicago in which they say we have had a decrease of 35 fighting ships in the last 6 years. Is that statement correct?

Mr. FISH. I would rather refer the gentleman to the chairman of the Committee on Naval Affairs who knows exactly how much money we have appropriated, how much money we have spent, and how many ships we have in commission. I agree with him thoroughly in what he says that today we have the best Navy in the world. That ought to be sufficient, and I do not think any member of the Naval Affairs Committee denies it. They ought to know more about it than some of us who are not on that committee. I want the American people to realize these facts which are not understood at all, that we have the greatest, most efficient, and best Navy in the world.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. BROWN of Ohio. If we appropriate this money and build this new Navy, what assurance have we that the President will not sell some of these ships to some other nation?

Mr. FISH. I am going to discuss that in some detail. That is the reason I took the time today. It is a matter that is very close to my heart; it is a matter practically of inheritance.

Mr. BROWN of Ohio. How long did the gentleman state it would take to build these ships?

Mr. FISH. Six years.

Mr. BROWN of Ohio. We will have another President by that time.

Mr. FISH. I hope so. Let me say to the gentleman that we have just launched two brand new 35,000-ton battleships a few weeks ago.

Mr. BROWN of Ohio. Have they been sold yet?

Mr. FISH. No; not that I know of—and that is a very proper question. I just communicated with Admiral Stark's office. I tried to get Admiral Stark on the telephone, but could not, and talked with an officer who contacted and spoke for him. I asked if any ship of the Navy had been sold, directly or indirectly, to any foreign nation—that is, through private sources or directly through the Navy—and the answer was "no," that no ship had been sold.

We all know that certain contracts have been entered into to sell some of the brand-new torpedo boats—I believe they call them mosquito boats, very fast submarine chasers. They had not been completed, but the intent was to take those ships and sell them to a belligerent power in violation of the law of the land. The contract had already been made. I am now informed, however, that the contract has been broken because the gentleman from South Dakota [Mr. CASE] discovered a Federal law and called the attention of the Navy Department to it, showing them that it was a criminal offense for any private concern to sell any armed ships. The contract has been withdrawn or canceled.

What I wanted to do was to call the attention of the House to our great American tradition that goes very much further and way beyond the selling of any naval vessel. That is absolutely in defiance of every law, our own law as well as international law, and common usage. It is unquestionably an act of war. When a neutral nation sells a naval vessel to a belligerent nation, that is an act of war and would be so recognized by all nations.

During the Civil War certain Confederate raiders were outfitted in England. The well-known *Alabama*, the *Florida*, the

Shenandoah, were equipped and outfitted in England. These were not English warships, they were Confederate merchant vessels that were outfitted in wartime in England. They left England and were equipped outside of the 3-mile limit with guns. Then they raided the Union ships, and they raided them very successfully and sunk hundreds of them, at the cost of great sums of money to their owners. After the war our administrations, one after the other, took this matter up with England and demanded reparations and indemnities for the depredations of these Confederate cruisers. At one time we verged on war with England over those claims. It was not a question of their selling their own Navy ships, but merely outfitting ships there that could be used as raiders. We almost went to war with Great Britain. Finally, under the Grant administration, we entered into the Treaty of Washington in 1871 that provided for a settlement of these claims through arbitration.

The reason I recall this so clearly is because at that time—and I am very proud of the fact—the Secretary of State who handled those treaties was my own grandfather. I am familiar with every detail of them. It was one of the first successful arbitration treaties between two great powers. The arbitrators were appointed and they held their meetings in Geneva, Switzerland. It is known as the Geneva Tribunal or the Geneva Award. That tribunal found for the United States against Great Britain in a sum of \$15,500,000, a very large sum of money in those days, and held her responsible and accountable for merely outfitting these Confederate ships, not their own Navy ships—outfitting ships and letting them depart without due diligence to harass and destroy our Union merchant marine.

So Great Britain had to back down, the mistress of the seas had to apologize and give us one check in the amount of \$15,500,000. From that time on it has been written into international law all over the world that no neutral power may sell any naval vessel to a belligerent power. It was put into article VI of the Hague Convention of 1907, of which Germany and ourselves are still parties. But more than that, we wrote it into our own law, and I want to commend the chairman of the committee, as I very often do, and the committee itself, for bringing in a bill, including the last paragraph of which reads as follows:

SEC. 7. No vessel, ship, or boat now in the United States Navy or being built therefor shall be disposed of by sale or otherwise or be chartered or scrapped without the consent of the Congress.

Mr. Speaker, that ought to settle the fear in the mind of any man or woman in this House that the President may attempt to sell naval vessels because we are now writing into the law here that no such action shall be taken without the consent and approval of the Congress of the United States

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield myself 2 additional minutes.

Mr. Speaker, I am very happy that this traditional and very well-known principle established long ago is about to be reaffirmed by the Congress of the United States. I submit that if we had proceeded with this contract and had sold our naval vessels it would have been tantamount to an act of war. It would probably have involved us in serious difficulties, if not in actual war. Certainly, if we had sold these naval vessels and they had sunk, let us say, German ships, after the war is over, and sooner or later peace is bound to come and the sooner it comes the better for the world, then the United States would be held responsible. We would be sued for the losses incurred and be obliged to arbitrate and we would lose. It would cost us hundreds and hundreds of millions of dollars. So I am glad we have put our stamp of approval against the sale of any naval vessels and in that way assure keeping us out of foreign wars. [Applause.]

Mr. SABATH. Mr. Speaker, I yield 10 minutes to the gentleman from Mississippi [Mr. COLMER].

PREPAREDNESS—A GUARANTY AGAINST WAR

Mr. COLMER. Mr. Speaker, in the 7 years that I have had the privilege of being a Member of this body, I have

consistently and from time to time taken the floor of this House to advocate military preparedness as the road to peace; and I am happy in the thought that as we consider this additional authorization for the building up and improving of one arm of our national defense—the Navy—I am no longer in the minority. It is indeed gratifying to observe that the Congress and the American people generally are awakened to the necessity of this country building a national defense that will be adequate to meet any eventuality.

PROPHECY

In fact, Mr. Speaker, I hope that I will be pardoned for making the statement that as long as 4 or 5 years ago some of us had the foresight to envision the events which have and are now transpiring in such lightning order abroad. On March 19, 1936, in the Well of this House, I dared to prophesy some of these things that I regret to say have happened. In a speech on that date entitled "An Answer to the War Lords," I said, in part:

Mr. Chairman, there is an old adage to the effect that in times of peace we should prepare for war. I should like to paraphrase this for the purpose of this discussion and say, "In times of peace, prepare for peace." With Europe a veritable volcano of war at present, with the clouds of another gigantic war, the like of which possibly the world has never heretofore witnessed, hanging the lowest on the world's horizon, with the diplomatic endeavors of the Old World statesmen daily changing into kaleidoscopic patterns, with the whole of Europe jockeying for position, it must be manifest, even to him who reasons as he runs, that the enemy of civilization and Christianity, the all-powerful god of war, is busy about his task. War is imminent. Just how far distant it is no man can successfully predict. It may be 6 months; it may be 2 years. At the most it cannot be more than 5 years unless something not now apparent develops. In my opinion, conditions in the world today, from the standpoint of imminence of another World War, are more pronounced than they were 6 months before an all-powerful German war machine rode roughshod over Belgium in 1914. If you question the wisdom of this statement, I would point out to you the fact that today a powerful, militaristic Italy, under the domination of the war lord, Mussolini, bent upon expansion and conquest, is running at liberty over a weaker and almost defenseless black people in Ethiopia. The yellow race of Japan for the past decade, under the domination of the war lords of that nation, has been continually building up a powerful military machine likewise bent upon a conquest of expansion. Russia looks with uneasy expression and apprehensive eyes upon this program of Japan. The Chinese, powerful in potentiality but defenseless in reality, resent keenly and with a smoldering fire of national pride this aggression on the part of her more powerful yellow neighbor. To the west the mighty British lion paces uneasily but, withal, cunningly and wisely as he watches over his spreading dominions and counts the effect of these aggressive and hostile acts on his own proud kingdom. The ingenious and resourceful Germany, under the leadership of the new war lord of that country, has boldly discounted the Locarno pact and proclaimed the last vestige of the Treaty of Versailles as but another scrap of paper. France is diligent in her efforts to form new alliances, and is emotionally appealing to her neighbors and the other civilized countries to rally to her support in defending the Locarno pact and the Treaty of Versailles. America, the New World giant, once far removed from Europe but now, as a result of scientific advancements in communication and transportation, not so far removed from the Old World; America, a peace-loving nation, in spite of its suffering from a world-wide depression, with no necessity for expansion—no desire for conquest, rich, and happy in its own ideals of government—is wont to remain aloof from the turmoil and maelstrom of Old World diplomacy and warfare.

The all-important question now is, What is America going to do about it? What course shall we pursue?

Somewhere there must be a sane, sound policy for this country to pursue. To my conception there is but one answer—armed neutrality. We can be neutral, but we must be strong enough to demand the respect of those warlike nations who profess a desire for peace and at the same time are, with wanton abandonment, bent upon a policy of economic expansion and aggression.

Is it necessary for me to point out to my colleagues here that treaties, pacts, and agreements are worthless in a world of nations who are arming to the limit of their economic ability; when aggression and expansion are the ultimate desires of so many nations of the world? Is it necessary to call your attention to the fact that a peaceful overture of one powerful nation to another today is withdrawn almost before an opportunity for its acceptance has been given? The order of procedure among the nations of the world today is so selfish and so self-centered that one is reminded of a public auction where the highest bidder is the purchaser of the thing sought. A powerful nation, through its diplomatic circles, issues a strong denunciation today of the encroachment upon the national rights of a weaker nation. A few months later the same powerful nation, when it is either to the economic or strategic interest of that nation to do so, barter or negotiates with the same nation that it has so recently denounced. We have seen treaties, pacts, and agreements thrown overboard apparently without rhyme or reason other than that might makes right. Apparently, therefore,

we are driven to the conclusion that, however desirable and beautiful are world courts, leagues of nations, and international agreements for disarmament in their theory, we are confronted, as peace-loving as we are, with the realization that we are dealing with nations who, like men, have as their controlling factor a selfish desire to prosper at the other fellow's expense.

In this situation are we not driven, driven reluctantly, but nevertheless driven, to a little selfish consideration of our own national preservation? Because of this unfortunate situation our Navy and our Army—and more especially our Navy—must be built up to the point where it will be excelled by none, not even that of Great Britain. Our vast shore lines and outlying possessions must be protected. American integrity and American nationality must be conserved. The heritage purchased by our glorious ancestry, with its institutions and its ideals, must be maintained. When Europe and the rest of the world have awakened to the truth that peace is precious and that the race in armaments and warfare must end, then—and not until then—can America afford to cease its vigilance.

* * * We are not unmindful of the fact that an adequate armed force for this country is an expensive necessity, costing as it does millions of dollars to maintain. Neither can we forget that our recent venture into the arena of the World War cost the taxpayers of this country in excess of \$50,000,000,000 in money alone, and we have not seen the end yet. But, of more moment still, where is the American home that did not feel more keenly the loss or injury of some loved one who was called upon to offer his blood upon the fields of horror in the hellishness of modern warfare?

The American people are sending aloft to high heaven daily a fervent prayer that the United States may not be drawn into the vortex of this the greatest and most ruthless war in the history of mankind. But as commendable as prayer may be, there can be no assurance that the dove of peace will continue to flit about the American Continent unless we build up our national defense to the point that it will be respected abroad. The only language which we may expect the modern Caesars and Alexanders to respect is the language of guns and power—superior armies, navies, planes, and tanks.

Today, Mr. Speaker, civilization and Christianity are staggered by the picture of horror and bloodshed in a war-torn Europe. It is no wonder that at times the followers of Jesus Christ, the lowly Nazarene, have their moments of doubt whether 2,000 years of Christianity and civilization have been in vain. But as our eyes scan the world horizon and we witness the death struggle for power on the one hand and for national existence on the other, we realize that self-preservation and national existence, not to mention the heroic history and treasured traditions of America for more than 160 years, may perhaps fall victim to the same ruthless and unconscionable methods of modern warfare that are now in the process of destroying the democracies of the Old World. Assuredly America in all of its might, in its vast resources—both natural and manpower—in all of its patriotism, will not allow such a thing to happen. But assuredly it can and will happen unless we be prepared to meet that unconscionable and ruthless force with a superior force. [Applause.]

PRESENT AND AUTHORIZED DEFENSE

Mr. Speaker, the present armed forces of the United States are by no means insignificant. While it is true that we are not prepared to engage in a war or defend ourselves against a first-rate fighting machine such as is possessed by Germany and Italy, it is nevertheless true that we have made considerable strides in the program of national defense. For instance, we have appropriated during the past 7 years approximately \$7,000,000,000 for our armed forces. This is exclusive of the \$5,000,000,000 already approved this year and the present legislation which we are considering, which would authorize another \$4,000,000,000. That means that we have authorized a total of nearly \$16,000,000,000 for national defense during this administration. We will have authorized a standing Army of 400,000 men, by far the greatest peacetime Army this country has ever had. We have the greatest Navy that has ever sailed under the American flag. Our Navy in November of 1933 had an aggregate tonnage of a little more than a million tons. Our present program for the new Navy, which means ships now afloat plus the ones under construction, and plus those which Congress has authorized heretofore and which we are going to construct with all possible speed, when completed will have an aggregate tonnage of more than 2,000,000 tons. This will comprise a balanced Navy of approximately 522 vessels. We now have under construction

54 combatant ships. We have just launched 2 of the greatest—and possibly the greatest—battleships in the world. Now add to that the ships which are authorized in the bill which we are now considering—an additional tonnage of 1,325,000 tons at a cost of \$4,000,000,000, and we have a grand total of approximately three and a half million tons of naval combatant craft. This bill, which the Congress in its wisdom will pass, authorizes capital ships, aircraft carriers, cruisers, destroyers, and submarines. If and when this program is completed the United States will have by far the greatest Navy that the world has ever seen. But the necessity for such a Navy is evident. Even as we debate this bill, the fate of the French Fleet—the third largest in the world—is in doubt. Just what will eventually happen to the British Fleet no one can foretell. At any rate, it is in the realm of possibility, whether we like it or not, that before another 6 months have elapsed a large portion of the British Fleet, as well as the entire French Fleet, may fall into the hands of the German and Italian war lords. We hope—yea, we even pray—that such a thing may not happen, but we have no assurance that it will not.

On the other hand, we are woefully unprepared by comparison in the air. We have less than 1,500 first-class airplanes, as against a possible 30,000 coalition of German and Italian planes. In tanks—the battleships of land—we possibly suffer even more by comparison.

NECESSITY FOR SPEED

So it is quite evident that in this chaotic condition of world affairs we as a nation can no longer as a neutral bystander go unprepared. We must, in the words of the President, go "full speed ahead." Mr. Henry Ford, the great industrial leader, assures us that he can build 1,000 planes a day. In fact, he and his staff, together with other great industrial leaders and their trained experts, are now busily engaged in setting up plans to turn out a maximum of planes. I am one of those who believe that Mr. Ford, if not hampered by too much governmental red tape, can make good his boast of a thousand planes a day, in time. In fact, we do not need the production of a thousand planes a day now, but what we do need is to have industry geared up to the point where industry can turn out 1,000 planes a day if necessary. Hand in hand with the development of the planes must go the training of the personnel to handle the planes. I am happy in the thought that by the time we have the pilots and the ground crew trained to handle the planes industry will be in position to produce them.

Mr. Speaker, how pitiful came the cry from the crushed Allied soldiers after the battle of Flanders in their request for planes, tanks, and more planes. It would be nothing short of criminal for the President and the Congress of the United States to fail in their immediate duty to prepare the necessary planes, tanks, and other machines of war now and not after we get into a war. Now is the time to prepare and not after it is too late. Surely the President and the Congress would have the blood of millions of innocent young Americans on their hands if they should fail in this hour to profit by the experience of the Allies. Given 10,000 more modern war planes 30 days ago the Allies would have stopped Germany short of the French boundary. Under the hellish pounding and bombing of Nazi tanks and planes in greatly superior numbers, the gallant soldiers of Holland, of Belgium, of France, and of England were at the mercy of the invading hordes. Our slogan until we are fully prepared should be, Remember the fate of Poland, Czechoslovakia, Belgium, Norway, Holland, and France.

INVASION NOT IMMINENT

Mr. Speaker, I do not fear an immediate invasion of this country by the unholy coalition of Hitler and Mussolini, nor the invasion by any other war lords bent upon unconscionable aggression. We know not how long England can hold out. We hope for the best but fear the worst. America wants no war. America is and always has been a peace-loving nation. Never in its history has it unsheathed its sword in an unjust cause of aggression. America has no desire to become

a world empire. But America must be frank with itself and face the issue. Dark days may lie ahead.

Mr. Speaker, powerful influences are at work to get this country into the maelstrom of this modern bloody war. The intrigue of world statesmen and European diplomacy is about its task today even as it was in 1916. Events are moving swiftly. God in heaven knows that no one in this country condemns the ruthless and wanton aggression of Hitler and the cowardly action of Mussolini more than do I. But I am thinking of America. America is not prepared to go to war. I am thinking of the youth of this country who would have to be slaughtered in such a war. I am not thinking of big business and munition makers; I am thinking of the plain people who will have to fight such a war. I am thinking of my son, who has just qualified as an aviation pilot; of your sons, who would be called upon to shed their precious blood upon a foreign soil. I am thinking of the mothers of this land who love these tender youths more than their own lives. You and I are willing, yea, we would even take justifiable pride in seeing those precious lives sacrificed in defense of American soil and American institutions. But we pray that American statesmanship may not blindly lead us into the fatal error of embarking upon the bloody sea of European intrigue in another futile effort to settle European quarrels.

We can escape being drawn into this war if we will follow the dictates of common sense. First, we must carry out a program of preparedness, which we have started, to the point of perfection, regardless of cost—a program which will be so strong in its realization that the war lords will hesitate to provoke it. Strong nations do not provoke wars with stronger nations; they invade only the weaker nations. Force is the only language they respect. Second, we must refrain from aggressive and overt acts and intemperate speech on our own part. Wise people do not call bad men ugly and fighting names unless they are ready to fight. America is in no position now to fight, and it ill behooves us to commit acts of aggression and use intemperate speech. Third, we most emphatically must get our own house in order. Enjoying the benefits of the freest government in the world, American citizens must become unified in one great patriotic body. In these perilous times there is no room in this country for subversive activities, members of the "fifth column," or those who would commit sabotage. This is no time for maudlin sentiment and the prating about selfish rights. The selfish rights of the individual must yield to the collective selfishness of national preservation. Those who would benefit by the blessings of our form of government must realize their duty to their Government.

Moreover, Mr. Speaker, this is no time for either petty or partisan politics. On the occasion of the consideration by this body of the neutrality bill last year this house was generous in its approval of my opening statement in my discussion of that bill when I said: "Mr. Speaker, I think it is very important at the inception of this debate to take cognizance of the fact that we are trying to save this country from becoming involved in a European war rather than trying to elect somebody to office in 1940."

If that statement was worthy of your applause then, certainly its repetition now is more worthy. We have undertaken a big job, a job of preparing this Nation as it has never been prepared before—the job of protecting the Monroe Doctrine, the job of preventing this country from becoming involved in European politics and the bloodiest of all European wars. He who would play politics with this program might awaken some future day to realize that his toga of office was covered with the innocent blood of American youth. God forbid that this, the greatest democracy on earth, should ever fall prey to a foreign foe as the result of internal dissension, political aspirations, or the efforts of an undesirable and despicable "fifth column" element. May we, the beneficiaries of the foresight of the founding fathers in establishing the greatest democracy on earth, be equal to the occasion by observing these fundamental preventives of war.

DEMOCRACY CHALLENGED

Democracy is challenged by totalitarianism. We have seen a crushed Germany and a secondary power—Italy—under the leadership of ruthless dictatorships build gigantic war machines by the simple method of basing their whole economy around the building of those war machines. While France, England, and America were pursuing the peaceful pursuits of normal existence, these dictators were building up their armed forces for warfare. While we have built schoolhouses and spent billions for the more abundant life, they have built war machines. That their national economy would have fallen of its own weight and their nations have gone bankrupt without proceeding along the lines of aggression for which they had prepared is of no moment. We in America must of necessity—not of choice—prepare to meet that war machine with an equal or superior one. When we will have to meet it, if at all, is a debatable question. But if we are not prepared to meet it, our error will be fatal. All of the patriotism, all of our resplendent courage, all of our magnificent achievements in building the greatest model of human government in the history of the world, will avail us nothing if we fail to meet the challenge which has been thrown at us. God forbid that the descendants of Washington, of Lee, of Jackson, and of Jefferson should be found wanting. [Applause.]

Mr. SABATH. Mr. Speaker, I move the previous question. The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Baldrige, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 9633. An act to enlarge and extend the power and jurisdiction of the Board of Education over degree-conferring institutions operating within the District of Columbia.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5138) entitled "An act to make unlawful attempts to interfere with the discipline of the Army, the Navy, and the Coast Guard; to require the deportation of certain classes of aliens; to require the fingerprinting of aliens seeking to enter the United States; and for other purposes."

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

H. R. 8285. An act to limit the importation of articles, products, and minerals produced, processed, or mined under process covered by outstanding United States patents; to define unfair trade practices in certain instances, and for other purposes; and

H. R. 8692. An act to amend the act to regulate the practice of podiatry in the District of Columbia.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 9877) entitled "An act authorizing the Secretary of the Interior to promulgate and to put into effect charges for electrical energy generated at Boulder Dam, providing for the application of revenues from said project, authorizing the operation of the Boulder power plant by the United States directly or through agents, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PITTMAN, Mr. ASHURST, Mr. ADAMS, Mr. McNARY, and Mr. JOHNSON of California to be the conferees on the part of the Senate.

NAVAL SHIPBUILDING

Mr. VINSON of Georgia submitted a conference report and statement on the bill (H. R. 9822) to expedite naval shipbuilding, and for other purposes.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the present consideration of the conference report on the bill (H. R. 9822) to expedite naval shipbuilding, and for other purposes.

The Clerk read the title of the bill.

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

Mr. CASE of South Dakota. Mr. Speaker, I reserve the right to object.

Mr. VINSON of Georgia. I will explain the conference report, I may say to the gentleman.

Mr. CASE of South Dakota. Will the gentleman also explain the amendment adopted by the Senate in paragraph (c) of section 14?

Mr. VINSON of Georgia. I am going to explain it all right now.

Mr. CASE of South Dakota. I have no objection, Mr. Speaker.

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

There was no objection.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9822) to expedite naval shipbuilding, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17, 20, 21, 22, 23, 24, 25, 27, 28, 29, 30, 31, 32, 33, 35, 36, 37, 38, 39, and 40; and agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the matters inserted by said amendment, insert the following: "similar equipment, with or without advertising or competitive bidding upon determination that the price is fair and reasonable, and deliveries of material under all orders placed pursuant to the authority of this section and all other naval contracts or orders and all Army contracts and orders shall, in the discretion of the President, take priority over all deliveries for private account or for export: *Provided*, That the Secretary of the Navy shall report every three months to the Congress the contracts entered into under the authority of this section: *Provided further*, That contracts negotiated pursuant to the provisions of this section shall not be deemed to be contracts for the purchase of such materials, supplies, articles, or equipment as may usually be bought in the open market within the meaning of section 9 of the Act entitled "An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes", approved June 30, 1936 (49 Stat. 2036; U. S. C., Supp. V, title 41, secs. 35-45): *Provided further*, That nothing herein contained shall relieve a bidder or contractor of the obligation to furnish the bonds under the requirements of the Act of August 24, 1935 (49 Stat. 793; 40 U. S. C. 270 (a) to (d)): *Provided further*, That the cost-plus-a-percentage-of-cost system of contracting shall not be used under the authority granted by this subsection to negotiate contracts; but this proviso shall not be construed to prohibit the use of the cost-plus-a-fixed-fee form of contract when such use is deemed necessary by the Secretary of the Navy: *And provided further*, That the fixed fee to be paid the contractor as a result of any contract entered into under the authority of this subsection, or any War Department contract entered into in the form of cost-plus-a-fixed-fee, shall not exceed 7 per centum of the estimated cost of the contract (exclusive of the fee as determined by the Secretary of the Navy or the Secretary of War, as the case may be).

"(b) After the date of approval of this Act no contract shall be made for the construction or manufacture of any complete naval vessel or any Army or Navy aircraft, or any portion thereof, under the provisions of this section or otherwise, unless the contractor agrees, for the purposes of section 3 of the Act of March 27, 1934 (48 Stat. 505; 34 U. S. C. 496), as amended—

"(1) to pay into the Treasury profit in excess of 8 per centum (in lieu of the 10 per centum and 12 per centum specified in such section 3) of the total contract prices of such contracts within the scope of this subsection as are completed by the particular contracting party within the income taxable year;

"(2) that any profit in excess of 8.7 per centum of the cost of performing such contracts except prime contracts made on a cost-plus-a-fixed-fee basis as are completed by the contracting party within the income taxable year shall be considered to be profit in excess of 8 per centum of the total prices of such contracts; and

"(3) that he will make no subcontract which is within the scope of such section 3, unless the subcontractor agrees to the foregoing conditions."

And the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and

agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"Sec. 4. In the case of every contract or subcontract for the construction or manufacture of any complete naval vessel or Army or Navy aircraft or any portion thereof which is entered into (whether before or after the date of approval of this Act), the Secretary of War or the Secretary of the Navy, as the case may be, after agreement with the contractor or subcontractor, shall certify to the Commissioner of Internal Revenue as to (a) the necessity and cost of special additional equipment and facilities acquired to facilitate, during the national emergency declared by the President on September 8, 1939, to exist, the completion of such naval vessel or Army or Navy aircraft or portion thereof in private plants and (b) the percentage of cost of such special additional equipment and facilities to be charged against such contract or subcontract. For all purposes of section 3 of the Act of March 27, 1934 (48 Stat. 505; 34 U. S. C. 496), as amended, such certification shall be subject to such regulations as the President may prescribe, but shall be binding upon the Commissioner of Internal Revenue, unless within five days after receipt of such certification, he make formal objection thereto to the Secretary of the Navy or the Secretary of War as the case may be. The part of such cost chargeable against the contract or subcontract in pursuance of such certification, shall, for the purposes of such section 3, be considered to be a reduction of the contract price of the contract or subcontract. The amount charged against the contract or subcontract in pursuance of such certification shall, for the purposes of such section 3, be applied against and reduce the cost or other basis of such special additional equipment and facilities as of the date of installation thereof: *Provided*, That the Secretary of War or the Secretary of the Navy, as the case may be, shall report to the Congress, every three months, the cost of such special additional equipment and facilities to be borne by the Government under each contract."

And the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"Sec. 5. (a) Notwithstanding the provisions of any other law, the regular working hours of the Navy Department and the Coast Guard and their field services shall be eight hours a day or forty hours per week during the period of the national emergency declared by the President on September 8, 1939, to exist: *Provided*, That under such regulations as the head of the Department concerned may prescribe, and where additional employees cannot be obtained to meet the exigencies of the situation, these hours may be exceeded: *Provided further*, That compensation for employment in excess of forty hours in any administrative workweek computed at a rate not less than one and one-half times the regular rate shall be paid only to monthly, per diem, hourly, and piece-work employees, whose wages are set by the Act of July 16, 1862 (12 Stat. 587), as amended or modified; and also to professional and subprofessional employees and to blue printers, photostat and rotaprint operators, inspectors, supervisory planners and estimators, and supervisory progressmen, and assistants to shop and plant superintendents of the C. A. F. service, as defined by the Classification Act of March 4, 1923 (42 Stat. 1488; U. S. C. 5, ch. 13), as amended: *Provided further*, That in determining the overtime compensation of per annum Government employees the pay for one day shall be considered to be one three-hundred-and-sixtieth of their respective per annum salaries: *Provided further*, That the President is authorized to suspend, in whole or in part, for the War and Navy Departments and for the Coast Guard and their field services, during the period of the national emergency declared by him on September 8, 1939, to exist, the provisions of the Act of March 3, 1931 (46 Stat. 1482; U. S. C. 5, 26 (a)), if in his judgment such course is necessary in the interest of national defense, and any regulations issued pursuant to the Act of March 14, 1936 (49 Stat. 1161; U. S. C. Supp. V, title 5, sec. 29 (a)), may be modified accordingly: *And provided further*, That notwithstanding the provisions of any other law, the President is hereby authorized, in his discretion, to prescribe regulations to establish such uniformity among the War and Navy Departments and the Coast Guard and their field services in regard to hours of work and compensation for overtime of their civilian employees as he may deem necessary in the interest of national defense.

"(b) During the national emergency declared by the President on September 8, 1939, to exist, the provisions of the law prohibiting more than eight hours' labor in any one day of persons engaged upon work covered by Army, Navy and Coast Guard contracts shall be suspended."

