

of the State of Montana, to the Congress of the United States in support of the Committee of Investigation of Un-American Practices; to the Committee on Rules.

250. Also, Senate Memorial No. 4, enacted by the Senate of the Legislative Assembly of the State of Montana, to the President of the United States, Vice President, National Congress, Secretary of Agriculture, and others named in the memorial, requesting proper sugar legislation and more equitable quotas for sugar-beet acreage, and further requesting a normal expansion and an adequate protection of the sugar industry; to the Committee on Agriculture.

251. Also, Senate Joint Memorial No. 2, enacted by the Twenty-second Session of the Legislative Assembly of the State of Montana, to the Congress of the United States, requesting their consideration and notice of conditions tending to weaken and undermine the democracy we are striving to perpetuate; to the Committee on the Judiciary.

252. By the SPEAKER: Petition of the city of St. Paul, Minn., petitioning consideration of their resolution with reference to General Pulaski's Memorial Day; to the Committee on the Judiciary.

SENATE

MONDAY, FEBRUARY 10, 1941

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

O Spirit of the living God, under the light and inspiration of whose illumination we are made aware of the unfamiliar beauty of the world, the beauty that is "the smile upon the face of truth"; Hearken to the impassioned cry of our hearts in the presence of the wonders of Thy revelation, that we may behold the eternal in the transitory things and so endure as seeing Him who is invisible.

Breathe upon us with the breath of Thy cleansing power; disturb the apathy of those who have never been conscious of their need of Thee, and create in them a spiritual hunger and thirst after righteousness that they may be filled with all the fullness of God.

Apart from the guidance and restraint of Thy holy influence, we have seen the morn so bright with promise turn to the desolation of noontide, and the glory of the sunset fade into the chill of night. Then come, Oh come to us, Thou Spirit of the most high God, and make us to see in the face of the Man of Sorrows the eternal glory of the Father who willest not that any should perish but that all should be brought to the knowledge of eternal life, through Jesus Christ, our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, February 6, 1941, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its

reading clerks, announced that the House had passed a bill (H. R. 1776) further to promote the defense of the United States, and for other purposes, in which it requested the concurrence of the Senate.

DEATH OF FORMER SENATOR SMOOT, OF UTAH

Mr. THOMAS of Utah. Mr. President, the newspapers of this morning inform us of the death of Hon. Reed Smoot, former Senator from the State of Utah. I deem it not inappropriate that the Senate pause a moment or two in its deliberations in order that we may turn our thoughts back to one who served here so long and so faithfully.

Senator Smoot was in the Senate of the United States from 1903 to 1933—30 years. At the time he left the Senate 30 years marked one-fifth of our country's history. It is in a spirit of history that I should like to talk about Senator Smoot a moment or two this morning, because in the spirit of eulogy those at his home and those whom he served so faithfully will honor him at a later time.

Senator Smoot contributed much to the history and expansion of his country. No man who ever came to the United States Senate had to stand as cruel an assault, as wicked and unjust a hearing, and a trial as that which faced Senator Smoot when he entered the Senate in 1903. That he was victorious in that great ordeal is a compliment to this body and to the fair-mindedness of his fellow Senators. Had he lost the cause, the right of minority group representation in our land would have been relegated to the place it occupied in the Dark Ages. In winning his seat, in spite of the misinterpretation of the rule that the Senate, under the Constitution, is the judge of its own Members, the Senators in their votes realized and acknowledged the fact that in America justice should prevail, and they saw to it that justice did prevail.

In the 30 years of Senator Smoot's service here his name will always be identified with that element in the great Republican Party represented by such leaders as Mark Hanna, Senators Quay, Penrose, and Aldrich. His name will be listed with theirs, rather than with the others of his colleagues who represented that great party, such as Elihu Root, George Sutherland, and Nicholas Murray Butler. While Mr. Butler did not serve here, he represented well the other branch of the Republican Party.

One cannot mention Senator Smoot without referring to what is one of the finest elements of our American life—the small-town influence and the influence of a great teacher. Senator Smoot and his two colleagues from Utah, with whom he served longest in the Senate, Senator Sutherland and Senator King, all three came out of the same little town, a town in Utah whose culture is dominated by a great educational institution. All three received their inspiration from the same great teacher, a German immigrant who inspired them with American ideals and American principles. That this great teacher was able to send out at the same time three persons who became leaders in their State, and in the Nation, each of them disagreeing at times with one another, is a tribute to what a good

teacher can accomplish. Such a teacher inspires his students to noble deeds and ideals; he does not aspire to control lives and to force acceptance of theories.

When the historians write about this period they cannot help but mention Senator Smoot. They will point out that while he was identified with a governmental technique which was three times repudiated by the American people he remained true to his principles of government. Senator Smoot's work identified him with the Payne-Aldrich tariff bill, with the Fordney-McCumber tariff bill, and he will ever be remembered in connection with the Smoot-Hawley bill. Each one of these great governmental acts came at an extremely untimely period, and the authors of each suffered at the hands of their constituents and at the hands of the American people.

I think it would not be out of place to say that since men in all their acquaintance with others have never learned how to evaluate the individual man, therefore it is much beyond our ability to measure the soul of a man. The ancient Greeks thought that the soul of a man in stature was one-third higher than man was in his physical body. That was a quantitative analysis of man, and man's soul was considered from a quantitative basis; but man's soul should not be so considered. I think in the economy of time, in the economy of men, and in the economy of the gods it was indeed very fortunate, very timely and very proper in the life of this great servant of his people and of his country that, events being such as they were, he should be able to return home to serve in a capacity which was his even before he came into the Senate of the United States, and that he should serve practically the last 10 years of his life with his people in the great office and calling which he represented in his church. It would seem too great a physical burden for any man that he serve his government in a political capacity when he already had on his shoulders the responsibility of a great ecclesiastical position. But when we attempt to measure the soul of this great man we discover that even with those two great burdens, and with the ordeal that the first one caused him to bear when he came to the Senate—an ordeal, I repeat, the like of which no other Senator in the history of this body had to face—he overcame prejudice, he lived it down, and our country is a better country because he was able to do it.

A young man of 40, trained in school to be sure but never trained formally in economics, in politics, or in government, he rose to leadership in his country in all three of these branches of thought. That is a monument quite sufficient for any man.

Text writers use other names than Senator Smoot's when they write of those who showed ability in filibuster, but among those who have been persuasive Senator Smoot's power was not only great but effective. Even in oratory men are remembered quite as much by deeds as by words. In registering his vote in sustaining President Wilson in declaring our country already at war because of the actions of Germany against us he uttered what the late great Senator from Illinois,

Mr. Lewis, characterized as a prayer when he said he prayed that the action of that day would result in the extension of liberty throughout the world. That was a prayer from the heart of a great American.

Mr. HARRISON. I concur in the expressions and the fine tribute paid to our former colleague by the Senator from Utah [Mr. THOMAS]. I know that those of my colleagues who served with the late Senator Smoot entertained the highest regard for him.

I was very closely associated with him in the work of the Finance Committee. He was chairman of that committee for a long time. I never knew a more industrious or sincere legislator than Senator Smoot. He was an indefatigable worker. He left his imprint on the legislative records of this country, and when he retired from the Senate he carried with him the good wishes and sincere regard of his colleagues—it mattered not what side of the aisle we were on. I was especially fond of him, and I regret very much to learn of his death.

Mr. WHITE. Mr. President, I cannot permit to pass unnoticed this occasion. As I look about the Republican side of the Chamber I can see but one or two Senators who served in this body while Senator Smoot was a Member of it.

Mr. President, I have seen as much of the Senate of the United States over the span of years as has almost any Member here. I came here as a boy and spent a year in and about the Capitol. I came here as a young man as assistant clerk to one of the committee of the Senate. Since that experience I have been a Member of the other body and a Member of this body. I have seen Members of the Senate come, and I have seen them go. Some of them have risen to places of great influence.

Senator Smoot was one of these rare men. For 30 years, I think, he occupied a seat in this Chamber. Year by year he grew in knowledge; he grew in influence; and that knowledge and that influence rested upon the basic fact that he was one of the most industrious men who ever sat in the Congress of the United States. He made himself a master of legislative subjects. Questions of the tariff, questions of finance, questions of the expenditures of this Federal Government of ours, were an open book to him; for all through the years of his service here he gave painstaking study to all of the questions connected with these subjects. After all, here as in the other body it is knowledge, coupled with industry, which finally determines a man's usefulness.

When Senator Smoot spoke to a tariff problem, to the raising of revenues or concerning expenditures, the entire membership of the Senate listened with respect and were influenced by what he said. He made a definite mark upon the legislative history of the country.

He was a kindly man when one came to know him. He was a man who will be long remembered by those who were privileged to associate with him. I think I bespeak the respect which all Members

on this side of the Chamber had for him. We lament his passing.

SPECIAL COMMITTEE TO INVESTIGATE CIVIL-SERVICE SYSTEM

The VICE PRESIDENT. The Chair appoints the Senator from New York [Mr. MEAD] a member of the special committee to investigate the administration of the civil-service laws, authorized by Senate Resolution 198, Seventy-fifth Congress, to fill the vacancy caused by the retirement of Hon. Edward R. Burke, of Nebraska.

AWARDS OF CONTRACTS FOR THE ARMY

The VICE PRESIDENT laid before the Senate two letters from the Secretary of War, reporting, pursuant to law, relative to divisions of awards of certain quantity contracts for aircraft, aircraft parts, and accessories therefor entered into with more than one bidder under authority of law, which were referred to the Committee on Military Affairs.

DRAFTS OF LEGISLATION, INTERIOR DEPARTMENT

The VICE PRESIDENT laid before the Senate four letters from the Acting Secretary of the Interior, transmitting drafts of proposed legislation, which, with the accompanying papers, were referred to the Committee on Indian Affairs, as follows:

To amend the act of May 24, 1940 (Public, No. 520—76th Cong.);

To provide for the payment of certain Creek equalization claims, and for other purposes;

To authorize the sale and conveyance of certain property of the estate of Jackson Barnett, deceased Creek Indian; and

To authorize the Secretary of the Interior to effect an exchange of certain tribal land of the Santa Ysabel Indian Reservation, Calif., for other land of equal value.

DECEMBER 1940 REPORT OF RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the chairman of the Reconstruction Finance Corporation, submitting, pursuant to law, a report of the activities and expenditures of the corporation for the month of December 1940 which, with the accompanying papers, was referred to the Committee on Banking and Currency.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislatures of Montana and Wyoming, which were referred to the Committee on Finance:

House Joint Memorial No. 2

Memorial to the Congress of the United States requesting the enactment of appropriate legislation in the name of patriotism and justice making all bonds issued by the United States Government, any State, or other governmental agency, taxable

To the honorable Senate and House of Representatives of the United States of America in Congress assembled:

Whereas the United States of America is in dire need of revenue and is looking for a new source of revenue, particularly at this

time, due to the expenditures necessary in the defense program recently outlined by the President of the United States; and

Whereas in the name of patriotism and justice it is the duty of every individual in the United States to pay his proper proportion of the expenses necessary for the defense program according to his ability to so pay; and

Whereas Government bonds issued by the United States of America and the agencies that have been set up by the Federal Government, as well as bonds issued by the various States of the Union and the subdivisions of said States, are at present tax exempt, although such bonds are in a large part held and owned by persons financially able to pay a tax upon such bonds, in the same manner that stocks and bonds or other property is taxed: Now, therefore, be it

Resolved, That the Twenty-seventh Legislative Assembly of the State of Montana, the senate and house concurring, hereby does request and petition the Congress of the United States to enact proper legislation permitting and authorizing the taxing of bonds issued by the United States of America and the agencies that have been set up by the Federal Government, as well as bonds issued by the various States of the Union and the subdivisions of said States; said bonds to be taxable in the same manner and to the same extent that bonds issued by private business are now taxable; be it further

Resolved, That copies of this memorial be transmitted by the secretary of state of the State of Montana to the Senate and House of Representatives of the Congress of the United States and to the Senators and Representatives of the Congress of the United States, and to the Senators and Representatives in Congress from the State of Montana, and that they and each of them be and they hereby are requested to use all means within their powers to bring about the passage of such legislation.

Joint Memorial No. 2

Joint memorial memorializing the Congress and President of the United States of America to enact legislation to consider means of protecting the sugar-beet industry of the State of Wyoming

Whereas the production of the beet-sugar industry is seriously affected by the importations of cane sugar; and

Whereas this importation of sugar is considered unfair and unjust competition and seriously threatens the sugar industry of our State: Be it therefore

Resolved by the House of Representatives of the Twenty-sixth Legislature of the State of Wyoming (the Senate concurring), That the Congress of the United States is hereby memorialized to continue its efforts in providing further means of protecting the sugar industry of the United States from unfair competition on the part of cane-sugar importation; and be it further

Resolved, That certified copies of this memorial be sent to the President of the United States, the President of the Senate and the Speaker of the House of Representatives, and the United States Senators JOSEPH C. O'MAHONEY, HARRY H. SCHWARTZ, and Representative JOHN MCINTYRE.

The VICE PRESIDENT also laid before the Senate the following House resolution of the General Assembly of Iowa, which was referred to the Committee on Foreign Relations:

House Resolution No. 5

Whereas the Argentine Sanitary Treaty now pending before the Senate of the United States would, if ratified, permit the importation into this country of livestock products infested with foot-and-mouth disease; and

Whereas millions of dollars have been spent and thousands of animals have been killed in the United States to free this country from the ravages of this dreaded disease, and laws in the interest of public health have been enacted by Federal and State Governments to require farmers to eliminate such disease from their farms and prevent its spread; and

Whereas this dreaded contagious disease can be transmitted by fresh and frozen meats, as well as by live animals, and strictest regulations and restrictions should be maintained to prevent infections of our domestic herds and flocks with such contagious disease now present in foreign countries; and

Whereas, inasmuch as rigid inspection of slaughtering and sale of meats for human consumption is required of our citizens, such conditions should also apply to any meat or meat products brought into this country from foreign lands: Therefore be it

Resolved by the House of Representatives of the Forty-ninth General Assembly of the State of Iowa, That for the reasons stated in the preamble of this resolution, the membership of the United States Senate be respectfully requested to oppose the ratification of the proposed agreement with the Government of Argentina and to continue the embargo against foreign countries now in force until such countries are free from, and have established and have in force adequate sanitary conditions to prevent the spread of, the foot-and-mouth disease; and be it further

Resolved, That a copy of this preamble and resolution be forwarded to the President of the United States Senate, to the United States Senate Committee on Foreign Relations, and to the Honorable CLYDE L. HERRING and Hon. GUY M. GILLETTE, United States Senators from Iowa.

The VICE PRESIDENT also laid before the Senate the following resolution of the House of Delegates of Maryland, which was referred to the Committee on Naval Affairs:

House Resolution

Resolution requesting that the United States Congress make no provision for a Naval Academy on the Pacific coast

Whereas there have been statements to the effect that efforts would be made to establish a Naval Academy on the Pacific coast similar to the one at Annapolis; and

Whereas it seems to be the opinion of the leading naval authorities that this would be very unwise, especially at the present time, since it would be more economical and advantageous to enlarge the facilities of the present academy; and

Whereas it would require many years at a great expenditure to establish a Naval Academy on the Pacific coast; and

Whereas the Naval Academy at Annapolis has been so long a part of the State of Maryland and is so important to the general welfare of the State that the establishment of another Naval Academy would seriously affect the academy here and the general interests of the State; and

Whereas in the present emergency and the need for speeding up on preparations for defense: Therefore be it

Resolved by the House of Delegates of Maryland, That the United States Congress be, and it is hereby, requested not to make any provision for the establishment of a Naval Academy on the Pacific coast; and be it further

Resolved, That the Members in Congress from the State of Maryland be, and they are hereby, urgently requested to do everything possible to see that any proposed legislation of this kind be not passed; and be it further

Resolved, That the chief clerk of the House of Delegates of Maryland be, and he is hereby, directed to immediately send a copy of this resolution, certified by the speaker of the

house, to the President of the United States, the Secretary of the Navy, the President of the Senate, the Speaker of the House of Representatives, and to each Member of the United States Congress from the State of Maryland.

The VICE PRESIDENT also laid before the Senate a resolution of the New York Society for the City of New York, N. Y., relative to methods and measures to be adopted in connection with national-defense industries, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution of the West Allis Peace Council, of West Allis, Wis., protesting against the enactment of the bill (H. R. 1776) further to promote the defense of the United States, and for other purposes, which was referred to the Committee on Foreign Relations.

He also laid before the Senate telegrams in the nature of petitions from the Polish-American Citizens Club of Cumberland, dated at Lonsdale, R. I., and the Holy Name Society of St. Ladislaus Parish, Hamtramck, Mich., praying for the enactment of the bill (H. R. 1776) further to promote the defense of the United States, and for other purposes, which were referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution of the Common Council of the City of Toledo, Ohio, favoring the enactment of pending legislation to proclaim October 11 of each year General Pulaski's Memorial Day, which was referred to the Committee on the Judiciary.

Mr. CAPPER presented a petition of sundry citizens of Salina, Kans., praying for the enactment of legislation embodying the provisions of the so-called Townsend recovery plan, which was referred to the Committee on Finance.

Mr. BONE. Mr. President, I present and ask to have referred to the appropriate committee the petition of a large number of citizens of my State praying for peace and dealing with the so-called lend-lease bill.

The VICE PRESIDENT. The petition will be received and referred to the Committee on Foreign Relations.

Mr. MCFARLAND presented the following memorial of the senate of the State of Arizona, which was referred to the Committee on Foreign Relations:

Senate Memorial No. 2

Memorial relating to aid to Great Britain
To the Congress of the United States of America:

Your memorialist respectfully represents: The assaults of the totalitarian dictators upon the free peoples of Europe, Asia, and Africa amply demonstrate to the peoples of the Western Hemisphere what they may reasonably expect if they do not take immediate steps to stem those assaults and to arm against ruthless aggression.

Of all the democratic countries of Europe, Great Britain alone has thus far been able successfully to resist the terrific onslaughts which Hitler has directed against her shores, but it is becoming increasingly evident that she cannot long continue against such tremendous odds.

It must be clear to all thinking people that in thus opposing the forces of Hitler in her own defense Great Britain, regardless of her intent in the premises, is fighting also in

defense of every man, woman, and child in the United States, and that it is for our best interests that she be given every proper aid in her life struggle to the end that we may be afforded the greatest possible time within which to prepare ourselves for the struggle we shall inevitably have to make if Great Britain goes down to defeat.

There is now pending before the Congress a proposed measure designated as H. R. 1776, commonly known as the lease-lend bill, by the terms of which the President of the United States is given extraordinary powers for the purpose of rendering all proper aid and assistance to Great Britain.

It is the belief of your memorialist that this bill should pass in order that such assistance may be immediately available; and that time is of the essence lest the assistance come too late, not only to save Great Britain, but to preserve our own land from the horrors of war brought directly to its shores.

Wherefore your memorialist, the Senate of the State of Arizona, prays:

That H. R. 1776, commonly known as the lease-lend bill, be brought up before your honorable body for immediate passage, and passed, to the end that the President of the United States may be empowered to throw open to the aid of Great Britain, in this time of trial and tribulation, the vast resources of our great land.

THE LEND-LEASE BILL—RESOLUTION, ETC.

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred, a resolution adopted by the United Furniture Workers of America, Local 312, and some three letters which have come to me from different organizations which have adopted resolutions against the passage of the lend-lease bill.

There being no objection, the resolution and letters were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

Resolution to oppose H. R. 1776, lend-lease bill

Whereas the lend-lease bill as proposed by President Roosevelt calls for the vestment of unlimited powers in the office of the President of the United States, which will permit the President to wield dictatorial power, which is in direct contradiction to our democratic way of life; and

Whereas this bill calls for Presidential power to supersede and "notwithstanding any other law" for the purpose of evading already enacted laws which were passed for the purpose of keeping America out of war (Johnson law and neutrality law); and

Whereas the rights of labor under the Wagner Act, and the right to strike, picket, and assemblage, can be taken away by the President of the United States should he be so disposed; and

Whereas 90 percent of the American people are violently opposed to America's involvement in World War No. 2, because it is a war for colonial and market control, just as they were opposed to World War No. 1, and the enactment of this bill practically places this country into the war as a nonbelligerent, instead of strict neutrality: Therefore be it

Resolved, That this local union representing 350 workers vigorously urge our Representatives and Senators in Congress to oppose and do all in their power to defeat H. R. 1776 as being an outright war measure and which will destroy our democracy by establishing an American brand of fascism; and be it further

Resolved, That copies of this resolution be sent to the local press for publicity and a

copy be sent to Senator BURTON WHEELER, who is leading the fight against H. R. 1776.

UNITED FURNITURE WORKERS,
LOCAL No. 312,
CLARENCE F. ALVEY,
Secretary.

EVANSVILLE, IND., February 1, 1941.

FARMERS EDUCATIONAL &
COOPERATIVE UNION OF AMERICA,
Glasgow, Mont., January 23, 1941.

Senator B. K. WHEELER,
Washington, D. C.

DEAR SENATOR: At a recent meeting of the executive board, South Valley County Farmers Union went on record as being unalterably opposed to the lease-loan bill for helping Great Britain, now pending in Congress, regarding it as a definite step toward war. It is the opinion of the South Valley County Farmers' Union that those interested in the defense of democracy and the United States should spend more time looking into the still unsolved farm and labor problems of this country and less time looking across the sea.

The South Valley County Farmers' Union also went on record as being opposed to the present sugar quota, which permits the importing of sugar at the expense of the domestic sugar-beet grower.

We wish to commend you for the excellent work which you have done to prevent the United States from being drawn into the war and hope you will continue.

Yours truly,

SOUTH VALLEY COUNTY FARMERS' UNION,
HERMAN VOGEL,
MARION HELLSTERN,
Legislative Committee.

ARMENIAN YOUTH OF AMERICA,
Boston, Mass., February 5, 1941.

Senator BURTON K. WHEELER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WHEELER: The members and friends of the Greater Boston Branch of the Armenian Youth of America on January 22 went on record as opposed to the lend-lease bill, H. R. 1776, because its enactment would endanger the security of the United States by tending toward war and the granting of dictatorial powers to the President.

We urge you to vote against this bill by opposing and voting against it on the Senate floor.

Yours truly,

HELEN SAHAGIAN, Secretary.

UNITED MINE WORKERS OF AMERICA,
Centralia, Ill., February 5, 1941.

Mr. BURTON K. WHEELER,
Washington, D. C.

DEAR SIR: At our last meeting we, the members of Local Union, No. 1397, U. M. W. A., went on record as being unanimously opposed to the lease-lend bill, and we are asking you to do all you can to prevent its passage, as we have no quarrel with those countries in Europe.

Respectfully,

DAVE ADAMS, President,
L. M. FETGATTER,
Recording Secretary.

REPORTS OF COMMITTEES

Mr. ELLENDER, from the Committee on Claims, to which was referred the bill (S. 417) for the relief of the estate of Henry H. Denhardt, deceased, of Bowling Green, Ky., reported it without amendment and submitted a report (No. 32) thereon.

He also, from the same committee, to which was referred the bill (S. 247) for the relief of Hilda C. Allstrom, reported it with amendments and submitted a report (No. 33) thereon.

Mr. BROWN, from the Committee on Claims, to which was referred the bill (S.

773) for the relief of the widow of the late William J. Cocke, reported it with an amendment and submitted a report (No. 34) thereon.

He also, from the same committee, to which was referred the bill (S. 788) for the relief of Noland Blass, reported it without amendment and submitted a report (No. 35) thereon.

Mr. SCHWARTZ, from the Committee on Claims, to which was referred the bill (S. 790) for the relief of Mr. Seller & Co., reported it without amendment and submitted a report (No. 36) thereon.

Mr. BROOKS, from the Committee on Claims, to which was referred the bill (S. 430) for the relief of Addie Myers, reported it without amendment and submitted a report (No. 37) thereon.

Mr. HUGHES, from the Committee on Claims, to which was referred the bill (S. 791) for the relief of Dan A. Tarpley, Ernest H. Tarpley, and Pearl Tarpley, reported it without amendment and submitted a report (No. 38) thereon.

Mr. BREWSTER, from the Committee on Claims, to which was referred the bill (S. 307) authorizing the Comptroller General of the United States to adjust and settle the claim of J. H. Redding, Inc., reported it without amendment and submitted a report (No. 39) thereon.

He also, from the same committee, to which was referred the bill (S. 304) for the relief of the Missoula Mercantile Co., reported it with an amendment and submitted a report (No. 40) thereon.

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which were referred the following resolutions, reported them severally without amendment.

S. Res. 61. Resolution authorizing the Committee on Public Buildings and Grounds to hold hearings during the Seventy-seventh Congress (submitted by Mr. MALONEY January 29, 1941);

S. Res. 63. Resolution authorizing the Committee on the Judiciary to hold hearings during the Seventy-seventh Congress (submitted by Mr. VAN NUYS, January 31, 1941);

S. Res. 64. Resolution authorizing the Committee on the Library to hold hearings during the Seventy-seventh Congress (submitted by Mr. BARKLEY on the 3d instant);

S. Res. 65. Resolution to authorize the Committee on Civil Service to hold hearings during the Seventy-seventh Congress (submitted by Mr. BULOW on the 3d instant);

S. Res. 66. Resolution authorizing the Committee on the District of Columbia to hold hearings during the Seventy-seventh Congress (submitted by Mr. REYNOLDS on the 3d instant); and

S. Res. 69. Resolution authorizing the Committee on Pensions to hold hearings during the Seventy-seventh Congress (submitted by Mr. SCHWARTZ on the 6th instant).

By Mr. MEAD:

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

S. 804. A bill for the relief of Stephen Kelen; to the Committee on Immigration.

S. 805. A bill to reclassify the salaries of watchmen, messengers, and laborers in the Postal Service, and to prescribe the time credits for service as substitute watchmen, messengers, and laborers, and for other purposes; to the Committee on Post Offices and Post Roads.

By Mr. GREEN:

S. 806. A bill for the relief of Carmella Ridgewell; to the Committee on Claims.

By Mr. NORRIS:

S. 807. A bill for the relief of Eva Mueller; to the Committee on Claims.

S. 808. A bill for the relief of J. E. Steeple; to the Committee on Finance.

By Mr. LANGER:

S. 809. A bill to amend the Social Security Act, as amended, to provide for the payment to States of an average of \$15 per month per capita for all recipients of old-age assistance, under the several State plans, who are 65 years of age or older and not inmates of a public institution; to the Committee on Finance.

By Mr. CAPPER:

S. 810. A bill to provide for uniform regulation of marriage and divorce; to the Committee on the Judiciary.

By Mr. WHEELER:

S. 811. A bill to incorporate the Society of American Foresters; to the Committee on the Judiciary.

By Mr. McNARY:

S. 812. A bill to provide for the acquisition and toll-free operation by the United States of the interstate bridges at Cascade Locks and Hood River, Oreg.; to the Committee on Commerce.

By Mr. BARBOUR:

S. 813. A bill authorizing the improvement of Shark River, N. J., in the interest of the national defense;

S. 814. A bill authorizing the construction of a canal across Cape May County, N. J., from Cape May Harbor to Delaware Bay, in the interest of the national defense; and

S. 815. A bill to provide for a preliminary examination and survey of the Hackensack River, N. J., with a view to its improvement and development in the interest of the national defense; to the Committee on Commerce.

S. 816. A bill for the relief of John Horvath; to the Committee on Immigration.

S. 817. A bill to amend section 211 of the Criminal Code; to the Committee on the Judiciary.

By Mr. BARBOUR (for himself and Mr. SMATHERS):

S. 818. A bill to provide that the funds available under the act of June 2, 1920, as amended, for matching State funds used for vocational rehabilitation may also be used for matching State funds used for physical rehabilitation; to the Committee on Education and Labor.

By Mr. BARKLEY:

S. 819. A bill for the relief of the widow and children of Dr. Joe M. Ferguson; to the Committee on Claims.

By Mr. HATCH (for himself and Mr. CHAVEZ):

S. 820. A bill for the relief of Emiliano Lopez and Eliza R. Lopez; to the Committee on Claims.

By Mr. HOLMAN:

S. 821. A bill to provide for the establishment, equipment, and maintenance of an electrodevelopment laboratory of the Bureau of Mines in the Pacific Northwest; to the Committee on Mines and Mining.

S. 822. A bill authorizing the use of special canceling stamps and postmarking dies at the Portland, Oreg., post office in connection with the annual Portland Rose Festival; to the Committee on Post Offices and Post Roads.

By Mr. BREWSTER:

S. 823. A bill granting a pension to Ila May Grindell; to the Committee on Pensions.

S. 824. A bill authorizing the President to bestow the decoration of the Purple Heart upon the unknown, unidentified American buried in the Memorial Amphitheater of the National Cemetery at Arlington Va.; to the Committee on Military Affairs.

By Mr. McKELLAR:

S. 825. A bill for the relief of Virgie M. Hinchey (with accompanying papers); to the Committee on Pensions.

By Mr. BANKHEAD:

S. 826. A bill to amend the Agricultural Adjustment Act of 1938, as amended, for the purpose of regulating interstate and foreign

commerce in peanuts, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. CLARK of Idaho:

S. 827. A bill to provide for assistance by the Federal Government in the control and eradication of noxious weeds; to the Committee on Agriculture and Forestry.

S. 828. A bill to increase the period for which leases may be made of public lands granted to the State of Idaho for educational purposes by the act of July 3, 1890; to the Committee on Public Lands and Surveys.

By Mr. KILGORE:

S. 829. A bill for the relief of Mr. and Mrs. T. Earl Rodgers; to the Committee on Claims.

By Mr. AIKEN:

S. 830. A bill to amend an act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920; to the Committee on Civil Service.

By Mr. BULOW:

S. 831. A bill to provide for the improvement and development of navigation, irrigation, and control of floods on the Missouri River and tributaries in the Dakotas for the promotion of the national defense, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. WILEY:

S. 832. A bill to enable the Secretary of Agriculture more effectively to assist in the voluntary adjustment of indebtedness between farm debtors and their creditors; to provide for the transfer of certain mortgages and foreclosed farm property from the Federal land banks to the Federal Farm Mortgage Corporation, and the refinancing thereof; and for other purposes; to the Committee on Agriculture and Forestry.

S. 833. A bill to require that hearings or meetings held by the Work Projects Administration with respect to the grievances of relief workers be open to the public; to the Committee on Education and Labor.

S. 834. A bill to amend subsection (n), section 77, of the Bankruptcy Act, as amended, concerning payment of preferred claims; to the Committee on the Judiciary.

By Mr. PEPPER:

S. 835. A bill to enable certain former citizens of the United States who have lost their United States citizenship by taking oaths of allegiance to foreign princes or powers friendly to the United States to regain such citizenship; to the Committee on Immigration.

By Mr. SHEPPARD:

S. 836. A bill for the relief of John C. Crossman; to the Committee on Claims.

S. 837. A bill granting Odie Goree the right to sue the Farm Security Administration in the United States District Court for the Northern District of Texas; and

S. 838. A bill to permit Mrs. C. B. Allen, of Grayburg, Tex., to bring suit against the United States Railroad Retirement Board in the District Court of the United States for the Eastern District of Texas; to the Committee on the Judiciary.

S. 839. A bill to authorize the appointment of female dietitians and female physical-therapy aides in the medical Department of the Army; and

S. 840. A bill to create the grade of aviation cadet in the Air Corps, Regular Army, and to prescribe the pay and allowances therefor, and for other purposes; to the Committee on Military Affairs.

By Mr. NYE:

S. 841. A bill relating to the making of certain payments in connection with the 1937 soil-conservation program; and

S. 842. A bill relating to the purchase of certain land for inclusion within the Beltrami Island Project, Minn.; to the Committee on Agriculture and Forestry.

S. 843. A bill for the relief of Francis Lee Harbough; and

S. 844. A bill for the relief of Oscar G. Norgaard; to the Committee on Claims.

S. 845. A bill granting increases in pensions to certain widows of persons who served in the military or naval forces of the United States during the war with Spain, the Philippine insurrection, or the China relief expedition; to the Committee on Pensions.

By Mr. CAPPER:

S. J. Res. 36. Joint resolution proposing an amendment to the Constitution of the United States relative to marriage and divorce laws; to the Committee on the Judiciary.

By Mr. NYE:

S. J. Res. 37. Joint resolution authorizing the erection of a statue of Leif Ericson in the District of Columbia; to the Committee on Public Buildings and Grounds.

HEARINGS ON GRIEVANCES OF RELIEF WORKERS

Mr. WILEY. Mr. President, on February 19, 1940, I introduced a bill requiring that hearings or meetings held by the Work Projects Administration with respect to the grievances of relief workers be open to the public. The bill was referred to the Committee on Education and Labor, but no action was taken on the proposal.

I have reintroduced the bill (see Senate bill 833, under the heading "Bills and joint resolutions introduced") today because of certain W. P. A. controversies in Wisconsin during the past week. I do not wish to take the time of the Senate discussing these matters, but I ask unanimous consent for the insertion at this point of an editorial from the Milwaukee Journal of Friday, January 31, 1941.

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

THE W. P. A. DISMISSALS

Just why have the three top-ranking officials of the W. P. A. in Milwaukee been dismissed.

Milwaukeeans want an answer to that question. They feel that they have a right to an answer. But Linus Glotzbach, regional W. P. A. administrator, says he does not intend to give any information.

The men were dismissed, says State Administrator Muth, because, in view of a report of investigations made from Washington into union control of the local W. P. A., dismissal would "further administrative efficiency." He says, further, that changes had been contemplated for some time. Now seemed a good time to make them.

Mr. Muth's explanation, if it can be called that, is neither enlightening nor convincing.

Citizens know that an investigator from national W. P. A. headquarters was sent to Milwaukee to hear complaints that the local W. P. A. was dominated by Local 113 of the A. F. L. Common Laborers and Hod Carriers' Union. They know that the complaints were heard behind closed doors. They know that subsequently a report was made to Linus Glotzbach at St. Paul. They know that Mr. Glotzbach came to Milwaukee to confer with Mark A. Muth, the top W. P. A. official for Wisconsin. They know of the present dismissals. And that is all they know.

Is this public business or isn't it? If it is, why all the secrecy? If it is not, just what is the W. P. A., anyway?

This attitude of "We'll take care of everything and the whys and wherefores are none of your business" is not helping the W. P. A. in popular esteem. A feeling is growing that the W. P. A. has outlived any usefulness it had and that feeling is encouraged by the secrecy that has surrounded W. P. A. activities from the days of the mismanagement of Harry Hopkins to the very present.

The mere announcement that three men are dismissed is not enough in this case. The people want to know just how bad conditions in the local W. P. A. have been. It would be a good idea for Government, despite its growing impatience with popular interest in Government undertakings, to tell them.

HOUSE BILL REFERRED

The bill (H. R. 1776) further to promote the defense of the United States, and for other purposes, was read twice by its title and referred to the Committee on Foreign Relations.

CHANGE OF REFERENCE—PENSIONS

Mr. SHEPPARD. Mr. President, on behalf of the Committee on Military Affairs, I ask that that committee be discharged from the further consideration of Senate bill 415, to provide pensions to members of the Regular Army, Navy, Marine Corps, and Coast Guard who become disabled by reason of their service therein, equivalent to 90 percent of the compensation payable to war veterans for similar service-connected disabilities, and for other purposes, introduced by the Senator from Wyoming [Mr. SCHWARTZ], and that the bill be referred to the Committee on Pensions.

The VICE PRESIDENT. Without objection, it is so ordered.

MRS. CLIFFORD DRAKE DAVIDSON—AMENDMENT

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (S. 285) for the relief of Mrs. Clifford Drake Davidson, which was referred to the Committee on Finance and ordered to be printed.

AMENDMENTS TO APPROPRIATION BILLS

Mr. BARBOUR submitted an amendment intended to be proposed by him to the bill (H. R. 2788) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1942, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 9, between lines 14 and 15, insert the following:

"CANAL ZONE BIOLOGICAL AREA

"For expenses of administration and for the construction and maintenance of laboratory and other facilities on Barro Colorado Island, Canal Zone, under the provisions of the act approved July 2, 1940, without reference to section 3709 of the Revised Statutes and civil-service requirements, \$10,000."

Mr. BARBOUR also submitted an amendment identical with the foregoing intended to be proposed by him to the first deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

AMENDMENT TO THE LEND-LEASE BILL

Mr. MURRAY. Mr. President, in submitting the amendment I am now proposing, I desire briefly to explain to the Senate the reasons which, in my opinion, necessitate this addition to the lend-lease bill, Senate bill 275.

It is within the knowledge of Senators who represent agricultural States that

the economic consequences of this war press most heavily on our American farmers, the growers of wheat, cotton, tobacco, corn, fruits, and foodstuffs in general, primary and manufactured, because of the virtual exclusion of these commodities from their former leading markets. The latest report of the Department of Commerce on our trade for 1940 states specifically that in recent months the exports of the two food groups reached their lowest level since 1869.

Temporary relief has been given by Government purchases of portions of these surpluses, by loans against surpluses, by increased Government purchases for the defense services, and, to some additional extent, by increased domestic consumption due to improved buying power of domestic consumers. By and large, however, the problem of finding outlets for these farm surpluses is, in some of its wartime aspects, of serious consequence to the agricultural States, and one for which a solution should be found, if economic difficulties at the end of the war are to be lessened.

Extended powers have been given to the Reconstruction Finance Corporation, as appears in Public Law No. 664, approved June 25, 1940, to aid our export and import trade as an essential part of the national-defense program. These powers, according to the recent report of the Administrator, Mr. Jesse H. Jones, published in the CONGRESSIONAL RECORD of January 27, 1941, page 342, are being exercised mainly in securing imports of strategic and critical materials, including antimony from China, chrome ore from South Africa and the Philippines, copper from Latin America, graphite from Madagascar, manganese ore from far eastern and Latin American sources, tin from Bolivia and the Far East, and crude rubber from Malaya and Latin America. The financial commitments by the companies formed by the R. F. C. amount to \$1,100,000,000.

Imports of these essential strategic and critical materials provide dollar exchange which should be available for purchases of United States products, including substantial portions of our farm surpluses which are rapidly accumulating, owing to exclusion from former markets. As a Nation, we have hesitated in the past in doing what Great Britain and other leading trading nations have insisted upon, in having a definite tie between our loans and credits and the buying power thus provided the borrowing nation for taking more of our products.

The severity of this wartime blow to our farmers, contrasted with the increase in their exports during the previous war, calls for prompt action in linking our large imports of defense materials to our farm-export problem.

We recognize, of course, the difficulties of Great Britain under the cash-and-carry provisions of our Neutrality Act, the necessity of conserving her dollar exchange for the purchase of essential armaments in the United States, and the consequent diversion to British countries of purchases of foodstuffs, tobacco, lumber, fruits, and other goods. The lease-lend bill, however, if finally passed, will

change the situation materially and place upon our Government the obligation of seeking to reopen the British market to our surpluses of farm products.

It seems to me that our defense plans call for such an arrangement, whereby American growers of wheat, cotton, tobacco, fruits, lard, and other products would not be the sole sufferers by loss of their export trade. British dominions and other present sources of British foodstuffs and other supplies should, in all fairness, recognize the claims of the United States' agricultural interests to the disposal of a substantial portion of their accumulating surpluses in the United Kingdom market.

Under the provisions of the lease-lend bill the terms of repayment could be arranged on a deferred basis; repayment, if necessary, to be made in goods not injurious to our domestic interests. The question of repayment is a detail which the administration could work out, as in the case of war materials to be loaned or leased. The sale of a portion of our farm surpluses at this time would relieve the Government from the necessity of renewing loans or purchases on farm products in the amounts now found necessary since the beginning of the war.

There are more important reasons, however, why the disposal of our farm surpluses should form a part of this bill by the adoption of my amendment.

Our national-defense plans, aided by the powers given to the R. F. C., call for a united national front in the present crisis. We must avoid at all hazards any discontent arising out of our defense plans. It is of small account to the growers of wheat, cotton, tobacco, fruits, lumber, and other products of the soil, to be told that our 1940 foreign trade showed an export balance of more than a billion dollars. I refer those interested to the exact figures in the Department of Commerce Report for 1940.

American farmers will not be satisfied with the statement that our wartime trade abroad compensates the United States in value for loss of our agricultural markets. Out in California they are pulling up fruit trees, and in Texas cutting down the cotton-crop area by 40 percent, while our tobacco growers are driven also to reducing their planting. In Montana and Virginia apple growers are cut off from former markets.

The wheat growers of the Nation are faced with disaster, as the round figures on the estimated supply for the United States and Canada show. On next August 1 the carry-over is estimated at 400,000,000 bushels for the United States, and 500,000,000 bushels for Canada, a total of 900,000,000 bushels. Prospects for the 1941 wheat crop at present are for 800,000,000 for the United States, and 500,000,000 bushels for Canada, a total of 1,300,000,000 bushels, which, together with the carry-over, makes a total of 2,200,000,000 bushels available for the 1941-42 marketing year. The expected disappearance during the marketing year is 700,000,000 bushels for the United States, and 400,000,000 bushels for Canada, a total of 1,100,000,000 bushels, leaving on August 1, 1942, the unprecedented carry-over of 1,100,000,000 bushels, equal

to a full year's disappearance, of which 500,000,000 bushels will be in the United States and 600,000,000 bushels in Canada. At the present time the net world needs are only 400,000,000 bushels, and to the United States-Canadian supply must be added the Argentine and Australian surpluses, the aggregate being a staggering amount. Britain has been giving preference to her dominions and to the sterling countries in her purchases of wheat, thereby virtually excluding wheat imports from the United States. Such is the outlook for our wheat farmers, who have already suffered much from depression and drought.