And the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"Sec. 8. (a) The limit of cost of the vessels authorized by the Act of July 30, 1937 (50 Stat. 544), and any statutory limitation with respect to the cost of any other individual naval project of construction are hereby increased as may be necessary to expedite national defense and otherwise effectuate the purposes of this Act: *Provided*, That the monetary limitations on payments out of appropriations available to the Navy Department for employees in the Navy Department and for employees in the field service assigned to group IV (b) and those performing similar services carried under the Native and Alien Schedules of Wages of civil

employees in the field services of the Navy Department shall be suspended during the limited national emergency declared by the President on September 8, 1939, to exist: *Provided further*, That the Secretary of the Navy is authorized to employ such additional personnel at the seat of government and elsewhere, and to provide out of any appropriations available to the Navy Department, for their salaries and for such printing and binding, communication service, supplies, and travel expenses, as he may deem necessary to carry out the purpose of this Act.

"(b) Whenever the Secretary of the Navy finds it impossible to make contracts or obtain facilities to effectuate the purposes of this Act in the procurement or construction of items authorized in connection with national defense he is hereby authorized to provide out of appropriations available to the Navy Department for such purposes, the necessary buildings, facilities, utilities and appurtenances thereto on government owned land or elsewhere, and to operate them, either by means of government personnel or otherwise: *Provided*, That the Secretary of the Navy is further authorized, under the general direction of the President, whenever he deems any existing manufacturing plant or facility necessary for the national defense, and whenever he is unable to arrive at an agreement with the owner of any such plant or facility for its use or operation, to take over and operate such plant or facility either by government personnel or by contract with private firms: *Provided further*, That the Secretary of the Navy is authorized to fix the compensation to the owner of such plant or facility: *And provided further*, That the Secretary of the Navy shall report to the Congress, every three months, the contracts entered into under the provisions of this subsection."

And the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment in section (b), insert the following:

"(b) The Secretary of War and the Secretary of the Navy as the case may be are hereby requested and directed to furnish or cause to be furnished to the respective Chairman of the Committees on Military Affairs and the Committees on Naval Affairs of the Senate and House of Representatives a copy of each contract, order, or agreement covering exchange of deteriorated, un-serviceable, obsolescent, or surplus military or naval equipment, munitions, or supplies exchanged for other military or naval equipment, munitions or supplies, and a copy of each contract, order or agreement shall be furnished regarding any other disposition of military or naval equipment, munitions and supplies by which the title passes, either de jure or de facto, from the United States, or by which delivery of material thereunder is deferred, where the original cost of such military or naval equipment, munitions or supplies exceeded or exceeds \$2,000. The copies of each contract, order or agreement herein referred to shall be transmitted to the respective Chairmen of the Committees not later than twenty-four hours after such contract, order or agreement is made, and the Chairman of each Committee shall consider such contracts, orders or agreements confidential unless a majority of the members of his Committee shall direct the particular transaction to be made public."

And the Senate agree to the same.

CARL VINSON,
LEONARD W. SCHUETZ,
MELVIN J. MAAS,

Managers on the part of the House.

DAVID I. WALSH,
MILLARD E. TYDINGS,
FREDERICK HALE,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9822) to expedite naval shipbuilding, and for other purposes, submit the following written statement explaining the effect of the action agreed on by the conference committee and submitted in the accompanying conference report:

On amendments Nos. 1, 2, 12, 13, 16, 17, 23, and 24: Modifies House provision to specify any national emergency to be the emergency declared by the President on September 8, 1939, to exist.

On amendments Nos. 3 to 8, inclusive: Modifies House language to include the Secretary of the Treasury for Coast Guard contracts.

On amendments Nos. 9 and 10: Modifies House language to provide report to Congress every 3 months instead of the beginning of each regular session.

On amendment No. 11: Designates subsection (a) to section 2.

On amendment No. 14: Modifies House language to include the Army; to provide a report to be made to Congress every 3 months; clarifies contracts that may be made under this authority; prohibits cost-plus-a-percentage-of-cost system of contracts, but allows cost-plus-a-fixed-fee form of contract; limits profit on cost-plus-a-fixed-fee contract to 7 percent of estimated cost of contract.

This amendment amends section 3 of the act of March 27, 1934, to limit the profit on contracts to 8 percent on contracts or 8.70 percent on cost of performing contracts.

On amendment No. 15: Modifies House language to include the Army in contracts for aircraft.

On amendment No. 18: Modifies House language to provide means by which contractors will know what can be allowed as a credit in determining excess profits.

On amendment No. 19: Modifies Senate provisions by refusing to allow time and one-half for overtime to per annum employees except those specifically stated—namely, professional and subprofessional employees and a few employees of the C. A. F. group, such as blue-prints, rotaprint operators, inspectors, supervisory planners, and estimators, etc. It denies overtime compensation to the clerks, stenographers, typists, etc.

On amendment No. 20: Modifies House language so as to include the War Department in reemploying retired civilian personnel.

On amendment No. 21: Modifies House provision relative to the procedure in removing a civil-service employee when national security is involved.

On amendments Nos. 22 and 25: Modifies House provisions to include employees of the Coast Guard who may be allowed to work for pay during their leave period and to make the section applicable to those who cannot be spared without detriment to the national defense.

On amendment No. 26: Extends House provision on limit of cost of vessels to include any other project whose cost is limited by statute as may be necessary to expedite national defense; it removes monetary limitations and appropriations for group IV employees; authorizes employment of additional personnel and payment of attendant expenses. It authorizes the Secretary of the Navy to use available appropriations to make contracts or obtain facilities to effectuate the purposes of the act and to take steps to obtain additional necessary facilities and to operate them.

On amendment No. 27: Eliminates House language no longer necessary due to Senate amendments.

On amendment No. 28: Authorizes Secretary of the Navy and the Secretary of the Treasury to modify existing contracts as may be necessary to expedite military and naval defenses.

On amendments Nos. 29 and 32: Modifies House provision to terminate certain provisions of this act on June 30, 1942, instead of for 3 years.

On amendment No. 30: Provides that the approval of the Secretary of the Navy, acting by direction of the President, shall be equivalent to Presidential approval required by act of April 25, 1939.

On amendment No. 31: Limits the extent to which aliens shall have access to certain plans and specifications and the work thereunder. It provides the penalty for willful violation. It also provides a penalty for aliens who obtain employment on certain classes of contracts by willful misrepresentations.

On amendment No. 33: Authorizes the President to suspend provision of the Walsh-Healey Act when necessary in the public interest.

On amendment No. 34: Prohibits the disposal of any military or naval weapon, ship, boat, aircraft, or other military supplies without certification of the Chief of Naval Operations or the Chief of Staff of the Army that such material is not essential to the defense of the United States. It provides that the Secretary of War and the Secretary of the Navy shall notify the chairman of the respective congressional committees the details of any transfer of any such material or equipment within 24 hours when the value exceeds \$2,000 with copies of the contracts, orders, or agreements. This amendment is not to be construed to repeal or modify existing law relative to restriction on sending a vessel of war out of jurisdiction of the United States when the United States is a neutral during war.

On amendments Nos. 35 to 40, inclusive, comprising all of title II of the act: Provide for housing for military personnel (except officers) and for civilian workers under the War and Navy Departments and for workers in national defense industries, including their families. The two defense departments and the United States Housing Authority are authorized, jointly and severally, to provide such housing wherever needed by our rapidly growing defense program. No funds are provided, but any funds available to U. S. H. A. may be used. All projects will be subject to the approval of the President and a determination by him that an acute shortage of housing exists in the locality which impedes the national-defense program.

Low rentals will be charged, within the financial capacity of the workers, and in the case of the War and Navy Departments, the rentals reserved will be sufficient to return to the U. S. H. A. the cost of the project. Projects now under construction by U. S. H. A. may be devoted to the national-defense program.

The existing 450 public agencies located in all parts of the country will be utilized in expanding housing facilities.

Recruitment of personnel is already being hampered by lack of housing at many places, including the Panama Canal, Hawaii, Charleston, S. C., Vallejo, Calif., etc., and in the vicinity of isolated industrial plants.

The Housing to be provided is not only urgently necessary during the present emergency, but will thereafter represent permanent assets to the Nation. It will materially assist in keeping worthy American citizens and their families out of the slums.

CARL VINSON,
LEONARD W. SCHUETZ,
M. J. MAAS,

Managers on the part of the House.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent that there be printed at this point in the RECORD the

bill as agreed to in conference in its entirety, leaving out the Senate amendment numbers.

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

There was no objection.

The bill is as follows:

Be it enacted, etc., That whenever in the opinion of the President of the United States such course would be in the best interests of national defense during the national emergency declared by the President on September 8, 1939, to exist, the Secretary of the Navy, or the Secretary of the Treasury in the case of Coast Guard contracts, is authorized to advance, from appropriations available therefor, payments to contractors in amounts not exceeding 30 percent of the contract price, upon such terms as such Secretary shall prescribe, and adequate security for the protection of the Government for the payments so made shall be required. The Secretary concerned is further authorized in his discretion to make partial payments on the balance of the contract price from time to time during the progress of the work, such partial payments not to exceed the value of the work already done, but to be subject to a lien as provided by the act of August 22, 1911 (37 Stat. 32; U. S. C., title 34, sec. 582), entitled "An act authorizing the Secretary of the Navy to make partial payments for work already done under public contracts": *Provided*, That the Secretary concerned shall report every 3 months to the Congress the advance payments made under the authority of this section.

Sec. 2. (a) That whenever deemed by the President of the United States to be in the best interests of the national defense during the national emergency declared by the President on September 8, 1939, to exist, the Secretary of the Navy is hereby authorized to negotiate contracts for the acquisition, construction, repair, or alteration of complete naval vessels or aircraft, or any portion thereof, including plans, spare parts, and equipment therefor, that have been or may be authorized, and also for machine tools and other similar equipment, with or without advertising or competitive bidding upon determination that the price is fair and reasonable, and deliveries of material under all orders placed pursuant to the authority of this section and all other naval contracts or orders and all Army contracts and orders shall, in the discretion of the President, take priority over all deliveries for private account or for export: *Provided*, That the Secretary of the Navy shall report every 3 months to the Congress the contracts entered into under the authority of this section: *Provided further*, That contracts negotiated pursuant to the provisions of this section shall not be deemed to be contracts for the purchase of such materials, supplies, articles, or equipment as may usually be bought in the open market within the meaning of section 9 of the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes," approved June 30, 1936 (49 Stat. 2036; U. S. C., Supp. V, title 41, secs. 35-45): *Provided further*, That nothing herein contained shall relieve a bidder or contractor of the obligation to furnish the bonds under the requirements of the act of August 24, 1935 (49 Stat. 793; 40 U. S. C. 270 (a) to (d)): *Provided further*, That the cost-plus-a-percentage-of-cost system of contracting shall not be used under the authority granted by this subsection to negotiate contracts; but this proviso shall not be construed to prohibit the use of the cost-plus-a-fixed-fee form of contract when such use is deemed necessary by the Secretary of the Navy: *And provided further*, That the fixed fee to be paid the contractor as a result of any contract entered into under the authority of this subsection, or any War Department contract entered into in the form of cost plus a fixed fee, shall not exceed 7 percent of the estimated cost of the contract (exclusive of the fee as determined by the Secretary of the Navy or the Secretary of War, as the case may be).

(b) After the date of approval of this act no contract shall be made for the construction or manufacture of any complete naval vessel or any Army or Navy aircraft, or any portion thereof, under the provisions of this section or otherwise, unless the contractor agrees, for the purposes of section 3 of the act of March 27, 1934 (48 Stat. 505; 34 U. S. C. 496), as amended—

(1) to pay into the Treasury profit in excess of 8 percent (in lieu of the 10 percent and 12 percent specified in such section 3) of the total contract prices of such contracts within the scope of this subsection as are completed by the particular contracting party within the income taxable year;

(2) that any profit in excess of 8.70 percent of the cost of performing such contracts (except prime contracts made on a cost-plus-a-fixed-fee basis) as are completed by the contracting party within the income taxable year shall be considered to be profit in excess of 8 percent of the total contract prices of such contracts; and

(3) that he will make no subcontract which is within the scope of such section 3, unless the subcontractor agrees to the foregoing conditions.

Sec. 3. The provisions of section 3 of the act of March 27, 1934 (48 Stat. 505), as amended by the acts of June 25, 1936 (49 Stat. 1926), and April 3, 1939 (53 Stat. 560; U. S. C., Supp. V, title 34, sec. 496), and as made applicable to contracts for aircraft or any portion thereof for the Army by such act of April 3, 1939, shall, in the case of contracts or subcontracts entered into after the date of approval of this act and during the period of the national emergency declared by the President on September 8, 1939, to exist, be

limited to contracts or subcontracts where the award exceeds \$25,000.

Sec. 4. In the case of every contract or subcontract for the construction or manufacture of any complete naval vessel or Army or Navy aircraft or any portion thereof which is entered into (whether before or after the date of approval of this act), the Secretary of War or the Secretary of the Navy, as the case may be, after agreement with the contractor or subcontractor, shall certify to the Commissioner of Internal Revenue as to (a) the necessity and cost of special additional equipment and facilities acquired to facilitate, during the national emergency declared by the President on September 8, 1939, to exist, the completion of such naval vessel or Army or Navy aircraft or portion thereof in private plants and (b) the percentage of cost of such special additional equipment and facilities to be charged against such contract or subcontract. For all purposes of section 3 of the act of March 27, 1934 (48 Stat. 505; 34 U. S. C. 496), as amended, such certification shall be subject to such regulations as the President may prescribe, but shall be binding upon the Commissioner of Internal Revenue unless, within 5 days after receipt of such certification, he make formal objection thereto to the Secretary of the Navy or the Secretary of War, as the case may be. The part of such cost chargeable against the contract or subcontract in pursuance of such certification shall, for the purposes of such section 3, be considered to be a reduction of the contract price of the contract or subcontract. The amount charged against the contract or subcontract in pursuance of such certification shall, for the purposes of such section 3, be applied against and reduce the cost or other basis of such special additional equipment and facilities as of the date of installation thereof: *Provided*, That the Secretary of War or the Secretary of the Navy, as the case may be, shall report to the Congress, every 3 months, the cost of such special additional equipment and facilities to be borne by the Government under each contract.

Sec. 5. (a) Notwithstanding the provisions of any other law, the regular working hours of the Navy Department and the Coast Guard and their field services shall be 8 hours a day or 40 hours per week during the period of the national emergency declared by the President on September 8, 1939, to exist: *Provided*, That under such regulations as the head of the Department concerned may prescribe, and where additional employees cannot be obtained to meet the exigencies of the situation, these hours may be exceeded: *Provided further*, That compensation for employment in excess of 40 hours in any administrative workweek computed at a rate not less than one and one-half times the regular rate shall be paid only to monthly, per diem, hourly, and piece-work employees, whose wages are set by the act of July 16, 1862 (12 Stat. 587) as amended or modified; and also to professional, and subprofessional employees and to blue printers, photostat and rotaprint operators, inspectors, supervisory planners and estimators, and supervisory progressmen, and assistants to shop and plant superintendents of the C. A. F. service, as defined by the Classification Act of March 4, 1923 (42 Stat. 1488; U. S. C. 5, ch. 13), as amended: *Provided further*, That in determining the overtime compensation of per annum Government employees the pay for 1 day shall be considered to be one three-hundred-and-sixtieth of their respective per annum salaries: *Provided further*, That the President is authorized to suspend, in whole or in part, for the War and Navy Departments and for the Coast Guard and their field services, during the period of the national emergency declared by him on September 8, 1939, to exist, the provisions of the act of March 3, 1931 (46 Stat. 1482; U. S. C. 5, 26 (a)), if in his judgment such course is necessary in the interest of national defense, and any regulations issued pursuant to the act of March 14, 1936 (49 Stat. 1161; U. S. C., Supp. V, title 5, sec. 29 (a)), may be modified accordingly: *And provided further*, That notwithstanding the provisions of any other law, the President is hereby authorized, in his discretion, to prescribe regulations to establish such uniformity among the War and Navy Departments and the Coast Guard and their field services in regard to hours of work and compensation for overtime of their civilian employees as he may deem necessary in the interest of national defense.

(b) During the national emergency declared by the President on September 8, 1939, to exist, the provisions of law prohibiting more than 8 hours' labor in any 1 day of persons engaged upon work covered by Army, Navy, and Coast Guard contracts shall be suspended.

Sec. 6. Notwithstanding the provisions of section 2 of the act of May 29, 1930 (46 Stat. 468), and section 204 of the act of June 30, 1932 (47 Stat. 404), any person heretofore or hereafter retired under the Civil Service Retirement Act of May 29, 1930, as amended, may be reemployed in the service of the War and Navy Departments: *Provided*, That there shall be deducted and withheld from the basic salary, pay, or compensation of such person and credited to his account as provided in section 12 (a) of the act of May 29, 1930, as amended, the regular deductions prescribed by the said act: *Provided further*, That upon separation from the service for any cause such person may elect to receive a refund of the total deductions so withheld together with interest at 4 percent per annum compounded on June 30 of each year, or receive credit for the additional service in the computation of any annuity awarded thereafter: *Provided further*, That payment of the annuity of such person shall be suspended during the period of such employment: *Provided further*, That during the national emergency declared by the President on September 8, 1939, to exist, the provisions of section 6 of the act of August 24, 1912 (37 Stat. 555; U. S. C., title 5, sec. 652), shall not apply to any civil-service employee of the War or Navy

Departments or of the Coast Guard, or their field services, whose immediate removal is, in the opinion of the Secretary concerned, warranted by the demands of national security, but nothing herein shall be construed to repeal, modify, or suspend the proviso in that section. Those persons summarily removed under the authority of this section may, if in the opinion of the Secretary concerned, subsequent investigation so warrants, be reinstated, and if so reinstated shall be allowed compensation for the period of such removal at the rate they were receiving on the date of removal: *And provided further*, That within 30 days after such removal any such person shall have an opportunity personally to appear before the official designated by the Secretary concerned and be fully informed of the reasons for such removal, and to submit, within 30 days thereafter, such statement or affidavits, or both, as he may desire to show why he should be retained and not removed.

Sec. 7. The act of March 14, 1936, entitled "An act to provide for vacations to Government employees, and for other purposes" (49 Stat. 1161), is hereby amended by adding, after section 7, a new section to read as follows:

"Sec. 8. Employees of the Navy Department and the Naval Establishment and of the Coast Guard may, during the period of the national emergency declared by the President on September 8, 1939, to exist, be employed during the time they would otherwise be on vacation without deprivation of their vacation pay for the time so worked. Employees who forego their vacations in accordance with the provisions of this section may be paid, in addition to their regular pay, the equivalent of the pay they would have drawn during the period of such vacation. The provisions of this section shall be applicable only to employees whose services at the time cannot, in the judgment of the Secretary of the Navy or the Secretary of the Treasury, as the case may be, be spared without detriment to the national defense."

Sec. 8. (a) The limit of cost of the vessels authorized by the act of July 30, 1937 (50 Stat. 544), and any statutory limitation with respect to the cost of any other individual naval project of construction are hereby increased as may be necessary to expedite national defense and otherwise effectuate the purposes of this act: *Provided*, That the monetary limitations on payments out of appropriations available to the Navy Department for employees in the Navy Department and for employees in the field service assigned to group IV (b) and those performing similar services carried under the native and alien schedules of wages of civil employees in the field services of the Navy Department shall be suspended during the limited national emergency declared by the President on September 8, 1939, to exist: *Provided further*, That the Secretary of the Navy is authorized to employ such additional personnel at the seat of government and elsewhere, and to provide out of any appropriations available to the Navy Department, for their salaries and for such printing and binding, communication service, supplies, and travel expenses, as he may deem necessary to carry out the purposes of this act.

(b) Whenever the Secretary of the Navy finds it impossible to make contracts or obtain facilities to effectuate the purposes of this act in the procurement or construction of items authorized in connection with national defense, he is hereby authorized to provide, out of appropriations available to the Navy Department for such purposes, the necessary buildings, facilities, utilities, and appurtenances thereto on Government-owned land or elsewhere, and to operate them, either by means of Government personnel or otherwise: *Provided*, That the Secretary of the Navy is further authorized, under the general direction of the President, whenever he deems any existing manufacturing plant or facility necessary for the national defense, and whenever he is unable to arrive at an agreement with the owner of any such plant or facility for its use or operation, to take over and operate such plant or facility either by Government personnel or by contract with private firms: *Provided further*, That the Secretary of the Navy is authorized to fix the compensation to the owner of such plant or facility: *And provided further*, That the Secretary of the Navy shall report to the Congress, every 3 months, the contracts entered into under the provisions of this subsection.

Sec. 9. The Secretary of the Navy and the Secretary of the Treasury are hereby authorized to modify existing contracts, including Coast Guard contracts, as the Secretary concerned may deem necessary to expedite military and naval defense, and to otherwise effectuate the purposes of this act.

Sec. 10. Hereafter, the approval of the Secretary of the Navy, acting by direction of the President, shall constitute approval by the President as required by section 4 of the act approved April 25, 1939 (53 Stat. 590, 592), necessary to the validity of any contract entered into under authority contained in said section.

Sec. 11. (a) No aliens employed by a contractor in the performance of secret, confidential, or restricted Government contracts shall be permitted to have access to the plans or specifications, or the work under such contracts, or to participate in the contract trials, unless the written consent of the head of the Government department concerned has first been obtained, and any person who willfully violates or through negligence permits the violation of the provisions of this subsection shall be fined not more than \$10,000 or imprisoned not more than 5 years, or both.

(b) Any alien who obtains employment on secret, confidential, or restricted Government contracts by willful misrepresentation of his alien status, or who makes such willful misrepresentation while seeking such employment, shall be fined not more than \$10,000 or imprisoned not more than 5 years, or both.

(c) For the purpose of this section, the term "person" shall be construed to include an individual, partnership, association, corporation, or other business enterprise.

Sec. 12. The provisions of all preceding sections of this act shall terminate June 30, 1942, unless the Congress shall otherwise provide.

Sec. 13. Section 6 of the act approved June 30, 1936 (49 Stat. 2036; U. S. C., Supp. V, title 41, secs. 35-45), is hereby amended by adding "Provided, That whenever in his judgment such course is in the public interest, the President is authorized to suspend any or all of the representations and stipulations contained in section 1 of this act."

Sec. 14. (a) Notwithstanding the provision of any other law, no military or naval weapon, ship, boat, aircraft, munitions, supplies, or equipment, to which the United States has title, in whole or in part, or which have been contracted for, shall hereafter be transferred, exchanged, sold, or otherwise disposed of in any manner whatsoever unless the Chief of Naval Operations in the case of naval material, and the Chief of Staff of the Army in the case of military material, shall first certify that such material is not essential to the defense of the United States.

(b) The Secretary of War and the Secretary of the Navy, as the case may be, are hereby requested and directed to furnish or cause to be furnished to the chairman of each Committee on Naval Affairs of the Congress of the United States a copy of each contract, order, or agreement covering exchange of deteriorated, unserviceable, obsolescent, or surplus military or naval equipment, munitions, or supplies exchanged for other military or naval equipment, munitions or supplies, and a copy of each contract, order, or agreement shall be furnished regarding any other disposition of military or naval equipment, munitions, and supplies by which the title passes, either de jure or de facto, from the United States, or by which delivery of material thereunder is deferred, where the original cost of such military or naval equipment, munitions, or supplies exceeded or exceeds \$2,000. The copies of each contract, order, or agreement herein referred to shall be transmitted to the respective chairman of the Committee on Naval Affairs not later than 24 hours after such contract, order, or agreement is made, and the chairman of each committee shall consider such contracts, orders, or agreements confidential unless a majority of the members of his committee shall direct the particular transaction to be made public.

(c) Nothing herein shall be construed to repeal or modify sections 3 and 6, title V of the act approved June 15, 1917 (40 Stat. 222; U. S. C., title 18, secs. 33 and 36).

TITLE II

Sec. 201. In connection with the national-defense program the Navy and War Departments and the United States Housing Authority are hereby authorized to cooperate in making necessary housing available for persons engaged in national-defense activities, as hereinafter provided. "Persons engaged in national-defense activities" (as that term is used in this title) shall include (i) enlisted men with families, who are in the naval and military service (excluding officers) and employees of the Navy and War Departments who are assigned to duty at naval or military reservations, posts, or bases, and (ii) workers with families, who are engaged or to be engaged in industries connected with and essential to the national-defense program. No project shall be developed or assisted for the purposes of this title except with the approval of the President and upon a determination by him that there is an acute shortage of housing in the locality involved which impedes the national-defense program.

Sec. 202. (a) Projects may be initiated hereunder by the Navy or War Department to provide dwellings on or near naval or military reservations, posts, or bases for rental to the enlisted men and employees of the Navy and War Departments prescribed in section 201. Such projects shall be developed by the Navy or War Department or by the Authority, whichever the President determines is better suited to the fulfillment of the purposes of this title with respect to any particular project. If the development of such project is to be undertaken by the Navy or War Department, the Authority is authorized to aid the development of the project by furnishing technical assistance and by transferring to such Department the funds necessary for the development of the project. Any project developed for the purpose of this section shall be leased to the Navy or War Department by the Authority (which shall have title to such project until repayment of the cost thereof to the Authority as prescribed in such lease) upon such terms as shall be prescribed in the lease, which may be the same terms as are authorized by the United States Housing Act of 1937, as amended, with respect to leases to public housing agencies. All the provisions of said act which apply to the development of projects by the Authority shall (insofar as applicable and not inconsistent herewith) apply to the development of projects by the Navy or War Department. Notwithstanding other provisions of this or any other law, the Department leasing a project shall have the same jurisdiction over such project as it has over the reservation, post, or base in connection with which the project is developed.

(b) The Navy or War Department, in connection with any project developed or leased by it, and the Authority, in connection with any project developed or assisted by it, for the purposes of this title, may acquire real or personal property or any interest therein by purchase, eminent domain, gift, lease, or otherwise. The provisions of section 355 of the Revised Statutes shall not apply to the acquisition of any real property by the Navy or War Department or by the Authority for the purposes of this title or to the project developed thereon, and the provisions of section 321 of the act of June 30, 1932 (U. S. C., 1934 edition, title 40, sec. 303b), shall

not apply to any lease of any project developed for the purposes of this title or of any dwelling therein. Condemnation proceedings instituted by the Authority shall be in its own name and the practice and procedure governing such proceedings by the United States shall be followed, and the Authority shall likewise be entitled to proceed in accordance with the provisions of the act of Congress approved February 26, 1931 (46 Stat. 1421), and an act of Congress approved March 1, 1929 (45 Stat. 1415). If the Authority acquires land in connection with a project to be assisted for the purposes of this title, it may convey such land to the public housing agency involved for a consideration equal to the cost of the land to the Authority. The Navy and War Departments and the Authority may negotiate, contract, and fix such fees as they determine are reasonable for the services of architects, engineers, surveyors, appraisers, title examiners, and real-estate negotiators in connection with specific projects developed by them under this title. The Secretaries of Navy and War are hereby authorized to make available to the Authority any land that is needed for a project to be developed by the Authority and leased to the Navy or War Department and to execute such leases, agreements, and other instruments with the Authority as may be necessary to carry out the purposes of this title.

SEC. 203. In any localities where the President determines that there is an acute shortage of housing which impedes the national-defense program and that the necessary housing would not otherwise be provided when needed for persons engaged in national-defense activities, the Authority may undertake the development and administration of projects to assure the availability of dwellings in such localities for such persons and their families, or the Authority may extend financial assistance to public housing agencies for the development and administration of such projects. Such financial assistance to public housing agencies shall be extended (except as otherwise provided herein and not inconsistent herewith) under the provisions of, and in the same manner and forms as provided in, title I of the United States Housing Act of 1937, as amended, with respect to other housing projects.

SEC. 204. Any contract made for financial assistance under the United States Housing Act of 1937, as amended, may be revised so as to provide that the project involved will be assisted for any of the purposes of this title. The Navy or War Department or the Authority, in the administration of any project developed for the purposes of this title, shall fix rentals for persons engaged in national-defense activities and their families which will be within their financial reach, and the Authority, in any contract for financial assistance or any lease of such a project, shall require the fixing of such rentals. Projects developed by the Navy or War Department, or developed or assisted by the Authority, for the purposes of this title shall not be subject to the elimination requirements of sections 10 (a) and 11 (a) of said act or to any provisions of section 9 of said act which would require any part of the development cost thereof to be met in any manner other than from funds loaned or furnished by the Authority. Funds expended for the purposes of this title shall be excluded in determining, for the purposes of section 21 (d) of said act, the amounts expended within each State. Except as otherwise provided herein or as may be inconsistent herewith, all the provisions of title I of said act shall apply to this title. During the period when the President determines that in any locality there is an acute need for housing to assure the availability of dwellings for persons engaged in national-defense activities, dwellings in a project developed or assisted in said locality which are devoted to the purposes of providing housing for persons engaged in national-defense activities shall not be subject to sections 2 (1) and 2 (2) of the United States Housing Act of 1937, as amended, and during such period such projects shall be deemed projects of a low-rent character for the purposes of any of the applicable provisions in title I of said act.

SEC. 205. The Authority may use for the purposes of this title any of the funds or authorizations heretofore or hereafter made available to it. The provisions of title I of this act shall not apply to this title.

Mr. VINSON of Georgia. Mr. Speaker, this is a very important bill. As you recall, it was before the House some days ago. It passed the House on the 28th day of May. The objective and purpose of the bill is to expedite ship construction. The main point in the bill is that it relates to the form of contract. The House conferees agreed to this provision:

That the cost-plus-a-percentage-of-cost system of contracting shall not be used under the authority granted by this subsection to negotiate contracts.

What we are really doing there is getting away from the old cost-plus system of contracts. In addition thereto we have this language:

But this proviso shall not be construed to prohibit the use of the cost-plus-a-fixed-fee form of contract when such use is deemed necessary by the Secretary of the Navy: *And provided further*, That the fixed fee to be paid the contractor as a result of any contract entered into under the authority of this subsection, or any War Department contract entered into in the form of cost-plus-a-fixed-

fee, shall not exceed 7 percent of the estimated cost of the contract (exclusive of the fee as determined by the Secretary of the Navy or the Secretary of War, as the case may be).

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I have had this morning some telephone calls from manufacturers in Ohio who are interested in this particular section. They bring up the question of whether or not anything is to be done relative to the writing off of expansion facilities that will be necessary to take care of these contracts, or if the limitation of 7 percent will mean that they cannot afford to build additional plants that are necessary, or to do the experimental work that is necessary to take care of this Government work.

Mr. VINSON of Georgia. The gentleman's question does not bear directly on what I was reading, but in general it probably may be said that it does. There is a section, however, that deals with that situation by permitting advances to be made, and the Navy Department and the Bureau of Internal Revenue are trying to reach a decision as to whether or not they shall be charged against the particular contract or whether they shall be charged on an amortization basis. The 7 percent referred to here simply means that if a negotiated contract is entered into for the building of a ship the Navy Department estimates how much that ship will cost, for instance, \$25,000,000, and at that time it fixes the fee. The fee cannot exceed 7 percent of the estimated cost. As to the facilities that the manufacturers have to construct to enable them to carry out their contract, the Treasury Department and the Navy Department adjudicate before the contract is entered into what can be charged against the contract and what cannot be charged against the contract.

Mr. BROWN of Ohio. I have been given to understand that the new tax bill that will be presented later in the fall will probably make provision for amortizing or depreciating property that it is necessary to install.

Mr. VINSON of Georgia. That is right.

Now, what we are trying to do is to be fair and square to the contractor and at the same time be fair and square with the Government.

Mr. BROWN of Ohio. That is right.

Mr. VINSON of Georgia. And I think we have done that and on these negotiated contracts the House can understand that by this cost-plus-a-fixed-fee plan we will save hundreds upon hundreds of millions of dollars.

Mr. BROWN of Ohio. I have asked these questions simply to clarify the record.

Mr. MAAS. And this will materially speed up the program by saving about a year.

Mr. VINSON of Georgia. That is right.

Another important matter that the House should understand is that under the law that is oftentimes referred to as the Vinson-Trammell Act, which deals with profits, the ceiling on what a contractor can make on a Navy contract is 10 percent. All over that is recaptured and paid back into the Treasury. We have changed this, and I think rightly so, by reducing it from 10 percent to 8 percent. So every man can understand that, when a contract has been awarded as the result of competitive bidding, the maximum amount that anyone can make, including aviation for the Army which heretofore was 12 percent, has been brought down now to 8 percent.

Mr. VORYS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. VORYS of Ohio. Does that mean that he is guaranteed 8 percent, or that he cannot make more than that?

Mr. VINSON of Georgia. He is not guaranteed anything. That is the ceiling and that is all he can make. If he makes over 8 percent the excess is recaptured and paid into the Treasury; and I may state that under this law some \$3,000,000

or \$4,000,000 on the first auditing of these shipbuilders' accounts has been recaptured and paid back to the Treasury.

The other matter that is of importance, as referred to a moment ago by the gentleman from New York [Mr. FISH], is this provision:

Notwithstanding the provision of any other law, no military or naval weapon, ship, boat, aircraft, munitions, supplies, or equipment, to which the United States has title, in whole or in part, or which have been contracted for, shall hereafter be transferred, exchanged, sold, or otherwise disposed of in any manner whatsoever unless the Chief of Naval Operations in the case of naval material, and the Chief of Staff of the Army in the case of military material, shall first certify that such material is not essential to the defense of the United States.

So you see the protection that this amendment has thrown around ships, munitions, and airplanes. As long as they are essential for the defense of this country they cannot be sold.

Mr. CASE of South Dakota rose.

Mr. VINSON of Georgia. Now, what is the provision that the gentleman from South Dakota wanted to inquire about?

Mr. CASE of South Dakota. I wanted to call the attention of the gentleman to a subsequent paragraph in the section that the gentleman has already mentioned.

Mr. VINSON of Georgia. What section is that?

Mr. CASE of South Dakota. Section 14, paragraphs (b) and (c). I think the gentleman read paragraph (a).

Paragraph (b), as I read it from the RECORD, is an amendment considered in the Senate and provides that in case any sale is made, the Secretaries of War and Navy, respectively, shall make a report.

Mr. VINSON of Georgia. I have explained that.

Section 2 provides that if any profit in excess of 8.7 percent of the cost of performing such contracts—except prime contracts made on a cost-plus-a-fixed-fee basis as are completed by the contracting party within the taxable year—shall be considered to be profit in excess of 8 percent of the total contract prices of such contracts.

Mr. CASE of South Dakota. I think possibly I did not make myself clear. Under the section the gentleman was referring to just before I interrupted him there is another paragraph which I hoped the gentleman would call attention to.

Mr. VINSON of Georgia. That is amendment No. 14.

Mr. CASE of South Dakota. Yes; and in amendment No. 14 there are paragraphs (b) and (c), and the reason I want to call attention to that is that subparagraph (c) states:

Nothing herein shall be construed to repeal or modify sections 3 and 6, title V, of the act approved June 15, 1917.

Mr. VINSON of Georgia. That means that all of these sub-contractors have got to agree to these provisions as well as the original contractors.

Mr. CASE of South Dakota. Yes; and, as I understand, paragraph (c) also provides that nothing in this act shall be construed to repeal the act of June 15, 1917, to which reference has been made as placing a bar against the sale or disposition of vessels to belligerents.

Mr. MAAS. That remains in the bill.

Mr. VINSON of Georgia. Yes. I may state to the House, so there will be no misunderstanding, that this bill relates to the War Department, the Coast Guard, and in the measure there is a title permitting the Housing Authority, the War Department, and Navy Department to get together with reference to building houses in the industrial centers where they have a shortage of houses today, and this has been worked out by the Housing Authority, the Secretary of War, and the Secretary of the Navy, and it is satisfactory to the Departments.

If there are no further questions, Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. TAYLOR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on conservation and the public domain.

The SPEAKER. Is there objection?

There was no objection.

CONSTRUCTION OF CERTAIN NAVAL VESSELS

Mr. VINSON of Georgia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 10100) to establish the composition of the United States Navy, to authorize the construction of certain naval vessels, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10100, with Mr. RAMSPECK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. VINSON of Georgia. Mr. Chairman, I yield myself 20 minutes. It is, of course, unnecessary for me to dwell at length on the swiftly moving events in Europe. We are all awake to their full significance.

First, let us look into the situation that now confronts the United States. Then let us look into the situation that may confront us tomorrow, and finally consider the developments that the next few years may bring.

At the present we have to consider a German Navy which has demonstrated its bold efficiency in overseas expeditionary operations in the occupation of Norway, in the face of a greatly superior British Fleet.

The ports of Norway, Holland, Belgium, and France have now become bases for this fleet. It does not appear that it will be long before bases on the west coast of Africa will also become available to Germany's Navy. The possibility that the bases of Spain and Portugal will soon be added must be borne in mind.

The combatant tonnage of the German Fleet is about 485,000 tons, built and building.

Italy, the axis partner to Germany, has a combatant tonnage of about 700,000 tons. If this tonnage is added to that of the German Fleet, a combined axis fleet of 1,185,000 can be formed.

If the British Fleet is forced, through lack of repair and overhaul facilities, to leave the eastern Mediterranean, adequate oil supplies and other supplies by sea become available to the axis. The effect of the British blockade would then be very much reduced.

The French Fleet may remain with Britain, it may be sunk, it may be divided, it may be surrendered. The combatant tonnage of the French Fleet is about 792,000 tons. If surrendered to Germany, the various units of the French Fleet could be put in effective operation by German crews from time to time over a period of 12 months following the surrender. If this entire French Fleet were added to the axis, the combined combatant tonnage at the disposal of the axis would be about 1,977,000.

So much for the present and the immediately prospective future; so much for facts now on our doorstep that can no longer be ignored.

Looming as grave possibilities are the defeat of England, the loss of the British Fleet, or the surrender of the British Fleet. The combatant tonnage of the British Fleet is 1,995,000. If this amount were added to the German, Italian, and French Fleets, and, after 6 to 18 months, brought into effective operation by German crews, the total combatant tonnage would be 3,972,000 tons.

The Japanese Fleet has, in sight, a combatant tonnage of about 1,390,000. If this strength is added to the fleets of Germany and Italy the total combatant tonnage would be 2,575,000. If we consider the further addition of the French and British Fleets the total would be 5,362,000.

These are totals now in sight, or that could be in sight under the conditions assumed. But we must also consider additions that can be made to any of the axis combinations listed above during the building periods in which additions are made or can be made to the United States Fleet, as a result of expansion authorizations and appropriations either

already on the books or here recommended. The axis now has at its disposal the shipyards and munition factories of Germany, Italy, Poland, Denmark, Norway, Holland, Belgium, France, and possibly Spain. The axis may get British shipyards. Japan, of course, has its own shipyards.

Just how much building capacity this total is now, or how much it can be expanded into, would be difficult to estimate. But it would not perhaps be too wide of the mark to say that the capacity exceeds that of the United States perhaps five times.

During the past few years there has been considerable Nazi propaganda, Nazi economic aggression, and Nazi penetration in general into South America. There appears to be much evidence at the present time that Nazi agitation in these regions is boiling.

With victory approaching, the axis navies will have eliminated restraining commitments in Europe. They will have increasing naval strength, and will have west European and West African bases which will provide them springboards for operations in and across the Atlantic.

As of May 1, the built and building combatant tonnage of the United States is—under-age and over-age—1,905,205 tons. The authorized under-age combatant tonnage of the United States, as a result of the passage of the recent Expansion Act, H. R. 8026, is 1,724,480.

The gloomy possibilities that I have outlined may or may not be all realized. Some undoubtedly will be. Under practically any possible combination of circumstances it is imperative that we mobilize for an increase of naval armaments to the maximum degree possible.

It has become obvious that we must arm as rapidly as possible to meet our naval-defense requirements simultaneously in both oceans against a combination of powers concerting action against us. Our aim must always be to have forces sufficient to enable us to have complete freedom of action in either ocean while retaining forces in the other ocean for effective defense of our vital security. Anything less than this strength is hazardous to the security of the Nation.

This bill provides an increase in the authorized under-age tonnage of combatant ships by 1,325,000 tons as follows:

	Tons	
Capital ships.....	-----	385,000
Aircraft carriers.....	-----	200,000
Cruisers.....	-----	420,000
Destroyers.....	-----	250,000
Submarines.....	-----	70,000
Total.....	-----	1,325,000

Proportionate increase in auxiliary ship tonnage, 100,000 tons.

While the above total tonnages at first glance may appear large, it cannot be definitely stated whether or not it will provide parity with possible coalition of powers such as actually exist today. The continuance of the development of world conditions along the lines indicated may necessitate an even larger expansion.

While it is true that the keels of the combatant ships cannot be laid immediately, nevertheless the preparation of material can parallel the rapid development of new construction facilities. This will enable us to complete new ships at the earliest possible time. Any delay in authorizing the new ships will, under the circumstances, result in a delay in their completion.

In presenting its program for the expansion of the Navy, the Navy Department has stated its desire that the numbers of the ships in each type should not be made public. The Navy Department feels, and your committee agrees with the Department, that it is contrary to the interests of the United States to broadcast any further in advance than is necessary the country's detailed rearmament plans.

Accordingly, the bill sets forth the additional authorized under-age tonnage of the various categories of combat ships only. The numbers of each type are not set forth. The total number will, however, be about 200 ships.

Section 3 authorizes the appropriation of funds not to exceed \$150,000,000 for essential equipment and facilities at

either private or naval establishments necessary for building or equipping vessels in this or previous programs. This provision is of very great urgency not only for the purpose of increasing our construction capacity as rapidly as possible, but for the construction of additional plants, located, if possible, in less exposed areas. These additional plants would place us in a position in which we would not have to depend on a single plant, as in the case of a single naval gun factory.

Section 5 of the bill authorizes the expenditure of not more than \$25,000,000 for the procurement of patrol craft. This has reference to small vessels for protective effort around our harbors, a type of craft in which we are now very deficient, and which can be constructed in large numbers at small boat yards not capable of building larger ships. This section 5 also provides for the authorization for the procurement of 100,000 tons of auxiliary vessels. The construction of auxiliary vessels, or the acquirement and conversion of merchant vessels for auxiliary naval purposes has been to a large extent shoved aside during the course of years. We are now short of auxiliaries. As we increase our naval combatant strength and our naval aircraft strength, we must parallel these increases with additional auxiliary craft.

Section 6 of the bill is intended to remove from the maximum production of naval aircraft a possible obstacle in existing legislation. The act of 1934 required that 10 percent of naval aircraft be produced in Government factories. The 10,000-plane program recently passed by the Congress contemplates production of naval aircraft at a rate which will be more than 10 times greater than the maximum capacity of the existing Government plants. It is clearly not the intent of Congress, and not in accordance with the imperative needs of the country, that any such legislative restriction should operate to such a disadvantage to the country's naval-aircraft program.

Also, Mr. Chairman, I call attention to the fact that the Washington Gun Factory at the foot of Pennsylvania Avenue is the only naval gun factory in the United States. By this bill we authorize the Secretary, by the approval of the President, to build in the interior of the country, beyond the Allegheny Mountains, out in the steel regions, where labor is available, additional gun factories; and it is certainly highly in the interest of national defense that we have them no longer concentrated along the seaboard.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. VORYS of Ohio. We were informed in our committee that the gun factory to which the gentleman has referred is the only naval-gun factory in the Western Hemisphere.

Mr. VINSON of Georgia. That is correct. In this bill we have authorized the appropriation of \$15,000,000, not only to increase the present plant, but to construct others essential to carrying out this program, because as I have pointed out to you with this combination of powers, it is absolutely essential that this Government be prepared in its first line as early as possible.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. JOHNSON of Oklahoma. I have been very much interested in the gentleman's informative address. As I understand it, this bill calls for 385,000 tons of capital battleships.

Mr. VINSON of Georgia. That is correct.

Mr. JOHNSON of Oklahoma. That means about 10 ships of 35,000 tons, or about 9 of 45,000 tons.

Mr. VINSON of Georgia. It all depends upon the tonnage. Either way you divide it would be correct, if that was the correct tonnage.

Mr. JOHNSON of Oklahoma. As I understand it, it takes at least 52 months to build one of these ships, and on most of these shipbuilding contracts they are running about 5 months behind the 52 months' schedule.

Mr. VINSON of Georgia. It is contemplated and hoped that the time can be speeded up whereby these ships will be completed within 36 months.

Mr. JOHNSON of Oklahoma. May I express the sincere hope that the gentleman is correct, but if we can judge the future by the past, it will take from 4 to 5 years to construct these capital battleships, which, in my judgment, is entirely too long.

Mr. VINSON of Virginia. The gentleman is correct, so far as normal peacetime construction is concerned, in the way in which they have been built, due to the fact that the bottleneck is at the armor plant, and we have been unable to get the armor, but by the provisions of this bill, and by the development of the Charleston, W. Va., armor plant, it is hoped that we can cut the Gordian knot, and get rid of the red tape, and break the bottleneck, and build these ships, in less time than heretofore.

Mr. JOHNSON of Oklahoma. If the gentleman will be good enough to yield further, permit me to say that I have no desire to be critical. I have always voted with the gentleman in matters of national defense. I have never at any time voted against a naval-defense program or any defense program in the sea, the air, or on land. There has been in the past a serious doubt in my mind as to the advisability of constructing too many large, expensive battleships, but I have resolved all doubts in favor of the views of the gentleman and his committee. It occurs to me, however, that instead of having 385,000 tons of capital battleships, that will take from 4 to 5 years to construct, that serious thought should be given to the suggestion to construct more and better pocket battleships, destroyers, and airplane carriers, and to greatly strengthen our air forces on land and on sea.

Mr. VINSON of Georgia. We, of course, build our Navy according to what other navies are doing. Germany is now building four new great battleships. She has just seized two that the French are building at Brest, and Japan is building battleships. We are forced to construct our defense along lines other nations are doing, and, therefore, it is imperative that we continue to build battleships as long as any other nation does. On the other hand, we are building airplane carriers, and we are providing in this bill for some 15,000 aviators and some 15,000 planes, and we are doing everything possible to work out a well-balanced national defense program for the Navy, because each unit must play its part if the team is to be effective.

Mr. JOHNSON of Oklahoma. If the gentleman will permit, let me add that I am sure all Members interested in adequate national defense appreciate very much not only the information that he is giving, but also the splendid patriotic service the distinguished and able chairman is rendering. I may add that no man in America knows more about the naval-defense needs and its program than does the distinguished gentleman from Georgia. [Applause.]

Mr. VINSON of Georgia. I thank the gentleman. In reply I desire to say in all sincerity that no Member of this House is more loyally supporting the President's defense program than is the able and distinguished gentleman from Oklahoma. Not only do I commend the gentleman from Oklahoma for his loyal and consistent support of national defense, but the State of Oklahoma is to be congratulated on sending a gentleman of his caliber to help represent it in this Congress. [Applause.]

Mr. MAGNUSON. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. MAGNUSON. Will the gentleman also point out to the House the further necessity for this program in this respect, that although we have a larger Navy, for instance, on the Pacific than the Japanese, if events would be such that we would have to split our Navy, then the Japanese Navy would be the largest navy on the Pacific coast.

Mr. VINSON of Georgia. That is right. Let the House understand what we are driving at here. This now becomes a hemispheric navy. The Congress has made it mandatory that it is the duty of the United States to defend this hemisphere, and by the bill which we passed recently it makes it absolutely imperative that we have a navy of this size. We not only must defend the continental limits of the United States, but we must defend the Monroe Doctrine. We must defend our insular possessions and we must have a navy in either ocean

as large as that of those combinations to which I have called your attention in showing what the combinations could be.

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

Mr. VINSON of Georgia. I yield.

Mr. PACE. In connection with the statement of building a balanced navy, why is it the naval authorities do not consider it necessary to have more submarines than are now authorized by this bill?

Mr. VINSON of Georgia. The building of submarines by nations depend upon their geographical situation. Our defense is not the same as that of Germany or England or France. We have a coast line which extends from Alaska to Cape Horn, on the Pacific, and this long coast line on the Atlantic. We are 3,000 miles away from the nearest navy across the Atlantic. We are six or seven thousand miles away from Japan. Therefore our defense is different and based upon a different viewpoint than that of countries in Europe, where, for instance, the English Channel separates France from England, or Holland or Norway or territories of that character, where submarines can be effectively used. However, submarines cannot be as effectively used in the ocean as in European countries, but, nevertheless, this program will give us some several hundred submarines.

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. RAMSPECK, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 10100, had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate still further insists upon its amendments Nos. 35 to 39, inclusive, to the bill (H. R. 9007) entitled "An act making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1941, and for other purposes"; and that it asks a still further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McKELLAR, Mr. RUSSELL, Mr. MCCARRAN, Mr. BANKHEAD, Mr. O'MAHONEY, Mr. LODGE, and Mr. BRIDGES to be the conferees on the part of the Senate.

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

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

H. R. 7865. An act to amend the act for the regulation of the practice of dentistry in the District of Columbia, and for the protection of the people from empiricism in relation thereto, approved June 6, 1892, and acts amendatory thereof; and

H. R. 9791. An act to amend the District of Columbia Unemployment Compensation Act.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9850) entitled "An act to expedite the strengthening of the national defense."

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

S. 2842. An act to provide for an appeal to the Supreme Court of the United States from the decision of the Court of Claims in a suit instituted by George A. Carden and Anderson T. Herd.

Mr. TARVER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9007) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the

fiscal year ending June 30, 1941, and for other purposes, with Senate amendments, further disagree to the Senate amendments and agree to the further conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. TARVER, HOUSTON, SHEPPARD, HARE, ENGEL, and KEEFE.

PATENTS FOR LAND HELD UNDER COLOR OF TITLE

Mr. HILL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7736) authorizing the Secretary of the Interior to issue patents for lands held under color of title, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, line 5, after "in", insert "Monroe County in."

The SPEAKER. The Chair thinks it is proper to state that the minority Member, the gentleman from Michigan [Mr. MICHENER], who was interested in this matter, informed the Chair that he had no objection to this request.

Is there objection to the request of the gentleman from Washington?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter by Mrs. Mary McLeod Bethune, of the National Council of Negro Women of the United States.

The SPEAKER. Is there objection?

There was no objection.

IMPORTATION OF ARTICLES, PRODUCTS, AND MINERALS PRODUCED, PROCESSED, OR MINED UNDER PROCESS COVERED BY OUTSTANDING UNITED STATES PATENTS

Mr. PETERSON of Florida. Mr. Speaker, by direction of the Committee on Mines and Mining, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8285) to limit the importation of articles, products, and minerals produced, processed, or mined under process covered by outstanding United States patents; to define unfair trade practices in certain instances; and for other purposes, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Strike out all after the enacting clause and insert:

"That the importation hereafter for use, sale, or exchange of a product made, produced, processed, or mined under or by means of a process covered by the claims of any unexpired valid United States letters patent, whether issued heretofore or hereafter, shall have the same status for the purposes of section 337 of the Tariff Act of 1930 as the importation of any product or article covered by the claims of any unexpired valid United States letters patent."

Amend the title so as to read: "An act to limit the importation of products made, produced, processed, or mined under process covered by unexpired valid United States patents, and for other purposes."

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

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

NAVAL EXPANSION

Mr. VINSON of Georgia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10100.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10100, with Mr. RAMSPECK in the Chair.

The Clerk read the title of the bill.

The CHAIRMAN. The gentleman from Minnesota is recognized for 1 hour.

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

The CHAIRMAN. The gentleman from Minnesota is recognized for 10 minutes.

Mr. MAAS. Mr. Chairman, this, of course, is a very important bill, but it is one I think that we all recognize we must accept as absolutely essential.

The entire defense policy and program of this Nation today is dependent upon the Panama Canal. To permit the entire safety and future of our great Nation with all that we have at stake to rest upon such a thin thread as a canal is altogether too dangerous. The security of the Nation and the hemisphere itself is involved in depending upon the safety of a canal. This is taking an unwarranted risk. Whether we like it or not, for 40 years the defense of the United States and its national policy has been dependent upon Great Britain. Unwritten or in any other way, we have had an understanding that the United States would take care of the Pacific and Great Britain would take care of the Atlantic.

The Monroe Doctrine could never have been enforced if it had been challenged at any time in the past 40 years under any other arrangements. We now see what a dangerous position that puts us in. Leaving out any question of sentiment in connection with aid to the Allies, we find ourselves today being told that we must save the British Empire in order to save our own defense, because we have no fleet in the Atlantic.

The time certainly has come when it must be clear to us all that the United States to remain independent and free must depend only upon itself for its defense. Since we are dependent upon a canal, the use of which at any time may be denied to us by sabotage or by air attack—and I frankly say to you that there is no system of defense that can be devised by mankind that can protect the Panama Canal, not even with all the antiaircraft guns you could put there and all the airplanes you could support there, the way war has come to be waged today, with wave after wave of enemy planes coming over—one plane landing one bomb on one gate of one lock, and the Canal is lost to us for the transit of our fleet from one ocean to the other.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. REED of New York. How many planes do we have at the Panama Canal now?

Mr. MAAS. The last time I was down there I counted 18 Army bombers and 12 pursuit planes.

Mr. REED of New York. When was that?

Mr. MAAS. In March.

Mr. DARDEN of Virginia. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. DARDEN of Virginia. The gentleman is well aware that we have got to make our naval dispositions regardless of the number of planes in the Canal Zone. It is very questionable whether we can keep the Canal open for the use of our fleet in any desperate struggle in which this country might become engaged.

Mr. MAAS. I think that is correct. The defense of the Canal, of course, is not going to rest primarily on planes based on the Canal. They must be so based that they reach 1,000 miles at sea to keep enemy aircraft carriers from getting close enough to the Canal to get planes over the Canal Zone during daylight hours.

Mr. DARDEN of Virginia. Does not the gentleman feel that we are up against a hopeless problem in trying to keep the Canal open if a serious war should come?

Mr. MAAS. Absolutely, and even if we did not have the problem of keeping the Canal open we would still have the problem of distance. Distances in the Pacific are so great as against distances in the Atlantic that our fleet might be 10,000 miles away in the Pacific, leaving the Atlantic coast subject to attack from naval forces based only 3,000 miles

away in Europe. Our fleet in the Pacific might not be able to get into the Atlantic in time even though there were no question of keeping the Canal open. It is absolutely necessary for us to protect ourselves in both oceans.

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

Mr. MAAS. I yield.

Mr. MAGNUSON. The gentleman and I together with the gentleman from Virginia [Mr. DARDEN] were at the Canal Zone in March and looked the situation over very carefully. As the gentleman has just pointed out, the defense of the Canal is not the defense based on the Canal Zone itself but more probably on a defense based 1,000 miles out to sea. The Members of this House should realize as some of us do all too well that if an enemy aircraft carrier could get within 1,500 miles of the Canal, a defense based on the Canal itself would not be sufficient to protect it.

Mr. MAAS. The gentleman is absolutely correct. Not only must we have a defense based 1,000 miles away from the Canal in one direction, but in two directions, for it could easily happen that while we were intercepting an enemy aircraft carrier 1,000 miles away on one side of the Canal another enemy aircraft carrier could come up on the other side of the Canal and destroy it.

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

Mr. MAAS. I yield.

Mrs. ROGERS of Massachusetts. I am sure the gentleman is extremely glad the amendment to section 7 appears in the bill prohibiting the sale of ships to foreign countries without the consent of Congress. The sale of ships to foreign countries is dangerous. This is a thing that has troubled me a good deal, and something in which I am very much interested. It is vital that our own national defense be not weakened.

Mr. MAAS. I am glad the gentlewoman from Massachusetts called attention to section 7, because it is one of the most important things to the defense of this Nation. This provision was adopted unanimously by the committee when it was offered by the chairman. It provides that hereafter no vessel, ship, or boat now in the United States Navy or being built therefor shall be disposed of by sale or otherwise, or be chartered or scrapped, without the consent of Congress.

I wonder if the Members of this House realize that one of the reasons why France and England are in the desperate condition they are today—France has capitulated and England is in the most critical condition in its history—is because they shipped to Spain the very vital weapons so needed for their own defense that they left themselves woefully undefended, as they had not made provision to replace those weapons before they themselves became engulfed in the war.

Do the Members realize that if England and France had conserved their own guns, tanks, and airplanes instead of sending them for use in the Spanish Revolution there might have been a different story in Europe today? We must not permit ourselves to fall into that same trap. There can be no surplus of war materials in this country, because there is actually a deficit in them. There cannot be a surplus and a deficit at one and the same time of the same commodity. There is a deficit today in every category and every type of weapon needed in this country.

Mr. SUTPHIN. Will the gentleman yield?

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

Mr. SUTPHIN. Is it not a fact that in 1922 we destroyed 11 capital ships, the largest and most formidable vessels that were ever built?

Mr. MAAS. That is perfectly true.

Mr. BATES of Massachusetts. Will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. We destroyed 29 battle-ships—18 in service and 11 under construction.

Mr. MAAS. We must see that that will not happen again.

Mr. LEWIS of Colorado. Will the gentleman yield?

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

Mr. LEWIS of Colorado. Does the gentleman think this provision—that is to say, section 7 of H. R. 10100—will prevent any more treaties by which the United States might repeat our folly of 1922, when, as the gentleman says, the United States destroyed 11 capital ships, the largest and most formidable that were ever built, whereas the other naval powers merely tore up blueprints?

Mr. MAAS. Yes; I think it will. While it is true a treaty may be ratified by the Senate, nevertheless, this provides that no vessel of the Navy can be disposed of in any manner, not even scrapped, without the consent of the House, as well as the Senate.

Mr. LEWIS of Colorado. That is the gentleman's understanding of the meaning of the provisions of section 7 in this bill?

Mr. MAAS. Yes.

Mr. LEWIS of Colorado. I would like to have the RECORD show that there cannot be any more disarmament treaties of that sort.

Mr. MAAS. It is our intention to say that there can be no such disarmament treaties without the consent of the House as well as the Senate hereafter.

Mr. COLE of Maryland. Will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Maryland.

Mr. COLE of Maryland. The gentleman is admittedly an authority on this subject.