It is not only with the monetary value of these wartime losses that our growers are concerned, seeing that Government relief in some degree mitigates the severity of these economic consequences of the war. Of more serious concern are the possible permanent effects of the diversion of British purchases into new channels, stimulating increased production in competing countries and intensifying our American competition growers in the future.

This applies particularly to cotton and tobacco, which are peculiarly sensitive to the harm wrought by the interruption of trade, during which consumer preference may undergo a permanent change. We have seen our leading export commodity, raw cotton, gradually superseded by the impetus which policies abroad of self-sufficiency and war preparedness have given to the planting of cotton in other countries. Tobacco similarly is subject to the preference of the consumer, which may be changed to the detriment of American tobacco, if subject for any length of time to exclusion from its former markets. Any interruption to the continuity of our contacts with foreign markets is bound to have adverse effects upon our future foreign trade. With our shipping and salesmen denied access to countries in the war zones, it is incumbent upon the Congress to devise some means whereby our exports of agricultural products do not suffer any permanent loss through neglect to make reasonable precautions.

There is a further reason why this amendment should be adopted. Our defense program involves during wartime the maintenance, in the highest degree, of our domestic economy. If we as a nation are to take a leading part as the creators of a new world order, as against the totalitarian aims of the Axis Powers, we must be strong to resist any encroachments of a character incompatible with our democratic way of life. With pan America as a solid front on this Western Hemisphere, we shall need the alliance of other democracies to insure the defeat of any post-war plans which would menace our future by any infiltration of subversive Axis economic doctrines.

It will be necessary to have an understanding, if not a definite agreement, with other democratic nations, which will insure a peace by which the economic freedom and independence of all nations, great and small, shall be recognized and guaranteed, as a basis of freer commercial relations.

There are great difficulties ahead of the United States, in the period of reconstruction and readjustment from a wartime to a peacetime economy, necessitating adjustment to new and changed conditions throughout the world. Wartime self-sufficiency in all lands will create new barriers to trade and intensify competition for markets. We cannot forget that our American farmers were the first to meet the deflationary shock that succeeded the previous Great War; the foreclosing of mortgages, and the dire distress which overwhelmed our agricultural States. Nor can we forget the sufferings of millions of unemployed workers after the war and following the great depression that swept over the world in 1929 and after. With these experiences fresh in our memory, we must do all that is possible at this stage to provide against a recurrence of these calamities.

I am not unaware of the difficulties industry will meet in the post-war period of readjustment to peacetime production. It is obvious, however, that no country can attain economic strength and security sufficient to overcome these post-war troubles in which its domestic economy does not rest securely on a prosperous agricultural community. We must avoid the mistakes of the previous post-war period and see that the American farmer is not left to bear the full brunt of the disturbing factors which the economic consequences of this colossal war will inevitably bring in its train. Our farmers must have some assurance that their interests are not needlessly sacrificed to the exigencies of war.

The amendment I am offering will provide the President with power to dispose of our agricultural surpluses in part exchange for the vast quantities of war materials, shipping, and other all-out aid short of war which this bill, when enacted, will make available to the forces arrayed against the Axis Powers.

Our defense plans are national. They embrace all the resources of the United States. These plans are both military and economic. To insure the success of our economic defense plans, we must take account of the economic needs of all sections of the country. At this time, when defense needs call upon the manhood of the Nation in every stratum of our social life, agriculture and industry alike, there should be no hesitancy in making such provision as may be possible to relieve the present losses of the farmer and grower by adoption of this amendment to the bill before the Senate.

I ask that the amendment intended to be proposed by me to the bill (S. 275) to be proposed by him to the bill (S. 275) further to promote the defense of the United States, and for other purposes, be printed and appropriately referred.

The VICE PRESIDENT. The proposed amendment will be referred to the Committee on Foreign Relations and printed.

ADDRESS BY THE PRESIDENT ON ANNIVERSARY OF BOY SCOUTS

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD the address delivered by the President on February 8, 1941, in commemoration of the thirty-first anniversary of the Boy Scouts of America, which appears in the Appendix.]

THE WAR IN EUROPE AND THE DANGER TO DEMOCRACY

[Mr. PEPPER asked and obtained leave to have printed in the RECORD three addresses delivered by him regarding conditions brought on by the war, which appear in the Appendix.]

ADDRESS BY PRIME MINISTER CHURCHILL ON BRITAIN'S GROWING STRENGTH IN WAR

[Mr. PEPPER asked and obtained leave to have printed in the Appendix the address on Britain's growing strength in the war, delivered over the radio by Prime Minister Winston Churchill, Sunday, February 9, 1941, which appears in the Appendix.]

ADDRESS BY SENATOR BALL ON LABOR RELATIONS AND NATIONAL DEFENSE

[Mr. BALL asked and obtained leave to have printed in the RECORD a radio address delivered by him on February 3, 1941, on the subject of labor relations and national defense, which appears in the Appendix.]

ADDRESS BY HON. ROBERT H. JACKSON ON LAW ENFORCEMENT FOR NATIONAL SECURITY

[Mr. MEAD asked and obtained leave to have printed in the RECORD a radio address on law enforcement for national security, delivered by Hon. Robert H. Jackson, Attorney General of the United States, before the Saturday Afternoon Forum of the National Democratic Club at New York City, February 8, 1941, which appears in the Appendix.]

ADDRESS BY AMBASSADOR FROM CHILE ON PAN-AMERICAN UNITY

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD an address delivered by His Excellency Rodolfo Michels, Ambassador of Chile, before the annual dinner of the Columbia University Alumni Association at the National Press Club in Washington, D. C., February 8, 1941, which appears in the Appendix.]

ADDRESS BY REV. MAURICE S. SHEEHY ON "FENCE SITTERS"

[Mr. BYRNES asked and obtained leave to have printed in the RECORD a radio address on the subject of "fence sitters," delivered by Rev. Maurice S. Sheehy, head of the department of religious education of the Catholic University of America, on February 8, 1941, which appears in the Appendix.]

MAN'S INCENTIVE TO WORK—ADDRESS BY JUDGE T. WHITFIELD DAVIDSON

[Mr. SHEPPARD asked and obtained leave to have printed in the RECORD an address by Judge T. Whitfield Davidson to the student body of Abilene Christian College at Abilene, Tex., on October 12, 1940, on the subject Man's Incentive to Work, which appears in the Appendix.]

PRELIMINARY REPORT OF CONFERENCE OF MAYORS ON CIVIL-DEFENSE ORGANIZATION AND ADMINISTRATION

[Mr. MEAD asked and obtained leave to have printed in the RECORD a preliminary report for civil-defense organization and administration in the United States, submitted to the President of the United States by F. H. LaGuardia, president of the United States Conference of Mayors, and a letter of transmittal of the report, which appear in the Appendix.]

EDITORIAL FROM MAGAZINE LIGHT ON LEND-LEASE BILL

[Mr. WHEELER asked and obtained leave to have printed in the RECORD an editorial from the February 1941 issue of Light on the subject of the so-called lend-lease bill, which appears in the Appendix.]

HELP SAVE ENGLAND—EDITORIAL BY CLINTON N. HOWARD

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an editorial by Dr. Clinton N. Howard, published in Progress magazine for February 1941 under the headline "Help save England," which appears in the Appendix.]

WATER-POWER DEVELOPMENT AND THE NEW RIVER CASE

[Mr. NORRIS asked and obtained leave to have printed in the RECORD a portion of an article by John W. Scott, of the Federal Power Commission, entitled "Water-Power Development and the New River Case," which appears in the Appendix.]

BURNS & M'DONNELL ENGINEERING CO.—REPLY TO EXHIBIT

[Mr. BONE asked and obtained leave to have printed in the RECORD the reply to the exhibit presented by Senator BRIDGES and published in the CONGRESSIONAL RECORD of January 8, 1941, relative to Burns & McDonnell Engineering Co., which appears in the Appendix.]

APPROPRIATIONS FOR NATIONAL DEFENSE

Mr. ADAMS. Mr. President, I understand the junior Senator from Massachusetts [Mr. LODGE] desires to address the Senate, and I should like to state that I had hoped to bring up this morning an appropriation bill, the consideration of which I do not believe will take very long.

Mr. LODGE. Does the Senator desire to move that the bill be taken up?

Mr. ADAMS. I wish to ask unanimous consent that the Senate proceed to consider House Joint Resolution 89, making an additional appropriation for the fiscal year ending June 30, 1941.

The VICE PRESIDENT. Is there objection to the request of the Senator from Colorado?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 89) making an additional appropriation for the fiscal year ending June 30, 1941.

PROMOTION OF NATIONAL DEFENSE

Mr. LODGE. Mr. President, I desire to speak today about the so-called lend-lease-gift bill, and I should like to be able to make my brief statement without interruption, so that it may have some continuity. I shall, of course, be glad to attempt to answer any questions or to debate the matter when I shall have concluded my statement.

Mr. President, I am much impressed with the importance of discussing this question in as fair a way as we know how to discuss it. This is certainly no time for narrow partisanship or for name calling. Let us not call each other appeasers, on the one hand, or war mongers, on the other. Let us respect each other's motives. We simply cannot allow the debate, whether in Congress or in the Nation, to grow so bitter that we approach the conditions of France last year, when Frenchmen hated each other more than they hated the foreign enemy. Certainly anyone in public office who considered a question of this importance on other than the loftiest grounds would be faithless to his trust, and I know that in Congress the question is being considered on the loftiest grounds.

What is this bill? It is a bill to further empower the President to give as much of our Army and Navy weapons as he chooses, and as much of our money as he chooses, to any nation that he chooses, in any way he chooses, regardless of existing statute law. In addition, it empowers him to seize belligerent ships which are now in our waters and to repair belligerent vessels in our ports. This is a brief—and a fair—definition of what this bill does.

Before we decide to give away or sell weapons to a foreign country, we should first see what our own defense picture is. There is no great secret about that. We shall not have all the ammunition and weapons that we need for our proposed Army of 2,000,000 men until 1943. It is altogether possible that the 6,000 planes which Congress authorized in April 1939 will not all have been received 2 years later. We shall probably not have our two-ocean Navy until 1946. The one-ocean Navy which we do have must come through the Panama Canal to reach the Atlantic coast and the Panama Canal cannot be made safe against explosions in the locks until 1946. We wasted the first 9 months of the war; the sentry was asleep at his post. As has been often pointed out, we live in a world in which an unfriendly Germany, an unfriendly Japan, and an unfriendly Russia are looking at the United States. Our first question is, Is it wise for us in such a world to divide our slender forces and our limited war materials and send them abroad rather than keep them together and take full advantage of our central position for defense?

The real urgency confronting this country is not so much one of legislation as it is one of production. The Executive has ample legislative authority now. Instead of talking about "all out aid," we should think about "all out production." But this is something which this bill does nothing whatsoever to promote, something which it does not touch.

Any Senator will try to get the very best information and advice on a vital question of this kind. This is particularly true of a man like myself who has been a student of military problems for years and who has visited Europe, Asia, and Latin America as a newspaperman. For 15 years I have been a member of the Army Reserve, attending maneuvers and exercises of all sorts. Last year I was on active duty with troops for several weeks. I am now engaged in my spare time on the preparation of military-extension courses for the War Department. I do not pose as an expert, as I have said here many times, but as a student who appreciates the importance of the decisions which face us. When and if my country goes to war I shall serve.

Moreover, a Senator from Massachusetts—a State which would be in an exposed position if the United States were attacked—knows the need not only for national defense, but also for a strong Canada. Our fate and that of the Dominion of Canada are so closely intertwined that any blow in this hemisphere which would be dangerous to Canada would be dangerous to the United States.

This presents a challenge for constructive action which I have tried to meet.

But many of the steps which should have been taken years ago to strengthen our hemisphere were neglected and we now confront a world in which American impartiality has been abandoned and Hitler's dreadful drama of destruction is in full swing.

It is not necessary for an American, who loves his country's traditions, to say that everything that Hitler stands for is utterly and bitterly repugnant to him. As far as I am concerned Hitler and all his followers cannot be liquidated too soon. His evil record and the unholy consequences of his acts are revolting beyond description. To trust him to depart from his selfish national interests would be insane.

Equally deplorable, although not condemned in high places, are the acts of aggression of Soviet Russia—acts which not only deny religion, but which have wiped out Latvia, Lithuania, Estonia, and part of Poland, and have savagely maimed heroic Finland. Nothing in this bill prevents more American aid to Russia.

Looking at the other side of this grim picture, we admire and respect Great Britain. So determined and gallant a fight for one's own country is something which will always command the respect and enthusiasm of Americans. May we show the courage which they have shown—and which Greece has so triumphantly displayed—if we ever are required to defend our country.

Moreover, our interest in Great Britain is not only one of sentiment. We must look at this war as it affects us from a military and an economic standpoint.

The statements of every responsible military expert give us good grounds for hoping that we could resist invasion of our vital zone regardless of the outcome of the war if we are reasonably well prepared.

The economic consequences of a British reverse are startling to contemplate, although obviously no man can speak with certainty about just what they will be. The post-war picture will be a very depressing and bad one no matter who is successful. In any event, the American people will probably face reduced living standards, increased unemployment, and a very substantial increase in Government control of human activities.

A British reverse in Europe is, however, primarily something which would be agonizing to our emotions and detrimental to world affairs. It would not be fatal to our national existence and it would not be fatal to the life and physical security of the American people. For these things we depend on ourselves alone.

Nor can I believe that such a reverse would be fatal to our economic system. When we are told that a victorious Germany would dump its goods in foreign markets and would resort to barter instead of established methods of international trade, properly financed, it is well to remember that this is a game at which two can play. We can dump and we can barter in foreign trade if necessary.

It is in that spirit of sympathy and support, to a brave people fighting in

self-defense, that the American people want to help Britain. The so-called loan-gift bill which faces us in Congress, however, is not, strictly speaking, an aid-to-Britain bill. The names of Great Britain or of China or of Greece are nowhere to be found in the entire text. Yet the President, like all the rest of us, is a human being and is subject to the frailties of human flesh as we all are. Even if we know what his preferences are among the nations of the world now, how can we possibly be sure of its continuity? The average man's idea of an aid-to-Britain bill is one which conveys a certain amount of funds to the British people and which develops real all-out production so that we have weapons to spare, instead of the shortage which faces us now. But this bill does neither of these things. Instead it empowers the President to give as much of our Army and Navy weapons as he chooses and as much of our money as he chooses to any nation that he chooses. Why the demand for these powers? They cannot be explained on the basis of aid to Britain. Let us, therefore, look at them in the light of our past administrative experience.

One thing which symbolizes the past, insofar as the United States Government is concerned, is the large number of legally declared emergencies. Official reference works show that since March 4, 1933, there have been some 80 statements of emergency. Some of these emergencies, like the banking, the drought, and the flood emergencies, are easy to understand. Let us look at some of the others:

There was the emergency demand for economy in Government—an emergency about which the President said, "We must not wait." Has this result been achieved?

There was the emergency demand "to rescue agriculture." Has agriculture been rescued?

There was the emergency of unemployment relief and the pledge that the Federal Government would care for employables. Was this done? Is it not true that, in spite of the defense program, 8,000,000 people are still out of work today?

There was the oil-industry emergency of April 1933. With what result?

There was the gold-coin emergency in that same year. Where has this led us?

There was the emergency relating to the foreclosure of small home mortgages—assuredly a worthy object. But is not the Government doing the foreclosing now?

There was the National Industrial Recovery Act, about which, in his message of proposal, the President said:

It is urgently necessary immediately to initiate a reemployment campaign.

What, may one ask, has happened to that campaign?

There were the reciprocal trade agreements, which were described as "part of an emergency program" and as designed to bring world peace. Did it achieve its goal?

Then there was the court-packing emergency, which consumed the first 9 months of the year of 1937. What did that accomplish?

There was a message in that same year for the merchant marine, in which this statements occurs:

The question comes—what are we going to do about it? The answer is build ships—the best and most modern ships—and build them right away.

Where are our much-needed ships today?

Some may have forgotten it, but there was an emergency in the autumn of 1937. In a fireside chat the President announced that he would call a special session of Congress—

to consider immediately certain important legislation which my recent trip through the Nation convinces me the American people immediately need.

What did this special session accomplish? The only law which I recall as having passed was a resolution appropriating funds for the extra mileage of the Members of Congress. What happened to that emergency?

In 1938 a message was sent to Congress asking for railway legislation—

in order to prevent serious financial and operating difficulties between now and the convening of the next Congress.

Have these serious operating and financial difficulties been removed?

Then came the European crisis centering at Munich. On September 26, 1938, in a peace plea cabled to President Benes, of Czechoslovakia, and to Hitler, the President described this emergency in these terms:

The fabric of peace on the Continent of Europe, if not throughout the rest of the world, is in immediate danger. The consequences of its rupture are incalculable. Should hostilities break out, the lives of millions of men, women, and children in every country involved will most certainly be lost under circumstances of unspeakable horror. The economic system of every country involved is certain to be shattered. The social structure of every country involved may well be completely wrecked.

Events which have taken place since that time show that the President in this dramatic, eloquent, and, I think, beautiful description of the Munich emergency did not exaggerate. It is as bad, if not worse, than he foretold. But what was done about it? Was a defense program begun? This was more than 2 years ago. If our defense efforts had started then, we would be well-nigh impregnable today.

As the President himself said later:

Our defense as it was yesterday, or even as it is today, does not provide security.

How true and how baffling. We seem to see the emergency. We seem to vote appropriations and to pass laws. But we do not seem to follow through. We do not seem to get results. We do not seem to solve the problem. Whether it is due to indifference or apathy of Congress, it is easier to pass a general bill giving away a lot of broad powers than it is to think out a bill that will in real detail come to grips with the situation. It is easier to vote "yea" than it is to think a thing through.

It is easier to concentrate power than to retain responsibility. That, Senators, has been the history of every parliamen-

tary body in Europe. Look at them today.

And so we come to our present fiscal condition, in which we are piling up a debt and steadily spending more than we are taking in. If a people by restrictive and punitive legislation are deprived of the power to earn, it logically follows that there is nothing left to tax. The only real asset that any government has is the power to tax. The practice of creating deficits year by year, if continued, leads to the confiscation of all property, to inflation, and to the repudiation of all debts—unless a system of totalitarian control is established, which is the end of all free enterprise and of true democracy. The history of nations reveals this same dreary chain of events. All seem to spend more than they take in; and the result is either inflation and bankruptcy or the finding of a strong man—not necessarily a good man.

We like the great social advances which we have made in the past few years. Let us hope that we shall be able to maintain them. Yet, despite all the artificial fiscal stimulants which have been applied, little real progress has been made. It is enough to know that there are still 8,000,000 people unemployed in spite of the defense program. Freedom from want—right here in the United States—is still as pressing an issue as it ever was. Many are still undernourished, ill housed, and poorly clad.

Can we not also assert that no nation ever wins in war? A few physical assets, which often prove liabilities, may be obtained, but in the last analysis the net result is grief. With this prospect facing us, any discussion of isolationism is academic. After this war is over the economic forces of the world will isolate us whether we like it or not. When the war is over the belligerents will be so financially, economically, and probably physically prostrated that they will be compelled to live within themselves, unless charity is obtainable; and where will such charity be found? Is not the real prospect in most of those countries one of internal revolutionary disorders?

One may ask why all this talk about the economic consequences of this war. Why all this talk about the past? Because it is only by looking at these factors that we can explain the real consequence of this bill. I ask Senators whom I see before me, whose experience as Governors of great States, fiscal experts, and students of foreign affairs is well known, to look at the record of the past. Try to see ahead into the future and you will then ask yourself the question, Is not this bill really part of the pattern of internal control and not primarily a part of military or foreign policy? Is not this bill really another step in the control of free enterprise? In this bill do we not find those totalitarian controls of which we have heard and read so much? Do our past acts and this bill conform to our American ideals of government?

Note well that there is no limit on the amount of money which could be spent under the terms of the bill. The Executive could give away our own weapons in unlimited amounts and then request

from Congress more funds to build up our own Army and Navy. These requests could not be refused. We therefore have a combination of unlimited power plus unlimited funds. This is all that is needed to set up totalitarian controls over wages, prices, and production. It is such power as this, wielded in the past by tyrants and kings, which called representative assemblies into being. As has been well said on another occasion, it is too much power for a bad man to have; it is too much power for a good man to want.