Mr. MAAS. I thank the gentleman.

Mr. COLE of Maryland. I was interested a few moments ago when, in answer to a question asked by the distinguished gentleman from New York [Mr. FISH], the chairman of the Naval Affairs Committee [Mr. VINSON of Georgia] stated that we had at this time the strongest Navy in the world. I would like to have the gentlemen's observation along that line.

Mr. MAAS. I believe that is quite correct. Today the United States has the strongest Navy of any single power in the world, but we must remember that we will never be faced by a single power. We must prepare to defend ourselves against a combination of fleets, because while our Navy is superior to any single navy, in fact it is quite inferior to even such a coalition that could be brought against us in the Atlantic, even if we had our entire Navy in the Atlantic, and any combination added to the Japanese Navy in the Pacific would be superior to our entire fleet if it is kept in the Pacific.

Mr. DITTER. Will the gentleman yield?

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

Mr. DITTER. Referring back to that time in our history when we pursued a disarmament program, the gentleman will agree with me that any destruction that may have been made in the way of ships was due to agreements that had been made with other nations, will he not?

Mr. MAAS. Yes.

Mr. DITTER. And that there was a general world sentiment favoring disarmament?

Mr. MAAS. Oh, yes; and it was thoroughly agreed to by both parties in this country at that time.

Mr. DITTER. Not only in this country, but other nations of the world, realizing the futility of war, banded together in the hope that war might not recur. Is that a fair statement?

Mr. MAAS. Yes; I think that is a fair statement.

Mr. DITTER. I am correct in saying that one of the purposes of the last war was to end wars?

Mr. MAAS. That is what I thought when I went into it anyway.

Mr. DITTER. That was probably the inspiration out of which the disarmament program sprung. Then as to agreements I believe I am right that they grew out of treaties, did they not?

Mr. MAAS. Yes.

Mr. DITTER. And certainly the gentleman in his observation a moment ago did not intend to convey to the House the impression that we could override constitutional limitations and that the House would have a part in the making of treaties if such treaties were projected in the future?

Mr. MAAS. We will have this right when the pending measure is adopted, because while a treaty may be made and ratified by the Senate, to implement it will require action by the House thereafter if it involves sinking of any ships.

Mr. CHURCH. Will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Illinois.

Mr. CHURCH. If the other body goes on record at this time in favor of this provision in the pending bill, then the other body is certainly powerless to agree to any treaty in later years that does not incorporate these provisions?

Mr. MAAS. Yes.

[Here the gavel fell.]

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

Mr. BENDER. Will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Ohio [Mr. BENDER].

Mr. BENDER. Is it a fact there are 35 fewer fighting ships today than there were 6 years ago?

Mr. MAAS. The figures are so confusing it is hard to say unless I knew the entire basis of your figures and whether you are talking about under-aged or total number of ships, or just what. The ships are becoming over-aged constantly, therefore the number at any one time may appear to decrease, but that does not mean we have fewer ships in the Navy. We may have fewer so-called treaty ships, which means ships under 20 years, or 26 years in the case of capital ships. This does not mean that the total number of ships, both over and under age, is less, however.

Mr. ENGLE. Will the gentleman yield?

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

Mr. ENGEL. Is it not a tragic situation that we are confronted with war, and despite the fact that we have the largest Navy in the world, our foreign policy has been such that we are compelled to build against the world; that the only friends we have are those who are being defeated in the present European conflict?

Mr. MAAS. How is the gentleman certain they are our friends? That has not always been the case, at least. We have several times been at war with each of those countries. I think it is very unfortunate that we have ever permitted our defense system to rely upon some other government. Here we are announcing the policy that from now on the United States shall stand upon its own feet in its protection and in its defense.

Mr. ENGEL. I am for the bill; but does the gentleman advocate a policy of building in the future against the entire world?

Mr. MAAS. If necessary to defend ourselves against the world; yes.

Mr. LEWIS of Colorado. Referring to the gentleman's statement concerning the protection of the Canal by outposts, I should like to ask if the gentleman does not believe, after his recent trip to the Canal Zone, that we should secure a post in the Galapagos Islands, off Ecuador, and also another in Trinidad?

Mr. MAAS. I certainly do. I believe that Trinidad may be almost the key in that part of the defense, and it is almost vital to us that we have a base in Trinidad. Individually, I would go to almost any extreme to get such a base in Trinidad.

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

Mr. MAAS. I yield to the distinguished gentleman from New York.

Mr. ANDREWS. As I understand, this is merely a bill of authorization?

Mr. MAAS. Yes.

Mr. ANDREWS. Were any statements made in the committee as to when the department might ask for appropriations under this authorization?

Mr. MAAS. They have assured us that they intend to ask for an appropriation as soon as possible and to actually start this program within 6 months.

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

Mr. MAAS. I yield to the distinguished chairman of the Committee on Naval Affairs.

Mr. VINSON of Georgia. In response to the question just asked, may I state that just as soon as this bill becomes law after the recess it is contemplated to ask for a deficiency appropriation of \$175,000,000. The major portion of it will be used in developing facilities throughout the country for the purpose of carrying out this building program.

Mr. MAAS. I want to discuss several features of the bill. The committee added 75,000 tons of aircraft carriers. This is to provide three aircraft carriers for both training Marine squadrons aboard carriers and for operating as carriers for marine air squadrons in event of war. It is going to be essential that the Navy have at least three carriers over and above the actual number needed for air support of the fleets themselves to be assigned for Marine Corps operations in connection with the missions of the Marines in support of fleet operations. The main mission of the Marines is to support the fleet in securing advance naval bases, and then in holding such bases after the fleet moves on in its main operations.

To hold such bases an increasingly important element is aviation. The aviators and airplanes that must be left in support of such advance naval bases must be over and above the need of pilots and planes operating in support of the fleet itself. Therefore there must be separate aircraft carriers to supply Marine air support in taking advance bases, and to keep transporting Marine squadrons as replacements in the task of holding such bases.

I shall offer a committee amendment to raise the limit of naval planes from 10,000 to 15,000, with authority to make any necessary plans in excess of that number if the national defense requires it. This is necessary because of the increasing importance of aviation in successful naval operations.

To be successful a fleet must not only dominate the sea, but also the air. The war in Europe has certainly demonstrated this. To be all-powerful in our own defense we must therefore have the most powerful fleets in the world and the most powerful air fleets in the world.

Mr. REECE of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Tennessee.

Mr. REECE of Tennessee. Regardless of what one's attitude may be toward our foreign policy, the program provided for in this bill is necessary and we should really be for it.

Mr. MAAS. Yes; regardless of any of the mistakes that have been made in the past by any administration in foreign policy or defense, the bitter fact confronts us that this is absolutely essential to the defense of this Nation, and we must do it now regardless of what has happened in the past. [Applause.]

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I ask that the bill be now read for amendment.

The Clerk read as follows:

Be it enacted, etc., That the authorized composition of the United States Navy in under-age vessels as established by the acts of May 17, 1938 (52 Stat. 401), and June 15, 1940, Public Law No. 629, Seventy-sixth Congress, is hereby further increased by 399,600 tons, as follows:

(a) Aircraft carriers, 79,500 tons.

(b) Cruisers, 198,000 tons.

(c) Destroyers, 80,100 tons.

(d) Submarines, 42,000 tons: *Provided*, That each of the foregoing increases in tonnage for aircraft carriers, cruisers, destroyers, and submarines may be varied upward or downward in the amount of 20 percent of the total increased tonnage authorized herein so long as the sum of the total increases in tonnages of these classes as authorized herein is not exceeded.

With the following committee amendments:

Page 1, line 5, after "June" strike out "15" and insert "14."

Page 1, line 7, strike out "three hundred and ninety-nine thousand six hundred" and insert "one million three hundred and twenty-five thousand."

Page 2, beginning in line 1, strike out down to and including the word "exceeded" in line 12, and insert the following:

"(a) Capital ships, 385,000 tons;

"(b) Aircraft carriers, 200,000 tons;

"(c) Cruisers, 420,000 tons.
 "(d) Destroyers, 250,000 tons;
 "(e) Submarines, 70,000 tons: *Provided*, That each of the foregoing increases in tonnages for capital ships, aircraft carriers, cruisers, destroyers, and submarines may be varied upward or downward in the amount of 30 percent of the total increased tonnage authorized herein so long as the sum of the total increases in tonnages of these classes as authorized herein is not exceeded."

The committee amendments were agreed to.

Mr. BENDER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have been listening attentively to all these remarks and comments made on both sides regarding this authorization bill. Because I read something between the lines, I rise to comment and make a few observations.

In the first place, there is no opposition to this measure. Everybody joins in support of it and I believe we will have a unanimous vote on it. However, there have been some things injected to indicate that possibly the responsibility for this condition rests elsewhere than where it belongs. I read from a document I got from the Congressional Library, known as the Campaign Book of the Democratic Party, Candidates and Issues, 1936, and in the Democratic Party platform of 1932 appears the following:

that the people in time of peace may not be burdened by an expenditure fast approaching a billion dollars annually.

In other words, there is criticism there of the previous administration because it appropriated as much as almost a billion dollars for national defense.

Further in this book I find the following, in the platform of 1936:

There has been no deviation with respect to the platform's deviation dealing with the sanctity of treaties and the maintenance of good faith and good will in financial obligations. Adherence to the World Court was recommended to the Congress. The Pact of Paris remains an instrument of national policy.

Further, I read on the back cover of this booklet this statement from a speech of President Roosevelt:

We can keep out of war if those who watch and decide have a sufficiently detailed understanding of international affairs to make certain that the small decisions of each day do not lead toward war, and if, at the same time, they possess the courage to say no to those who selfishly or unwisely would let us go to war.

I call your attention to these statements because this is the place to do it, and because I feel that possibly some reference may be made to the statements on the floor here at the convention next week, or the convention 3 weeks hence.

I further wish to call your attention to the words of a great President, Calvin Coolidge, who once said:

A country loaded with debt has lost its first line of defense.

To those who would say that the country was not ready for a greater defense program, let me quote an authority whom you enjoy quoting.

Mr. PARSONS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. PARSONS. Mr. Chairman, I make the point of order that the gentleman is not addressing his remarks to the amendment.

The CHAIRMAN. The gentleman from Ohio will proceed in order.

Mr. BENDER. Mr. Chairman, I know the gentleman knows that I am proceeding in order, because I have moved to strike out the last word.

In November 1935, the Gallup poll showed that 70 percent of the people were in favor of a bigger Army and 72 percent in favor of a bigger Navy.

Mr. PARSONS. Mr. Chairman, I make the point of order that the gentleman is not speaking to the amendment, and may I ask the word that the gentleman has moved to strike out?

The CHAIRMAN. The gentleman will proceed in order.

Mr. BENDER. In 1938 a similar poll showed 82 percent of the people were for a bigger Army.

Mr. PARSONS. A point of order, Mr. Chairman.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman from Ohio may be permitted to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BENDER. In November 1938, according to the Gallup poll, 82 percent of the people of this country were for a bigger Army and 86 percent for a bigger armed force.

Now, let me call attention to the fact that in 1933 the Federal debt was \$22,000,000,000. Today it is \$45,000,000,000, or an increase of \$23,000,000,000, of which only \$8,766,000,000 has been appropriated and expended for national preparedness.

Recapitulation of expenditures—not appropriations—for national defense from 1933 through 1939 shows spent:

On the Army, \$2,445,833,534; on the Navy, \$3,402,541,099. This is a total of \$5,848,374,633.

Figures show expenditures for national defense from 1933 through 1939 and appropriated for 1940 and 1941, as follows:

Fiscal year	Navy	Army	Total
1933	\$349,361,924	\$268,417,426	\$617,779,350
1934	297,029,280	243,329,151	540,358,431
1935	430,477,860	273,485,711	703,963,571
1936	529,031,665	382,654,683	911,686,348
1937	548,801,242	374,260,148	923,061,390
1938	588,828,834	421,985,682	1,010,814,516
1939	659,040,284	480,900,733	1,139,941,017
1940	722,389,092	656,898,000	1,379,287,092
1941	851,751,000	687,693,000	1,539,444,000
Total	4,976,681,181	3,789,624,534	8,766,305,715

These billions of dollars were taken from the taxpayers. What defense have the taxpayers received for these billions?

THE ARMY

The largest peacetime appropriations in our history for the Army show a deplorable situation. We find our Regular Army to consist of only 183,447 officers and men. Add a National Guard of 197,188, and a Reserve force of 116,175, and we have a grand total of 496,810.

For this small Army we have spent and appropriated \$3,789,624,534 since 1933. In the past 16 years, 1925-40, a total of \$6,169,000,000 of "preparedness money" has been consumed by the Army alone, including its air force.

Of the more than \$6,000,000,000, noted above, well over five billions was spent only for upkeep. In fact, only \$854,526,000 of it went for real preparedness—new aircraft, new tanks, antiaircraft and antitank guns, semiautomatic rifles, field guns, machine guns, trucks, tractors—in the whole 16 years. While we thought we were building up a real modern Army, we were merely housing, feeding, and clothing an Army that wouldn't make a patch on a European army's pants.

Of the \$854,526,000 spent for new defense equipment, \$509,900,000 went to the Army Air Corps, and \$344,626,000 to the ground forces. The balance of the \$6,000,000,000 was spent for clothing, housing, and upkeep.

FOURTEEN CENTS FOR DEFENSE; 86 CENTS FOR UPKEEP

In other words, out of every dollar of the six billions preparedness money spent upon our well-fed, well-clothed little Army in 16 years, 86 cents was expended for its comfort and contentment—only 14 cents for actual national-defense equipment. Ponder on that, Mr. Businessman.

Remember also that the Reserve Army Corps of 116,175, included in the total, is made up of 113,177 officers and only 2,998 men, and the Reserve officers practically maintain themselves, receiving little or nothing from the Government.

How about tanks—that powerful factor of modern warfare? This semicivilian American Military Establishment has about 350 tanks, of which only 28 are modern. What would happen to such a handful of tanks as against the cavalcade that has been ripping through the Allied armies? The administration says "the defense expansion program contemplates a total of 928 light and heavy tanks." Two and a half billion dollars gone—and officialdom contemplates.

Another diversion of money from modern equipment is shown in the large-scale Army maneuvers which the War Department recently ordered "because of world conditions." This spring's activities called for an expenditure of \$18,000,000. Investigation reveals that 50 percent of this, or \$9,000,000, was spent for transporting troops to the maneuvering area.

THE NAVY

Expenditures for the Navy from 1933 through 1939 total \$3,402,541,099, plus appropriations of \$1,574,140,092 for 1940-41, making a grand total of \$4,976,681,191. What do American taxpayers have to show for these billions?

THIRTY-FIVE LESS FIGHTING SHIPS

According to Navy Department records, as presented in the 1939 Statistical Abstract of the United States (p. 149), we had 457 fighting ships in 1934, 436 in 1935, 416 in 1936, 424 in 1937, and 422 on January 1, 1939—a decrease of 35 fighting ships.

Yet the President in his radio fireside chat of May 26, 1940, told the people:

Between 1933 and 1940—7 fiscal years—your Government will have spent one and a half billion dollars more than it spent on the Navy during the 7 years before 1933.

The point is that for the \$2,700,000,000 appropriated during the years 1933 to 1938, inclusive, no strengthening of the Navy occurred. All hope of protection and defense is in the future. All results to be had from these billions depends upon ships on order, laid down, expected to be delivered, and so forth.

The positive fact remains that we had 35 less fighting ships in 1939 than we had in 1933, in spite of the gigantic expenditures recited by the President.

AIR FORCE

Gen. George C. Marshall, Chief of the Army General Staff, tells our Washington representatives that "America faces a monumental task to overcome the deficiencies of past neglect" of its air forces. Which means that most of the hundreds of millions appropriated for that purpose during the defense-expenditure spree of the past 9 years has not been used for the purposes it was intended.

The President, in his recent Sunday evening fireside chat on preparedness, said, "In 1933 we had 1,127 useful aircraft—in the Navy—and today we have 2,892 on hand and on order." This is misleading and is not the kind of candor and frankness with which to win the confidence of the American people. What are the facts?

The number of planes on hand for the Navy is 1,755, and on order, 1,137. Read Admiral John H. Towers, Chief of the Bureau of Aeronautics, told the Naval Affairs Committee that the Navy "will have only 1,902 combat planes by July 1, 1941."

Major General Arnold, Chief of the Army Air Corps, testified that of the 2,752 planes in the Army Air Corps, "only 52 planes are fit for modern war," and that of the remaining 2,700 "perhaps a half dozen could be rendered fit."

Fifty-eight fighting planes in the Army, and Germany has 18,000.

Furthermore, of the 2,752 planes on hand in the Army, over 2,000 are training ships, leaving only 863 combat ships, all of which are obsolete. A combat plane today, under the Army's own specifications, requires self-sealing fuel tanks, heavy armor, and guns of light artillery caliber. In neither the Army nor the Navy does the United States have one such plane, save in an experimental phase.

As to planes "on order," the whole delivery schedule for American planes is now further delayed by the recent order giving the Allies priority on all American military production desired by them. Thus, the 3,837 planes "on order" are not in fact in production for our own use should the Allies elect to call for them.

ARTILLERY

Regarding artillery the President said:

In 1933 we had only 24 modern infantry mortars in the entire Army. We now have on hand and "on order" more than 1,600.

Germany made the 105 millimeter howitzer its basic defense weapon. The United States, on May 1, last, did not

have a single one of these weapons on hand. The 105 is heavier than the famous French 75, primary weapon of both the French and United States Armies, and throws twice as heavy a projectile the same distance. Maj. Gen. Charles M. Wesson, Chief of Ordnance, says the Army plans to replace about one-third of the 75's in each division with 105's. This calls for an initial supply of 120, with a final requirement of 300.

The Army so far has ordered just 48 of these howitzers, with delivery more than a year away.

Concerning anti-aircraft guns, the President said:

In 1933 we had only 355 anti-aircraft guns. We now have more than 1,700 * * * on hand or "on order."

We actually have on hand 448 3-inch guns and 15 37-millimeter guns—a total of 463. The other 1,237 are "on order." The situation, therefore, is this—we had 355 guns in 1933 and we have 463 today. Yet from 1933 to 1940 expenditures by the Army and Navy for "defense" has totaled \$5,847,374,623.

Mr. CHURCH. Mr. Chairman, I rise in opposition to the pro forma amendment and ask unanimous consent to revise and extend my remarks in the Record.

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

Mr. CHURCH. Mr. Chairman, when the President of the United States addressed the Congress in joint session on May 16 with regard to our national defense he used these words:

Let us examine, without self-deception, the dangers which confront us. Let us measure our strength and our defense without self-delusion.

Later in the same address he said:

Our task is plain. The road we must take is clearly indicated. Our defenses must be invulnerable, our security absolute.

I find my text in those two passages from the President's message. The American people are unanimous in their desire to have an impregnable defense for this hemisphere. I am determined they shall have it. It is important that our people know the facts and not be deceived as to our real strength in defending ourselves from foreign aggression.

The first factor to be considered is, of course, our military and naval facilities. The devastating war in Europe has shocked the American people to a realization of our lack of preparedness. Congress has never been reticent in giving the President all the funds he requested these last 8 years for the Army and Navy. Yet we find ourselves today totally lacking the essential equipment for adequate national protection. We find ourselves trying to accomplish in a few months what should have been done during the last several years.

It was no secret that Hitler was building the largest air force in the world and that he was developing a highly mechanized army. Indeed, he openly boasted about his superiority in air. Chamberlain was not impressed. Daladier was not disturbed. It was not until Munich that Great Britain and France began to awaken to the potential power of an air force and a mechanized army. Today the people of Great Britain and France are paying a very dear price for the neglect and lack of foresight on the part of their governments.

They have appealed to the United States for airplanes, for antitank guns, for tanks, for anti-aircraft guns, for equipment with which to combat Nazi mechanized power on land and in the air. But there has been very little that the American people could do. Our own Government had been lacking in foresight. Roosevelt, like Chamberlain and Daladier, could not be convinced that a new method of warfare had developed. It was not until the actual invasion of France that our administration experienced a great awakening. We are now feverishly trying to recapture precious time that has been lost in establishing the kind of defense we should have. Our essential equipment is not on hand but only on order.

Take antitank guns, for instance. The War Department estimates our requirements to be 1,556. We have only 218 on hand; 526 are on order, and deliveries will not be completed until June of 1941.

We have on hand only 100 light tanks and 18 medium tanks. On order we have 724 of the former and 176 of the latter.

I do not intend to burden you with statistics, taken from the official records, of the different equipment we actually have on hand. It is no secret that our anti-aircraft protection is inadequate. It is no secret that we are only really beginning to build up an air force.

In his message to Congress the President stated, "The American people must recast their thinking about national protection." That we must "recast our thinking" on the essentials for an impregnable defense I thoroughly agree. But it is somewhat disturbing to me, as it must be to the people generally, that it has taken the administration so long to recognize the need to "recast our thinking." Why has it taken these recent developments in the European war for those in charge of our Government to discover the power of an air force and mechanized units?

It cannot be said that the potential power of such a force has not many times been stressed by individual Members of Congress. I cannot recall a single Army or Navy authorization or appropriation bill debated on this floor but that the question was raised as to why more funds were not being allotted to tanks, airplanes, training of pilots and anti-aircraft gunners. During the 6 years I have been a Member of Congress it has been my privilege to serve on the Committee on Naval Affairs. Time and again the question was asked at the sessions of this committee as to why it would not be more advisable to concentrate on aircraft development. But in every instance we were always assured that exactly what was requested by the Administration was exactly what was needed.

Let me read to you one paragraph from the minority report filed on March 7, 1938, by the gentleman from New York [Mr. COLE], the gentleman from Maine [Mr. BREWSTER], and myself, setting forth our views on the naval authorization bill, H. R. 9218, of that year. This paragraph, setting forth our objection to the bill, will be found on page 16 of that report:

This bill limits naval aircraft when the importance of aircraft for defense is increasing with revolutionary rapidity and other nations are spending 10 times what we are for experimentation in aircraft development for defense.

On many occasions I have endeavored to focus attention on the need for aircraft development. Other Members of this House have done likewise.

Some of you may recall that on June 27 of last year I spoke somewhat at length on the degree to which the airplane had revolutionized warfare, the necessity of our developing this weapon of defense, and the necessity of moving our aircraft industries inland. If you will permit, I should like to read a few paragraphs from my remarks at that time:

The airplane has revolutionized warfare. It has enlarged the field of battle to such an extent that the classification of combatants and noncombatants no longer exists. With the increased range, increased speed, and increased capacity of aircraft, I think it may be accurately said that the emphasis in modern warfare is gradually shifting from the objective of penetrating the enemy's lines to the objective of destroying the sources of production which sustain those lines. The airplane has produced a weapon of war for destroying a nation's will to survive, and its chief offensive power lies in its ability to spread consternation among a people and destroy their key-defense facilities.

We need not cite the statements of Army officers and military strategists as authority to prove the thesis that the airplane today, and to a greater extent several years from now, is the most vital weapon of a nation's armament strength.

Those were my expressed views before the Nazi invasion of Norway and before the Nazi invasion of France. The experiences of the present war have served to confirm my conviction. But the point I wish to emphasize, Mr. Speaker, is that the administration could not be convinced. It is for that reason that we find ourselves today without the essential equipment for an impregnable defense. It is for that reason that our necessary defense equipment is largely on order rather than in existence. If, therefore, we "measure our strength and our defense without self-delusion," as the President suggested, we have to conclude that today our country is unprepared.

And there are other factors important to national defense to be considered aside from the Military and Naval Estab-

lishments. National defense involves more than the number of men under arms and in reserve. It involves more than the size and nature of the fleet and the air force. When we think of national defense, of being prepared for what the future may bring, we must get into the habit of thinking of more than men and equipment. We must consider our ability to finance a war.

With remarkable speed and admirable cooperation, Congress has been enacting legislation to enlarge our Military and Naval Establishments, to repair the deficiencies in matériel and personnel. We want our people to have peace and security. And our people are willing to make whatever sacrifices may be necessary.

It must be recognized that financial preparedness is as important as military preparedness. No country can be successful in a war unless it has the ability to finance its military and naval machinery. It behooves us to establish a sound fiscal policy. Unless we do this all our military and naval preparations may come to naught.

At the present time our national deficit approximates \$45,000,000,000. This does not include the indirect obligations of the Federal Government. And we will shortly have to add to the debt the billions we are now appropriating for warships, planes, sea bases, air stations, guns, and all the other items imperative for our safety. In order to meet this need the Congress included a provision in the recent tax bill to increase the statutory debt limit \$4,000,000,000.

Mr. Chairman, we simply cannot continue to follow the policy of deficit accumulation. We are headed for financial chaos. At this session of Congress we made certain changes in the permanent income-tax law and we levied a general tax increase of 10 percent. But only around \$1,000,000,000 additional will be realized, and sources of Federal taxation are tapped virtually to the limit.

If we are to realize a truly adequate national defense so earnestly desired by our people, we must be willing to remain in session so that we may revise the entire tax structure, and at the same time give consideration to ways and means for reducing the cost of government. Ninety-two percent of the additions to the public debt during the last 7 years has been due to excess spending for purposes other than national defense. There are innumerable places where money can be saved.

There is still a third factor in connection with our national defense to be considered. I refer to our capacity to produce. It is self-evident that our entire preparedness program, as well as our ability to meet the needs of defensive warfare, must depend upon private enterprise. A recent report by Brookings Institution states that the deficit financing policy of the administration, the taxation policies, and regulatory policies have stopped the flow of capital into productive channels. It is quite unnecessary for me to take the time to enumerate the various laws now on the statute books that have discouraged industrial progress in the United States.

One of the reasons why France was not prepared to resist the ruthless Nazi invasion was the fact that her economic power was weakened by the policies of the Blum government. During the last several years our Government has been following those same policies and making the same mistakes. Business has been harassed. Strife between employees and employer has been encouraged. Private investments in new enterprises have been discouraged. In a word, our economic system has been so disrupted by governmental policies that our country lacks the sustaining power necessary to defend itself properly.

Mr. Chairman, we do not have an impregnable national defense. Let us not deceive ourselves. We are unprepared on the military and naval fronts. We are financially unprepared. We are industrially unprepared. It is a disturbing picture. To make large appropriations for the Army and Navy is not enough. We must put our economic house in order. We must establish a competent government.

The people of the United States appreciate the great dangers confronting us. They ask that we do not become involved in the war in Europe. They want peace. They ask that we make certain we have the strongest defense it is

possible to establish. They want safety. I pray that when the war clouds of Europe have lifted that the United States will point the way to a new order, where the blessings of liberty and the blessings of peace will be enjoyed by all men. Let this great Republic of ours be impregnable. The responsibility rests with us. [Applause.]

Mr. POAGE. Mr. Chairman, I move to strike out the last three words and ask unanimous consent to revise and extend my own remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. POAGE. Mr. Chairman, the stark tragedy of the collapse of the great French Republic, with all its far-flung world empire, is a source of grief and sorrow to every friend of free government throughout the world. Today, the sands of democracy are running fast, and it may well be that, within a short space of weeks, government by the people will be found nowhere in the Old World. Only in the Western Hemisphere has democracy so far escaped the blighting breath of the beasts of war and destruction so wantonly loosed by the self-appointed dictators of great peoples in Europe and Asia. We of America have just witnessed the horrible agony of death administered to a sister republic by a pack of international wolves, who, working together, planned for the larger to attack the Low Countries, and in that way lure France from the protection of the cover of her great defensive line to make a brave but hopeless effort to save the little neutrals, whose own refusal to consult with the French staff prior to actual invasion, brought about their destruction and subjected their would-be savior to flank attack and pursuit, only to find Italy, whose very existence as a united nation free of German control was effected by the aid of France, but under totalitarian control and playing the ignoble part of a full-grown jackal ready to jump upon the reeling form of hopeless freedom. A tragedy to civilization—a black and bloody page in the history of the world.

But, Mr. Chairman, if we look no further than the effect of this awful mischief, we shall leave our own and all democratic institutions open to the same unhappy fate. The contemptible attack of Benito Mussolini could not have destroyed France had not Hitler's mechanized legions already rained death from the skies and sprayed destruction along the highways of the north. But France had a great army of brave and well-trained men, commanded by able officers. She had a powerful fleet, a matchless system of fixed defenses. She was a wealthy and powerful land. How, then, can we explain her present loss and suffering? Whatever we may think of the advisability of the course followed by a portion of her leaders in their decision to accept an ignoble and cruel peace in what seems to us to be a useless and unavailing effort to save further loss, we cannot say that the French soldier did not give a brave account of himself so long as he had any of the means with which to combat the mechanized terror he was forced to face.

We therefore see stark force victorious. We see clearly that no living man, no matter how brave, can long stand up to such overwhelming superiority of equipment. But do we realize that, but for those bleeding and broken forms that once were men but which now lie unburied in northern France, our own boys might be now meeting these machines of death practically barehanded? Thanks to their sacrifices, we are being given an opportunity to prepare to meet this Central European terror with the only force that it respects—armed might equal to its own. It will, however, take even our great industries months of intensive work to turn out the engines of war which the pressure of unrestrained international madmen makes essential to our own defense. In the meantime, there lies just one little group of islands, about one-third the size of my native State, between America and this maelstrom of destruction. On the British Isles there are 45,000,000 free men who are determined that the fate of France, of Belgium, of Holland, Norway, Denmark, of Poland, of Czechoslovakia, and all the rest shall not be reenacted there. They have the will to resist. They have the fighting heart. They are engaged, not simply in

the defense of their lives. They are defending much more. They are the immediate defenders of their loved ones, of their homeland, of their free institutions. And not simply of their own free institutions, but of free institutions everywhere. They hold the last outpost of liberty in Europe, and they constitute the last barrier between the all-absorbing and destroying ambition of the dictators on the one hand and the American Republics on the other.

The need for improvement of our own defenses is no longer a matter of discussion. The most ardent isolationist, as well as the most sincere pacifist, must now recognize that we must prepare for national defense as we have never done before. The preparation must involve not only the building of a great air fleet, of tanks, artillery, of a 2-ocean Navy, and of greatly augmented forces of trained troops. It must also include adequate defense against enemies at home as well as abroad. It must include preparation to detect and destroy all disloyal and subversive groups, whether native or alien.

Though there is no dispute as to these needs, is it not crystal clear that the very first step in our own program of national defense, the defense of America, if you please, must be directed toward the securing of time—time to carry out the ambitious programs we have envisioned? Are we as well prepared today as was Poland last September? Can we be as well prepared 3 months hence as was France 3 months ago? Yet these great nations were not well enough prepared. They had the men, just as we do, but they did not have the machines. We likewise lack machines. We have no need to fear America's ability to provide them, but it will take time. And only the British—and some French remnants—are holding the dike while we make the needed preparations.

I trust, therefore, that there can be little disagreement with the vital importance of rushing every possible material aid to the last bulwark of democracy. I speak not from any sentimental or philosophical standpoint, but solely from the standpoint of American self-interest. If one doubts that self-interest requires America to send all possible aid, short of men, to Great Britain at once, let him answer the question "Why do we arm at all?" To that question there can be but one answer. We arm because the dictators are armed, and they are coming in our direction. They are moving westward and we see clearly that they are not being stopped. We arm because Germany and Italy have conquered France and may conquer England. If that danger did not exist we would not arm as we are doing. If you feel that there is no danger to America in the steady march of the dictators, then you should not have voted for the vast armament appropriations which you and I so recently supported. There is no other reason for these expenditures.

Next, what do we expect to do with our armaments? What is our purpose? It is to defend ourselves, not somebody else but ourselves, against certain consequences that would follow a totalitarian victory. We arm against German possession of the British Fleet, against German control of Canada, against German possession of British West Indies, close to our shores, and to the Panama Canal; we arm against German or Italian menace to us by way of Latin America. In short, we arm for one purpose and reason only. We arm to be able to prevent consequences which would follow a totalitarian victory over Great Britain.

Now, if we are to prevent the consequences of such a victory, would it not be better for us to take all possible steps to prevent such a victory? Must we sit idle and see the last obstruction removed from the path to America? Must we stand by while Germany gains the fleet she needs to complete and round out her equipment to cross to our side of the Atlantic? Is it not better, far better, for us to make available to Great Britain every material resource at our command, now? To help supply this sister democracy with the arms she will need to defend her shores? Certainly, so long as Britain fights on, America is safe, and American industry is being given the time it so desperately needs. The best way, possibly the only way, for America to arm herself is to arm Great Britain. This does not mean sending American troops to Europe.

Our great President is right. We must redouble our efforts to get what airplanes, tanks, and other armament we have into British hands before it is too late. A 1939 model airplane will do America more good in England in June 1940 than it will as an out-of-date "crate" in the United States in June 1941.

I recognize full well that there is a possibility that, even with our supplies, Great Britain may be defeated. She fights against great odds. I recognize that even after extending aid to the limit of our ability we may later have to defend ourselves, but such aid will not have weakened us. On the contrary, by using our factories now to make arms for Great Britain we shall get them speeded up into quantity production in the shortest possible time. By sending existing equipment we shall be able to make it most effective at the moment, and shall strengthen our own force by replacing it with new material. And, in any event, we shall have gained the thing we need most—time.

Therefore, the first step in American armament must be aid to Great Britain. We can only hope that this will give us time to take the second step—the development of an armament industry. This Congress has already made available vast funds for the construction of needed equipment, but we must all realize that money alone never stopped a tank or brought down an airplane. That money must be converted into arms. That takes time. You cannot walk into a department store and buy a dozen modern bombers, or even a 60-ton tank. Nor can these things be ordered for delivery next week. To produce such machines our factories must have time to install new tools and equipment and train their workmen. We have the greatest industrial plants in the world. We have the executives and the laborers needed to do this tremendous job. But we need time. We will not need as much time as if we were undertaking a peacetime job. We know that our great industrial leaders like Henry Ford, W. C. Knudsen, and their fellows stand ready to and are even now transforming their plants into armament works. We know that American labor recognizes the gravity of the situation and we may confidently expect the sincere and wholehearted cooperation of labor. Mr. Chairman, we can and we will do the job of rearmament and do it in a big way—the only way that will be of any value—if we can but have the needed time.

The American people and the American Government fully recognize the need of arms. We are not delaying. We are now working strenuously to enlarge our forces and to increase our productive capacity. The Congress and the President have acted, but all that we have done is not enough. We must make the home front safe. We must know that the men and industries now struggling to give us our industrial production are not stabbed in the back by the now well-known "fifth column." We must deal sternly and promptly with all those who would undermine our Government or who would sabotage our industry. We must promptly deport those aliens who take advantage of the hospitality we offer. To accomplish this purpose, Mr. Chairman, I introduced a bill which this House has already passed, and which I sincerely hope may receive favorable action by the Senate without delay. We cannot, however, assume that all of the disloyal elements are composed of aliens. Let us bow our heads in shame, but let us nevertheless realize that there are American citizens, both native-born and naturalized, who, like Hacha and Quisling would gladly betray our country for a few pieces of silver, just as Judas Iscariot betrayed our Lord 2,000 years ago. We must be on guard at every cross road. We must drive the snakes out of the garden lest they make ineffective our preparations against foreign aggression, but in so doing we must be equally careful that we do not in the name of liberty commit the very crimes of intolerance which we so condemn in others.

To summarize, America must prepare at once. To do so, we must do these things:

First. We must give all possible aid to the last-remaining European democracy as she fights to give us the time we need.

Second. We must rush the actual fabrication of needed airplanes, tanks, guns, and other needed equipment. We

must enlist and begin to train the men to handle this equipment. To do this we must cut all red tape, let vast contracts with existing plants, train the necessary labor, as well as soldiers, sailors, and aviators; supply the needed raw materials, and allow nothing to stand in the way.

Third. We must protect ourselves against the traitor, the spy, and the foreign sympathizers. To do this we must keep ever on the alert, training hundreds and possibly thousands of G-men to combat their activities. We must make our preparedness all-inclusive.

While we prepare with the purpose of maintaining peace, not with the purpose of engaging in war, we must never overlook the fact that in this new cruel world of dictators and armed might, only by making prompt and adequate preparation for war can America hope to avoid war. May our purpose always be to avoid war, but if we are forced into war, let us know that our troops will be trained and possessed of adequate and modern equipment. Let us be practical. Let us recognize and profit by the mistakes of others. Let American statesmen be guilty of no Munich. Let American labor be guilty of no such sabotage as wrecked French industry for several years prior to the outbreak of war. Let American capital forego any thought of war profits. Let all American citizens recognize their responsibility to protect the home front from spies and traitors such as betrayed Norway and Holland. Let us do these things and we will not find our boys subjected to the terrors of a retreat from Flanders. Let America, indeed, walk softly but let us never forget to carry a big stick. [Applause.]

The clerk read as follows:

Sec. 2. The President of the United States is hereby authorized to construct such vessels, including replacements authorized by the act of March 27, 1934 (48 Stat. 503), as may be necessary to provide the total under-age composition authorized in section 1 of this act.

Sec. 3. There is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, such sums as may be necessary to effectuate the purposes of this act, including not to exceed \$50,000,000 for essential equipment and facilities at either private or naval establishments for building or equipping any ship herein or heretofore authorized.

With the following committee amendment:

On page 3, line 9, strike out "\$50,000,000" and insert "\$150,000,000."

The committee amendment was agreed to.

The clerk read as follows:

At the end of line 11, change the period to a comma and insert: "\$50,000,000 for essential equipment and facilities for the manufacture of ordnance material at either private or naval establishments, which shall include the authority to purchase land, erect buildings, and acquire the necessary machinery and equipment, and \$20,000,000 for the expansion of facilities, which shall include the authority to acquire land and erect buildings for the production of armor at either private or naval establishments."

Mr. VINSON of Georgia. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. VINSON of Georgia to the committee amendment: On page 3, in line 15, insert, after the word "land" the words "at such locations as the Secretary of the Navy with the approval of the President may deem best suited to the purpose" and insert after the word "buildings" the word "thereon."

The amendment to the committee amendment was agreed to.

The committee amendment, as amended, was agreed to.

Mr. VINSON of Georgia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VINSON of Georgia: On page 3, line 11, delete the word "ship" and insert in lieu thereof the words "complete naval vessel or portion thereof."

The amendment was agreed to.

Mr. MAGNUSON. Mr. Chairman, I move to strike out the last word and I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MAGNUSON. This, Mr. Chairman, is an extraordinary bill, being put through under extraordinary circumstances, but these are extraordinary times. Events require this action. I doubt that there will be a dissenting vote. This speaks well for the important House Committee on Naval Affairs, upon which I have had the privilege of serving during my tenure in this body.

This committee has worked hard for many months. The necessity of increase of naval activity has been apparent to its members, both Republican and Democratic for years. We set ourselves to that task. Through the fine cooperation of the Department itself, we have set in motion legislation these past years, the culmination of which gives us now the finest and one of the largest navies in the world. The House and Senate have backed us up admirably. Congress has not been asleep to the Navy's needs. Recent events require a greater program and a speeding up of the program in motion. The past months have seen the committee devoted to that duty. The opposition charge that we have been neglectful of the naval needs of this country is wholly without foundation. The Republican members of this committee, for whom I have the profoundest respect, whose patriotism cannot be questioned, will bear testimony that such a charge is not correct. The defense effort has been wholly nonpartisan. I think the House will agree that I have some knowledge on this subject.

Mr. BOLAND. Will the distinguished gentleman from Washington yield?

Mr. MAGNUSON. I yield to the whip of the House.

Mr. BOLAND. I served some time with the gentleman on the Naval Affairs Committee. I know of the gentleman's devotion to the cause of adequate naval defense; particularly has the gentleman, at least during my service, been insistent for the building up of the defense of the Pacific Northwest area. I remember the fight conducted by the gentleman from Washington for the establishment of the Alaskan bases, a section of the country heretofore, and prior to his service in Congress, without defense establishments of any character.

Mr. MAGNUSON. I thank the gentleman from Pennsylvania.

Mr. BOLAND. Will the gentleman yield further?

Mr. MAGNUSON. I yield.

Mr. BOLAND. Is not the gentleman from Washington now the ranking majority member of that committee from the Pacific coast and chairman of the important subcommittee of yards and docks?

Mr. MAGNUSON. I am, and may I enlarge a little upon the gentleman's reference to the Alaskan bases to show what has been done. The committee, and the Congress, and the Navy have now in process of construction some very adequate and fine bases in Alaska as well as Puget Sound. They are—

Mr. BOLAND. Yes; the gentleman has been very insistent about Puget Sound. There are some new drydocks being built there, are there not? I remember the gentleman from Washington's activity for their approval way back during the close of the Seventy-fifth Congress.

Mr. MAGNUSON. That is correct. I intend to speak of them later. But the Alaskan bases are now rapidly rounding into shape. The committee and the Congress authorized and appropriated for the bases at Sitka and Kodiak some time ago. This session saw the passage of bills and money forthcoming for additional bases at Unalaska and Anchorage. Few Members here realize the proximity of the Japanese bases to the coast of Alaska, the encroachment of Japanese fishing on the Alaskan coast; and now the Russians are eyeing a naval base and intend to construct one, on their territory within a stone's throw of Alaska. Therefore, it seems to me that the establishment of the first two bases at Sitka and Kodiak were farsighted upon the part of the committee. The new bases round out the picture. Twelve million will be spent at Anchorage, more than that at Kodiak, which base has been under construction for some time; six or seven million will go into Sitka, and an auxiliary base will be built at Unalaska, completing the defense arc

from Panama to Hawaii to the Aleutians. The committee and the Navy have been working on this for some years. The Hepburn report advocated this. The bases are to be combined air, submarine, and destroyer bases. Puget Sound will be the mother base.

Mr. McCORMACK. Will the gentleman yield?

Mr. MAGNUSON. I yield to the able gentleman from Massachusetts.

Mr. McCORMACK. The gentleman from Washington will recall that over 3 years ago I advocated to the House the speeding up of the air program of the Navy. I introduced and sponsored a bill for 10,000 additional airplanes and 5,000 additional pilots. I remember the gentleman's strong endorsement of this measure and his work to aid in its passage. This was long before events had shaped up in Europe and the world. I think that now this House will agree that we were right.

Mr. MAGNUSON. I recall that and that same farsighted program advocated by the gentleman from Massachusetts is now conceded necessary.

Some of us have not been asleep to these defense needs. I can speak, I believe, authoritatively about the Pacific Northwest area. Take Puget Sound, for example.

The Puget Sound Navy Yard has been the recipient of congressional attention long before my service in this body. It grew in efficiency and adequacy along with the general development of the Navy ever since the beginning of this administration. But since 1936 it has experienced an enlargement unparalleled until today it is one of the most efficient and adequate navy yards in the world. At one time in early 1936 less than 2,500 men were employed there. Today, there are close to 7,000 workmen in the yard. These are civilian employees. Thousands of naval officers and men move in and out the yard every year. A torpedo station nearby has been added to. I have advocated manufacture of torpedoes there for the west coast. That will come. Now the station can repair any and all torpedo parts. A large ammunition dump lies close to the base. It is being added to.

The Puget Sound base has the finest harbor, protected by bays and the Sound, in the country. Deep water makes it admirably suited for capital ships. Since 1936 two large battleship drydocks have been added. One a cruiser dock and the other the latest, most up-to-date dock in the world. It is to be dedicated soon. Concrete for the other dock is beginning to pour this month. One, the largest, cost over four million. Its construction employed thousands of workmen. It can take the largest ship the Navy has afloat. The other is designed for enlargement. We are working on a third. These docks will make the yard available for repair of all capital ships and aircraft carriers in the Pacific Fleet.

One of the finest machine shops in the country adjoins the docks. Repair work can be done at a minimum expense and speed. In the past 2 years that has been added to. The foundry has been enlarged. Electric lines have been made handy. Without going into too much detail, Mr. Speaker, with what has been done at the yard and what is contemplated, the Puget Sound Navy Yard is one of the finest in the country for either construction and repair and one of the few yards available for large ship construction.

Its now present pay roll is the largest single pay roll in the whole State of Washington. I need not tell my people what this means to the economic conditions of the section. The little up-to-date city of Bremerton, where the yard is located, experienced one of the greatest growths of any city in the country the past few years, according to the census.

Now, Mr. Speaker, I know that no one can challenge that record for Puget Sound and Alaska in the matter of defense. These are things that have been going on since my membership on this committee. I appreciate the fine cooperation and aid of the other members. Possibly these things have not been given enough publicity. But they are there. Recent events, as has been well stated here today, call for further enlargement and better adequacy to the Navy's needs in the Pacific. Millions have already been spent.

Mr. SABATH. Will the gentleman yield?

Mr. MAGNUSON. I yield to the dean of the House.

Mr. SABATH. I am not so familiar with the gentleman's activity on the Naval Affairs Committee, but the naval activity in the Puget Sound area will speak, I think, for it; but I think the gentleman should mention briefly another activity in the area, the Sand Point air base.

Mr. MAGNUSON. I am glad the gentleman from Illinois mentioned that.

More proof of the pudding that we have not been deaf and have been working in the area, and I do not wish to bring these things up to in any way minimize the importance of other defenses in other naval areas of the country, for the committee has considered all parts in their defense efforts, but I speak of these merely because I participated in detail on these bases. After all, national defense is a national matter and not sectional, and the committee these past few years has attacked the problem with this in mind, but I can say that the Puget Sound area was given special consideration because of the lack of defenses there in the first place, its growth is, however, also indicative of the growth in other sections. It continues to be focal point in national defense.

Seven years ago the Sand Point naval air base was merely a bad landing field with only one small hangar. It was without adequate repair facilities. Today it is not the largest but the finest air base in the country. People in my home town are amazed at its growth in the past 3 years.

The field is enlarged. It is the mother base for the Alaskan squadrons. Machine and repair shops have been built, and so forth.

The pay roll alone in the thirteenth naval district runs well over a million a month. More has been spent in this section the past 4 years than in any comparable district.

The Naval Affairs Committee is proud of its activity and the results toward the adequate defense of this country. I am proud of my membership on the committee. We have been helping build the Navy to be second to none. Recent happenings have made us realize that even more than that is necessary. We can no longer rely upon any balance of sea power. We must build so as to protect ourselves from any combination of naval powers. It is not sufficient to have just sea power stronger than any one nation. It must be stronger than any combination of nations. Although we have the largest Navy in the Pacific, if we had to split it to form an Atlantic squadron, the remainder, in those waters, would be insufficient to cope with, say, Japanese power. That is why this House should be for this further expanse. We have gone over this thing carefully; we believe we are advising the Members soundly, and surely consistent with recent events in the world.

These things cost money. We believe this is the best insurance for America. It is unfortunate we have not had more time to sound out public opinion, but the public, I believe, are willing and ask this be done. They have overwhelmingly approved of the program of the past years referred to by myself heretofore. At least, I am convinced the people of my State have approved of my efforts along these lines. And so—

Mr. McGRANERY. Will the gentleman yield?

Mr. MAGNUSON. I do.

Mr. McGRANERY. I know the gentleman is an authority on naval defense, and I value his opinion. He has spoken of these matters of—built and to be built. I call his attention to section 7 of the bill. Is the gentleman in favor of that?

Mr. MAGNUSON. Not only in favor of it, but the committee gave this matter considerable thought before it was placed in the bill. We believe the restriction necessary. If we are going to build ships we should reserve them for our own use. The section is specific; it reads:

No vessel, ship, or boat now in the United States Navy, or being built therefor shall be disposed of by sale or otherwise, or to be chartered or scrapped without the consent of Congress.

And so, Mr. Chairman, the United States sets out this week to build the greatest Navy in the history of the world. Two hundred additional ships with a total tonnage of 1,250,000, taking about 6 or 7 years to complete.

Its effect would give us a two-ocean Navy. A fleet of perhaps about 700 ships capable of meeting simultaneous attacks in both oceans. It will be larger by far than the British Navy and larger than projected fleets of the Rome-Berlin-Tokyo axis, even with the French Fleet. It does not contemplate as yet the defeat of the British Fleet and its being added to the axis fleets. We have added more than 75,000 tons of aircraft carriers than originally asked for. We have boosted the naval plane limit from 10,000 to 15,000.

Considerable expansion of shipbuilding facilities are required. The testimony before the committee is to the effect that the Bureau wants most of the new facilities in the private yards of the Pacific coast. Too little shipbuilding has taken place there—

Mr. WALLGREN. Will the gentleman yield?

Mr. MAGNUSON. I yield to my colleague.

Mr. WALLGREN. I am glad the Department feels that way about the west-coast yards; you have been urging that for some time.

Mr. MAGNUSON. Yes; we all, on the committee from the Pacific coast, as well as yourself here on the floor. The Department now realizes this need. It is my understanding that immediately upon the passage of this authorization that the Department will ask the Appropriations Committee for about one hundred and seventy-five million to be used to expand the ways and facilities of the west-coast yards. Admiral Robinson, head of the Bureau of Ships, testified before the committee that they had surveyed the West and found three immediate yards that could be enlarged at minimum cost to make way for this ship construction, one in Seattle, one in San Francisco, and one in Los Angeles. Others in these sections can be used with a little more time. The Navy, under this appropriation, would finance the private yards for ways, and so forth, in part or in whole, and the yards in these strategic localities could begin and become experienced in the building of these necessary fighting ships. It provides an excellent opportunity for the basis of a revival of all shipbuilding on the west coast, especially Puget Sound.

The bill also provides authorization for the building of such small craft as the President may desire and sets aside \$25,000,000 for this. These torpedo boats are, and have become, a vital part of naval warfare. They could be built in the small yards around Puget Sound, as my colleague from Washington well knows. I believe we have made the program as available for the Puget Sound shipbuilders as possible. I hope they take advantage of the law. We need this work out there. It can be started within 6 months, at least, the enlargements to the private yards. We need the private activity in Puget Sound to supplement the navy-yard activity.

The program in tonnage compares with the available figure of the other contemplated navies of the world, as follows:

	Tons
United States.....	3,745,000
Great Britain.....	2,101,804
Japan.....	1,457,734
France.....	819,000
Italy.....	717,738
Germany.....	578,444

These totals are as of May 1940. Germany is building swiftly, and Japanese totals are incomplete, as no official information is being released but should be fairly accurate.

By ships, the totals for us are as follows:

	Built	Building	Projected	Total
Aircraft carriers.....	5	2	12	19
Battleships.....	15	10	9	34
Cruisers.....	35	10	50	85
Destroyers.....	219	48	156	423
Submarines.....	95	25	68	188
Total.....	369	95	295	749

We have been moving toward this objective for many months. Its completion will leave no stone unturned for the

protection of America. We urge your support, and I know the House will vote this bill promptly. [Applause.]

Mr. Chairman, because this statement has been comprehensive in nature, and because I believe the people of the country should be informed on this important naval program, especially those in the section of the great Pacific Northwest, I am going to have additional copies printed from the Record and sent to those interested, and I know this House and the Naval Affairs Committee will welcome opinions from those citizens. Copies will be available for Members of the House as well as the committee report and the hearings.

Mr. IZAC. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, we hear so much about armament today, I want to draw your attention to the fact that the fleet at the present time is undermanned. We have not enough officers even for the peacetime organization. There is no effort being made at the present time to increase the facilities at the Naval Academy in order to get more officers.

I shall not take very much time, but I want to draw your attention to just a few of the things that I think should be attended to immediately.

The second statement I want to make has to do with the gun factory. All of the large guns mounted on the vessels of the fleet are manufactured in the Naval Gun Factory here at Washington. I deem it advisable at this time to say that the gun factory will have to be doubled, at least, in order to take care of the needs of the increased fleet we are producing for here today.

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

Mr. IZAC. I yield.

Mr. MAAS. Is the gentleman familiar with the fact that the bill provides for such facilities, but puts them back in the mountains for protection?

Mr. IZAC. I have not seen any effort made at the present time to build another naval gun factory at another point.

Mr. MAAS. It is provided for in this bill.

Mr. VINSON of Georgia. Section 3 is the one that authorizes and provides for it, and I just offered an amendment that the location of it, and the location of what activities are necessary, shall be by direction of the Secretary, approved by the President of the United States. The testimony shows that it is the thought of the Navy Department to try to utilize the Charleston armor plant in connection with the building of the gun factory, because it is essential, and we may have to build one or two more and may have to build them in other sections of the country. That is the reason we put in section 3, to expend \$150,000,000 for the expansion and carrying out of the program.

Mr. IZAC. Another point I would like to mention is the fact that you have but one place in this country where you can manufacture torpedoes. It is true, of course, that we have Alexandria now, but with the fleet in the Pacific it seems to me vital we have close to the Pacific another torpedo station to turn out torpedoes for the fleet on the west coast.

Mr. VINSON of Georgia. Of course, the Pacific coast Representatives are vitally interested in the statement that I am about to make. The Department officials stated that by this expansion program they hope to be able to develop and bring back to life the shipbuilding industry on the Pacific coast from Tacoma, Wash., down to San Diego.

Mr. IZAC. I thank the gentleman, and, of course, that satisfies me.

Mrs. ROGERS of Massachusetts. Is it not also true that there is likely to be a shortage of clothing for the increased Navy personnel. That will make a great deal of employment.

Mr. IZAC. I believe that will give employment to people in all sections of the country, and does not vitally affect any one section.

Mrs. ROGERS of Massachusetts. It affects all sections. I understand that much more clothing is needed.

Mr. IZAC. Yes. The gentlewoman is correct.

Mr. CHURCH. I might also inform the gentleman from California that in this \$4,000,000,000 naval authorization bill it has to be recognized that it is necessary to place many of

these activities in the interior of the country, away from the seacoast.

Mr. IZAC. But, of course, the gentleman will agree with me that we do not expect to have the ships themselves go up into the mud flats of the interior.

The Clerk read as follows:

SEC. 4. The allocation and contracts for construction of the vessels herein authorized shall be in accordance with the terms and conditions provided by the act of March 27, 1934 (48 Stat. 503), as amended.

With the following committee amendment:

Page 5, at the end of the bill insert a new section, as follows:

"Sec. 5. The President of the United States is hereby further authorized to acquire and convert or to undertake the construction of—

"(a) Patrol craft at a total cost not to exceed \$25,000,000; and
 "(b) One hundred thousand tons of auxiliary vessels of such size, type, and design as he may consider best suited for the purposes of national defense."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Following section 5, as amended, insert:

"Sec. 6. The provisions of the act of March 27, 1934 (48 Stat. 504), requiring not less than 10 percent of the aircraft, including the engines therefor, procured subsequent to that act to be constructed or manufactured in Government aircraft factories or other plants or factories owned and operated by the United States Government, shall not operate to curtail procurement so long as production at the said Government plants and factories is maintained at the limit of their capacity as determined by the Secretary of the Navy."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: After section 6, insert the following committee amendment:

"Sec. 7. No vessel, ship, or boat now in the United States Navy or being built therefor shall be disposed of by sale or otherwise, or be chartered or scrapped, without the consent of the Congress."

Mr. VORYS of Ohio. Mr. Chairman, I offer the following amendment to the committee amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Vorys of Ohio to the committee amendment: On page 4, line 19, after the word "built", insert "or hereafter built".

Mr. VORYS of Ohio. Mr. Chairman, this amendment will prevent any vessel now in the Navy or being built "or hereafter built" from being disposed of without the consent of Congress. It will prevent not only the present but the future weakening of our national defense for the benefit of other countries.

I am supporting the "two-ocean Navy" authorized by this bill, although it is my hope and expectation that the full program will never need to be completed. I feel we are over-pessimistic as to the threat to our safety involved in present developments abroad. On the other hand, we dare not be unprepared for the worst possible outcome, and we are therefore prudent in thus authorizing a Navy that will make us independent of all other nations in maintaining our hemisphere defense.

If future events do not bear out our present fears for our safety, if the world within a year or so turns again toward peace, we can then consider the curtailing of this program. If the sea battles which may be fought shortly in European waters prove that the vessels now authorized should be changed, the Navy will have the time and the power to do this under the provisions of this bill. If the worst comes to the worst, we have by this bill prepared ourselves to meet any possible combination of enemies in any ocean.

I was part of the Naval Limitations Conference in 1921-22. I believe that we acted wisely then, helped to create an era

of peace and saved billions of dollars. If the opportunity should again arise when America, strongly armed, could take the lead in bringing about peace and disarmament, I hope we shall do so once more. I feel that this bill places us in a strategic position for either war or peace and I hope that we will use this position to promote peace rather than war.

Mr. VINSON of Georgia. Mr. Chairman, I accept that amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Ohio to the committee amendment.

The amendment was agreed to.

The committee amendment, as amended, was agreed to. Mr. VORYS of Ohio. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MAAS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MAAS: Page 4, after line 21, add a new section as follows:

"Sec. 8. The President of the United States is hereby authorized to acquire or construct naval airplanes and spare parts, and equipment, as may be necessary to provide and maintain the number of useful naval airplanes at a total of 15,000: *Provided*, That if, in the judgment of the Secretary of the Navy, the total number of airplanes authorized herein is not sufficient to meet the needs of the national defense, he may, with the approval of the President, make such plans for procurement as the situation may demand."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Minnesota.

The amendment was agreed to.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I just want to say for the RECORD, so that there will be no further question about it at some future date, that with regard to the committee amendment in section 6, with respect to the construction of 10 percent of aircraft at Government factories, it is the intention of the Naval Affairs Committee, and it will be the intention of the Congress in the passage of this bill, that the Navy Department shall use the full facilities of the Philadelphia naval aircraft factory and maintain maximum production at all times. I would like to put that in the RECORD. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. Without objection, the committee amendment as amended will be agreed to.

There was no objection.

The CHAIRMAN. Under the rule, the Committee will now rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, the gentleman from Georgia [Mr. RAMSPECK], Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 10100) to establish the composition of the United States Navy, to authorize the construction of certain naval vessels, and for other purposes, pursuant to House Resolution 538, he reported the bill back to the House with sundry amendments adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

DEPARTMENT OF LABOR—FEDERAL SECURITY AGENCY APPROPRIATION BILL, 1941—CONFERENCE REPORT

Mr. TARVER. Mr. Speaker, I submit a conference report and statement on the bill (H. R. 9007) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1941, and for other purposes.