We can say this utterly without partisanship, without personalities, and without bitterness. We ask our questions, mindful of the words of a great Massachusetts Senator—maybe the greatest who ever lived—Daniel Webster. This is what he said:

It is hardly too strong to say that the Constitution was made to guard against danger of good intentions, real or pretended. There are men in all ages who mean to use power usefully, but who mean to exercise it. They mean to govern well, but they mean to govern; they promise to be kind masters, but they mean to be masters. Their notion of public interest is likely to be quite closely connected with their own exercise of authority. The love of power may sink too deep in their hearts even for their own security.

Those who oppose giving this vast discretion to the President cannot be accused of lacking sympathy for Britain, with which this bill has such a really indirect connection. Nor can they be accused of blindness to the inefficiencies of certain democracies. We can indeed learn much by studying the tragic fate of France and by determining that, unlike France, we shall not be guilty of going to war when we are unprepared and that, unlike France, we shall never follow a foreign policy which our military strength is not strong enough to carry out.

But while we see the weaknesses and the errors of democracy, we must not plunge headlong into the opposite direction and, merely because Hitler has won some victories, conclude that the only course open to us is to establish dictatorial methods here as well. Only a few days ago the army of the greatest remaining European democracy defeated the army of a nation which is as completely under the sway of a dictator as any nation in the world. There is a vitality to democracy which no other form of government possesses. If this were not true, our system would never have endured. In our zeal to defend democracy abroad, let us not assassinate democracy at home.

Let us have a little faith in ourselves. Let us have faith in the words of our leaders. Let us recall that on October 23, 1940, President Roosevelt said:

To every man, woman, and child in the Nation I say this, Your President and your Secretary of State are following the road to peace. We are arming ourselves not for any foreign war. We are arming ourselves not for any purpose of conquest or intervention in foreign disputes. I repeat again that I stand on the platform of our party. "We will not participate in foreign wars and will not send our Army, naval, or air forces to fight in foreign lands outside of the Americas, except in case of attack."

Let us remember that on October 2, 1940, Wendell Willkie said:

The American people do not want war. They have no idea whatever of joining in any conflict whether on the Atlantic or the Pacific. They are determined to keep America at peace. In this determination I stand with them: I am for keeping out of war. I am for peace for America. * * * We must not rashly move. Any man who involves us in the risk of war while we are thus unprepared, betrays his country.

Let us have faith in our own institutions. Let not our desire to establish free speech everywhere in the world blind us to the advantages of retaining free speech in this country. Let us hope that the words "shame them, and if that fails, use the sovereignty of government" did not mean that there would be a denial of free speech for Democrats, Republicans, or Independents who do not happen to agree with those now in control. Let there be no attempt to discredit or persecute the man who thinks for himself.

Let not our zeal for free worship for others—commendable as this is—cause us ever to lose sight of the fact that ours is one of the few lands in the world where the rabbi, the priest, and the minister can lead their flocks in worship according to the dictates of their own consciences.

In conclusion, I should like to read a letter which I have received from a prominent citizen of my State—a citizen whose view, I believe, is typical of that of many of the thinking people in Massachusetts:

DEAR SENATOR LODGE: I am writing this to express the opinions of my business associates as well as my own opinion in regard to the so-called lease-lend bill. We have talked this over here, and we would like to go on record as follows:

We heartily favor assisting England in this situation with ships and planes and other necessary supplies to the full limit of our ability to produce them. We feel that it is more important for our own defense to have these supplies go to England just now than to accumulate them here. We feel that we should be very liberal in our terms as to payment for these goods. When it is apparent that England cannot pay cash for these, we think we should either lend or give these materials. If the technicalities of the law make it necessary to lend them money in order to accomplish this, we think it should be done, with the full realization that England probably cannot repay us, and that we would rather have a solvent England to do business with in the future than an insolvent one owing us money which cannot be repaid.

We hope that Congress can give the President power to accomplish these things, but we are opposed to giving him the unlimited power called for in the proposed lease-lend bill. We do not think it wise to try to cover all unforeseen emergencies at this time, but we believe that Congress should be prepared to act promptly when such emergencies do arise. We understand that one reason these unlimited powers are asked for is because of the fear of delay and obstruction in Congress, and we feel it is most important for Congress to meet this criticism by prompt action.

Here is what former President Lowell, of Harvard University, says:

The lend-lease bill authorizes any President of the United States, if he deems it in the interest of national defense, to lend—practically to give away—our whole Navy and air force to any foreign nation and turn over to

it the whole military manufacturing power of the United States at his discretion.

The administration may well draw such a bill for Congress to circumscribe, but to pass it in that form could only be the result of hysteria, and the conditions do not justify hysteria here. Those of us who desire to help England to the utmost, whether it unfortunately leads to war or not, can do it best if we do not lose our heads.

The provisions of this bill endanger some of our most precious values. Its provisions authorizing the seizure of belligerent ships in our waters and its language permitting the repair of belligerent vessels in our ports clearly increase the danger of our entry into war—and if we are at war, what happens to individual freedom? The weapons which can be sent abroad under the terms of this bill could unquestionably seriously weaken our Army and Navy. If we intervene in a war not of our own making, we lose, as has so often happened before. We are berated by the nations we oppose and forgotten and criticized by the nations we presume to help. And how will our neighbors in Latin America square this further step toward war with the pacific sentiments of our good-neighbor policy?

If the President really wants us to go to war, let him bring in a message to Congress to that effect and put the issue to a vote. The American people have a right to go to war if they want to; but they should do so of their own free will, deliberately, and not slip into it sideways without knowing what is happening to them until it is too late.

There is such a thing as a declaration of war. To this tragic error I am opposed.

There is such a thing as a bill to aid Britain. A concrete and definite bill, within reasonable limits that is just to all parties, will have my support.

There is such a thing as a bill to establish internal dictatorship. For this I will not vote.

Let us call things by their proper names.

Not only does this bill increase the danger of foreign war and the danger of totalitarian control at home but it enables the President at his discretion to enter into such alliances with such foreign nations as suit him. Most of us had thought that an alliance with a foreign nation was a matter to be embodied in a treaty and ratified by a two-thirds vote of the Senate. This is what our Constitution says. This is what we have always done in the past. If the President alone is to have the power to put the United States into alliances with foreign countries, the people ought to know it. If the President has this power, what limit is there to the number of international organizations which we might be required in the future to join—and underwrite with our money and blood? Indeed, the powers which are given to the President in this bill can have such a far-reaching effect on our internal structure as to make it unrecognizable. It is not for the executive, the legislative, or the judicial branches to change this democratic government of ours by direct or indirect action. This Government belongs to the people, and lawful methods

are provided in their Constitution for making changes by the people.

To pass a definite, just, and reasonable bill as a salute to our hard-pressed friends abroad is one thing. That would be orderly. That would be constitutional. But to convey the power of life and death at the unlimited discretion of one man is something which I cannot do.

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

THE VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Texas?

MR. LODGE. I yield.

MR. CONNALLY. I wish to say to the Senator that I very deeply regret that I was denied the pleasure of hearing his entire address. However, I noticed that the Senator from Massachusetts said something to the effect that this bill would authorize the President to seize all foreign ships in our ports. Where in the bill does the Senator find that provision?

MR. LODGE. Mr. President, I have not before me at the moment a copy of the bill.

MR. CONNALLY. I am sure the Senator did not have a copy of the bill before him when he said that.

MR. LODGE. Let me refer to page 2, line 19:

(1) To manufacture in arsenals, factories, and shipyards under their jurisdiction, or otherwise procure, any defense article for the government of any country.

MR. CONNALLY. Does the Senator construe "to procure" as meaning to authorize the President by force to take the property of the people of the United States away from them without compensation, or to seize ships in our harbors? Does the Senator so construe the language just referred to?

MR. LODGE. I should think there is considerable doubt about that.

MR. CONNALLY. If there is any doubt about it, why did the Senator make the definite statement?

MR. LODGE. No; I say there is a doubt that the bill authorizes that.

MR. CONNALLY. The Senator a while ago said that the bill did authorize that.

MR. LODGE. Yes; I believe the bill does do so.

MR. CONNALLY. The Senator believes the bill does?

MR. LODGE. Yes.

MR. CONNALLY. And that is the place where the bill does it, where it reads "or otherwise procure"? Is that right?

MR. LODGE. Otherwise procure; yes.

MR. CONNALLY. Does that mean confiscate or seize the ships of neutral nations that are in our harbors?

MR. LODGE. I think it means to procure or acquire.

MR. CONNALLY. The bill says "procure."

MR. LODGE. Yes; that is what I think it means.

MR. CONNALLY. Well, "acquire" does not necessarily mean acquire unlawfully or illegally by violence, by highjacking, by larceny or theft or pilfering or seizure, does it?

MR. LODGE. Not necessarily.

MR. CONNALLY. The Senator, I assume, is in favor of aiding Great Britain,

as I judge from what I heard when I came into the Chamber.

Mr. LODGE. Yes; within reasonable limits and on a just basis.

Mr. CONNALLY. The Senator is favorable to the United States Government extending aid to Great Britain?

Mr. LODGE. That is correct.

Mr. CONNALLY. I speak as a member of the Committee on Foreign Relations; we have been having hearings and are seeking information from all possible sources. Would the Senator extend such aid? What would he do about it, and how much aid would he extend?

Mr. LODGE. I believe that aid could be extended in a simple bill which made a certain amount of funds available.

Mr. CONNALLY. How great an amount?

Mr. LODGE. That is a matter about which I should like to consult the experts. I myself am not on the committee, but there should be those who would know just what the amount ought to be. All I can do is to indicate a general approach.

Mr. CONNALLY. Mr. President—

Mr. LODGE. Does the Senator want me to complete my answer to his question?

Mr. CONNALLY. Yes; let the Senator finish the answer.

Mr. LODGE. My general approach would be to make funds available, with as much security as is available, and make weapons available on a basis that would not interfere with our own training program and our own defense.

I believe that if we adopt the approach which I have tried to outline in my speech, of taking up things specifically, we can tell whether we have certain weapons which we can dispose of to foreign countries without injuring our own training program, or whether we have not; but the minute we start making general rules and broad declarations of policy, then we begin to get into trouble. My approach would be a specific, concrete, definite, factual approach within reasonable limits and on a just basis.

Mr. CONNALLY. I thank the Senator for that very clear-cut and definite program of aid to Britain. The Senator is a member of the Committee on Military Affairs and is vastly more familiar with our military situation than is the Senator from Texas.

Mr. LODGE. I do not think that is true; I think the Senator was in the World War and had a very distinguished record, and knows a great deal about the military situation.

Mr. CONNALLY. The Senator from Texas was not in the World War. He was merely out here in Maryland with an army; that is all. He did not get within hearing distance of the war, and he makes no pretense of having learned any military science or things of that kind from his obscure and very inefficient tenure of service with the Government. I thank the Senator, however, for the intended compliment.

Mr. LODGE. I think the Senator underrates himself.

Mr. CONNALLY. It is not necessarily a matter on my own conscience that it

does not reflect a great deal of credit on the Senator from Texas.

The Senator from Massachusetts wants to give aid to Britain. Does he want to give them enough aid to do the job or does he wish to give a little aid so as to say we tried to help them but they could not do anything. The Senator would not want to give them any aid unless he could give them enough aid to do the job, would he?

Mr. LODGE. If it meant putting the American people into the war, I would not want to go that far.

Mr. CONNALLY. The Senator from Texas did not ask the Senator about getting into war; he asked what degree of aid the Senator from Massachusetts would render. Would the Senator from Massachusetts want to give them enough aid to enable them to defend themselves successfully or would he merely want to give them just a little dribble of aid now and then?

Mr. LODGE. I think there is an amount between the dribble of which the Senator speaks and all-out aid, on the other hand.

Mr. CONNALLY. The Senator has limited it. Will he tell us what that point is. How much aid would the Senator give?

Mr. LODGE. I can say I am opposed to going to war.

Mr. CONNALLY. We will assume we are all opposed to that.

Mr. LODGE. And I am opposed to sending weapons abroad if thereby we would impair our own national defense or our own training program. I am not one of those who think that it would be fatal to our survival for the British to have a reverse. I think it would be desirable, highly desirable, to have the British win, but I do not think it is absolutely vital to the life and security of our people. That is the criterion I would apply on the question of aid. I believe that a great deal of aid that would make a vast difference could be extended under the terms of that formula.

Mr. CONNALLY. One other question, and I will not disturb the Senator further.

Mr. LODGE. I am always flattered whenever the Senator from Texas asks me a question, because he enlightens every subject in which he is interested.

Mr. CONNALLY. I thank the Senator; I am very grateful; and perhaps the Senator's remark will provoke me to ask other questions at some other time.

The Senator wants to give aid to England provided it does not weaken our own national defense. Can we give her aid and not weaken our defense?

Mr. LODGE. I think that might be very likely in certain fields.

Mr. CONNALLY. It might be very likely. We want to do it, one way or the other. The Senator is on the Military Committee; he knows all about our Military Establishment; can we send England some airplanes without imperiling our national defense?

Mr. LODGE. Regrettably, at this session all the information which is made available to Members of the Senate about the national defense is made available under the seal of secrecy, and I notice that when Senators make statements of

fact about the condition of our national defense they are reprimanded for so doing. So I cannot be specific about that, but I can say that I believe that if we would approach this question on the basis of fact, take each instance on its own merit, and go right down through the list of .30-caliber machine guns; .75 and 155 artillery; tanks, medium and light; and bombers, pursuit planes, and training planes, we could say that in some cases we could spare some of them without imperiling our program.

Mr. CONNALLY. I thank the Senator for his illuminating reply. If the Senator believes that we can furnish some kind of arms and some kinds of ammunition to Great Britain without weakening our own national defense, does he favor that?

Mr. LODGE. Yes; I think that would be fine.

Mr. CONNALLY. Does the Senator favor doing it now or at some other time in the future? He favors doing it now, does he not?

Mr. LODGE. I am opposed to delay, and, while I am opposed to this bill, I can certainly assure the Senator I am not going to try to delay its passage, but will try to state my own position without in any way delaying the bill.

HIGHWAY POST OFFICE SERVICE

Mr. McKELLAR. Mr. President, today marks the establishment by the Post Office Department of a new highway post-office service.

On Saturday last, as chairman of the Senate Committee on Post Offices and Post Roads, it was my pleasure, in company with the distinguished Vice President, the able Postmaster General, my very good friend and colleague the Senator from Virginia [Mr. Byrd], and Representative WILLIS ROBERTSON, also of Virginia, to participate in a preliminary ceremony in front of the Capitol marking the establishment of this new highway post-office service. The service established today was pursuant to legislation passed at the last session of Congress and approved by the President on July 11, 1940.

The new highway post-office service is one of the most significant developments in the field of mail transportation in recent years. I may say that since Saturday, when the ceremony took place in front of the Capitol, I looked up the records about the establishment of an even more important mail service in the year 1918-19, namely, the Air Mail Service. That service has been a great success; and I think the new highway mail service will likewise be a great success. Operated on the same basis as the Railway Mail Service, the mails will be carried on large bus-type trucks completely equipped with all facilities for sorting, handling, and dispatch that are included in railway postal cars.

Manned by picked crews of postal clerks, these trucks will provide increased and faster service to areas which formerly were served by short line and feeder railroads.

During the past few years many railroad companies have been forced to discontinue non-profitable passenger trains

on lines which formerly utilized large numbers of railway postal cars.

As a result, the Post Office Department has established motorized Star Route Service which has only partially supplied the facilities previously enjoyed by postal patrons when the railway postal cars were in operation. This contract operation of motortruck star routes also failed in many instances to provide adequate service in the exchange of mails at intermediate points.

The route on which highway post-office service was inaugurated has been designated the Washington, D. C., and Harrisonburg, Va., highway post-office. This route has been laid out by way of Middleburg, the Plains, and Strasburg to Harrisonburg, a distance of approximately 140 miles one way, on which one round trip will be made daily, except Sunday. I hope the service will soon be extended to the good State of Tennessee.

This route will provide swift and efficient mail service to 3 first-class, 6 second-class, 10 third-class, and 14 fourth-class post offices along the line of the route.

Letter drops have been installed on the trucks to be used, in order that postal patrons may be able to post letters directly on the truck during its brief stop-over in each of the respective communities which it serves. Positively no stops will be made between scheduled post offices, however.

Postmaster General Walker has pointed out that this new service does not contemplate competition in any way with existing railway transportation. Rather, he stated, it is to supersede discontinued train service or supplement that which does not adequately supply postal patrons in a given area.

Among the extensions to postal transportation facilities and services that have been instituted under President Roosevelt are the trans-Atlantic and trans-Pacific air-mail services; airport to post office roof top autogiro mail service; Alaskan and New Zealand air-mail services; interisland air-mail service on the Hawaiian Islands; and the pick-up and delivery air-mail service to rural areas which has been termed a rural free delivery service by air.

It will be recalled that under President Wilson the first regular air-mail service was established on May 15, 1918—a service which has grown from a single 218-mile route between Washington and New York to a Nation-wide and trans-oceanic system of air-mail routes which now embraces some 42,087 miles in the domestic and 45,278 miles in the foreign service.

I very distinctly remember—I was a member of the Post Office Committee, and reported the bill—when the service was first established between here and New York. The next year, when it was established between New York and San Francisco, there were Members of this body who said it was a chimerical proposal; that air mail never would be made effective; that it never would be made so that it would serve the people of this country. But those predictions have all failed, Mr. President; and we

all know now that not only air-mail service but air-passenger service are great services of the future. I take a great deal of pleasure in letting my mind run back to the time when on this floor we had such a fight to begin the Air Mail Service of this country.

It likewise was under President Wilson that the c. o. d. service was set up on July 1, 1913.

Going back to an earlier period in postal expansion, it will be remembered that it was under President Grover Cleveland that the Special Delivery and Rural Free Delivery Services were established, the former on October 1, 1885, and the latter on October 1, 1896.

Whereas Virginia has been selected as the site of the first route in the Post Office Department's new highway post-office service, West Virginia was the proving ground of the first rural routes to be established under President Cleveland in 1896.

From that small beginning in West Virginia, the Rural Mail Service has now grown to a point where 32,646 rural mail carriers transport the mails on 424,703,502 miles of rural routes annually, serving some 28,771,300 patrons daily.

Among the other activities of the Post Office Department showing the effectiveness and efficiency of this great organization, I may mention the Postal Savings System, which is well patronized and appreciated by the American people, and the parcel-post delivery, which is of great service to our citizens, especially those in the rural districts.

What the future of the latest addition to the Post Office Department's transportation units will be is something that will be determined in a large measure upon the success of the Washington, D. C.-Harrisonburg, Va., Highway Post Office which was placed in operation for the first time today.

Mr. President, I desire to put in the RECORD a paragraph from Joseph Holt, of Kentucky, Postmaster General under President Buchanan:

The Post Office Department in its ceaseless labors pervades every channel of commerce and every theater of human enterprise, and, while visiting, as it does kindly, every fireside, mingles with the throbbings of almost every heart in the land. In the amplitude of its beneficence, it ministers to all climes, and creeds, and pursuits, with the same eager readiness and with equal fullness of fidelity. It is the delicate ear trumpet through which alike nations and families and isolated individuals whisper their joys and their sorrows, their convictions and their sympathies, to all who listen for their coming.

Mr. President, one other word and I am through.

The postal service has been described in these words:

Courier of news and knowledge, instrument of trade and commerce, promoter of mutual acquaintance among men and nations, and hence of peace and good will.

Messenger of sympathy and love, servant of parted friends, consoler of the lonely, bond of the scattered family, enlarger of the common life.

Mr. President, I ask that there may be inserted in the RECORD as a part of my remarks letters from the Senators from

Virginia [Mr. GLASS and Mr. BYRD], written on February 10 to officials at Harrisonburg in commemoration of the establishment of this service.

The VICE PRESIDENT. Without objection, it is so ordered.

The letters are as follows:

FEBRUARY 10, 1941.

HON. WARD SWANK,

Harrisonburg, Va.

DEAR MAYOR SWANK: The Post Office Department's new highway post-office service, inaugurated today, permits me the pleasure of writing you a letter on this initial trip of a service that I believe will be highly beneficial to the residents of Virginia.

The Washington-Harrisonburg route has been laid out in a progressive part of the United States, and I feel certain that the service will be appreciated.

The provision of this modern facility by the Post Office Department for its patrons is just another effort of the democratic form of government to give every aid to its citizens.

Sincerely yours,

CARTER GLASS.

FEBRUARY 10, 1941.

MR. FRED SWITZER,

The Postmaster, Harrisonburg, Va.