Mr. TARVER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill H. R. 9007.

The SPEAKER. Is there objection?

There was no objection.

Mr. TARVER. Mr. Speaker, I ask unanimous consent that the Clerk read the statement in lieu of the report.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 9007) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1941, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 36, 37, 38, and 39.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, and at the end of the matter so restored insert the following: "*Providing further*, That this section shall not apply to positions in the Civilian Conservation Corps outside the District of Columbia"; and the Senate agree to the same.

M. C. TARVER,
JOHN M. HOUSTON,
HARRY R. SHEPPARD,
BUTLER B. HARE,
ALBERT J. ENGEL,

Managers on the part of the House.

KENNETH MCKELLAR,
RICHARD B. RUSSELL,
PAT MCCARRAN,
J. H. BANKHEAD,
JOSEPH C. O'MAHONEY,

Managers of the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9007) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1941, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments:

On No. 35: Restores language inserted by the House requiring apportionment on the basis of population of non-civil-service positions in the agencies provided for in the bill, amended so as to exempt field employees of the Civilian Conservation Corps from the operations of the provision.

On Nos. 36, 37, 38, and 39: Corrects section numbers.

M. C. TARVER,
JOHN M. HOUSTON,
HARRY R. SHEPPARD,
BUTLER B. HARE,
ALBERT J. ENGEL,

Managers on the part of the House.

Mr. TARVER. Mr. Speaker, I move the adoption of the conference report.

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

Mr. TARVER. I yield.

Mr. RICH. Was this bill increased by the Senate over what the House appropriated?

Mr. TARVER. That is a subject matter that I discussed with the gentleman when the first conference report was adopted, and I gave him at that time the exact figures. This conference report has no relation to the amount of money included in the bill at all.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

AMENDING TARIFF ACT OF 1930

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6328) to amend the Tariff Act of 1930, as amended by section 34 (c) of the Customs Administrative Act of 1938 (U. S. C., 1934 ed., Supp. IV, title 19, sec. 1001, par. 1529 (a)), with a Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

After line 7, insert:

"Section 520 of the Tariff Act of 1930, as amended, is amended by adding thereto the following subsection:

"d. No duties collected prior to June 26, 1938, under paragraph 1115 (b) of this Act shall be refunded, unless the claimant establishes to the satisfaction of the Secretary in accordance with regulations prescribed by him, or to the satisfaction of the trial court, under conditions set forth in section 902 (a) and section 902 (b) of the Revenue Act of 1936, that he bore the burden of such duties."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

REGULATION OF THE PRACTICE OF DENTISTRY IN THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7865), to amend the act for the regulation of the practice of dentistry in the District of Columbia, and for the protection of the people from empiricism in relation thereto, approved June 6, 1892, and acts amendatory thereof, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

- (1) Page 1, line 8, strike out [2] and insert: 1.
- (2) Page 2, line 12, strike out [3] and insert: 2.
- (3) Page 2, line 18, strike out [limiting] and insert: *limited*.
- (4) Page 3, line 5, strike out all after "act" down to and including "act", in line 7.
- (5) Page 3, line 8, strike out [4] and insert: 3.
- (6) Page 3, line 10, after "licensee," insert: *and*.
- (7) Page 3, line 11, strike out [by it].
- (8) Page 3, line 15, strike out [5] and insert: 4.
- (9) Page 4, line 1, strike out [books and papers] and insert: *documents*.
- (10) Page 4, line 4, strike out [books or papers] and insert: *documents*.
- (11) Page 4, line 11, strike out [6] and insert: 5.
- (12) Page 5, line 3, strike out [7] and insert: 6.
- (13) Page 5, line 7, strike out [8] and insert: 7.
- (14) Page 5, line 11, after "States" insert: *or has duly declared his intention to become a citizen of the United States,*
- (15) Page 5, line 15, after "applicant," insert: *Any license issued to a person who is a citizen of a foreign country and who has duly declared his intention to become a citizen of the United States shall automatically terminate and the registration of the candidate be annulled in the event such candidate shall fail to submit to the Board satisfactory evidence within six years from the date of such license that he has become a citizen of the United States.*
- (16) Page 5, line 16, strike out [9] and insert: 8.
- (17) Page 6, line 25, strike out [10] and insert: 9.
- (18) Page 7, line 9, strike out [11] and insert: 10.
- (19) Page 7, line 19, strike out [12] and insert: 11.
- (20) Page 7, line 19, strike out [Board] and insert: *District Court of the United States for the District of Columbia.*
- (21) Page 7, line 21, strike out [Board] and insert: *court.*
- (22) Page 8, lines 2 and 3, strike out [or afflicted with a contagious or infectious disease].
- (23) Page 10, line 1, after "to" insert: *knowingly.*
- (24) Page 10, line 10, strike out [Board] and insert: *said court.*
- (25) Page 10, strike out lines 13 to 20, inclusive.
- (26) Page 10, strike out lines 21 to 25, inclusive, and lines 1 to 15, inclusive, on page 11.
- (27) Page 11, after line 15, insert:

"Sec. 12. The District Court of the United States for the District of Columbia may suspend or revoke any license issued and any registration upon evidence showing to the satisfaction of the court that the licentiate or registrant, as the case may be, has been guilty of misconduct or is professionally incapacitated.

"Proceedings looking toward the suspension or revocation of a license or registration shall be begun by petition filed in the District Court of the United States for the District of Columbia in the name of the Board of Dental Examiners and shall be verified by oath. Proceedings shall be conducted according to the ordinary rules of equity practice and such supplementary rules as said court may deem expedient to carry into effect the purposes and intent of

this act; and said court is hereby authorized to make such supplementary rules. An appeal may be taken from the decision of the District Court of the United States for the District of Columbia to the United States Court of Appeals of said District. Any such appeal on behalf of the Board of Dental Examiners may be filed without bond. The District Court of the United States for the District of Columbia may determine whether a license or registration shall be suspended or revoked, and if such license is to be suspended said court may determine the duration of such suspension and the conditions under which such suspension shall terminate.

- (28) Page 11, line 16, strike out [15] and insert: 13.
- (29) Page 12, line 5, strike out [16] and insert: 14.
- (30) Page 13, line 6, strike out [17] and insert: 15.
- (31) Page 14, line 7, strike out [written clinical].
- (32) Page 14, line 21, after "colleges," insert: *Notwithstanding the provisions of this section, no person shall be deemed to be practicing dentistry who on the date of the enactment of this act is operating a radiographic laboratory for the purpose of making radiographs, or giving written clinical interpretations or readings of dental radiographs, to be used solely by dentists and physicians in making diagnoses.*
- (33) Page 14, line 22, strike out [18] and insert: 16.
- (34) Page 15, line 9, strike out [by said Board].
- (35) Page 15, line 10, strike out [19] and insert: 17.
- (36) Page 15, line 25, strike out [20] and insert: 18.
- (37) Page 16, line 6, strike out [21] and insert: 19.
- (38) Page 16, line 15, strike out [22] and insert: 20.
- (39) Page 16, line 24, strike out [23] and insert: 21.
- (40) Page 17, line 5, strike out [24] and insert: 22.
- (41) Page 17, line 9, strike out [25] and insert: 23.
- (42) Page 17, line 22, strike out [26] and insert: 24.
- (43) Page 18, line 8, strike out [27] and insert: 25.
- (44) Page 18, line 12, strike out [are not] and insert: *shall not be.*
- (45) Page 18, line 21, strike out [Board] and insert: *District Court of the United States for the District of Columbia.*
- (46) Page 18, line 22, after "suspend," insert: *or.*
- (47) Page 18, line 22, strike out [with power to reinstate].
- (48) Page 19, line 1, strike out [with power of reinstatement].
- (49) Page 19, lines 3 and 4, after "suspension," insert: *or.*
- (50) Page 19, line 4, strike out [or reinstatement].
- (51) Page 19, line 5, after "suspension," insert: *or.*
- (52) Page 19, line 6, strike out [or reinstatement].
- (53) Page 19, line 7, strike out [28] and insert: 26.
- (54) Page 20, line 3, strike out [29] and insert: 27.
- (55) Page 20, line 13, strike out [30] and insert: 28.
- (56) Page 20, line 19, strike out [31] and insert: 29.
- (57) Page 20, line 20, strike out [21, 22, 23, and 30] and insert: *19, 20, 21, and 28.*
- (58) Page 20, line 24, strike out [32] and insert: 30.
- (59) Page 21, line 6, strike out [33] and insert: 31.
- (60) Page 21, line 13, strike out [34] and insert: 32.
- (61) Page 21, line 19, strike out [35] and insert: 33.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

Mr. RICH. Mr. Speaker, reserving the right to object, is this bill reported by the full committee?

Mr. RANDOLPH. Yes. It comes with a unanimous agreement from the House Committee on the District of Columbia. The ranking minority member the gentleman from Illinois [Mr. DIRKSEN] has been apprised of my action in bringing this before the House at this time and is in full agreement, I may say.

The SPEAKER. Without objection, the amendments will be agreed to.

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

REGULATING THE PRACTICE OF PODIATRY IN THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8692) to amend the act to regulate the practice of podiatry in the District of Columbia, with Senate amendments, and agree to the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

- (1) Page 3, line 1, after "candidates," insert: *and*.
- (2) Page 3, line 4, strike out [such] and insert: *each*.
- (3) Page 3, line 4, after "licensee," insert: *and*.
- (4) Page 3, line 5, strike out [by it].
- (5) Page 4, line 25, after "States" insert: *or has duly declared his intention to become a citizen of the United States.*
- (6) Page 5, line 3, after "Board," insert: *Any license issued to a person who is a citizen of a foreign country and who has duly declared his intention to become a citizen of the United States*

shall automatically terminate and the registration of the candidate be annulled in the event such candidate shall fail to submit to the Board satisfactory evidence within six years from the date of such license that he has become a citizen of the United States.

(7) Page 6, line 18, strike out [Board] and insert: District Court of the United States for the District of Columbia.

(8) Page 6, line 20, strike out [Board] and insert: court.

(9) Page 8, line 12, after "or" where it appears the first time insert: to knowingly violate.

(10) Page 8, line 20, strike out [Board] and insert: said court.

(11) Page 8, strike out lines 22 to 25, inclusive, and lines 1 to 23, on page 9, inclusive, and insert:

"Sec. 8. The District Court of the United States for the District of Columbia may suspend or revoke any license issued and any registration upon evidence showing to the satisfaction of the court that the licensee or registrant, as the case may be, has been guilty of misconduct or is professionally incapacitated.

"Proceedings looking toward the suspension or revocation of a license or registration shall be begun by petition filed in the District Court of the United States for the District of Columbia in the name of the Board of Podiatry Examiners and shall be verified by oath. Proceedings shall be conducted according to the ordinary rules of equity practice and such supplementary rules as said court may deem expedient to carry into effect the purposes and intent of this act; and said court is hereby authorized to make such supplementary rules. An appeal may be taken from the decision of the District Court of the United States for the District of Columbia to the United States Court of Appeals of said District. Any such appeal on behalf of the Board of Podiatry Examiners may be filed without bond. The District Court of the United States for the District of Columbia may determine whether a license or registration shall be suspended or revoked, and if such license is to be suspended said court may determine the duration of such suspension and the conditions under which such suspension shall terminate.

(12) Page 9, line 24, strike out [heretofore].

(13) Page 11, line 1, strike out [will] and insert: shall.

(14) Page 12, lines 13 and 14, strike out [physician or surgeon] and insert: practitioner of the healing arts.

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

There was no objection.

The Senate amendments were agreed to, and a motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA UNEMPLOYMENT COMPENSATION ACT

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9791) to amend the District of Columbia Unemployment Compensation Act, with Senate amendments, and agree to the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 6, insert the following: "Title I."

Page 9, line 5, strike out the word "this act" and insert "the District of Columbia Unemployment Compensation Act, approved August 28, 1935, as amended by this title."

Page 9, line 22, strike out the word "act" and insert in lieu thereof the word "title."

Page 9, line 25, strike out the word "nonassembled."

Page 10, line 14, strike out the word "act" and insert the word "title."

Page 10, line 16, strike out the word "act" and insert the word "title."

Page 12, line 5, strike out the word "act" and insert the word "title."

Page 12, line 7, insert a new title, as follows:

"TITLE II

"AMENDMENT—DISTRICT OF COLUMBIA REVENUE ACT OF 1939

"Section 2 (d) of the act entitled 'An act to provide revenue for the District of Columbia, and for other purposes,' approved July 26, 1939, is amended to read as follows:

"(d) Exemptions from tax: There shall be exempt from taxation under this title the following organizations: Corporations, including any community chest, fund, foundation cemetery, association, teachers' retirement fund association, church, or club, organized and operated exclusively for religious, charitable, scientific, literary, educational, or social purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation; and labor organizations, trade associations, boards of trade, chambers of commerce, citizens' associations, or organizations, not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual, farmers' associations organized and operated on a cooperative basis exempt from income tax under section 101 (12) and (13) of the Internal Revenue Code; banks, insurance companies, building and loan associations, and companies, incorporated or otherwise, which guarantee

the fidelity of any individual or individuals, such as bonding companies, all of which pay taxes upon gross premiums or earnings under existing laws of the District of Columbia; voluntary employees' beneficiary associations providing for the payment of life, sick, accident, or other benefits to the members of such association or their dependents, if (1) no part of their net earnings inures (other than such payments) to the benefit of any private shareholder or individual, and (2) 85 percent or more of the income consists of amounts collected from members for the sole purpose of making such payments and meeting expenses; and corporations organized under act of Congress, if such corporations are instrumentalities of the United States."

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

There was no objection.

The Senate amendments were agreed to, and a motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA REVENUE ACT

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill H. R. 10106, to amend the District of Columbia Revenue Act of 1937, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That article III of title V of the District of Columbia Revenue Act of 1937, as amended by title V of the District of Columbia Revenue Act of 1939, is amended by adding after section 14 thereof the following new section:

"Sec. 15. Credits, securities, and other intangible personal property within the District not employed in carrying on any business therein by the owner shall be deemed to be located at the domicile of the owner for purposes of taxation under this title, and, if held in trust, shall not be deemed to be located in the District for purposes of taxation under this title solely because of the trustee being domiciled in the District: *Provided further*, That this section shall not apply to property owned by alien decedents, and that nothing herein contained shall affect the taxation by the District of any property owned by alien decedents which, at the time of the death of such decedents, shall be under the jurisdiction of the District or over which the District has control."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MAGNUSON. Mr. Speaker, I ask unanimous consent that I may insert in the RECORD on Monday or Tuesday three speeches I am in process of preparing. They are my own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McGRANERY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech delivered by the Solicitor General of the United States, Francis Biddle, before the Pennsylvania Bar Association.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ALLEN of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a communication from a local newspaper.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter from the Secretary of State.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a few brief excerpts.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MURDOCK of Arizona. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD in regard to the production of rubber on this continent.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. THORKELOSON. Mr. Speaker, I ask unanimous consent to insert a letter which I have received and an article from the Jewish Forum, and also a letter I wrote in reply.

The SPEAKER. Without objection, it is so ordered. There was no objection.

Mr. SECCOMBE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a proposal to the Republican Platform Committee as given by Millard W. Rice, national legislative representative of the Veterans of Foreign Wars.

The SPEAKER. Without objection, it is so ordered. There was no objection.

Mr. LEWIS of Ohio. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter which I have received from two constituents.

The SPEAKER. Without objection, it is so ordered. There was no objection.

Mr. O'BRIEN. Mr. Speaker, I ask unanimous consent that my colleague, the gentleman from Michigan [Mr. BRADLEY] may be permitted to extend his own remarks in the RECORD and to include therein a communication which he received from the National Maritime Union of America.

The SPEAKER. Without objection, it is so ordered. There was no objection.

Mr. JARRETT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short editorial from a local paper in my district.

The SPEAKER. Without objection, it is so ordered. There was no objection.

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on two separate subjects.

The SPEAKER. Without objection, it is so ordered. There was no objection.

RECESS

The SPEAKER. Without objection, the House will stand in recess until 6:40. Ten minutes' notice by the ringing of the bells will be given before the expiration of the recess. There was no objection.

Accordingly (at 6 o'clock and 10 minutes p. m.), the House stood in recess until 6:40 p. m.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 6:40 o'clock p. m.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. St. Claire, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 8172. An act to amend section 5 of the act of Congress approved June 26, 1906, relative to the Alaska salmon fishery.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. OVERTON, Mr. JOHNSON of Colorado, and Mr. SHEPPARD to be the conferees on the part of the Senate.

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

H. R. 6572. An act to amend the Merchant Marine Act, 1936, as amended, to provide for marine war-risk insurance and reinsurance and for marine risk reinsurance and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9822) entitled "An act to expedite naval shipbuilding, and for other purposes."

The message also announced that the Senate requests the House to return to the Senate the bill (S. 3464) entitled "An act to amend the Perishable Agricultural Commodities Act, 1930, as amended."

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

S. J. Res. 283. Joint resolution authorizing Col. Donald H. Connolly to hold the office of Administrator of Civil Aeronautics in the Department of Commerce.

COMPENSATION OF FORMER EMPLOYEES OF RAILWAY MAIL SERVICE

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9491) relating to compensation of former employees of the Railway Mail Service in certain positions and reinstated prior to August 14, 1937.

The Clerk read the title of the bill.

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

Mr. TABER. Mr. Speaker, reserving the right to object, will the gentleman tell us what this bill is and what it does?

Mr. SWEENEY. The bill seeks to correct an injustice done an individual who was separated from the Railway Mail Service some years ago. She enjoyed a position in grade 4, Railway Mail Division. When she was reinstated as a result of investigation she was put back in grade 2, because Congress, in the meantime, had modified the Reclassification Act.

This bill involves no money. It simply corrects an injustice and has been reported with the full consent of the Post Office and Post Roads Committee.

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

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the thirteenth paragraph of section 7 of the act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes," approved February 28, 1925 (U. S. C., title 39, sec. 621), as amended, is amended by inserting before the period at the end thereof a colon and the following new proviso: "And provided further, That former employees of the Railway Mail Service reinstated to stenographic positions prior to August 14, 1937, may be promoted successively to their grade at the time of separation from the service, but not to a higher grade than grade 4."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a radio speech by me to be delivered this evening.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. FISH]?

There was no objection.

Mr. EDWIN A. HALL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a recent editorial from the Binghamton Press.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. EDWIN A. HALL]?

There was no objection.

DEFICIENCY APPROPRIATION BILL, 1941—CONFERENCE REPORT

Mr. WOODRUM of Virginia. Mr. Speaker, I present a conference report on the bill (H. R. 10104) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1940, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1940, and June 30, 1941, and for other purposes.

Mr. Speaker, I ask for the immediate consideration of the conference report.

The Clerk read the title of the bill.

The Clerk read the report.

The conference report is as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10104) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1940, and prior fiscal years, to provide supplemental appropriations for the fiscal

years ending June 30, 1940, and June 30, 1941, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 11, 16, 18, 27, 38, 52, 53, 54, 55, and 56.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 14, 17, 19, 22, 23, 24, 25, 26, 29, 33, 34, 35, 36, 37, 39, 40, 41, 42, 43, 44, 45, 46, 47, 49, 50, 51, 57, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, and 75; and agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert:

"For payment to Preston L. George, William S. Houston, John G. Nalley, and William H. Wannall, messengers on night duty during the third session of the Seventy-sixth Congress, \$450 each; in all, \$1,800, to be paid from the appropriation for printing and binding for Congress for the fiscal year 1941."

And the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the sum of "\$3,000,000" proposed in said amendment insert "\$2,000,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum of "\$16,200,000" proposed in said amendment insert "\$15,000,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"FOOD AND DRUG ADMINISTRATION

"Enforcement of Tea Importation Act: For enabling the Federal Security Administrator to carry into effect the provisions of the Act approved March 2, 1897 (21 U. S. C. 41-50), entitled 'An Act to Prevent the Importation of Impure and Unwholesome Tea,' as amended, including payment of compensation and expenses of the members of the Board appointed under section 2 of the Act and all of the necessary officers and employees, both in Washington and in the field, fiscal year 1941, \$30,094: *Provided*, That on and after July 1, 1940, no tea, or merchandise described as tea, shall be examined for importation into the United States, or released by the Collector, under said Act unless the importer or consignee of such tea or merchandise, prior to such examination, has paid for deposit into the Treasury of the United States as miscellaneous receipts, a fee of 3.5 cents for each hundred weight or fraction thereof of such tea and merchandise."

And the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert:

"Appraisers Stores Building, Houston, Texas: The limit of cost of the Appraisers Stores Building Project at Houston, Texas, is hereby increased by \$75,000."

And the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the figure "\$75,000,000" proposed in said amendment insert "\$50,000,000."

And the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum of "\$13,980" proposed in said amendment insert "\$7,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$800,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert: "": *Provided*, That no part of this sum allocated for expenditure in connection with the control and prevention of spread of the white-fringed beetle shall be used in any State without the request of the Governor of such State"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: In the matter inserted by said amendment strike out the following: "to remain available until expended"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert:

"All moneys available on July 1, 1940, under the appropriation 'Construction of Buildings, Utilities, and Appurtenances at Military Posts' may be used in connection with the purposes of such appro-

priation for the employment of personnel at the seat of Government or elsewhere without regard to civil-service requirements and restrictions of law relating thereto."

And the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert:

"Not to exceed 5 per centum of any of the appropriations for the Military Establishment for the fiscal year 1941 may be transferred with the approval of the Director of the Bureau of the Budget to any other of such appropriations, but no appropriation shall be increased more than 5 per centum thereby."

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 20 and 32.

EDWARD T. TAYLOR,
C. A. WOODRUM,
CLARENCE CANNON,
LOUIS LUDLOW,
J. BUELL SNYDER,
EMMET O'NEAL,
GEO. W. JOHNSON,
JOHN TABER,
R. B. WIGGLESWORTH,
W. P. LAMBERTSON,
J. W. DITTER,

Managers on the part of the House.

ALVA B. ADAMS,
KENNETH MCKELLAR,
CARL HAYDEN,
JAMES F. BYRNES,
FREDERICK HALE,
JOHN G. TOWNSEND,

Managers on the part of the Senate.

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON of California. Mr. Speaker, I am gratified to note that the Senate has placed in this bill the sum of \$500,000 to be used for investigating the possibilities of producing rubber in the Western Hemisphere. As I stated to the House last Thursday, I felt that we were adopting a short-sighted policy in refusing to appropriate any funds in the deficiency bill for rubber development. I congratulate the House conferees on having agreed to the item and trust that it will be wisely used.

However, it is regrettable that some portion of the funds has not been earmarked for investigating the possibility of producing rubber commercially in this country from the guayule rubber plant. As I have previously pointed out to Members of this body, the development of the guayule rubber plant might go a long way toward helping to solve the farm problem in the United States. Guayule is a native of Mexico and can be successfully grown in Texas, New Mexico, Arizona, Nevada, and California. Further investigations might prove that it can be profitably grown in other States. If proven commercially valuable, it could well replace many thousands of acres now growing surplus crops. Certainly its possibilities should not be ignored.

I can see no good reason for spending all of the sum appropriated in either South or Central America. I trust that the Department of Agriculture will see fit to use a portion of the appropriation in the United States for guayule development. We may be taking a long step toward reducing crop surpluses, providing employment, and raising a supply of one of the most vital materials essential to our national defense. [Applause.]

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Speaker, I note with a great deal of gratification that the conferees have agreed to one-half of the sum inserted by the Senate for the control and eradication of the white-fringed beetle. The Budget estimate was \$600,000, and, as I understand the conference report, the amount carried or approved in the report is \$300,000. That amount in all probability will be insufficient. May I ask whether or not it is the thought of the conferees that if additional money might be necessary for this purpose it will be provided from the general funds for insect-pest control and eradication?

Mr. WOODRUM of Virginia. I may say to the gentleman that the conferees have no information as to just what funds

may be available by the Department of Agriculture for that purpose, but inasmuch as the Congress will be in session here, we hope that the \$300,000 will be sufficient to at least start the program.

Mr. TARVER. Of course, the gentleman realizes that some \$3,000,000 have been appropriated by the Congress for insect control and eradication and that money is subject to being used for the specific purpose of beetle control and eradication.

Mr. WOODRUM of Virginia. If the Department has the funds, they may be used for that purpose.

Mr. RICH. Will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Pennsylvania.

Mr. RICH. How much did you allow to chase that beetle?

Mr. WOODRUM of Virginia. Just one-half of the Budget estimate. We saved \$300,000 toward balancing the Budget.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 20: On page 11, after line 5, insert:

"Work Projects Administration. The appropriations for the Work Projects Administration for the fiscal year 1941 shall be available for the prosecution of projects, subject to the approval of the President, for training for manual occupations in industries engaged in production for national-defense purposes."

Mr. WOODRUM of Virginia. Mr. Speaker, I move to recede and concur with an amendment.

The Clerk read as follows:

Mr. WOODRUM moves that the House recede from its disagreement to Senate amendment No. 20 and agree to the same with an amendment as follows: In lieu of the matter inserted, insert the following:

"WORK PROJECTS ADMINISTRATION

"Subdivision (3) of subsection (b) of section 1 of the Emergency Relief Appropriation Act, fiscal year 1941, is hereby amended by inserting the following after the word 'training', 'for manual occupations in industries engaged in production for national defense purposes.'"

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I recognize the difficulty of bringing up a matter of this kind on this occasion, but this is the most ridiculous thing I ever heard of in legislation. We have provided on pages 9, 10, and 11 a total of \$17,000,000 for vocational training of those who register for it in the technical high schools and other schools of the country. This money will produce machinists, toolmakers, and other skilled workers.

The proposition on which you will soon vote is to let the W. P. A. send its employees to that school and pay them while they are going to school. This means that side by side with the boys who are going to school regularly and who are not getting paid for it will be these W. P. A. employees, most of them beyond the age where they can learn the job right, and they will be getting paid for going to school. Did you ever hear of anything quite so ridiculous? It will demoralize the entire vocational training program to produce toolmakers, machinists, and so on. It does seem as though the Congress ought to have some sense about the way it legislates and not agree to such a proposition as this. I hope the motion will be rejected. [Applause.]

Mr. WOODRUM of Virginia. Mr. Speaker, I yield to the gentleman from Missouri [Mr. CANNON] such time as he may desire.

Mr. CANNON of Missouri. Mr. Speaker, this is the most salutary provision in the entire bill. It does not cost an extra penny. It provides no additional charge against the Treasury. It will provide training for W. P. A. workers which will be useful to them in finding private employment. It not only provides work relief and relief for their families, but it provides training that will make them useful citizens after they leave W. P. A. In addition, it utilizes facilities which would

otherwise be idle and it gives these workers training such as they can get nowhere else outside of vocational schools.

Mr. Speaker, I ask unanimous consent to include in my remarks a letter on the subject from the Director of the Work Projects Administration.

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

There was no objection.

JUNE 22, 1940.

The Honorable CLARENCE CANNON,

House of Representatives.

MY DEAR MR. CANNON: Reference is made to your request for information in connection with the desirability for legislation which would make it possible for the Work Projects Administration to train workers for manual occupations in industries engaged in production for national-defense purposes. This legislation, as you know, was provided for by the Senate in Senate amendment No. 4 to House Joint Resolution No. 544, which was later stricken out in conference.

In connection with the operation of a training program of this nature by the Work Projects Administration, I would like to state briefly the methods I propose to follow.

First, I propose to utilize to the fullest extent possible, in cooperation with the United States Office of Education, the available facilities of the presently established public vocational schools. The facilities of these schools, including the trained personnel, can be utilized for the purpose of training during the summer months that are just ahead to a greater extent than in any other period during the year. It is, therefore, important that the training program get under way quickly in order that the Federal Government may take full advantage of the facilities of the established vocational schools.

Second, there are literally hundreds of thousands of persons who are either now employed by the Work Projects Administration or are eligible for such employment who, with a limited amount of training, can be developed into a group of trained workmen ready and qualified to perform useful services in industries which are engaged in production for national-defense purposes. The work histories, work habits, and abilities of these persons are known to the Work Projects Administration, and this Administration is in a position to select the best qualified personnel from this group for assignment to the training program.

It would be my intention to establish, on the same basis as other work projects are set up, a training project to which selected persons from the relief rolls would be assigned. By doing this it would be possible for the Work Projects Administration to accomplish a dual purpose, that of providing employment to needy unemployed persons and, at the same time, to provide training which would equip needy unemployed persons to secure jobs in occupations in industries which are vital to the national defense.

There is no doubt but that industry, within the next few months, will demand a large reservoir of trained labor from which their needs may be filled. The Work Projects Administration has the raw material which, with a limited amount of training and retraining, can be developed into potential employees in industry. I am convinced that this job of training should be instituted immediately in order that the Federal Government may take full advantage of the vacation period of the vocational schools during the summer months and utilize the facilities of these schools to the greatest extent possible.

I wish to assure you that no additional appropriation will be required or requested to finance the proposed training, inasmuch as the funds expended would accomplish the dual purpose of payment of wages to needy unemployed persons as well as provide training in occupations which are vital to the national defense.

Very truly yours,

F. C. HARRINGTON,
Commissioner.

Mr. MURDOCK of Arizona. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. Does this program provide that the high schools and colleges which have been giving industrial and vocational training shall continue with increased emphasis because of increased financial aid?

Mr. CANNON of Missouri. Yes; and it uses their facilities, their laboratories, and their equipment at times when they would not otherwise be in use.

Mr. MURDOCK of Arizona. I must say that it is a most wholesome thing to plan to use the machinery, the plants, and shops we have already prepared in peacetime to magnify this work in the present crisis. Such training is highly important now, and we should make use of existing facilities.

Mr. CANNON of Missouri. I think it will meet with the approval of every citizen who is interested in making the

W. P. A. not merely a temporary stopgap but a stepping stone to a useful profession.

Mr. BATES of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. There seems to be a little confusion between the thought expressed by the gentleman and that expressed by the gentleman from New York [Mr. TABER]. This does not apply to high-school training or vocational training in the C. C. C. camps.

Mr. CANNON of Missouri. It applies to vocational training in the W. P. A. through the employment of laboratories, equipment, and facilities of schools at a time when they are not in use for the usual school purposes.

Mr. BATES of Massachusetts. Does this compel the school authorities in any community to accept the W. P. A. workers in the vocational divisions of the high schools?

Mr. CANNON of Missouri. No; it will be W. P. A. training, separate from the vocational schools but using their facilities.

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

Mr. CANNON of Missouri. I yield to the gentleman from Pennsylvania.

Mr. RICH. We have made appropriations for vocational education to train the boys in the high schools. Now, with respect to this W. P. A. project, are you going to pay the individuals that go into the schools under this proposal, while the boys in the high schools who are working under the vocational educational program get the same training yet get no pay for it?

Mr. CANNON of Missouri. The only difference is that the men who, if you do not pass this authorization, would otherwise spend their time at unskilled work and who otherwise would leave the W. P. A. with no proficiency except the knowledge they had when they went there, will be able when they leave W. P. A. to go immediately into industrial life, equipped to take up a skilled or semiskilled vocation.

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

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

Mr. LEWIS of Colorado. Does this refer to W. P. A. workers or C. C. C. workers?

Mr. CANNON of Missouri. It applies to employees on the Work Projects Administration, and will contribute more than any other one feature to rehabilitating and preparing these men for self-support and qualifying them for American citizenship.

The SPEAKER. The question is on agreeing to the motion offered by the gentleman from Virginia [Mr. WOODRUM].

The question was taken, and on a division (demanded by Mr. TABER) there were—ayes 119, noes 55.

So the motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 32. Page 22, after line 21, insert the following: "Pink bollworm and thurberia weevil control: For an additional amount for the control and prevention of spread of the thurberia weevil and the pink bollworm, including the objects specified under this head in the Department of Agriculture appropriation bill, 1941, \$380,000."

Mr. WOODRUM of Virginia. Mr. Speaker, I move that the House further insist on its disagreement to the Senate amendment.

Mr. KLEBERG. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. KLEBERG moves that the House recede from its disagreement to Senate amendment No. 32 and concur therein.

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. KLEBERG].

Mr. KLEBERG. Mr. Speaker, I shall not take the 5 minutes, but I desire to lay before the membership here a

situation which deserves serious consideration. There have been occasions when matters involving insect pests have been referred to with all sorts of facetiousness. The measure proposed here is one which does not involve a pest which has come into this country and fastened itself upon it, but one which we desire to keep out of the country, one which history shows that in the country where it functions it has been more destructive than all the pests combined that affect the cotton-producing industry of this Nation and elsewhere.

In days like this, when we are appropriating for things that we feel are imminent, we should be reasonable enough in such an hour to meet this situation, especially when those who have urged these appropriations have complied with every requirement, including statements from doctors and messages from the President and from the Budget Director recommending such legislation. We should not on this occasion overlook the fact that now, with the problem of preparing this Nation for national defense, it will be necessary to continue to try to take up the slack with respect to employment, and cotton as an agency for employment, Mr. Speaker, is the most important single product produced by man.

I have nothing more to say, Mr. Speaker, and I hope in order to expedite the adoption of this conference report and in order to prepare for the defense of the cotton industry of this country, this motion will prevail.

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Speaker, the committees of the House are at a great disadvantage in defending these appropriation bills. We come here on the 1st of December, a month ahead of the rest of the Members of the House, although we would much rather stay at home with our families in the preholiday season. We come here on the 1st day of December and we stay and hold hearings day after day on these appropriation bills under trying conditions.

To begin with, the departmental representatives who appear before these committees asking for money have every advantage. They demand more and more money every year for more and more diverse purposes. We have no way of checking the accuracy of their statements or the weight of their opinions. We have to take their ipsi dixit and while the vast majority of them are sincere, we find every session some that were mistaken in their conclusions and in many instances which I could cite if there were time, we are the victims of deliberate fraud. We endeavor as best we can to make a fair appraisal of the needs of the Government and hold the appropriations down to the minimum required by the project and administer it as wisely as possible. But always we are under a heavy handicap in our efforts to protect the Treasury, and if we do make mistakes, the mistakes inevitably are in making the appropriation too large rather than too small.

Having finally arrived at an equitable bill as we can write we must then run the gantlet of the whole committee and then the bill is reported to the House. Here we are assailed from every side by Members who want to load the bill with appropriations for their districts or their States or their industries. It is their duty to represent their constituency and we have no complaint when they ask for these appropriations but that does not lessen the burden and responsibility of the committee to keep the bill as free as possible from unjustified charges against the Treasury. And too often it is difficult to escape the conviction that there are interests which are thinking more of what they can get out of the Government than of what service they can render the Government. In all these debates we wage an unequal struggle against coalitions formed for mutual assistance in putting over appropriations which by themselves would not be agreed to. So invariably there are millions of dollars in every general appropriation bill that ought not to be there. Every one of these appropriation bills we have passed this session carries large sums in excess of the actual needs of the service.

Then we come to the floor of the House and again we have to fight to protect the bill.

Mr. Speaker, the membership of the House should be a little more charitable toward the members of the Committee on Appropriations. We do not want to cut these appropriations. We do not want to deny our colleagues who come in and ask for things in which they are interested.

We would rather be in your favor; we would rather go along with you; we would rather be good fellows than crabs. For while Members as a rule understand, too frequently Members whose appropriations are denied make a personal matter of it. "Oh, well, the committee just does not like me and that is the reason they do not put my project in the bill."

There is no ground for such opinion. Even meritorious proposals must be rejected, not because the money would not be wisely spent, but because we have only so much money to spend and we cannot include everything. If we put in everything that is asked, any one bill would of itself exhaust the entire Treasury. There is nothing personal in these bills. We have no personal interest to serve by denying appropriations. But there must be a limit somewhere.

Then the bill goes to the Senate and the Senate adds everything anybody can suggest and we have to go to conference and fight it all over again. The pending amendment is a case in point.

This item has been before this House four different times and four different times the House has voted against it, and here in the last minute of the last hour of the last day, they come in again with the same old moth-eaten request for an appropriation which the House has four times defeated.

Now, Mr. Speaker, it is up to the House. We have tried to hold these appropriations down within some limit of reason. Try as we may, they are mushrooming at an alarming rate. The agricultural appropriation bill, for example, has grown in 2 decades over 1,500 percent.

In 1920 the bill carried only \$33,000,000 and today we have appropriated for the same purpose \$1,534,000,000.

In 20 years, by just such amendments as this, you have helped to raise it from \$33,000,000 to \$1,534,000,000. At that rate what are we coming to? Where is the end? Somebody must sit on the lid, and the members of the committee have to do that if it is done at all.

If you have any regard for a balanced Budget, if you want the Government conducted on a business basis, if you wish to maintain our form of government you will have to keep us out of national bankruptcy. We ask you to stand by the committee.

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Speaker, I represent the greatest cotton-producing district in the United States. In that district we have such extremely cold weather in most winters that the pink bollworm cannot well survive, though about half of my district is under quarantine; but in the great majority of the cotton-producing counties of the South the pink bollworm can survive the winter. Believe me, he is the most devastating pest that ever hit a cottonfield. In view of climatic conditions my district would probably profit if the pink bollworm should destroy competing cotton areas.

You have heard about this idea of penny-wise and pound-foolish. It is a foolish thing, in my opinion, for the Congress and for the House of Representatives to turn down this item. The President says we need it, the Budget says we need it, and the Senate says we need it, and everybody who is familiar with the cotton-growing conditions in this country knows that we need this item in order to protect the economic security of millions of men in many communities throughout the South.

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

Mr. MAHON. Yes.

Mr. KLEBERG. The item adopted by the House just preceding this item had no Budget recommendations or support. I feel somewhat offended with being charged by the gentleman who just spoke against the amendment with raiding the Treasury, when I see instances such as that to which I have just referred.

Mr. MAHON. I trust the House will agree to the motion of the gentleman from Texas.

Mr. WOODRUM of Virginia. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the preferential motion of the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. KLEBERG), there were—ayes 32, noes 118.

So the motion to recede and concur was rejected.

The SPEAKER. The question now recurs on the motion of the gentleman from Virginia to further insist on the disagreement of the House to the Senate amendment.

The motion was agreed to.

A motion to reconsider the vote by which the motion was agreed to was laid on the table.

Mr. WOODRUM of Virginia. Mr. Speaker, this completes the action of the House on the deficiency appropriation bill, with the exception of this amendment, which has just been acted on. That has to go back to the Senate for their action. If the Senate should recede, that completes the action. If the Senate should insist, the bill has to come back for further consideration of the House.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. PITTINGER for 2 days on account of official business.

ADJOURNMENT RESOLUTION

Mr. RAYBURN. Mr. Speaker, I offer the following concurrent resolution which I send to the desk and ask to have read.

The Clerk read as follows:

House Concurrent Resolution 83

Resolved, by the House of Representatives (the Senate concurring), That when the two Houses adjourn on Saturday, June 22, 1940, they stand adjourned until 12 o'clock meridian, Monday, July 1, 1940.

The SPEAKER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

Mr. RAYBURN. Mr. Speaker, I offer a further resolution.

House Resolution 545

Resolved, That notwithstanding the recess or the adjournment of the House until July 1, 1940, the Clerk of the House is hereby authorized to receive messages from the Senate and the Speaker be, and he is hereby, authorized to sign any enrolled bills or joint resolutions duly passed by the two Houses and which have been examined by the Committee on Enrolled Bills and found truly enrolled.

The resolution was agreed to.

MARINE WAR-RISK INSURANCE

Mr. BLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6572) to amend the Merchant Marine Act of 1936, as amended, to provide for marine war-risk insurance and reinsurance, and for marine-risk reinsurance, and for other purposes, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

(1) Page 1., line 10, after "commerce," insert: *due to extraordinary risks arising under existing war conditions.*

(2) Page 2, line 25, strike out [war property] and insert: *war, property.*

(3) Page 4, after line 23, insert:

"Sec. 225. In the event of disagreement as to a claim for losses or the amount thereof, on account of insurance under this subtitle, an action on the claim may be brought and maintained against the United States in the district court of the United States sitting in admiralty in the district in which the claimant or his agent may reside, or in case the claimant has no residence in the United States, in a district court in which the Attorney General of the United States shall agree to accept service. Said suits shall proceed and shall be heard and determined according to the provisions of an Act entitled 'An Act authorizing suits against the United States in admiralty, suits for salvage services, and providing for the release of merchant vessels belonging to the United States from arrest and attachment in foreign jurisdictions, and for other purposes', approved March 9, 1920, as amended (known as the

Suits in Admiralty Act), insofar as such provisions are not inapplicable and are not contrary to or inconsistent with the provisions of this subtitle."

(4) Page 6, line 16, strike out [law."] and insert: law.

(5) Page 6, after line 16, insert:

"Sec. 228. All the provisions of this subtitle shall expire by limitation March 10, 1942, or sooner upon a proclamation by the President that the extraordinary condition upon which it is predicated is passed."

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

Mr. SCHAFER of Wisconsin. Reserving the right to object, what is the amendment, Mr. Speaker?

Mr. THILL. Mr. Speaker, I object.

Mr. BLAND. I would ask the gentleman not to object. The amendments are rather restrictive in character.

Mr. DITTER. I wonder whether the gentleman would explain the amendments as they came over. Probably we might be able to adjust them.

Mr. BLAND. The amendments put on by the Senate are restrictive in character. This is a bill for marine insurance. The first amendment makes the operation of the bill due to extraordinary risks under existing war conditions so that it meets the objection that the Government might be going generally into the insurance business, which is not intended.

The second amendment is purely a matter of punctuation.

The third amendment is a section that was in the bill reported to the House, and deals with procedural matter as to suits and things of that kind. It was favorably reported. There was never any objection made to it, and by inadvertence it was omitted from the bill that was passed. That is restored.

The last amendment is a new section that has been placed on the bill in the Senate that limits the operation of this bill to March 10, 1942. It provides that all the provisions of this subtitle shall expire by limitation on March 10, 1942, or sooner, upon a proclamation by the President that the extraordinary conditions upon which it is predicated are passed.

So that, with these amendments, they meet all the objections, even those urged here upon the floor.

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

Mr. BLAND. I yield.

Mr. DITTER. I believe my distinguished colleague the gentleman from Wisconsin [Mr. SCHAFER] would like to interrogate the gentleman on certain features of the bill. I wonder whether he would yield to him for a moment?

Mr. SCHAFER of Wisconsin. As much as I regret it, I cannot sit on the floor of the House and give my consent to pass this bill by unanimous consent, and permit the Government to go into unlimited subsidized competition in private insurance fields, with the sky the limit, as to the amount of public money which can be spent.

Mr. BLAND. This is not going into subsidized competition. It is simply to provide legislation whereby, if the condition arises that this insurance is needed, the Government can supply it and commerce can move.

Mr. SCHAFER of Wisconsin. Has the Maritime Commission definitely and positively informed your committee that they do not intend to go into the general insurance business and unfairly compete with private business?

Mr. BLAND. Absolutely.

Mr. SCHAFER of Wisconsin. They only intend to use this authority in an emergency, most generally for the purpose of reinsurance?

Mr. BLAND. That is the purpose.

Mr. SCHAFER of Wisconsin. And the Senate amendment limits the date as to the operation of the act, thereby indicating that it is a temporary program by reason of uncertain world conditions?

Mr. BLAND. That is true. It fixes the date at March 10, 1942, and possibly earlier.

Mr. SCHAFER of Wisconsin. In view of the statement of the very distinguished gentleman from Virginia [Mr. BLAND], who is one of the ablest Members of the House, and in view of the fact that the bill now has a limitation, I, as a humble

Member, will withdraw my objection to the consideration of this bill. [Applause.]

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

Is there any immediate necessity for this legislation?

Mr. BLAND. No one can tell what conditions may be in which there is needed marine insurance and reinsurance, and if marine insurance cannot be obtained, commerce cannot move on the waters. There is immediate necessity in being prepared to take care of any condition that may arise.

Mr. THILL. This country is not at war at the present time.

Mr. BLAND. That is true.

Mr. THILL. We do not expect to get into the war, nor do we expect to send our ships into war zones or regions.

Mr. BLAND. We do not; but although we have been building up marine insurance for the last 20 years, we have not yet built it up sufficiently in this country to take care of all our needs for coverage. I hope the gentleman will not press his objection. I urge upon him that it is more for the benefit of the exporters and importers of America than it is otherwise, so that their commerce may move. Without insurance, commerce does not move on the seas.

Mr. THILL. Mr. Speaker, will the gentleman yield further?

Mr. BLAND. Certainly.

Mr. THILL. There is no intention, then, to put our ships into war zones?

Mr. BLAND. Absolutely not.

Mr. THILL. And then make the Government carry the insurance on these ships, assume the risks, and pay the losses?

Mr. BLAND. I can assure the gentleman that that is not the intention.

Mr. THILL. With that assurance and understanding, I will not press my objection.

Mr. BLAND. I thank the gentleman very much.

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

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

ALASKAN SALMON FISHERY

Mr. BLAND. Mr. Speaker, I ask unanimous consent to take from the table the bill (H. R. 8172) to amend section 5 of the act of Congress approved June 26, 1906, relative to the Alaska salmon fishery, with a Senate amendment and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Line 5, strike out all after "amended" where it appears the second time down to and including "thereon" in line 13, and insert: "By inserting after the word 'border' in the first sentence of said section a comma and the following: 'and except by hook and line for either personal or commercial use.'"

The SPEAKER. The gentleman from Virginia is recognized.

Mr. BLAND. Mr. Speaker, the Senate amendment does exactly what the House intended to do, but does it in a slightly different way. We wanted to give the trawlers an opportunity to operate and not be bound by the weekly closed period.

The amendment is acceptable to the Delegate from Alaska.

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

Mr. BLAND. I yield.

Mr. DITTER. And I understand that the minority members of the committee approve the suggestion.

Mr. BLAND. Both these bills have the approval of the minority members.

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

There was no objection.

The Senate amendment was agreed to, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a de-

tailed procedure as to how the W. P. A. will operate under the vocational-training plan.

The SPEAKER. Without objection, it is so ordered. There was no objection.

RECESS

The SPEAKER. Without objection, the House will again stand in recess subject to the call of the Speaker. Five minutes' notice will be given by the ringing of the bells.

Thereupon (at 7 o'clock and 25 minutes p. m.) the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 8:58 o'clock p. m.

EXTENSION OF REMARKS

Mr. DINGELL. Mr. Speaker, under a previous order of the House I was accorded the privilege of addressing the House for 10 minutes. I ask unanimous consent that I may be permitted to revise and extend my own remarks at this point in the RECORD.

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

There was no objection.

WARREN K. RABY, LIKE THE UNIFORM HE WORE WITH CREDIT, WAS "TRUE BLUE"

Mr. DINGELL. Mr. Speaker, June 23 of this year marks the anniversary of the passing of Patrolman Warren K. Raby, an officer of the law who served faithfully the people of Detroit for a period of a little more than eleven years. I rise at this time to pay tribute to a man who has rendered a full measure of distinguished service and who has served the Police Department in accordance with the highest and noblest traditions.

He was a soldier who valiantly fought the unending battle with the thug, the gangster, and the racketeer. He defended the home and the fireside of every citizen within the borders of the city of Detroit. He has acquitted himself with valor on countless occasions. He was modest and reticent about his brave exploits. Yet, in spite of his silence and modesty, the greatness of his heroic acts reached his superior officers and through them relayed to the highest authority within the department. The Commissioner of Police then and there issued a "citation for meritorious service." Six times, for acts of bravery beyond the ordinary requirement of the service, Warren K. Raby has been cited and properly decorated. He was permeated with the highest code of the bluecoat. Every thought and every act of this valiant policeman was actuated by the highest motives and traditions of the department; he stood on guard against the might of the underworld, a challenge to their encroachment upon the rights of upright and decent citizens.

Uppermost in his mind and in his heart at all times was the defense of the rights of our people, and the maintenance of peace. He was a soldier in the truest sense. Upon his manly breast were pinned citations for merit and valor. He performed his duties faithfully and well. His record was spotless. As a husband and father, as a policeman and citizen he was in every sense of the word a gentleman. Like the uniform which he wore with credit, he was true blue.

On the fateful day of June 23, Warren K. Raby left his wife and baby to assume his place in the defense line, never to return. A true soldier, he always followed orders implicitly and promptly. It was in the line of duty that he forfeited his life for the people of Detroit. Seated alone in a scout car, he heard the report of a daylight burglary. There was no time to wait for his colleague, who at that particular moment was at lunch and properly absent. The urge to act without delay and to carry out orders prompted his stout heart to move forward into battle. One less brave and virile would have hesitated, but not Patrolman Warren K. Raby. Memorizing the description given by the screeching radio voice, he determined to do or die. He headed off the thug and his gangster moll and even

when he faced extreme danger, he was not only brave and generous with his adversary but chivalrous in the extreme.

It would be of no avail, Mr. Speaker, to recite in detail all that happened in the few brief moments excepting to say that the cowardly thug, with a contemptible and worthless hag as a shield, without warning or provocation, opened fire upon this noble servant of the law. Patrolman Raby asked no quarter and gave none when he discerned the true character of his adversary. Mortally wounded though he was, Patrolman Raby whipped out his service revolver and blazed away to end the career of another worthless scoundrel who preyed upon the honest people of a great community. Patrolman Warren K. Raby answered the last command. He was rushed to a hospital. He died the death of a hero.

Seldom is a privilege to eulogize accorded a Member of Congress, because only on rare occasion does a comparable act of nobility and heroism occur and come to our attention. I could go on at length extolling the character, the virtues, the service, and the accomplishments of Patrolman Warren K. Raby. It is sufficient to say that unto the end he was faithful to the service, faithful to the people of Detroit, and that at all times he was actuated and prompted by the noblest and highest ideals. His actions were exemplary. They were an inspiration and symbolic of all that is good and great within the Police Department.

He was a tender and loving husband, a devoted and provident father, who loved his baby girl, Roberta. He loved her with all of the tenderness and devotion of a typical American daddy and as usual she waited for him on this tragic day. For her there was special significance attached to this day for everything was packed and ready for a weekend of childish fun and frolic. There was no way to explain the tragedy—there was no way to assuage the crushing blow or to dispel the sorrow which came to this little girl, who is as sweet and as loving as yours and mine. The little home at 595 Philip Avenue, which until now was so happy and bright, became overcast with the pall of tragedy and sorrow. The happy family consisting of Lucille Raby, the loving wife and mother, and the lovely daughter, Roberta, just six years old at the time, was shattered by the irreplaceable loss of the husband and daddy. He had gone to his reward, he had given his all to the service, to the Department, and to the people of Detroit, and it is intended here and now, Mr. Speaker, that this act of bravery and heroism should be entered upon the RECORD of the Congress of the United States as an inspiration and as a mark of deference and recognition, which is rightfully due the memory of the late Warren K. Raby. He was more than an ordinary citizen, he was more than an ordinary patrolman—he was a symbol and an example worthy of emulation. He was actuated by the highest ideals of a genuine American. Acts such as his should be recorded for posterity and brought to the attention of others so that they might stimulate those left behind to continued and greater efforts. While I am about it, Mr. Speaker, may I take this occasion to say that in instances such as this when the book of life has been closed in tragedy, we, as citizens, must ever remember our obligation and responsibility to these peacetime soldiers who are carrying on a relentless and bitter war against the roving and predatory armies of the underworld. A tribute such as this would be meaningless, it would be but a brassy tinkle, if it did not to the fullest extent arouse in our hearts a desire to reward such actions.

This anniversary should awaken in our minds and in our hearts the responsibility which we, as citizens and as taxpayers, owe to the faithful personnel of the Police Department as a whole. Warren K. Raby was an individual and, in this instance, a noble symbol and an example, but he was not an exception in the true sense of the word. The record of the Department is inscribed with many names of heroic officers who gave their lives for the people. A few of these I shall insert in the permanent RECORD as soon as they are available. There are a thousand more potential Warren K. Rabys in the police department today who are ready to bare their breasts to the bullets of the gangsters

and the underworld thugs. Never a day passes when these men in blue, in the discharge of their routine duties, do not risk their lives and the happiness and security of their loved ones, for the benefit of the people of Detroit. Therefore, I say that my remarks today would be meaningless if we did not arouse ourselves from our stupor long enough to provide properly for those who fall by the wayside and, in similar and generous manner, provide for those who have rendered useful and faithful service over a period of many years and are retired. A pension system superior to any in the world should be evolved by the city of Detroit and should be maintained in perpetuity. It should be based upon sound, actuarial advice. It should be a retirement system not only a name but actuality. To conform with my ideas, the plan must be more than a mere pension system. It should provide for retirement which will guarantee the comfort and the happiness of the recipient. Extraneous considerations should not be permitted to dominate or even influence the retirement plan. Scientific calculations and actuarial advice should be the guiding force upon which a retirement plan should be built. Maximum support of the people of Detroit will, I am sure, be marshaled behind any substantial and generous plan which might be perfected. While this discussion applies to the police pension fund and to the acts of heroism in the Police Department, it applies in every respect with equal force to the firemen, where examples of heroism are as lofty and proportionately as numerous.

It is rather late to attempt to analyze the cause and the reason for the pitiful condition of the municipal pension fund. It would be utterly useless to try to place the blame for its insolvency upon any individual official or department at this time. It is perhaps just as well that this responsibility be not fixed. Since, however, we have learned that the municipal retirement fund has become insolvent, it now becomes the responsibility of every taxpayer and every citizen of Detroit, who should demand the reestablishment of this fund on a sound, permanent, and a generous basis.

I am willing to stand my share of the burden and, as a taxpayer and citizen, I am not an exception. The generous people of Detroit are willing to pay their fair share of the cost of creating and maintaining such a retirement fund. It must be made permanent; it must be made financially solvent at all times; it must be made to withstand the maximum possible drain, regardless of consequences or costs. It is one thing to extol posthumously the virtues and the heroism of members of the Police Department or of the Fire Department, but it is the practical, the Christian, the American way to reward not only valor and heroism, but faithful service among those who, having fulfilled all expectations during the required span of active service, become superannuated and retire.

EXTENSION OF REMARKS

Mr. KRAMER. Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD an announcement of a golf game that is going to be played on July 4, and the benefits will all go to the Red Cross. I give notice to all Members to attend.

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

There was no objection.

Mr. KRAMER. Mr. Speaker and Members of the House, for the benefit of the American Red Cross, the ever faithful helper of humanity, which organization deserves at all times and especially in these days of distress and suffering the fullest cooperation of all Americans, a golf tournament and entertainment will be held on Thursday, July 4, at the Indian Spring Country Club, to which you are all cordially invited to attend.

It is most fitting that this benefit be held in the suburbs of the Nation's capital where the leaders of our Government may cooperate with those who are donating their services to this great cause which is sanctioned by the Red

Cross and who will receive 100 percent of the profits. Certainly we can show our appreciation for the splendid work which has been done and will be done in the future by the American Red Cross by attending this affair at a very nominal admission of \$1.

Headliners in golf have offered their services and will come to Washington to participate in this event—Gene Sarazen, Horton Smith, Paul Runyon, Jimmy Thompson, Tony Penna, Bobby Cruickshank, Dick Metz, and Henry Picard. Nationally known entertainers will appear on the day's program to assist in making this benefit the most successful ever held for the American Red Cross.

It is highly commendable of the Indian Spring Country Club to throw open their gates on Independence Day to every man, woman, and child who are always willing and ready to do their small part in assisting the Red Cross to accomplish their most worthy work in any emergency or crisis which befalls the Nation or the world.

Indian Spring Country Club extends a most cordial invitation to you all to take advantage of this opportunity to see nationally known golfers in action as well as entertainers amidst pleasant surroundings and at the same time to lend your support to the aid of the Red Cross. This affair which is less than 2 weeks away deserves the sympathetic and wholehearted cooperation of every American citizen. Decide today that you will be present on Independence Day at the Indian Spring Country Club to assist in making the benefit affair for the American Red Cross the most successful that has ever been held in the Nation's Capital.

Needless to say, it is a privilege to be given this opportunity to participate in a benefit for such a far-reaching and worthy cause. The high motives impelling the holding of this affair in Washington might well be followed in other communities throughout the United States on this Fourth of July and thereby give every American citizen an opportunity to participate in assisting the Red Cross to carry on their miraculous work particularly at this time when the demands are so heavy not only for service but for materials and supplies. It is only by the continued financial and moral support of every citizen of this country that this ever-necessary and worth-while work can be carried on by the mother of humanity—the American Red Cross.

Mr. Speaker, I ask unanimous consent to extend in the RECORD my own remarks and to include an address by George W. Wheeler, of Bell, Calif.

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

There was no objection.

EXTENSION OF REMARKS

Mr. TENEROWICZ asked and was given permission to extend his own remarks in the Appendix of the RECORD.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a statement from the Department of Justice.

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

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, Mr. O. John Rogge, the Assistant Attorney General in charge of the investigations conducted by the Department of Justice in Louisiana, has just reported and makes the statement:

Our investigations have not disclosed any criminal conduct on the part of any responsible official of the Work Projects Administration.

In view of the prominence which was given to conditions in Louisiana in the report of the committee investigating the Work Projects Administration, this statement is particularly pertinent at this time, and I quote the entire statement, as follows:

STATEMENT OF O. JOHN ROGGE, ASSISTANT ATTORNEY GENERAL, CONCERNING THE OPERATIONS OF THE WORK PROJECTS ADMINISTRATION IN LOUISIANA

In the course of our investigations in Louisiana during the last year we have received numerous complaints alleging violations of

the penal laws of the United States with respect to the operations of the Work Projects Administration. These complaints have chiefly charged the illegal diversion of labor and materials of the Work Projects Administration to private uses.