MY DEAR FRED: This letter has been written in order that it might be brought to you on this first trip of the Post Office Department's new highway post-office service.

The Washington, D. C.-Harrisonburg, Va., highway post office, which was placed in operation today, is the first such route to be established anywhere in the United States.

The inauguration of the highway post-office service marks one of the most significant developments in the field of mail transportation in recent years. It is most gratifying to me to have the first route in the country established in Virginia.

The highway post office is operated on the same basis as the Railway Mail Service. The mails are carried on large bus-type trucks completely equipped with all the facilities for handling, sorting, and dispatch that are included on railway postal cars.

The route on which highway post-office service was inaugurated today has been designated the Washington, D. C., and Harrisonburg, Va., highway post office. This route has been laid out by way of Middleburg, The Plains, and Strasburg to Harrisonburg, a distance of approximately 140 miles one way, on which one round trip will be made daily, except Sunday.

This route will provide swift and efficient mail service to 3 first-class, 6 second-class, 10 third-class, and 14 fourth-class post offices.

Letter drops have been installed on the trucks to be used in order that postal patrons may be able to post letters directly on the truck during its brief stop-over in each of the respective communities which it serves. No stops will be made between scheduled post offices, however.

With the various star routes and connecting lines which will be operated in connection with the new Washington, D. C., and Harrisonburg, Va., highway post office, advanced mail delivery and service will be afforded to approximately 125,000 residents of Arlington, Fairfax, Loudoun, Fauquier, Warren, Shenandoah, and Rockingham Counties in Virginia, in addition to which the new service will also benefit adjacent areas in West Virginia.

The inauguration of this new service is but another evidence of the businesslike administration of the Post Office Department and the desire of the Department to keep abreast with changing conditions so that the most effective mail service can be rendered.

With best wishes, I am,

Faithfully yours,

HARRY F. BYRD.

Mr. McKELLAR. Mr. President, I also desire to insert in the RECORD a few remarks made by me away back in 1918 and 1919 on the establishment of the Air Service, and to add that, in my judgment, the present new Service, while not so large and all-pervading and world-wide a system as the Air Service which we then established, will in the end mean quite as much to the plain, ordinary, everyday country people of this land as that Service did.

On May 8, 1918, there was discussion on the floor of the Senate of an amendment which I offered in the Post Office Committee, and which was adopted by the committee, as follows:

Provided further, That out of this appropriation the Postmaster General is authorized to expend not exceeding \$100,000 for the purchase, operation, and maintenance of airplanes for an experimental airplane mail service between such points as he may determine.

Senator King moved to strike out that amendment; and I then made some remarks which I ask leave to have printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

[From the CONGRESSIONAL RECORD of May 8, 1918, p. 6208]

Mr. McKELLAR. Mr. President, I hope this amendment will not be adopted.

I just want to call the attention of the distinguished Senator from Utah [Mr. King], who is the author of the amendment to strike out the airplane provision, to the fact that objections of this kind have uniformly been made, and frequently by our ablest and most distinguished men, to new discoveries and inventions of this kind and to progressive measures generally. I think it was no less a person than Mr. Webster who, on the floor of this Senate, about 1830, said that he would vote against any appropriation to be used for any purpose for the improvement of anything beyond the Mississippi River, on the ground that the great West was a desert waste and never could be used by this country. Now, we read the statements of the men who opposed those things in those days and we wonder how it was that with their great reputations they were men who did not have more perspective or insight into the future, to say the least; and in the years to come I have no doubt that the distinguished Senator from Utah will be referred to by others, just as I am referring to Mr. Webster now in the very same way. I can say to the Senator that I believe that he is just standing across the path of progress.

Why, as young a man as I am, I remember distinctly when it was considered that the telephone was a toy and that it had no real use or advantage, and later on the automobile was considered a toy that would never be of any practical benefit; and yet the world could hardly get along today without telephones and automobiles. The telegraph, the ocean cable, the electric light, the electric motor, the moving picture, and numberless other improvements had the same history. And so it is with airplanes. I have no doubt that the time will come when we will use them for a hundred different purposes and that the world will feel that it could hardly get along without them.

I hope the Senator will not interpose an objection to this very worthy measure, as it seems to me. It may be that the money may not bring full results the first year or the second year or even the third year, but the time will come when results will be shown by reason of these experiments. Why,

the time will come when we will use airplanes just as frequently as we now use automobiles, in my judgment, and there may be inventions in the future that will far surpass them. We cannot afford to take chances on it if we want to help develop things of this kind and make them the best for our country; and I hope the Senator will withdraw his amendment.

Mr. McKELLAR. I also ask unanimous consent to have printed in the RECORD some brief remarks which I made on the same subject in the following year.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

[From the CONGRESSIONAL RECORD of February 1, 1919, p. 2517]

Mr. McKELLAR. Mr. President, I want to indorse all that the junior Senator from Michigan [Mr. Townsend] has so well said. It is a plain common-sense proposition. Last year when this item of appropriation was under consideration it will be recalled that the distinguished Senator from Utah [Mr. King] took then the same position about the appropriation that he takes now. Since that time, it seems to me, the experiment we have already had is sufficient to show the error of the position of the Senator from Utah. It is no longer an experimentation. A line then was established from Washington to New York, not so much because the business between Washington and New York was great enough to make it a paying proposition—that could not have been, because Washington is not a commercial city—but the idea was to give greater publicity to it, so that legislators could see what was being done with it.

The Post Office Department took that appropriation. I think the service has only been in operation about 6 months; and they come back with figures showing that in that time the expenses of the plan or operating arrangements of the line have been \$75,000 and that the receipts from stamps on the mail carried amount to \$60,000. So there has been an actual loss of about \$15,000. I say that means not an experiment; or if an experiment, a successful experiment; and that there is no longer any doubt but that rapid airplane service will be the thing of the future. It will in a measure take the place of the telegraph and telephone doing the same thing. I believe if a line was established between New York and Chicago it would pay and pay well. When a line is extended to Boston, or a great commercial city of that kind, it is going to pay, and I make the prediction right now that in 1 year when we discuss this again and when my good friend from Utah makes a speech against it again he will find that it has been a good business proposition.

Who in this country wants to stop the use of airplanes in mail service? Is there a Senator here who will want to stop it? Practically no one in this country would want to stop it. It is a progressive thing; we know it is coming in the future; we know it is going to be utilized more and more all the time. We are proud of the line that goes from here to New York. We are proud of its success. It has done splendidly. It shows that it is no longer an experiment, and we ought not to stop it, but we ought to increase it sufficiently to make it pay. It is purely a business proposition. All we have to do is to add to the line other commercial cities, and the result will be that it will be a paying proposition and bring the Government in just as much as the Government has to pay out.

There is another thing connected with this matter. The Government has a large number of airplanes on hand. If they are not

used for some purpose they will decay and be lost entirely. They are already built. They cannot all be used in the Navy or in the Army. What are you going to do with them? Are you just going to let them lie up and decay without doing any good to anyone?

The amendment provides that the appropriation here shall be used in buying those machines and using them on these mail routes. Is not that the sensible thing to do? Is it not the business thing to do? Why should there be a doubt in the mind of anyone about it? The money will be turned over to the Department that now owns them. In other words, the Government will be dealing with itself in buying these planes.

Another statement is made to the effect that we have invested a good deal of money in these machines already. So we have; and I was delighted to see the report of Mr. Praeger, which I read a few moments ago, in which he says that practically all the machines that we started out with are still on hand and that only one of them will have to be renovated. I think it is just about to be renovated now.

I say the Post Office Department has made a splendid showing, and we ought to increase this service and defeat the amendment of the Senator from Indiana, which would curtail it.

AWARD OF CONTRACTS UNDER NATIONAL-DEFENSE PROGRAM

Mr. TRUMAN. Mr. President, I expect to submit a resolution asking for an investigation of the national-defense program and the handling of contracts.

I feel that it is my duty at this time to place before the Senate certain information which I have, and which I am sure is of vital importance to the success of the national-defense program.

There seems to be a policy in the national-defense set-up to concentrate all contracts and nearly all the manufacturing that has to do with the national defense in a very small area. This area is entirely outside the location which the Army survey, itself, has shown to be safe. The little manufacturer, the little contractor, and the little machine shop have been left entirely out in the cold. The policy seems to be to make the big man bigger and to put the little man completely out of business. There is no reason for this that will stand up, because plans have been presented to the National Defense Committee which would solve the condition of the little manufacturer and the little machine-shop owner.

A perfectly practical and concrete plan was presented by the Mid-Central War Resources Board. A survey of the region within 100 miles of Kansas City was made by this Board, and 160 small machine shops and manufacturing plants were located. It was proposed to combine the facilities of these little machine shops and allow them to take a contract, or contracts, which they could, working as a unit, carry out successfully.

Under this program there would be no housing problem. The shops are in the small towns. The people already have their houses. They are the best workmen and the most loyal citizens in the whole country.

The same sort of a survey was made in St. Louis and the immediate surrounding territory, and the same conditions exist there. I have no doubt that these conditions exist in Iowa, Illinois, and Indiana.

When this matter was put up to the Defense Committee, an effort was made to find out where the machines in these small shops were located so that the big fellows could go and buy them and move them. They are buying these machines wherever they can find them, shipping them to Detroit, Philadelphia, Norfolk, and industrial cities in Massachusetts and Connecticut. They are hiring our young men and moving them to the Atlantic and Pacific seaboard and to Detroit, leaving us denuded of manpower as well as machines. This makes a double housing problem. It leaves our cities with vacant property which is rapidly depreciating in value, and creates a condition at Norfolk, Philadelphia, Detroit, Hartford, Conn., and Los Angeles, Calif., where housing problems have to be met. It just does not make sense. The policy seems to be to make the big men bigger and let the little men go out of business or starve to death, and they do not seem to care what becomes of these little fellows.

Mr. CLARK of Missouri. Mr. President—

The PRESIDING OFFICER (Mr. McKellar in the chair). Does the junior Senator from Missouri yield to his colleague?

Mr. TRUMAN. I yield.

Mr. CLARK of Missouri. I apologize to my colleague for interrupting him at this time, but it is necessary for me to return to a hearing of the Committee on Foreign Relations on the lend-lease bill.

I should like to call my colleague's attention to two situations which have come within my information, which have nothing to do with the particular matter of housing, but which pertain to the same general subject. Is my colleague familiar with the so-called Blossom board which has been set up in the War Department?

Mr. TRUMAN. I set it out in detail in my remarks.

Mr. CLARK of Missouri. My observation has been that that board is actually run by a man named Dresser.

Mr. TRUMAN. That is true.

Mr. CLARK of Missouri. And while they have established a principle, of which I am very much in favor, and which I should very much like to see carried out, contemplating the absence of any political influence in the matter of letting contracts, because I think that congressional influence in the making or letting of contracts is a bad thing for the country and a bad thing for the Senators and Representatives themselves. Is my colleague aware of the fact that under the Blossom committee which has been set up, under the actual leadership of this fellow Dresser, what is happening is that as to all contracts for construction let by the Government Mr. Dresser is merely calling in his own particular friends and horning out everybody else?

Mr. TRUMAN. I set that out in detail, and show how he does it.

Mr. CLARK of Missouri. I apologize to my colleague for interrupting him, but I have not the time to remain and listen to the rest of his speech, due to com-

mittee duties. It seems to me this is a matter of which Congress should immediately take cognizance.

Mr. TRUMAN. I think so.

Mr. CLARK of Missouri. One other question. Is the Senator familiar with the practice which has prevailed in the War Department, in connection with the purchase of land for various Government emplacements, of appointing a private citizen, not a Government officer, but a private citizen, and making him the sole option authority for the purpose of optioning land, and insisting that no citizen can sell his land to the Government without paying this particular man who is selected a 5-percent commission, and then selecting one title company and insisting that a citizen who is perfectly willing to sell his land to the Government for what it is worth must pay a particular title company a certain fee for examining the title?

Mr. TRUMAN. I know that is a policy followed at St. Charles, Mo.

Mr. CLARK of Missouri. I call the Senator's attention to that particular case, the Weldon Springs development. The War Department just appointed a man by the name of McDowell, who lives in Kansas City, nearly 300 miles from St. Charles, and has given him the sole charge of optioning that property, insisting that every citizen willing to sell his property to the Government for what it is worth must pay this man McDowell a 5-percent commission, and on top of that pay the Kansas City Title Insurance Co. a 1½ percent commission, which is to be added to the purchase price paid by the Government. No citizen is permitted to sell his land to the Government, even though he is willing to deal directly with the Government, without paying McDowell a 5-percent commission. It seems to me that inevitably leads to waste. I do not know Mr. McDowell, and I do not intend to cast any reflection on him, but any such system must inevitably lead to great waste of Government funds, and is an absolute outrage on the people who are willing to sell their property directly to the Government.

Mr. TRUMAN. I agree with the Senator. Now I wish to read a few extracts from a confidential letter which I received just the other day. This letter is from a man who knows what he is talking about.

I think I can say that enough evidence is accumulating here in Washington of the "dog in the manger" attitude of the big fellows to provide the tinder for a rather serious blow-up a little later on. In the last analysis, of course, the Government itself is to blame. Unless the matter can be policed at the time and place where contracts are given out, i. e., unless the Government intervenes to exercise some supervision over new plant installation, it is almost certain to result in the prime contractor "tooling up" to handle the bulk of the business himself. As I see it, here is more or less the attitude the Government should take when it gives out a contract (for example) to Westinghouse Electric & Manufacturing Co. for the construction of two big ordnance plants—one at Louisville, Ky., the other at Canton, Ohio. "We are ready to give you a contract. That contract provides for the amortization of indispensable new plant equipment and buildings over a 5-year term, in 60 monthly installments, in accordance

with the law. Now, let us see just what new capital investment your corporation proposes to amortize." At this point Westinghouse presumably submits a list of what it will provide in the way of new plant facilities. Somewhere along the line of scrutiny, the Government should say, "Sorry, but you cannot include in your price for the finished articles any amortization charge for this and this and this item of equipment. Our surveys indicate beyond the possibility of a doubt that the facilities already exist in the following plants, which we are satisfied will be in a position to collaborate with your concern as subcontractors on a farming-out basis." My guess is that if it were feasible to look into the situation in any large contract that has been given out recently, it would be disclosed that the Government's agreement to amortize new plant facilities covered machine-shop and metal-working facilities already available in other plants.

Now, it is essential to the functioning of this idea, however, that when the Government in Washington says, "We know the facilities are available," it should be in position to cite chapter and verse. This is where our regional pooling associations (Mid-Central War Resources Board, etc.) come into the picture. Or, to put it another way: When the Government is in negotiation with Westinghouse for the construction of the two new ordnance plants, it should start with the proposition: "Where do you propose to locate these plants?" In the discussion as to location, the Government should raise its voice in terms of the availability of facilities in different regions that could supplement the new ordnance plants to the best advantage. Really, the office for production management should take the lead in determining where new Government-owned plants are to be located. It should start out by asserting that a certain plant is to be located in a certain place, because, among other reasons, there are facilities in smaller shops in the area tributary to that location which could effectively supplement the new plant. This is really national-defense planning. Of course, nothing like this point of view exists anywhere in official Washington, and I don't see any signs of such an attitude developing anywhere in the new set-up.

To illustrate a little further: One of the reasons why North American's new assembly plant is to be located in Kansas City is that in the region tributary to your metropolis there are so many plants that can effectively supplement the facilities of North American as "subcontractors."

So long as the present "let the big fellows do it" attitude governs in the national-defense set-up, you can be sure that they will tool up in order to do everything possible under their own roofs—why not, there's more money in it that way. There is no risk for the prime contractor. He knows this national-defense show is going on for several years; it probably signifies the entry of our Nation on a totally different path of destiny than it has ever trod before. In any case, the prime contractor is protected. At the end of 5 years he has gotten back all of his capital expenditure. If, for any reason, he wants the plant, he has an option to buy it. If he doesn't want it, well, let the taxpayers have it as scrap iron. The same thing happened in 1919 in the liquidation of war plants.

The position we are in, as I see it, is this: The forces of the times run more and more strongly in the direction of bigger and bigger business. Unless the Government intervenes to reverse this trend, there will be no stopping the concentration of business in fewer and fewer hands. Under separate cover we send you our bulletin 3, a list of 650 corporations classified as to State and locality, that have something like \$6,000,000,000 of war contracts. But something like 114 of them

have the bulk of the business. This simply will not do.

Similarly, with regard to the new shipyards. Something like 50 new ways are to be constructed in about 10 years. Assuming 2 ships per way per year, the 200 ships would be turned out by December 31, 1942. Query: Is the Maritime Commission permitting the ships constructors to duplicate facilities which already exist in other plants inland? Incidentally, these 200 new ships are to be 100 percent welded. You might inquire of the boys in K. C. Structural what effect this decision has on the availability of the inland fabricating shops for collaboration in this program.

Mr. CLARK of Missouri. Mr. President, will my colleague yield to me at that point?

Mr. TRUMAN. Certainly.

Mr. CLARK of Missouri. Speaking of our own State only, the Senator undoubtedly has had the information, as I have, that under the policy to which he has just referred, cities like St. Joseph, Mo., Joplin, Mo., Springfield, Mo., Hannibal, Mo., and many others, where there are facilities for carrying on subcontracts and expediting to a very large extent this defense program, are at the present time simply being drained of their skilled labor by this system, leading to a permanent dislocation of business and of industrial population.

Mr. McKELLAR. Mr. President, will the Senator from Missouri yield to me?

Mr. TRUMAN. I yield.

Mr. McKELLAR. I believe the Senator said that the committee which passed on contracts was composed of Colonel Harvey, a Mr. Dresser, and a Mr. Blossom. Is that correct?

Mr. TRUMAN. Yes. I will go into that in detail a little later.

Mr. McKELLAR. While I am on my feet may I ask what the position of a Mr. Harry W. Loving is?

Mr. TRUMAN. Mr. Loving has a position in the national defense set-up under which he passes on these contracts.

Mr. McKELLAR. I wish to call the Senator's attention to a statement published in a magazine claiming that the Carolina Branch of the Associated General Contractors of America and several leading contractors in North and South Carolina have conspired to force V. P. Loftis, of Charleston, N. C., out of business, that he has filed suit in the Mecklenburg County Superior Court in Charlotte seeking \$300,000 damages. In one of the suits Loftis seeks \$100,000 actual and \$100,000 punitive damages from the Carolina Branch and from Harry W. Loving as the Branch's executive secretary, now on leave for defense work, and, as the Senator says, is engaged in letting these contracts for defense.

I simply wish to make this statement: I do not think that a man who belongs to or is secretary of an association such as the Associated General Contractors should be in the employ of the Government and have to do with the issuing of contracts. I hope the Senator from Missouri will give that matter some attention in the remarks he is making. I hope he will ascertain and tell us whether Mr. Loving is a dollar-a-year man, or what his salary is. There has

been much criticism of Mr. Loving in his action on these contracts and on one occasion the Quartermaster General told me Mr. Loving had been displaced. He seems still to be there.

Mr. TRUMAN. If the Senator will be patient with me I think I shall cover that quite thoroughly a little later on.

In explanation of defense financing I shall take a little of the time of the Senate to explain in some detail how the defense-financing program is set up by the Reconstruction Finance Corporation. I shall quote from a speech made by the vice president of the Defense Plant Corporation of the Reconstruction Finance Corporation, the Honorable John W. Snyder:

In connection with the first type of defense financing I have mentioned—the creation of new plants and facilities—much discussion has already taken place. Such facilities are of three distinct kinds.

First, there are those facilities requisite to the national-defense program which are being built by the Government itself. Plants having no commercial value after completion of the defense program must be financed by the Government itself and title to such properties must vest in the Government, even though the actual operation of the plant may be delegated to private industry under a management-fee contract. This category of facilities embraces munitions plants, loading plants, and heavy shell forging and armor plants of which there is little present private capacity and of which there is certain to be surplus capacity after the emergency is over. The Government will have absolute control of such plants and can elect to retain them for future emergency use.

Second, in the other extreme, there are those facilities which will be made available by private industry as a result of normal expansion in the ordinary course of business, without cost and without risk of any kind to the Government. In general, these facilities consist of manufacturing plants which have a real economic value entirely apart from the defense program.

Third, and midway, are the cases in which the emergency plant facilities, whether built with the aid of public or private capital, will be paid for directly or indirectly by the Government. In general, these facilities consist of plants carrying on operations that will be expanded far beyond any probable normal use—plants filling defense orders which fall somewhere between outright munitions (such as powder for which the Government will build its own plants) and purchases of regular commercial items (such as blankets where needed extra capacity will be added by private contractors).