All cases coming to our attention were referred to the Division of Investigation of the Federal Work Projects Administration, which has its headquarters in Washington and is responsible directly to Col. F. C. Harrington, Commissioner of Work Projects. This Division has also made independent investigations of the operations of the Work Projects Administration in Louisiana. The actual investigative work was carried on under the supervision of Mr. Paul Hansen, a member of said Division of Investigation. Under his direction, a total of 158 cases were investigated in Louisiana during the period from June 1, 1939, to June 1, 1940. The various grand juries of the eastern and western districts of Louisiana participated in these investigations, with the aid of representatives of this Department.

A number of indictments were returned by the grand juries of the two Federal districts against various persons for violations of the Emergency Relief Act or the mail-fraud statute of the Federal Criminal Code. The largest group of indictments involved the use for illegal purposes of W. P. A. labor and materials that were to be used in connection with the construction program of Louisiana State University. These indictments involved the illegal diversion of W. P. A. materials from W. P. A. projects at the University to the personal use of individuals in the construction of private homes and for the benefit of subcontractors who had construction contracts with the university and were to be paid from university funds.

The persons who were indicted in these cases were George A. Caldwell, who was employed by the university as superintendent of its construction program, his assistant, Eugene Barksdale, and a number of contractors and supply men, who were alleged to have colluded with Caldwell in the wrongful diversion of such labor and materials. Caldwell has pleaded guilty to the indictments against him and is now serving aggregate sentences of 4 years in the penitentiary. Barksdale was fined \$500 on a guilty plea to his indictment. A number of the other cases where indictments have been returned have already been disposed of by pleas of guilty, and, in one case, by a dismissal of the indictment by the Government.

The indictments which have been filed have almost exclusively involved private persons, although certain minor employees of the Work Projects Administration may have been implicated. Our investigations have not disclosed any criminal conduct on the part of any responsible official of the Work Projects Administration.

The investigations of complaints with respect to the operations of the Work Projects Administration in Louisiana will continue in accordance with the regular routine wherever justifiable. The matter of the alleged misuse of W. P. A. labor in connection with the manufacture of certain asphalt for private benefit is still under investigation. In addition to the indictments that have been returned, the Government is endeavoring to recover the value of materials and labor wrongfully used for private purposes.

PERMISSION TO ADDRESS THE HOUSE

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

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

There was no objection.

Mr. WOODRUM of Virginia. Mr. Speaker, except for the fact we have to wait for a few minutes on a message from the Senate, I would not detain my colleagues at this hour of the night, but inasmuch as we have to wait I would like to say this in the closing hours of the session before we take a recess.

In the last few critical weeks of this Congress, responding to the call to service, in my judgment, has written a notable chapter in legislative achievement. Laying aside partisan feeling, new dealers, conservative Democrats, Republicans, and what have you, have become Americans [applause] and have responded to the bugle call of service. Under the leadership of the Commander in Chief we have provided for America as best the legislative branch could provide for her defense and security. This Congress has appropriated the funds. It has made possible the legislative machinery. It is now up to the administrative branch of the Government to translate that into speedy action. [Applause.]

The Appropriations Committee of the House, acting with a degree of unanimity that is most commendable, has received, considered, and reported to the House and piloted through the House more than \$5,000,000,000 of appropriations for the defense of America and the Western Hemisphere. In many instances, Mr. Speaker, we have foregone careful, minute scrutiny and inquiry that ordinarily would have accompanied such mountainous appropriations, but we felt there was an emergency and that in an emergency you have to trust people.

We received the recommendations of the Army, Navy, and the other agencies, and we acted upon them. But I want to say now that we shall expect in days to come an accurate accounting from every agency of the Government for every red copper penny that this Congress has appropriated. [Applause.] And for whatever it may be worth, let the message go down to administrative heads that they may not infer from our speedy action that we are going to forego the right hereafter to demand an accurate accounting and to demand for the American people 100 pennies worth of defense for every dollar that we have appropriated to date. [Applause.]

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

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

There was no objection.

Mr. SUMNERS of Texas. Mr. Speaker, we are taking this recess at a period when we are all conscious of the tremendous responsibility which rests upon the Members of the Congress as the elected representatives of the people. We have been complimentary of what the House and the Senate have done, and they well deserve that compliment.

To me the most magnificent, the most enheartening thing connected with the period is to see the American people who just a short time ago were careless of responsibility, like children at play, unwilling to give attention to matters of serious concern, respond now to the demands of the Nation. The most wonderful thing in this dark period is this people, standing stalwart, determined, conscious of danger, unafraid, a nation reborn. It is a great thing to see men and women and children of America becoming again fitted to live in a free government, to see the men, women, and children of America no longer considering the Government as an "it" thing, no longer speaking of Government responsibility as responsibility of "they," to see the people of this great country conscious of the fact that they are the Government. [Applause.] To see the sons and daughters of America, the people in the communities of this country, as they resolve, and we can tell by the letters they have written us, and to see those people determined that under God they are going to defend this country, preserve its liberties, and bequeath to their children an opportunity to live under a free government. [Applause.]

Tonight I pay my tribute to a people, my people, aroused, regenerated, and as I believe rapidly becoming fit to guide and to govern the great Republic. The most magnificent spectacle on the earth today is the American people rallying to the defense of free government and demonstrating again that they are fit to govern. We will go home and pay our compliments to our people, our people upon whom the hope of the ages for free government depends. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. GARRETT asked and was given permission to extend his own remarks in the RECORD.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein certain communications I have received.

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

There was no objection.

Mr. HARE. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD.

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

There was no objection.

Mr. HARE. Mr. Speaker, the recent disastrous developments in Europe are too tragic for a democratic, liberty-loving people to contemplate. We are shocked with surprise at the strength of the German forces and the weakness of the defense offered by the Allies. Like Napoleon, Mr. Hitler "seems to have robbed fortune of her secrets, and bewildered nations gaze in silence while he turns the streams of success according to his vacillating whims."

No one is able to furnish definite and satisfactory reasons for the success of one and the failure of others. It is true there are many suggestions and various reasons assigned, but the opinion of one informed person is just about as good as another. Some say that Mr. Hitler is a genius or a man of destiny and that his success is due to his personal magnetism coupled with his advanced implements of war in the hands of a better trained and more determined soldiery. Others say that the failure of the allied nations is due to the propagandized sentiment of peace at any price promoted and stimulated by organized agencies and influences of the Nazi government in recent years, and that this sentiment is responsible for the failure of the Allies to make the necessary preparation for their own defense. Coupled with this lack of implements of war the people had forgotten that "eternal vigilance is the price of liberty," and as a consequence were dispossessed of that spirit of patriotism so essential in any army to wage a successful war.

There are others who say that the lack of preparedness on the part of the Allies can be attributed to the actions of the labor parties in England and France influenced and directed by communistic activities from other nations. They had propagandized the Allied nations to the point where they had reduced their armaments and the people led to believe that "war drums would throb no longer and the battle flags were all furled in the brotherhood of man and the federation of the world."

Regardless of what the causes or influences, there is no denying the fact that Mr. Hitler within the past half decade has equipped his country with every deadly device of warfare and has inspired his people to the point where they were ready and prepared for vengeance, whereas at the same time the Allies "slumbered and slept." The result is not surprising in the light of present-day information.

The thought that startles the people of this Nation is to realize that we have unconsciously drifted into the same boat with the Allied nations insofar as being prepared to defend our Government and its institutions against a powerful and ruthless invader. The question now is what are we going to do about it and how are we going to proceed? There is little doubt but that the Congress will vote for the appropriation provided for in the bill reported by the gentleman from Georgia [Mr. Vinson], because if I interpret the sentiment of the House the Members are willing to make whatever sacrifice is necessary to provide adequate defense to protect our Government and its cherished institutions from the invasions from any foreign foe, although I am convinced that the membership of the present Congress is decidedly opposed to this country becoming involved in any foreign war. [Applause.]

RECESS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the House stand in recess, subject to the call of the Chair, to await a message from the Senate.

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

There was no objection.

Accordingly (at 9 o'clock and 8 minutes p. m.) the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 9:09 o'clock p. m.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had agreed, without amendment, to a concurrent resolution of the House of the following title:

H. Con. Res. 83. Concurrent resolution providing for a recess of Congress until July 1, 1940.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9007) entitled "An act making appropria-

tions for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1941, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10104) entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1940, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1940, and June 30, 1941, and for other purposes."

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

H. R. 9575. An act to amend the Federal Aid Act, approved July 11, 1916, as amended and supplemented, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED.

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

H. R. 2354. An act for the relief of S. T. Enloe;

H. R. 2901. An act conferring jurisdiction upon the United States District Court for the Middle District of Georgia to hear, determine, and render judgment upon the claim of Geraldine Ash;

H. R. 3774. An act for the relief of Albert L. Barnholtz;

H. R. 3964. An act for the relief of H. S. Wayman;

H. R. 4801. An act for the relief of Mary Camastro, a minor;

H. R. 5211. An act conferring jurisdiction upon the United States District Court for the Eastern District of Kentucky to hear, determine, and render judgment upon the claims of Mat Hensley, Arnold Blanton, Lillie Price, Clyde Thorpe, and D. L. Mason;

H. R. 5464. An act for the relief of Don E. Hicks;

H. R. 5571. An act for the relief of Minnie Lowery and Winell Lowery;

H. R. 5930. An act for the relief of Raymond C. Knight;

H. R. 6095. An act for the relief of Wilbur P. Riddlesbarger and Josephine Riddlesbarger;

H. R. 6548. An act for the relief of Isobell Shanks;

H. R. 6553. An act for the relief of the Pennsylvania State College;

H. R. 6598. An act for the relief of Charles H. Upton;

H. R. 6845. An act for the relief of Anthony Borsellino;

H. R. 6967. An act for the relief of Thomas Boyd;

H. R. 7116. An act to authorize defraying cost of necessary work between the Yuma project and Boulder Dam;

H. R. 7608. An act for the relief of J. Montrose Edrehi;

H. R. 7858. An act for the relief of Mary D. Briggs and Simeon G. Rigor;

H. R. 7959. An act for the relief of Nathan A. Buck;

H. R. 8076. An act to authorize the furnishing of steam from the Central Heating Plant to the National Academy of Sciences, and for other purposes;

H. R. 8202. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1941, and for other purposes;

H. R. 8258. An act for the marking, care, and maintenance of the Mount of Victory plot in the Cypress Hills Cemetery, in Brooklyn, N. Y.;

H. R. 8356. An act for the exchange of lands adjacent to the San Juan National Forest and the Rio Grande National Forest in Colorado;

H. R. 8414. An act for the relief of Charles E. Molster, former disbursing clerk for the Department of Commerce and the National Recovery Administration; J. L. Summers, deceased, former chief disbursing clerk, Division of Disbursement, Treasury Department; and Guy F. Allen, chief disbursing officer, Division of Disbursement, Treasury Department;

H. R. 9274. An act to amend the act entitled "An act to provide for the establishment of the Cape Hatteras National

Seashore in the State of North Carolina, and for other purposes," approved August 17, 1937 (50 Stat. 669);

H. R. 9296. An act to authorize the attendance of the Marine Band at the convention of the Grand Army of the Republic to be held at Springfield, Ill., September 8 to 13, inclusive, 1940;

H. R. 9445. An act for the acquisition of Indian lands for the Grand Coulee Dam and Reservoir, and for other purposes;

H. R. 10039. An act to provide for the expenses of national preparedness by raising revenue and issuing bonds to provide a method for paying for such bonds, and for other purposes;

H. J. Res. 517. Joint resolution to clear title to certain real estate; and

H. J. Res. 544. Joint resolution making appropriations for work relief and relief for the fiscal year ending June 30, 1941.

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 2047. An act to divest prize-fight films of their character as subjects of interstate or foreign commerce, and for other purposes;

S. 3927. An act to provide for the administration of the Washington National Airport, and for other purposes;

S. J. Res. 260. Joint resolution to make emergency provision for the maintenance of essential vessels affected by the Neutrality Act of 1939, and for adjustment of obligations with respect to such vessels; and

S. J. Res. 279. Joint resolution to amend section 4 of Public Resolution No. 54, approved November 4, 1939, entitled "Joint resolution to preserve the neutrality and the peace of the United States and to secure the safety of its citizens and their interests."

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 2354. An act for the relief of S. T. Enloe;

H. R. 2901. An act conferring jurisdiction upon the United States District Court for the Middle District of Georgia to hear, determine, and to render judgment upon the claim of Geraldine Ash;

H. R. 3774. An act for the relief of Albert L. Barnholtz;

H. R. 3964. An act for the relief of H. S. Wayman;

H. R. 4801. An act for the relief of Mary Camastro, a minor;

H. R. 5211. An act conferring jurisdiction upon the United State District Court for the Eastern District of Kentucky to hear, determine, and render judgment upon the claims of Mat Hensley, Arnold Blanton, Lillie Price, Clyde Thorpe, and D. L. Mason;

H. R. 5464. An act for the relief of Don E. Hicks;

H. R. 5571. An act for the relief of Minnie Lowery and Winell Lowery;

H. R. 5930. An act for the relief of Raymond C. Knight;

H. R. 6095. An act for the relief of Wilbur P. Riddlesbarger and Josephine Riddlesbarger;

H. R. 6548. An act for the relief of Isobell Shanks;

H. R. 6553. An act for the relief of the Pennsylvania State College;

H. R. 6598. An act for the relief of Charles H. Upton;

H. R. 6845. An act for the relief of Anthony Borsellino;

H. R. 6967. An act for the relief of Thomas Boyd;

H. R. 7116. An act to authorize defraying cost of necessary work between the Yuma project and Boulder Dam;

H. R. 7608. An act for the relief of J. Montrose Edrehi;

H. R. 7858. An act for the relief of Mary D. Briggs and Simeon G. Rigor;

H. R. 7959. An act for the relief of Nathan A. Buck;

H. R. 8076. An act to authorize the furnishing of steam from the Central Heating Plant to the National Academy of Sciences, and for other purposes;

H. R. 8258. An act for the marking, care, and maintenance of the Mount of Victory plot in the Cypress Hills Cemetery, in Brooklyn, N. Y.;

H. R. 8356. An act for the exchange of lands adjacent to the San Juan National Forest and the Rio Grande National Forest in Colorado;

H. R. 8414. An act for the relief of Charles E. Molster, former disbursing clerk for the Department of Commerce and the National Recovery Administration; J. L. Summers, deceased, former chief disbursing clerk, Division of Disbursement, Treasury Department; and Guy F. Allen, chief disbursing officer, Division of Disbursement, Treasury Department;

H. R. 9274. An act to amend the act entitled "An act to provide for the establishment of the Cape Hatteras National Seashore in the State of North Carolina, and for other purposes," approved August 17, 1937 (50 Stat. 669);

H. R. 9296. An act to authorize the attendance of the Marine Band at the convention of the Grand Army of the Republic to be held at Springfield, Ill., September 8 to 13, inclusive, 1940;

H. R. 9445. An act for the acquisition of Indian lands for the Grand Coulee Dam and Reservoir, and for other purposes; and

H. J. Res. 517. Joint resolution to clear title to certain real estate.

ADJOURNMENT

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

The motion was agreed to.

The SPEAKER. In accordance with House Concurrent Resolution 83, the Chair declares the House adjourned until 12 o'clock meridian on July 1 next.

Thereupon (at 9 o'clock and 10 minutes p. m.), pursuant to House Concurrent Resolution 83, the House adjourned until Monday, July 1, 1940, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MURDOCK of Arizona: Committee on Indian Affairs. H. R. 9808. A bill to authorize exchanges of lands within the Navajo Indian Reservation, Ariz.; without amendment (Rept. No. 2701). Referred to the Committee of the Whole House on the state of the Union.

Mr. JARMAN: Committee on Printing. House Resolution 513. Resolution authorizing the printing of the prayers of the Chaplain of the House of Representatives (Rept. No. 2703). Ordered to be printed.

Mr. JARMAN: Committee on Printing. House Resolution 540. Resolution authorizing the printing of the reports of the various committees of the House Conference on Unemployment as a document (Rept. No. 2704). Ordered to be printed.

Mr. JARMAN: Committee on Printing. House Resolution 519. Resolution authorizing the printing of the report on Labor in the Territory of Hawaii, prepared by the Bureau of Labor Statistics, as a document (Rept. No. 2705). Ordered to be printed.

Mr. VINSON of Georgia: Committee of conference on the disagreeing votes of the two Houses. H. R. 9822. An act to expedite naval shipbuilding, and for other purposes (Rept. No. 2706). Referred to the Committee of the Whole House on the state of the Union.

Mr. SECREST: Committee on Flood Control. House Joint Resolution 406. Joint resolution to authorize compacts or agreements between the States of Nebraska, Colorado, and Kansas with respect to the control and distribution of the waters of the Republican River and its tributaries; with amendment (Rept. No. 2707). Referred to the Committee of the Whole House on the state of the Union.

Mr. TARVER: Committee of conference on the disagreeing votes of the two Houses. H. R. 9007. An act making appropriations for the Department of Labor, Federal Security Agency and related independent agencies, for the fiscal year ending June 30, 1941, and for other purposes (Rept. No. 2708). Referred to the Committee of the Whole House on the state of the Union.

Mr. TAYLOR: Committee of conference on the disagreeing votes of the two Houses. H. R. 10104. An act making deficiency appropriations for the years ending June 30, 1940, and June 30, 1941 (Rept. No. 2709). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SMITH of Connecticut: Committee on Military Affairs. H. R. 8774. A bill for the relief of the widow of Donald D. Elliott; without amendment (Rept. No. 2699). Referred to the Committee of the Whole House.

Mr. MAAS: Committee on Naval Affairs. H. R. 9854. A bill to authorize certain officers and enlisted men of the United States Navy, the United States Marine Corps, the Naval Reserve, and the Marine Corps Reserve to accept such medals, orders, decorations, and presents as have been tendered them by foreign governments; with amendment (Rept. No. 2700). Referred to the Committee of the Whole House.

Mrs. O'DAY: Committee on Immigration and Naturalization. S. 2760. An act for the relief of Mijo Stanisic; without amendment (Rept. No. 2702). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. HARE:

H. R. 10142. A bill to amend the Employees' Compensation Act of September 7, 1916, to provide additional compensation for the loss of hands, feet, or eyes; to the Committee on the Judiciary.

By Mr. McCORMACK:

H. R. 10143. A bill to amend and enlarge the laws of the United States dealing with the deportation of the immoral classes; to the Committee on Immigration and Naturalization.

By Mr. MACIEJEWSKI:

H. R. 10144. A bill authorizing the reappointment to the active list of the Army of certain experienced former officers; to the Committee on Military Affairs.

By Mr. RICH:

H. R. 10145. A bill to promote the national defense and prevent sabotage by requiring that all persons employed in the manufacture, processing, handling, or delivering any machine, tool, chemical, instrument, article of war, foodstuff, or other material prepared in whole or in part for delivery to the Government of the United States or any agency thereof, shall be formally registered, photographed, fingerprinted, and otherwise permanently identified as a necessary requisite and condition of employment; to the Committee on the Judiciary.

By Mr. WEAVER:

H. R. 10146. A bill to provide for the imposition of import quotas upon articles bound on the free list in foreign-trade agreements; to the Committee on Ways and Means.

By Mr. VOORHIS of California:

H. R. 10147. A bill to require the registration of certain organizations carrying on activities within the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. LELAND M. FORD:

H. Con. Res. 81. Concurrent resolution memorializing the late Will Rogers; to the Committee on the Library.

By Mr. McCORMACK:

H. Con. Res. 82. Concurrent resolution exonerating Col. William Mitchell; to the Committee on Military Affairs.

By Mr. HARRINGTON:

H. Con. Res. 84. Concurrent resolution relating to the free exchange of commodities within the Western Hemisphere; to the Committee on Foreign Affairs.

By Mr. ENGLEBRIGHT:

H. Res. 546. Resolution to provide additional compensation for certain minority employees; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. HARRINGTON:

H. R. 10148. A bill for the relief of Fred H. Pollman; to the Committee on Invalid Pensions.

By Mr. TAYLOR:

H. R. 10149. A bill for the relief of Jose Mendez (Anthony Sayer); 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:

8904. By Mr. COLE of Maryland: Resolution adopted by the Italian-American professional and businessmen of Baltimore City, supporting the national-defense program; to the Committee on Military Affairs.

8905. By Mr. DeROUEN: Petition of citizens of Crowley, La., urging Congress to keep the United States out of the European war; to the Committee on Foreign Affairs.

8906. By Mr. EDELSTEIN: Petition of the American Labor Party, protesting against any legislation which would tend to draw the United States into war; to the Committee on Foreign Affairs.

8907. By Mr. FLAHERTY: Petition of the Bar Association of the City of Cambridge, Cambridge, Mass., favoring the O'Toole bill (H. R. 8349); to the Committee on the Judiciary.

8908. By Mr. HOOK: Petition of the board of directors of the Michigan League of Women Voters, resolving that the Senators and Representatives of Michigan in Congress be, and they hereby are, urged to oppose all further action toward the adoption of the so-called equal-rights amendment; to the Committee on the Judiciary.

8909. By Mr. JARRETT: Petition of H. L. McClurg and other residents of Greenville, Pa., urging assistance to the Allies; to the Committee on Foreign Affairs.

8910. By Mr. MICHAEL J. KENNEDY: Petition of the Social Service Employees Union, opposing enactment of the Smith bill into law; to the Committee on Labor.

8911. Also, petition of the National Economy League, advocating restriction on appropriations for the national-defense program; to the Committee on Military Affairs.

8912. Also, petition of the National Cooperative Milk Producers Federation, urging support of the Bilbo amendment to House Joint Resolution 544, providing \$100,000,000 for expenditure under section 32 of the Agricultural Adjustment Administration Act, for disposal of surplus agricultural commodities in domestic and foreign markets; to the Committee on Agriculture.

8913. Also, petition of the American Locomotive Co., of New York City, opposing section 2B of House bill 9822, a revision of the Vinson Act; to the Committee on Naval Affairs.

8914. Also, petition of the New York Committee to Aid Agricultural Workers, relating to the national-defense program and urging that progressive social legislation also be enacted by the Congress; to the Committee on Ways and Means.

8915. Also, petition of the National Association of Life Underwriters, urging that Congress remain in session during the present emergency; to the Committee on Ways and Means.

8916. Also, petition of the Amateur Athletic Union of the United States, relating to National Sports Week, during which time it is proposed to mobilize the recreational activities of the American people in behalf of good health habits; to the Committee on Interstate and Foreign Commerce.

8917. By Mr. STEARNS of New Hampshire: Petition of the Lions Club of Newport, N. H., urging appropriate legislation for adequate national defense; to the Committee on Military Affairs.

8918. By Mr. SUTPHIN: Petition of the Board of Chosen Freeholders, County of Middlesex, N. J., extending to the Federal administration its offer to aid in every possible way and to pledge itself to continue that aid and extend the

services and facilities of the county during the present emergency; to the Committee on Military Affairs.

8919. Also, petition of the Italian Progressive Club, of Asbury Park, N. J., condemning Premier Mussolini and the Italian Government for becoming involved in the European War; to the Committee on Foreign Affairs.

8920. By Mr. THOMASON: Petition of the Wink (Tex.) Lions Club and other residents of Wink, urging that in view of the challenge that is being hurled at American democracy Congress remain in session throughout the crisis; to the Committee on Foreign Affairs.

8921. By Mr. WHEAT: Resolution of the Harry G. Maxted Post, No. 154, the American Legion, Department of Illinois, located at Western Springs, Ill., urging action to expedite initial orders for tool-made material accepted by the War Department, etc.; to the Committee on Military Affairs.

8922. By the SPEAKER: Petition of R. B. Mortensen and others, of Chicago, Ill., urging consideration of their resolution with reference to the national-defense program; to the Committee on Military Affairs.

8923. Also, petition of Women's Auxiliary, No. 1, to the Maritime Federation, San Francisco, Calif., urging consideration of their resolution with reference to foreign affairs; to the Committee on Foreign Affairs.

8924. Also, petition of the Workers Alliance, Oroville, Calif., urging consideration of their resolution with reference to foreign affairs; to the Committee on Foreign Affairs.

8925. Also, petition of C. E. Camek and others of Chicago, Ill., urging consideration of their resolution with reference to the national-defense program; to the Committee on Military Affairs.

8926. Also, petition of the Minneapolis Building Trades Council, Minneapolis, Minn., urging consideration of their resolution with reference to the national-defense program; to the Committee on Military Affairs.

8927. Also, petition of the Bergen County Women's Republican Club, Hackensack, N. J., urging consideration of their resolution with reference to the adjournment of this session of Congress of the United States; to the Committee on the Judiciary.

8928. Also, petition of the Ninth Ward Improvement and Protective Association, New Orleans, La., urging consideration of their resolution with reference to the national-defense program; to the Committee on Military Affairs.

8929. Also, petition of the Ninth Ward Improvement and Protective Association, New Orleans, La., urging consideration of their resolution with reference to foreign affairs; to the Committee on Foreign Affairs.

8930. Also, petition of the Newport Lions International Club, Newport, N. H., urging consideration of their resolution with reference to the national-defense program; to the Committee on Military Affairs.

8931. Also, petition of the Ribault Woman's Club of the Beaches, urging consideration of their resolution with reference to the national-defense program; to the Committee on Military Affairs.

8932. Also, petition of the Oil Workers' International Union, Quincy Local, No. 366, East Braintree, Mass., urging consideration of their resolution with reference to the United States Housing Authority; to the Committee on Banking and Currency.

SENATE

MONDAY, JULY 1, 1940

In accordance with the provisions of House Concurrent Resolution 83, adopted June 22, 1940, the Senate met at 12 o'clock meridian.

Rev. Elnathan Tartt, Jr., rector of Grace Church, Canton, Miss., offered the following prayer:

O Eternal God and Heavenly Father, Thou who hast made all nations of mankind to dwell on the face of the whole earth and who dost will for all Thy children that peace of God which passeth all understanding: We humbly beseech Thee

that, with tender pity and compassion, Thou wouldst look down upon the nations of the earth in this hour of their troubled confusion and great uncertainty. Instead of fear, give us faith; instead of despair, give us hope to meet victoriously the problems of our world crisis.

Teach us to know that war, social injustice, and the suffering of the innocent are unholy conditions which prevail today, not according to Thine own blessed will and purpose but that war and turmoil are the results of our racial hatreds, our unspeakable selfishness, and our cruel intolerance.

As collaborators with God and as brethren one of another, may we work together to right wrong, and to establish international brotherhood. May we recognize our responsibility to keep peace at home and to assist in restoring the peace of the world.

That we may find inspiration and strength for our task, grant unto us a vision of Jesus, the Prince of Peace, that in His light we may see light, and in His wisdom may not stumble; so shall we ourselves enter and bring many others into the experience of that abundant life of happiness, peace, and prosperity, which it is Thine alone, O God, to give, through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. HARRISON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day of Saturday, June 22, 1940, was dispensed with, and the Journal was approved.

ORDER FOR RECESS TO WEDNESDAY

Mr. HARRISON. I ask unanimous consent that when the Senate concludes its business today it take a recess until 12 o'clock noon on Wednesday next.

The VICE PRESIDENT. Without objection, it is so ordered.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED DURING ADJOURNMENT

Under authority of the order of the Senate of June 22, 1940,

Subsequent to the adjournment of the Senate on the abovementioned date, the Vice President signed the following enrolled bills and joint resolutions, which had been signed previously by the Speaker of the House of Representatives:

H. R. 159. An act to amend an act entitled "An act relating to the naturalization of certain women born in Hawaii," approved July 2, 1932;

H. R. 382. An act for the relief of Gus Roth;

H. R. 1167. An act for the relief of the Black Hills Methodist Hospital of Rapid City, S. Dak.;

H. R. 1178. An act for the relief of Lester R. Taylor;

H. R. 1846. An act for the relief of Malachy Ryan;

H. R. 2014. An act for the relief of Margaret Redmond;

H. R. 2070. An act for the relief of Edwin Forsman;

H. R. 2083. An act for the relief of Dan Yancey;

H. R. 2106. An act for the relief of Charles Flack;

H. R. 2151. An act for the relief of James P. Bruce, Jr.;

H. R. 2489. An act for the relief of Angie Ward;

H. R. 2513. An act for the relief of C. B. Reagh;

H. R. 2628. An act for the relief of John Engblom;

H. R. 2946. An act for the relief of Naoma Kinder, a minor;

H. R. 3142. An act for the relief of Leland G. Myers;

H. R. 3163. An act for the relief of Rose Bilatis;

H. R. 3402. An act to authorize the appropriation for payment of the cost of providing additional water for the Wapato Indian irrigation project, Washington;

H. R. 3713. An act for the relief of Joe Carter;

H. R. 3925. An act for the relief of Evelyn L. Ratcliffe;

H. R. 4113. An act for the relief of Maude Sullivan;

H. R. 4142. An act for the relief of Mary Reid Hudson;

H. R. 4148. An act for the relief of Mary S. Arthur, as executrix of the estate of Richard M. Arthur, deceased;

H. R. 4185. An act to repatriate native-born women residents of the United States who have heretofore lost their citizenship by marriage to an alien;

H. R. 4412. An act for the relief of Beatrice Lois Rucker;