With respect to facilities of the last classification, it has been felt that the cost of construction should be segregated from the cost of the supplies and that the reimbursement or payment of the cost of the construction should be made directly rather than being loaded into the unit price. In the expansion of facilities of this intermediate character, it is necessary and desirable to enlist the aid of private funds. Consequently, the Defense Commission has evolved a type of "bankable contract" which permits the use of financing either by commercial banking institutions or the R. F. C. Where a manufacturer is about to enter or has entered into a contract whereby he agrees to manufacture and sell defense supplies to the Government and his plant and facilities are inadequate to manufacture such supplies in the quantities and within the time required, by use of this emergency plant facilities contract, which has been approved by the Defense Commission, the Government

may reimburse the manufacturer for the cost of acquisition and construction of the additional plant facilities required to enable him to fulfill his supplies contract. Under the emergency plant facilities contract the Government agrees that upon acquisition or completion of construction of the so-called emergency plant facilities at the agreed cost, it will reimburse the contractor for the total cost thereof in equal monthly payments over a period of 60 consecutive months. In accordance with the authority conferred by the Assignment of Claims Act of 1940, the contract also provides that claims for moneys coming due thereunder may be assigned to any bank, trust company, or other financing institution, including any Federal lending agency; that the assignment may cover all or any part of the claims arising under such contract; that the assignment may be made to one or more institutions or to one party as agent or trustee for two or more institutions participating in the financing; that any claims so assigned may be subject to further assignment; and that the note or other evidence of indebtedness secured by such assignment may be rediscounted, hypothecated, or sold with or without recourse. Likewise, pursuant to the terms of the act, the contract waives the Government's right of set-off with respect to indebtedness arising independently of the contract.

To satisfy further the demand for this type of Government financing, R. F. C. in August of last year created, under its special national-defense authority, the Defense Plant Corporation, which is now the only agency of the Government, aside from the War and Navy Departments, providing for the financing and construction of production facilities. In setting up Defense Plant Corporation, R. F. C. devised a lease arrangement which has proved to be the most flexible and expeditious method of obtaining such facilities. In brief, the lease arrangement provides for the construction of the emergency-plant facilities by the contractor with Defense Plant Corporation assuming the cost, taking title in its own name, and leasing the facilities to the contractor for a fixed period, subject to a provision for renewal and an option to purchase. In the case of manufacturers and suppliers having contracts directly with the Government, the rental is generally nominal and Defense Plant Corporation is reimbursed under an agreement with the War or Navy Department. In the case of subcontractors, an actual rental is usually required to be paid by the lessee based upon a percentage of its sales.

The subcontractor is the man who will lose money and be put "out on a limb" under the farming-out program which the National Defense Commission is trying to set up. There are persons now out in my section of the country trying to sign up the subcontractors on the basis of a percentage for their own pockets of the total amount received, regardless of what the profit may be on the subcontract. Such a situation is entirely wrong.

I wish to read a letter from the Secretary of the Navy to Barry & Wood, Inc., 30 Rockefeller Plaza, New York:

DEPARTMENT OF THE NAVY,
OFFICE OF THE UNDER SECRETARY,
Washington, January 13, 1941.

BARRY & WOOD, INC.,
30 Rockefeller Plaza, New York, N. Y.

GENTLEMEN: Reference is made to your confidential letter of December 5, 1940, submitting a suggested plan for the coordination of aircraft parts production by means of subcontracting.

This letter is written to confirm the Navy Department's understanding of the results of a conference with you by the Under Secretary

of the Navy, about December 9, 1940, as follows:

That, after careful consideration of all phases of this matter, it does not appear desirable that the Navy Department should employ your services, but that you can render assistance to the cause of national defense by continuing your regular work of searching out unutilized shop capacity where subcontracts for aircraft parts may be made; that, as circumstances warrant, your business may be extended to other industries; and that your dealings will be with prime contractors and their subcontractors and not with the Navy Department.

I further understand that you have offered whenever you discover unutilized capacity suitable for use in expediting national defense, you will, without any obligation on the part of the Navy Department, make a brief report of the matter, including the name of the manufacturer and a description of his facilities to the Chief of Naval Operations (War Procurement Planning, Op.-23M), which agency will circulate such reports from you to the technical Bureaus of the Navy Department for their information. The Department appreciates this offer of yours to submit such reports without remuneration in the interest of expediting national defense.

Your patriotic spirit in offering your services and submitting such reports is greatly appreciated by the Navy Department.

Sincerely yours,

FRANK KNOX,
Secretary of the Navy.

What is the patriotic service proposed to be rendered? I wish to have included in the RECORD at this point as a part of my remarks the contract in toto.

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

This agreement, made the _____ day of _____, 194____, between _____, a corporation organized under the laws of the State of _____, with its principal place of business at _____, party of the first part, and Barry & Wood, Inc., a corporation organized under the laws of the State of New York, with its principal place of business at 30 Rockefeller Plaza, New York City, party of the second part, witnesseth:

Whereas the party of the first part desires to enter into contracts with manufacturers of aircraft and allied products for the purpose of supplying them with aeronautical parts and equipment; and

Whereas the party of the first part desires to obtain the assistance and services of the party of the second part in securing such contracts: Now, therefore,

It is mutually agreed as follows:

1. That the party of the second part shall use its best efforts, experience, and judgment to obtain for the party of the first part, from manufacturers of aircraft and allied products, contracts for the sale of parts and equipment which can be manufactured or obtained by the party of the first part. All such contracts and orders shall be subject to the specific approval and acceptance of the party of the first part, and the party of the second part shall in no way obligate the party of the first part or pledge its credit until such approval and acceptance has been given.

2. That the party of the first part shall pay to the party of the second part as full compensation for its services 9 percent of the gross proceeds of each and every contract or order negotiated by the party of the second part (in the manner prescribed in par. 1 hereof) or reasonably traceable to its efforts, such compensation to be paid as follows:

On the date on which the party of the first part shall be paid by the purchaser for the goods so contracted for or ordered.

3. That if at any time the said rate of compensation of 9 percent shall jeopardize the obtaining of any contract or order by preventing the party of the first part from meeting competitive prices, the parties hereto agree to decide terms and compensation in each such case on its individual merits and to fix by separate written agreement the rate of compensation to be paid to the party of the second part. In no case, however, shall said compensation be less than 3 percent of the gross proceeds of each contract or order.

4. That in the event of cancellation of any of such contracts or orders, the party of the first part shall not be liable to the party of the second part for any commission not due and payable at the time of said cancellation, and that in the event of such cancellation the party of the second part shall not be obligated to return to the party of the first part any sums paid as compensation to it prior to such cancellation.

5. This agreement shall remain in effect for a period of 3 years from the date hereof, unless the same shall be renewed or modified by a further written agreement between the parties.

6. That in the event that any State, Federal, or other governmental authority with jurisdiction shall take any action which shall compel the party of the first part temporarily to suspend work on any contract or order, then this agreement shall likewise be suspended with respect to such contracts or orders until such time as the party of the first part shall renew work on the said contracts or orders.

7. This agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

In witness whereof the parties hereto have hereunto set their hands and seals the day and year first above written.

Attest: _____
By _____
BARRY & WOOD, INC.,
Attest: _____

Mr. TRUMAN. I wish to read one particular part of the contract. It is most interesting:

That the party of the first part—

That is, the little fellow who is supposed to be a subcontractor—

shall pay to the party of the second part as full compensation for its services 9 percent of the gross proceeds of each and every contract or order negotiated by the party of the second part (in the manner prescribed in paragraph 1 hereof) or reasonably traceable to its efforts, such compensation to be paid as follows—

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

Mr. TRUMAN. I yield.

Mr. ADAMS. Who is the party of the second part?

Mr. TRUMAN. Barry & Wood, Inc., 30 Rockefeller Plaza, New York.

Mr. ADAMS. So, the subcontractor is paying a 9-percent commission.

Mr. TRUMAN. Barry & Wood are trying to sign up everybody who is likely to be a subcontractor, on the ground that they stand in with the Navy Department, on the strength of the letter of the Secretary of the Navy, and that they can obtain the subcontract for the subcontractor. For rendering that service they want, not 9 percent of the

profits, but 9 percent of the total amount.

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

Mr. TRUMAN. I yield.

Mr. STEWART. I thought the Senator was citing specific instances in which contracts have been made by Barry & Wood and in which they were subcontractors.

Mr. TRUMAN. No. Barry & Wood are trying to line up the subcontractors and make them pay a fee based on the total amount received.

Mr. STEWART. Who are Barry & Wood?

Mr. TRUMAN. They are contractors in the city of New York, at 30 Rockefeller Plaza. I think they are engineers.

Mr. STEWART. Do they claim to have some particular influence or control over the Navy Department or those who let the contracts?

Mr. TRUMAN. That is their claim. They are "selling the Navy down the river" out in the country. Of course, the people out in the country do not understand it.

Mr. STEWART. I think many of us here do not understand it.

Mr. TRUMAN. That is the reason why I think the Senate ought to go into the matter. I think that is the best answer I can give.

Continuing to read from Mr. Snyder's address, from which I was reading a few moments ago:

The success of Defense Plant Corporation's activities is demonstrated by the fact that construction is well under way through lease agreements covering aircraft factories in San Diego, Columbus, St. Louis, Buffalo, and Dallas; shipyards in Oakland and Houghton (Washington); munitions plants in Chicago and Omaha; and engine works in Cincinnati and Paterson. Moreover, Defense Plant Corporation has, since its organization to date, made a daily average commitment of more than two and one-half million dollars, having approved total commitments for the financing of emergency plant facilities, including the acquisition of land, the construction of buildings, and the procurement of machinery, aggregating over \$350,000,000. These activities are certainly symbolistic of the real ability of business and government to collaborate effectively in the interest of the common welfare.

Most of my remarks have had to do with what are termed "primary" contractors—that is, contractors who bid on Government contracts. As is commonly known, however, primary contractors in most cases let out to subcontractors, or subsuppliers, the production of many of the parts which go to make up the article for which they have contracted with the Government. Such subcontractors do not have a direct Government supplies contract to use as the basis for obtaining necessary financing. It is important to observe, however, that the E. P. F. contract may, with appropriate modification of certain clauses, be used also for any subcontractors who furnish substantially all of their supplies to primary contractors on defense projects and who find it necessary to construct facilities for such a purpose. It is understood that standard clauses are now being evolved by the Defense Commission for incorporation in the EPF contract to fit the situation of subcontractors.

Before leaving the topic of emergency plant facilities, some mention should be made of the special amortization features which are contained in the Second Revenue Act of

1940—the so-called Excess Profits Tax Act. It is provided in such act that firms constructing facilities to produce national defense orders may amortize the cost of those facilities over a 60-month period—or, in other words, that such firms may deduct for income tax purposes the cost of such defense facilities over the 60-month period rather than through the normal deductions provided for depreciation and obsolescence. It should be noted that this special amortization provision directly implements the E. P. F. contract, since it permits the contractor to offset by a 5-year depreciation allowance the amounts received over the 5-year period representing reimbursement for the cost of the facilities. The amortization deduction allowed by the act is dependent upon certain certificates issued by the Defense Commission through the War or the Navy Department. February 5 is the deadline for the issuance of a so-called necessity certificate with respect to emergency facilities constructed, installed, or acquired from June 10 up to that date. After February 5, any necessity certificate to be effective must be obtained in advance of the beginning of the construction, installation, or acquisition. A second certificate is also necessary—either a certificate of Government protection (which must be obtained in any case in which the manufacturer is being reimbursed by the Government for the cost of the facilities, and which states that the contract of reimbursement adequately protects the Government with reference to the future use and disposition of such facilities) or a certificate of nonreimbursement (which must be obtained in any case in which the manufacturer is not being so reimbursed). February 6 is the deadline for the issuance of the latter certificates in connection with contracts executed 90 days or more before that date; and as to all contracts subsequently executed, the issuance of such certificates must occur within 90 days after the date of execution.

The second type of financing I have mentioned is that pertaining to the production of necessary supplies for defense. In those cases where the supplier has a supplies contract directly with the Government, it is possible to provide adequate working capital through a loan secured by an assignment of the moneys coming due under the supplies contract, such being permitted, as I have indicated, under the Assignment of Claims Act of 1940. Although the act provides expressly that any assignment made in pursuance thereof shall constitute a valid assignment for all purposes, notwithstanding any law to the contrary governing the validity of assignments, there are a few legal questions to be resolved in particular cases, some of which I shall discuss later.

I was speaking a moment ago, however, of those subcontractors, or sub-suppliers, who do not have supplies contracts directly with the Government, but who merely furnish materials or parts to the primary contractor. There is, of course, no fundamental distinction between the two from a security standpoint: In the case of a supplies contract directly with the Government, the contractor has a potential account receivable from the Government; in the case of a supplies contract with the primary contractor, the subcontractor has a potential account receivable from the primary contractor; the contingency is the same in both cases. The difference in treatment arises only out of the fact that the Assignment of Claims Act of 1940, applicable to the first case, expressly permits the assignment of such contingent claims for moneys to come due in the future, whereas the State laws applicable to the second may not be conclusive as to the validity and effectiveness of such an assignment. However, where the subcontractor, or

subsupplier, has other collateral of an acceptable character to hypothecate as security, or where his earnings record is particularly good, satisfactory arrangements can usually be made for such financing. In this respect banking institutions should not overlook the possibility of an arrangement whereby a single loan to the primary contractor secured by an assignment of the moneys coming due under his contract with the Government may be used to finance not only the primary contract but also the subcontracts as well, the primary contractor making appropriate advances to the subcontractors out of the loan proceeds. Inasmuch as the primary contract usually provides sufficient funds to pay all the costs of performance, including any purchases made from subcontractors, such an arrangement should not be lacking in feasibility. It is understood that the Defense Commission is presently preparing a new standard form of contract to be used by subcontractors with the aim in view that it will be acceptable as collateral by banking institutions. If such an arrangement contemplates the Government becoming a direct party to the subcontract it will render the claims thereunder assignable under the Assignment of Claims Act, and will thereby remove any legal objection to the contingent nature of the obligation.

The third type of financing which I have mentioned, namely, the construction of military and naval projects, does not differ except in minor respects from the type of financing involving the production of supplies, the same considerations governing the acceptability of assignments being present in both instances. This type of construction has to do with Army cantonments, military and naval bases, aviation fields, roads, and other such governmental projects. In such cases it is expected that the common practice will be for the contractor to have a cost-plus-a-fixed-fee contract. However, the ability of the contractor to perform is the fundamental factor and the one deserving most careful consideration by the financing institution.

Under present law, the War and Navy Departments are authorized to advance out of their appropriations for construction or supplies up to 30 percent of the contract price, even before the work is begun. If a working capital loan is also necessary to furnish additional financing, it is important that the relative priorities between the financing institution and the Government be clearly defined.

I have read all the article in regard to Government financing of these projects in order to give to the Members of the Senate a clear idea of exactly what the Government is trying to do toward financing national-defense projects.

A policy is being pursued with regard to letting contracts that is as bad as or worse than the one with regard to the concentration of defense industries in a small area. It is considered a sin for a United States Senator from a State to make a recommendation for contractors, although we may be more familiar with the efficiency and ability of our contractors at home than is anybody in the War Department.

I have here an outline of the fixed-fee branch of the Construction Division of the War Department, which I ask permission to have inserted in the RECORD at this point.

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

The outline referred to is as follows:

ORGANIZATION CHART OF THE FIXED-FEE BRANCH—CONSTRUCTION DIVISION

Construction Division: Chief, Colonel Somervell.

Executive officers: Maj. M. B. Birdseye, Quartermaster Corps; Maj. H. B. Nurse, Quartermaster Corps.

Constructing branch, fixed fee: Chief, Mr. H. W. Loving; Assistant Chief, Mr. F. J. O'Brien; Special Assistant, Capt. E. Kirkpatrick, Quartermaster Corps; assistant, Miss Ruth Sale.

Administrative Section: Chief, Lt. J. H. Sharp, Infantry; Assistant Chief, Mr. J. B. Blanche.

Equipment Section: Chief, Capt. R. L. Richardson, Quartermaster Corps.

Requirement Section: Chief, Mr. R. L. Totten; Assistant Chief, Mr. F. Bloom; assistant, Capt. W. L. Sapper, Field Artillery; assistant, Lt. E. R. O'Brien, Corps of Engineers.

Statistical Section: Chief, Mr. M. L. Tribe.

Section A

Ordnance and Chemical Warfare, Chemical and Processing Plants: Chief, Mr. F. R. Creedon; Assistant Chief, Mr. W. E. O'Brien.

Engineering Unit: Mr. O. F. Sieder.

Administrative Unit.

Materials and Expediting Unit: Mr. W. A. Shephard.

Estimates and Costs: Mr. W. K. Maher.

Section construction quartermaster: Mr. W. E. O'Brien.

5. Radford Ordnance Works, Radford, Va.: Construction quartermaster, Capt. F. L. Strawn, Ordnance; assistant, Capt. C. J. Wilcox, Ordnance; contractor, Hercules Powder Co.; engineer, Hercules Powder Co.

6. Indiana Ordnance Works, Charlestown, Ind.: Construction quartermaster, Lt. Col. R. E. Hardy, Ordnance; assistant, Maj. W. O. Hauck, Quartermaster Corps; contractor, E. I. du Pont de Nemours & Co.; engineer, E. I. du Pont de Nemours & Co.

8. Kankakee Ordnance Works, Wilmington, Ill.: Construction quartermaster, Capt. I. T. Malmstrom, Ordnance; assistant, Capt. T. J. Skeahn, Corps of Engineers; contractor, Stone & Webster Engineering Corporation; engineer, Stone & Webster Engineering Corporation.

9. Ravenna Ordnance Plant, Ravenna, Ohio: Construction quartermaster, Capt. J. D. Hillyer, Ordnance; assistant, Capt. W. A. Kremer, Infantry; contractor, Hunkin-Conkey Construction Co.; engineer, Wilbur Watson and associates.

29. Elwood Ordnance Plant, Wilmington, Ill.: Construction quartermaster, Capt. W. Hall, Ordnance; contractor, Sanderson & Porter; engineer, Sanderson & Porter.

72. Humble Oil & Refining Co., Baytown, Tex.: Contractor, Humble Oil & Refining Co.; engineer, Humble Oil & Refining Co.

Ammonium Nitrate Plant, Morgantown, W. Va.

Section construction quartermaster: Mr. F. V. Cahill.

1. Springfield Armory, Springfield, Mass.: Construction quartermaster, Lt. Col. M. McFadden, Quartermaster Corps; assistant, Capt. P. J. Petterson, Quartermaster Corps; contractor, Fred T. Ley, Inc.; engineer, Charles T. Main, Inc.

2. Edgewood Arsenal, Aberdeen Proving Grounds, Edgewood and Aberdeen, Md.: Construction quartermaster, Lt. Col. S. W. McIlwain, Quartermaster Corps; assistant, Capt. W. O. Zacharias, Quartermaster Corps; contractor, Cummins Construction Corporation; Riggs-Distler Co., Inc.; engineer, Whitman, Requaert & Smith.

7. Picatinny Arsenal, Dover, N. J.: Construction quartermaster, Maj. G. B. Anderson, Coast Artillery; assistant, Maj. G. B. Sumner, Chemical Warfare; contractor, John Lowry, Inc.; engineer, Francisco & Jacobus.

Section B

Ordnance and Chemical Warfare, mechanical manufacturing plants: Chief, Maj. C. J. Clark, Quartermaster Corps; Assistant Chief, Mr. C. H. Hickey.

Engineering Unit: Lt. E. E. Shafer, Field Artillery.

Administrative Unit: Lt. D. Pontell, Quartermaster Corps.

Materials and Expediting Unit: Mr. W. C. Brown.

Estimates and Costs: Lt. A. P. Dennis, Cavalry.

Section construction quartermaster: Maj. C. B. Pyle, Corps of Engineers; assistant, Lt. R. Long, Jr., Field Artillery.

12. Detroit Ordnance Plant, Chrysler Corporation, Detroit, Mich.: Construction quartermaster, Maj. H. R. Kadlec, Corps of Engineers; contractor, Chrysler Corporation; engineer, Chrysler Corporation.

10. Frankford Arsenal, Philadelphia, Pa.: Construction quartermaster, Capt. C. M. Sciple, Quartermaster Corps; assistant, Mr. C. G. Countiss, Sanitary Engineer; contractor, Henry W. Horst Co.; engineer, Clarence E. Wunder.

23. Armor Plate Plant, Philadelphia, Pa.: Construction quartermaster, Capt. C. M. Sciple, Quartermaster Corps; assistant, Mr. C. G. Countiss, Sanitary Engineer; contractor, Barclay White Co., Inc.; engineer, Irving S. Towsley.

39. Shell Forging and Machining Plant, Gadsden, Ala.: Construction quartermaster, Maj. A. Johnson, Field Artillery; contractor, Rust Engineering Co., Inc.; engineer, Rust Engineering Co., Inc.

38. Shell Loading Plant, Union Center, Ind.: Construction quartermaster, Maj. B. T. Rogers, Infantry.

33. Small Arms Ammunition Plant, Kansas City, Mo.: Construction quartermaster, Maj. E. McCullough, Signal Corps.

Section construction quartermaster: Capt. R. Mayer, Finance.

43. Fort Wingate Ordnance Depot, Fort Wingate, N. Mex.: Construction quartermaster, Capt. E. M. Johnson, Infantry.

55. Shell Loading Plant, Burlington, Iowa: Construction quartermaster, Maj. J. C. Lowry, Infantry.

54. Anniston Ordnance Depot, Anniston, Ala.: Construction quartermaster, Maj. A. Johnson, Field Artillery.

53. Umatilla Ordnance Depot, Umatilla, Oreg.: Construction quartermaster, Capt. R. C. Williams, Corps of Engineers.

65. Small Arms Plant, St. Louis, Mo.: Construction quartermaster, Col. H. E. Schlesinger, Quartermaster Corps.

Section construction quartermaster: Maj. H. R. Kadlec, Corps of Engineers.

Section construction quartermaster: Mr. A. E. Johnson.

Section C (southern)

Storage terminals, quartermaster depots, camps and cantonments, Air Corps, general hospitals: Chief, Mr. Lacy Moore; Assistant Chief, Mr. C. C. Barnard.

Engineering Unit: Mr. J. P. Falconer.

Administrative Unit: Maj. F. W. Staiger, Infantry.

Materials and Expediting Unit: Mr. T. E. Ernst.

Estimates and Costs: Mr. N. M. Brown.

Section construction quartermaster: Mr. T. E. Jewett.

4. Philadelphia Quartermaster Depot, Philadelphia, Pa.: Construction quartermaster, Capt. C. M. Sciple, Quartermaster Corps; contractor, Wark & Co.; engineer, Ballinger & Co.

31. Camp Peay, Tullahoma, Tenn.: Construction quartermaster, Maj. C. H. Breitwieser, Corps of Engineers; contractor, Hardaway Contracting Co. and Foster & Creighton Co.; engineer, Greeley & Hansen.

61. Camp Wolters, Mineral Wells, Tex.: Construction quartermaster, Maj. E. S. Armstrong, Quartermaster Corps.

58. Fort Eustis, Fort Eustis, Va.: Construction quartermaster, Capt. C. Renshaw, Quartermaster Corps.

60. Macon, Ga.: Construction quartermaster, Maj. H. W. Jacobsen, Signal Corps.

Section construction quartermaster: Mr. H. A. Fish.

11. Camp Savannah, Hinesville, Ga.: Construction quartermaster, Maj. M. T. Whitmore, Coast Artillery; assistant, Capt. J. C. Belda, Infantry; contractor, A. K. Adams & Co. and W. C. Shepherd; engineer, J. B. McCrary Engineering Corporation.

13. Camp Blanding, Starke, Fla.: Construction quartermaster, Maj. L. Larson, Quartermaster Corps; contractor, Starrett Bros. & Eken, Inc.; engineer, Solomon & Kels.

24. Savannah Airport, Savannah, Ga.: Construction quartermaster, Maj. M. Grimaldi, Field Artillery; assistant, Capt. J. R. Botsford, Corps of Engineers; contractor, Goode Construction Co.; engineer, Burge & Stevens.

48. Tallahassee Airport, Tallahassee, Fla.: Construction quartermaster, Maj. W. H. Daub, Quartermaster Corps; contractor, Ivy H. Smith Co. and S. S. Jacobs Co.; engineer, Southern Engineering & Architectural Co.

51. Camp Robert E. Lee, Petersburg, Va.: Construction quartermaster, Maj. C. W. O'Leary, Coast Artillery.

Section construction quartermaster: Capt. R. L. Tatum, Corps of Engineers.

15. Camp Livingston, Alexandria, La.: Construction quartermaster, Lt. Col. C. H. Menger, Ordnance; assistant, Maj. J. N. Bujac, Infantry; contractor, S. & W. Construction Co., Forum-James Co., and H. N. Rodgers & Sons Co.; engineer, Benham Engineering Corporation.

16. Camp Claiborne, Alexandria, La.: Construction quartermaster, Lt. Col. C. H. Menger, Ordnance; assistant, Maj. G. C. Heldenfels, Infantry; contractor, W. Horace Williams Co.; engineer, E. T. Archer & Co.

35. Fort Bliss, El Paso, Tex.: Construction quartermaster, Lt. Col. B. Winston, Quartermaster Corps; contractor, J. E. Morgan & Sons and H. B. Zachry Co.; engineer, Wyatt C. Hedrick.

18. Camp Bowie, Brownwood, Tex.: Construction quartermaster, Maj. W. E. Ryan, Coast Artillery; assistant, Capt. E. J. Jackson, Infantry; contractor, Robert E. McKee; engineer, Koch & Fowler.

28. Camp Hulen, Palacios, Tex.: Construction quartermaster, Maj. P. M. Brewer, Infantry; contractor, Russ Mitchell, Inc., Knutson Construction Co., T. B. Hubbard Construction Co., and J. F. Meyer, Jr.; engineer, Freese & Nichols.

50. Fort Huachuca, Fort Huachuca, Ariz.: Construction quartermaster, Lt. Col. J. L. Brooks, Quartermaster Corps; engineer, Headman, Ferguson & Carollo.

Section construction quartermaster: Maj. W. Ashbridge, Corps of Engineers.

14. Camp Shelby, Hattiesburg, Miss.: Construction quartermaster, Maj. T. A. Cox, Jr., Field Artillery; contractor, J. A. Jones Construction Co., Inc.; engineer, Lockwood-Greene Engineering, Inc.

17. Fort Bragg, Fayetteville, N. C.: Construction quartermaster, Lt. Col. L. L. Simpson, Quartermaster Corps; assistant, Capt. H. Newyahr, Quartermaster Corps; contractor, T. A. Loving & Co.; engineer, J. N. Pease & Co.

19. Camp J. T. Robinson, Little Rock, Ark.: Construction quartermaster, Capt. F. Reed, Jr., Quartermaster Corps; contractor, MacDonald Construction Co. and G. L. Tarlton Construction, Inc.; engineer, Black & Veatch.

21. Fort McClellan, Anniston, Ala.: Construction quartermaster, Maj. S. MacIntire, Jr., Quartermaster Corps; assistant, Capt. T. A. Doyle, Quartermaster Corps; contractor, Dunn Construction Co., Inc., and John S. Hodgson & Co.; engineer, Wiedeman & Singleton.

45. Fort Belvoir, Fort Belvoir, Va.: Construction quartermaster, Maj. C. Gee, Quartermaster Corps; contractor, Chas. H. Tomp-

kins Co. and Potts & Callahan Construction Co.; engineer, Slaughter, Saville & Blackburn, Inc.

Section D (northern)

Storage terminals, quartermaster depots, camps and cantonments, Air Corps, general hospitals: Chief, Maj. M. W. Cochran, Quartermaster Corps; Assistant Chief, Mr. G. Hadden.

Engineering Unit: Capt. G. A. Rafferty, Field Artillery; Lt. M. A. Day, Coast Artillery.

Administrative Unit: Lt. G. C. Calder, Corps of Engineers.

Materials and Expediting Unit: Capt. W. O. Hillmann, Corps of Engineers.

Estimates and Costs: Lt. J. N. Fehrer, Corps of Engineers.

Section construction quartermaster: Mr. H. G. Wray.

3. Elmendorf Field Power Plant, Anchorage, Alaska: Construction quartermaster, Maj. E. M. George, Quartermaster Corps; assistant, Capt. C. B. Burgoyne, Corps of Engineers; contractor, Bechtel-McCone-Parsons Corporation; engineer, Bechtel-McCone-Parsons Corporation.

27. March Field Antiaircraft Firing Center, Riverside, Calif.: Construction quartermaster, Maj. H. Larson, Corps of Engineers; contractor, P. J. Walker Co.; engineer, J. B. Lippincott & O. G. Bowen.

26. Camp San Luis Obispo, San Luis Obispo, Calif.: Construction quartermaster, Maj. L. L. Stanley, Corps of Engineers; contractor, L. E. Dixon Co.; engineer, Leeds, Hill, Barnard & Jewett.

25. Fort George Meade, Odenton, Md.: Construction quartermaster, Maj. J. A. Noxon, Corps of Engineers; contractor, Consolidated Engineering Co.; engineer, J. E. Greiner Co.

Section construction quartermaster: Maj. A. R. Wellwood, Corps of Engineers.

22. Indiantown Gap Military Reservation, Indiantown Gap, Pa.: Construction quartermaster, Maj. W. L. Kay, Quartermaster Corps; contractor, W. F. Trimble & Sons Co., Ferguson & Edmundson Co., and Huffman-Wolfe Co.; engineer, Gannett, Eastman & Fleming.

20. Camp Edwards, Falmouth, Mass.: Construction quartermaster, Maj. H. L. Algeo, Corps of Engineers; contractor, Walsh Construction Co.; engineer, Charles T. Main, Inc.

32. Fort Devens, Ayer, Mass.: Construction quartermaster, Maj. L. K. Warner, Corps of Engineers; contractor, Coleman Bros. Corporation and John Bowen Co.; engineer, Frank A. Barbour.

41. Pine Camp, Great Bend, N. Y.: Construction quartermaster, Maj. G. R. Tyler, Infantry; contractor, Senior & Palmer, Inc., and The John W. Cowper Co., Inc.; engineer, Wm. S. Lozier, Inc.

57. Fort Monmouth, Red Bank, N. J.: Construction quartermaster, Maj. A. F. Cederstrom, Quartermaster Corps.

Section construction quartermaster: Mr. A. M. Ferebee.

52. Camp Grant, Rockford, Ill.: Construction quartermaster, Capt. F. H. Wyatt, Corps of Engineers.

46. Fort Knox, Fort Knox, Ky.: Construction quartermaster, Lt. Col. D. A. Hanes, Quartermaster Corps.

44. Fort Riley, Fort Riley, Kans.: Construction quartermaster, Lt. Col. J. Underwood, Quartermaster Corps; contractor, Mr. M. W. Watson Long Construction Co. and the Manhattan Construction Co.; engineer, Widmer Engineering Co.

36. Seventh Corps Area Training Center, Leon, Iowa: Construction quartermaster, Lt. Col. G. H. Collins, Coast Artillery; contractor, W. A. Klinger, Inc., C. F. Lytle Co., Inc., Western Construction Corporation, and A. H. Neumann & Bros.; engineer, Alvord, Burdick & Howson.

59. Fort F. E. Warren, Cheyenne, Wyo.: Construction quartermaster, Maj. B. L. Meeden, Quartermaster Corps.

Section construction quartermaster: Mr. H. C. Booz.

63. Nacimiento Replacement Center, San Miguel, Calif.: Construction quartermaster, Capt. J. T. Smoody, Field Artillery.

62. San Diego, Calif.: Construction quartermaster, Maj. H. R. Schuppner, Infantry.

56. Portland, Oreg.: Construction quartermaster, Maj. W. E. Weghorst, Quartermaster Corps.

Mr. TRUMAN. Mr. President, under the War Department there are three types of contracts—the lump-sum contract, the purchase-and-hire contract, and the fixed-fee contract. Under the lump-sum contract the contractor is awarded the contract for the work, either on a low-bid basis or on a negotiated lump-sum basis. The purchase-and-hire form of contract is, as it would imply, a straight cost-plus contract. With the cost-plus-a-fixed-fee contract, under which most of the present construction work is being performed, the contractor is selected and a fee for his work fixed. The fixed fee amounts to approximately 3.2 percent. All costs allied with the construction work, including all overhead, blue prints, telephone calls, stenographers, clerks, field inspectors, labor, and material, are paid for by the Government. The fee can be interpreted as a profit to the contractor for the use of his services and his organization.

I do not pretend to be entirely familiar with the workings of any of these departments. However, the fixed-fee branch is now in the process of being reorganized. General Hartman has been retired, due to overwork. Colonel Somervell, former P. W. A. chieftain of New York City, is now at the head of the fixed-fee branch. Mr. Loving was formerly the construction chief. Colonel Groves is now very important in the construction branch.

Fixed-fee contracts are also being awarded to large industrialists, such as Chrysler, Du Pont, Remington, Atlas, and Hercules. These industrialists are given a fixed fee for the use of their engineering facilities. After the building has been erected and the plant completed by Government money, these industrialists lease the plant and supply the Government with the product of the plant at a fixed cost per unit.

On August 15, the Chrysler Corporation was awarded a contract in the amount of \$53,000,000. The fee for construction which is paid by the Government to Chrysler is in the amount of \$1. This looks exceedingly patriotic. Nevertheless, during the 1-year period of the Chrysler Corporation's lease of the factory facilities they will produce 1,000 tanks at a cost to the United States Government in the amount of \$33,000,000. I doubt if anyone could give the method by which the cost of \$33,000 per tank was fixed. Chrysler has full jurisdiction over the spending of all money and the inspection of all work at the job. I am sure the constructing quartermaster at the job is sincere in his effort to guard every penny of the United States Government's money; but with Chrysler having full control, it is almost impossible to do anything else but what Chrysler wants. I do not say that the Chrysler Corporation is performing anything other than its patriotic duty, but I do feel that even the large corporation should be subject to a full accounting for

every nickel spent and the profit accrued on every task.

The same procedure followed in the award of the contract to the Chrysler Corporation has been pursued in awarding all contracts to the large corporations. The Remington Co. get \$600,000 for acting as advisers to the Government. No one knows what this advice is or what it is worth. In addition to the \$600,000, they will receive a profit of no one knows how much for each 30-caliber and 50-caliber shell they produce in a factory which has been financed by the United States Government. After the operating company—the large industrialist—has been selected, an architect, an engineer, and a construction contractor are selected.

Every contractor in the country, with but few exceptions, and every architect and engineer have registered with the Quartermaster General and with the Navy. Each firm presents a portfolio including a statement of the work they have performed in the past, their present financial status, and the reasons why they believe they have the ability to perform work under the Government fixed-fee contracts.

The information which the contractor, the architect, and the engineer furnish the Quartermaster General is turned over to the Construction Advisory Board.

The Construction Advisory Board consists of three men: Messrs. F. Blossom, F. Harvey, and F. Dresser. Mr. Blossom is a member of the firm of Sanderson & Porter, engineers and contractors of New York City. Mr. Dresser is a former civil-service employee who was employed by the U. S. H. A., has been in business for himself in the Middle West, and has had considerable interest in the Association of General Contractors.

After the information is submitted to the Quartermaster General, it is reviewed by the Board, which interviews the prospective contractor or engineer. The contractor is then given a rating which is filed for future use. The Board could really be considered an indexing committee of contractors and architects throughout the country.

The contractor is supposed to be financially sound. He should have an organization equipped to do the work. He should have done work of a similar character, or at least of similar size. Because he is a local contractor, he is considered conversant with local labor conditions and material markets; and, being in the vicinity of the project, he can serve better than one who is removed from the project because of geographical location. Were these requirements religiously carried out, no one could find fault with them; but the rules do not fit with the facts.

If there is a job in St. Louis after the operating company has been selected, the Board is requested to submit the names of those who, in its judgment, are the most competent contractor and architect for the job. The Board usually selects three.

In selecting the contractor for the job in question, the Board is supposed to bear in mind the geographical location of the contractor with reference to the job.

The name of the contractor selected by the Board is then submitted to Mr. Loving. Mr. Loving, after perusing the files of the contractor, requests that the contractor come to Washington for negotiations. Contractor No. 1 selected by the Board is then called into conference with Mr. Loving, Mr. O'Brien, and Captain Kirkpatrick and one of the section chiefs. Negotiations then take place, and generally at that meeting the contractor is informed, confidentially, that he has the job.

After negotiations a proceed order, in the form of a letter, is sent to the contractor. Final contracts are drawn up and submitted to the office of the Under Secretary of War for final signature.

One of the first jobs awarded was an \$18,115,000 project at Fayetteville, N. C. This contract, strange as it may seem, was awarded to T. A. Loving & Co., at Charlotte, N. C. Mr. Loving, former construction branch chief, bears the same name and is from the same town. It is said that no relationship whatsoever exists between the two Mr. Lovings. Another instance occurred where a contractor and an architect had been selected because they have special merit for a reasonably small project. The Philadelphia quartermaster depot was awarded to the Ballinger Co. and Wark & Co. in the amount of \$700,000. Within a month's time this same group received an additional contract in the amount of \$9,911,000 as an extra. There were no negotiations. The same thing occurred at Camp Blanding, Fla., Camp Edwards, Mass., and at Camp Meade, Md.

Many of the contracts which have been awarded have been traced to a connection between a member of the contractor's firm and Mr. Dresser, namely, they have been personal friends in the past. This, however, should not effect any criticism. Friends may have been made because of their quality performance. Friendship should not be a handicap to anyone seeking work in the War Department. When a friendship, however, dominates the selection of an inferior contractor, then that selection is wrong. Colonel Wahlbrigg of Wahlbrigg and Aldinger was a personal friend of Mr. Dresser, so I am told. Wahlbrigg & Aldinger of Detroit, and Foley Bros. of St. Paul, Minn., were awarded the \$8,000,000 Remington small arms ammunition plant at Lake City, Mo. The two firms were neither geographically located in regard to the job, nor were they in any way better equipped than local contractors of Kansas and Missouri.

The same policy was followed in letting the contract at Camp Leonard Wood at Rolla, Mo. I am told that the gentlemen who got this contract were dirt movers and had never had a construction job in their lives. They are having much trouble getting organized and are having a great deal of difficulty with local labor labor conditions.

Smith, Hitchman & Grylls, architects and engineers, of Detroit, were awarded the architectural work at Lake City. Smith, Hitchman & Grylls are personal friends of Mr. Harrison, who is in the Housing Section of the National Defense Council. Mr. Harrison, I believe, and

from what I am told, was the booster of Smith, Hitchman & Grylls. Smith, Hitchman & Grylls, after having had the contract since September 23, were unable to produce a suitable plot plan for a reasonably simple project until December 31, and it was not until the section chief handling the particular project forced construction, whether right or wrong, and against the wishes of both Remington and Smith, Hitchman & Grylls. Smith, Hitchman & Grylls were considered for the second Remington Arms plant in Denver.

On the Western Cartridge small-arms ammunition plant, to be known as the St. Louis ordnance plant, negotiations were held with two firms who were combined by the Dresser committee. Albert P. Greensfelder, of the Fruco Construction Co., formerly known as the Fruin-Colon Contracting Co., is a personal friend, so I am told, of Mr. Dresser. The Fruco Co. was combined with the Massman Construction Co. Massman is a river contractor. The particular project on which he was selected to be the contractor is within the city limits of St. Louis, and all the barges which Massman may own would serve no useful purpose for this project. The Fruco Co. had, a month prior to the negotiations, so I am told, a B rating. The second choice for the St. Louis job was Winston, or Winston & Turner, of New York. For some reason Winston has been pushed into practically every job in the Middle West by the Advisory Committee. A short time ago they were awarded, as co-contractors with Sollit Construction Co., the bag-loading plant, at Charlestown, Ind. The operators of this plant were intent on using a contractor close to the job, the H. K. Ferguson Co., of Cleveland. Winston, however, seems to have gotten the job.

At Camp Blanding, Fla., Starrett Bros. & Eakin, Inc., general contractors, of New York City, were awarded a \$9,000,000 project, and 8 days later, awarded an additional \$8,000,000 project—a total of \$17,463,777 in construction. This particular job was supposed to be completed January 15, 1941, but as of December 27, 1940, was but 48 percent completed. There has been much discussion on this particular project. Fischbach & Moore, electrical contractors, of New York City, received the contract for the electrical work. So, too, did a New York contracting firm, J. L. Murphy, for all the plumbing work on the project. No one knows why Starrett Bros. & Eakin, of New York City, should have received the contract for this particular project.

One of the first projects that was awarded was the Ellwood ordnance plant at Wilmington, Ill. This project was in the amount of \$11,564,000, and was awarded to Mr. Blossom's firm, Sanderson & Porter. Mr. Blossom is on the committee.

I have been informed—and this also needs verification—that John Griffiths & Son Construction Co., of Chicago, were bankrupt 5 years ago, but through a Colonel Paddock, chief Washington representative of the firm, they were awarded a \$6,268,669 contract for the construction of Camp Grant in Illinois. At Fal-

mouth, Mass., the Walsh Construction Co., of Boston, a tunnel contractor, received the contract for the construction of Camp Edwards in the amount of \$7,000,000 first and \$12,000,000 second, a total of \$19,697,948 for construction. Fischbach-Moore, electrical contractor of New York, is in on this job. The estimated date of completion was February 1 and December 20. To date they are about 70 percent complete. On this particular job, I have been told on good authority that there was a local union consisting of about 100 members who so organized the labor on this job that the 5,000 men employed would have to pay \$50 apiece to the local union before they set foot on the job. Labor conditions similar to this have existed on many of the camp jobs, including Fort Dix, Fort Meade, Lake City, St. Louis and Rolla, Mo.

Marueen, Russell, Crowell & Mullgardt were awarded, as associated with Giffels & Vallet, the contract for the design of the \$30,000,000 St. Louis Ammunition Plant. Russell, again, is a personal friend of Mr. Dresser, so I have been informed. Russell's firm has never done this type of work before. It is said that this firm received approximately \$76,000,000 worth of national-defense construction. There has been good reason for criticism of the Fixed Fee Branch of the War Department.

It is also said that Albert Kahn, Associated Architects & Engineers, Inc., have received between three hundred and five hundred millions of dollars in engineering and architectural contracts. Giffels & Vallet are, I am told, an offshoot of Albert Kahn. The Senate will remember what a tremendous fuss was raised when it was discovered that Chip Robert and his engineering firm in Atlanta, Ga., had received engineering and architectural contracts to the sum of \$76,000,000. It looks as if Chip has been a piker and was not in at the right time.

I do not believe that any contracts should be let on the basis of friendship or political affiliation. We are facing a national emergency. Patriotism would require that these contracts be let to the man best fitted to carry out the contracts. I believe the Senate ought to go to the bottom of the whole procedure.

It is my opinion, from things I have heard, that the violations of ethics and common-sense procedure are just as flagrant in the letting of contracts for the Navy.

They say the selection of a contractor and architect is based on their financial stability and their past experience. If the contractor and the architect were selected on the basis of their familiarity with labor and local material markets, and if the contractors were provided with a suitable method of reimbursement, and if the red tape connected with the payments were removed, smaller contracting firms would be judged on the same basis as the larger firms are now judged. Past performance is really no guide for judging a contractor today. In the past 11 years there has been little, if any, industrial expansion. The building industry throughout the United States, as we all know, has suffered for the want of work.

The only work that contractors have been performing has been P. W. A. and W. P. A. projects. The firms who were good prior to 1929 are not necessarily the firms who are good today.

I am calling the attention of the Senate to these things because I believe most sincerely that they need looking into. I consider public funds to be sacred funds, and I think they ought to have every safeguard possible to prevent their being misused and mishandled.

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

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Colorado?

Mr. TRUMAN. I do.

Mr. ADAMS. The contracts are generally awarded on the basis of cost plus a fixed fee; are they not?

Mr. TRUMAN. That is correct.

Mr. ADAMS. I was wondering if the Senator knew upon what basis the supervising engineering architects are employed?

Mr. TRUMAN. On exactly the same basis.

Mr. ADAMS. How can that be?

Mr. TRUMAN. On a fixed fee on the estimated cost, as I understand.

Mr. ADAMS. Is that a percentage?

Mr. TRUMAN. It is a percentage.

Mr. ADAMS. Has the Senator information as to what the percentage is?

Mr. TRUMAN. I have not information as to the percentage.

Mr. ADAMS. I ask the question because any normal percentage would run pretty high.

Mr. TRUMAN. It would be a tremendous fee; but I have not the figures.

I think the Senate ought to create a special committee with authority to examine every contract that has been let, with authority to find out if the rumors rife in this city have any foundation in fact. This will be a protection to the men who are responsible for letting these contracts, and will also insure a more efficient carrying out of the contract itself.

I have had considerable experience in letting public contracts; and I have never yet found a contractor who, if not watched, would not leave the Government holding the bag. We are not doing him a favor if we do not watch him.

When safeguards are removed from a man who is entrusted with funds it does him a disservice, for the simple reason that it is much better to place the necessary guards around public funds and keep men from embezzling them than it is to prosecute men after embezzlement has taken place. When a bank teller is permitted to run loose without bond and without the necessary supervision, in the long run he gets his money mixed up with the money of the bank. The same thing happens in letting Government contracts. I do not like a cost-plus contract. I think it is an abomination; but, under the present conditions, I do not see how else this situation could have been met, although in the time that has been wasted as this matter has been handled, plans and specifications could have been drawn and contracts could have been let to the lowest and best bidder,

which is the only proper way to let contracts.

I am particularly alarmed at the concentration of national-defense industrial plants. I am reliably informed that from 70 to 90 percent of the contracts let have been concentrated in an area smaller than England. It undoubtedly is the plan to make the big manufacturers bigger, and let the little men shift for themselves.

I think the "educational order" program ought to be gone into thoroughly. If it is necessary to give Henry Ford and Chrysler and General Motors millions of dollars for educational purposes for mass production, then we are certainly out on a limb. I understand that they have been given \$11,000,000 apiece for educational purposes. The educational-order program was instituted along in the 1920's and 1930's by the War Department and the Navy Department to educate certain manufacturers in what the Army and the Navy might need in case an emergency should arise. Those educational orders are things of the past, and ought now to be abandoned. They are merely a gift. That phase of our national-defense program should be thoroughly gone into.

I am merely stating what I believe to be conditions that deserve investigation. If nothing is wrong, there will be no harm done. If something is wrong, it ought to be brought to light. The location of these national-defense plants and the profits that are supposed to be made on tanks, planes, and small arms should be a matter of public record, unless we are to have the same old profiteering situation that we had in the last war.

Everyone connected with the national-defense program should have a patriotic interest in seeing that it is properly carried out; and the Senate ought to know whether such persons have this interest, whether they be manufacturers or laboring men.

Mr. President, I ask permission to insert in the RECORD at the conclusion of my remarks two editorials from my home-town newspapers, the *Kansas City Star* and the *Independence Examiner*, having to do with taking care of the small-machine man in the national-defense set-up.

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

The editorials are as follows:

[From the *Kansas City Star* of February 8, 1941]

DEFENSE IN THE MIDDLE WEST

Lou Holland, head of the Midcentral War Resources Board, has drawn a disturbing picture of the situation which will confront this part of the country unless those in charge of the national-defense program begin to make fuller use of our machine shops and small manufacturing plants in the near future.

According to Mr. Holland, a comprehensive and practical plan for utilizing these facilities was presented to the Government as long ago as last November. It was greeted in Washington with apparent approval, he says, but so far "nothing has happened." Meanwhile the eastern industrialists, who were immediately awarded huge armament contracts, have already started to strip the Middle West of its machine tools. In Mr. Holland's opinion, if this trend is not halted soon, we will

find many of our regional industries growing smaller or even disappearing altogether.

There seems to be no disposition on the part of those in authority to deny the right of the Middle West to an equitable share of the production for defense. As a matter of fact, the arguments are overwhelmingly in favor of such a policy, on the score not only of justice but of the national interest. If the country is to avoid a serious dislocation of its industrial life at the end of this expansion period, as well as the immediate military dangers involved in the overconcentration of its armament factories, obviously some system must be adopted for distributing contracts and spreading the work out on a geographical basis.

Such a system, of course, would have to take into account the compelling requirements of speed and efficiency. The Nation has no time to lose in rearming itself. But Mr. Holland contends that the plan outlined by the midcentral war resources board months ago would be both speedy and efficient, and the continued failure to put it into effect must be traced to the greed of certain manufacturers in the East.

That is a serious charge. Defense officials admit that the "bits and pieces" program of production by subcontract is proceeding slowly, but say that it will undoubtedly pick up as soon as the holders of major contracts find themselves committed beyond their own capacity and so are forced to farm out part of the work.

A certain amount of tardiness was to be expected. The important question is whether the prolonged delay in taking advantage of the Nation's smaller industrial units can still be explained solely on the ground of practical expediency. Discrimination in such a matter would be disastrous.

In the last few days Kansas City has had an example of the feasibility of breaking up a large order. Because of the magnitude of a contract just received by the Fruehauf Trailer Co. here, it is announced, the concern has decided to sublet most of the machine work to small shops in this area. According to a recent survey, so many of those shops are idle as together to constitute one of the country's largest manufacturing establishments.

It is to be hoped that such contracts as that now being distributed through the Fruehauf Co. forecast a real attempt to harness the immense productive capacity of the Middle West.

[From the *Independence Examiner* of February 8, 1941]

BIG BUSINESS GETS THE TOOLS?

It was a serious situation as far as our immediate part of the country is concerned that Lou Holland pointed out before the regional meeting of the State chamber of commerce at Marshall this week. He figured that the big business concerns with the big Government contracts would probably raid the small business concerns using machine tools and take the tools away from this territory.

Mr. Holland has made a survey of the small business concerns of this Middle West territory. He discovered an astonishing number of small business institutions well equipped with machine tools needed to speed up our defense activities. He took the information to Washington, suggesting that these concerns be given contracts for the making of parts for defense materials. His plan would put all the small experts owning machine tools at work and would relieve the manufacturers of delay in waiting for tools and what those tools produced. This is the thing England has done, only England has deliberately, as a policy, scattered the manufacturing establishments throughout thinly populated territory and concentrated the

products. China is developing this plan of small manufacturing concerns to a much greater degree and producing war materials in home factories. When the war did reach the big cities in China the big manufacturing plants were destroyed. Now through the genius of an American, little manufacturing establishments in the woods are doing the work and doing it well.

The United States seems to be following an exactly opposite course, concentrating in the big establishments and leaving the small business establishments with little to do. This is not only applicable to defense plans but to all other small business concerns. Laws made and administered to regulate large employers hit the little fellow right in the middle and a lot of small business establishments see ahead of them a very serious doubt if they can continue to operate. The small concern employing 20 or 30 people, all of whom work the year round, and provide employment and homes, are faced with operation at a loss or stopping business. They are classed as interstate commerce even if nine-tenths of the product is exclusively held within the State of production. The small business is entirely ignorant of what the next bureau ruling will be. We need now very much some definite legal definition of what, and who, and why, or if, we are included in interstate commerce and thus subject to all the laws regulating interstate commerce.

POSITION OF IRELAND IN THE EUROPEAN WAR

Mr. MURRAY. Mr. President, at no time in history have international justice and good faith fallen to so low a standard as during the period in which we now live. Propaganda, intrigue, and aggression are rampant throughout the world. When powerful militaristic nations feel that it desirable to extend their borders and take over territory to which they have no just claim, they advance some pretense or excuse in justification for their acts of aggression, and simply move in and take possession of the territory of weaker and defenseless countries. Sometimes, through convenient agents, they find it possible to create internal disturbances in the country coveted, and then, upon the pretense of quelling the disturbance and restoring order, march their armies in and take possession of the desired areas—all in the name of peace and justice. They also attempt to justify acts of aggression on the ground that if they fail to move and act in their own interests, some other nation, impelled by a similar desire to gain a strategic advantage, may succeed in forestalling them by taking possession ahead of them.

In these days when there is such a need for clear thinking and when propagandists are so active, it would be well for us in America to try to realize the dangerous situation which a small nation on the other side of the Atlantic occupies in the midst of the European upheaval. I refer to Ireland, a little island which has contributed much to the development of this Republic. Here is one of the small democratic nations which, emerging into statehood after centuries of British misrule, has set up a constitution like, in all fundamentals, to our own, and which might well be regarded as a model for other countries struggling for freedom—a constitution which breathes the very spirit of tolerance and liberty, and which enshrines the highest conception of democracy.

In an age when the totalitarian doctrine of state absolutism is being forced upon Europe by the Axis nations, the people of Ireland formulate a constitution which is an inspiration to all who believe in the essential principles of human liberty and justice.

Here are some of the opening sentences of Ireland's constitution:

We, the people of Eire,

Humbly acknowledging all our obligations to our Divine Lord, Jesus Christ, who sustained our fathers through centuries of trial,

Gratefully remembering their heroic and unremitting struggle to regain the rightful independence of our nation,

And seeking to promote the common good, with due observance of prudence, justice, and charity, so that the dignity and freedom of the individual may be assured, true social order attained, the unity of our country restored and concord established with other nations.

Let us remember that the men who conceived and wrote this constitution were those who had been regarded by their former rulers as aliens in their native land; that they represented a people who had been harried and driven from their homes by absentee landlords. They were men whose loyalty to their country and to the principles proclaimed in the Constitution of the United States was counted as treason, for which they were branded as convicts and transported across the seas. But the sacred fire of liberty continued to burn on the altar of Irish nationalism; and now, after centuries of struggle and sacrifice, it continues to shine through the pages of the Irish constitution.

It is significant of the small Irish Nation that while in the past it has fought many battles for other countries, never in its history has it embarked on wars of conquest or sought to subjugate other countries to its rule and domination.

Today it is threatened with danger—the danger of being invaded and of being made the cockpit for contending armies in the present European war. Some excuse must be found for visiting this injustice upon a defenseless little nation; so the propagandists have been telling the American people that Ireland is engaged in unneutral acts seeking to advance the interests of one of the belligerents in the present war. Ireland's history is a record of a small, valiant people fighting for centuries a seemingly hopeless battle for the highest ideals of freedom and democracy which we in this country hold so dear. For more than seven centuries these courageous people fought tyranny and oppression against odds which would have quickly broken the resistance of any other race. Let me ask: Is it likely that a country such as I have described would enter into intrigue with a militaristic power which has set out to destroy the principles of democracy? Is it possible, I ask, that such a nation, which struggled for seven centuries to win the right to liberty would now be guilty of such base desertion of its ideals, and turn to aid any dictator or tyrant to establish a new world order based on force?

No better judge could be found of the attitude of the De Valera government in this war than the man who so recently

was the United States Minister to that country, Hon. John Cudahy. Writing in the New York Times of February 2 of this year, Mr. Cudahy has this to say:

The other day an anything-short-of-war enthusiast complained bitterly about Ireland. He said the Irish, by refusing to permit the British to use the Irish ports against German submarines, were conducting themselves in a mean and contemptible way.

I asked him, assuming a conflict between the German and British Fleets, 100 miles or so from our shores, could the British properly petition for naval bases in New York, Boston, and Newport News? He wasn't so sure about that. He conceded that acceded occupation of these shelters would be a warlike act on the part of the United States, and he did not favor war; that is, for his own country.

The analogy is a true one—except that the war is at the front gate of Ireland, while 3,000 miles of the Atlantic separate us. The question of transferring the Irish harbors to British naval forces is an Irish question, concerned primarily with Irish national self-interest. There is as much relevancy for everything-short-of-war shouters to dictate to the Irish their course of action as for the Irish to determine what we should do if the British sought refuge for their battleships on our shores.

The analogy, as Mr. Cudahy says, is a true one. "First and last," as he says, "it is an Irish problem, for Irish solution."

Equally false is the assertion of the anti-Irish propagandist that Irish hatred of the English is the motive behind their refusal to give up the naval bases. Mr. De Valera has repeatedly announced that his Government will fight any invader seeking to make Ireland a jumping-off ground for invasion of England. The Irish people were never more united than at present in their opposition to the things for which the totalitarian nations stand. It is no exaggeration to say that at least 95 percent of the Irish people are hoping for a British victory. In all these recent years of the adjustment of the Irish people to their own form of government, the English people have been welcomed as visitors and tourists and as sportsmen taking advantage of the hunting and fishing which Ireland provides.

In the first Great War of 1914-18, the Irish contributed 350,000 soldiers to the British armies, with the belief, which Americans also held, that they were fighting for their own freedom as a small nation, and that democracy everywhere should have free course and be maintained. If the principle of self-determination was lost sight of by Great Britain at Versailles, and Ireland forced to experience the horrors of Lloyd George's black-and-tan campaign, the Ireland of today does not indulge in recriminations, or hesitate to renounce the new-world order of Hitler's dreams. No people is more concerned than the Irish where freedom of religious worship is concerned, or where the liberties of the individual and the nation are at stake. Propagandists who seek to defame the Irish people will find it difficult to convince the American people that a deeply religious and conservative race would hesitate for a moment to choose between the despotism of totalitarian dictatorships that make war upon religion and upon democratic institutions, and the demo-

cratic freedom in defense of which the United States has taken a definite stand.

The truth of the matter is that the people of Ireland have never held any enmity toward the people of England. Ireland's fight has always been with the tory rulers of Britain, and not with the people. For centuries the people of Ireland have lived close to the English people on the most friendly terms. There are more Irish people today living in England than in Ireland. They live there on terms of the closest and most friendly relations in business and in social life. They intermarry and become a part of the nation, active in public affairs. Irishmen in England have risen to the very highest positions in government, business, and industry, and in literature and art. Throughout Ireland's fight for freedom, it always had the warm sympathy of the majority of the English people.

Every time the people of England had an opportunity to do so, they voted for home rule for Ireland, and in the period when Ireland was represented in the British Parliament, the Irish members in that assembly were accorded the most kindly reception everywhere in England among the people. Ireland's struggle for liberty was always one against the imperialistic rulers of England, and in every crisis during that long fight they had the warm sympathy and support of the common people of England.

In America the same thing is true. There is no feeling amongst the Irish people in this country against England. Their sympathy for the brave, heroic people of England, who are fighting for their lives in the present bitter European war, is unstinted. The records show that in the halls of the Congress of the United States, members of Irish descent have uniformly voted in sympathy with the English in their present desperate situation. That is true with reference to the lifting of the embargo in 1939 in order to enable this country to furnish the English with armaments and munitions.

Eire, like the United States, is of greater value to the democratic Allies as a neutral than if she invited invasion by leasing her bases to Great Britain. I feel that the United States made a grave mistake by including the whole of Ireland in the European danger zones established by Presidential proclamation. If Eire had been recognized as a neutral country, with no danger zones covering her ports, her neutrality would have been recognized by all belligerents, and no effort, made to block her trade with the United States.

The leasing of Irish ports to England would not materially assist that country and would bring untold horrors on this small country such as the Scandinavian and Low Countries suffered at the hands of Germany, and which have inflicted such humiliation and distress on the Government and people of France. It is not the Irish ports only that would be bombed and around which the flames of war would rage, but every hamlet, town, and city would be laid in ruins. What

that would mean, let the late Lord Lothian tell us. In his last speech, delivered by proxy as he lay on his deathbed, he said:

Nobody who, like myself, has seen what the steady and constant bombardment of great cities from the air means, could wish any friendly country like the United States of America to undergo any similar experience.

What we do not wish for ourselves, we have no right to ask Ireland to undergo. An intelligent understanding of the Irish situation in this war will, I am convinced, lead any unprejudiced mind to regard the lease of Irish ports as a matter for the Irish Nation to decide, with the knowledge that no support whatever for the Axis enemies of England is implicit in this decision to avoid the horrors of incendiary war.

APPROPRIATIONS FOR NATIONAL DEFENSE

The Senate resumed the consideration of the joint resolution (H. J. Res. 89) making an additional appropriation for the Military Establishment for fiscal year ending June 30, 1941.

Mr. ADAMS. Mr. President, the matter before the Senate is House Joint Resolution 89, providing an additional appropriation for the Military Establishment. The amount of the appropriation is \$175,000,000. It is covered in the one term of clothing and equipment, made up of a number of items which are set forth in a page of the very brief report which I have filed on behalf of the Committee on Appropriations.

The explanation which is made by the War Department for submitting this as a deficiency or supplemental appropriation at this time is that it is of great advantage to the Government, to the Army, and to the civilian population, that the Army be able to make its contracts in such a way as to take advantage of periods of slack production. The Army authorities and the Defense Commission authorities say to us that if they wait until the end of the fiscal year they will lose the opportunity of making advantageous contracts, that the cost to the Government will increase, and the cost to the individual consumers will increase. They point out several reasons for desiring the proposed legislation.

We had before us, as the present occupant of the chair knows (Mr. McKellar in the chair), the Quartermaster General of the Army, who pointed out the necessities for the enactment of this measure. We also had before us Mr. Browning, who is a civilian of wide purchasing experience, having been purchasing agent for one of the large mail-order houses, who is in immediate charge of this line of purchasing. They point out that if they can have this appropriation anticipated, there will be several savings. They say, for instance, that it takes many months for clothing to go from the stage of the raw wool through its marketing stages, its manufacturing stages into cloth, and then its manufacturing stages into the various items of clothing, and that there are certain seasons of the year when the woolen mills and other fabricating mills are running at a slower pace and are more eager for business. We were also

told that if these funds are available to the Army in advance they can make the contracts 6 months, 8 months, 10 months in advance, and thus take advantage of the opportunity of obtaining their requirements at lower cost to the Government.

There is an even more important item, Mr. President. They say to us that when vast orders, in the execution of which speed is required, are placed on the market at one time, an excessive increase in cost results. Some increase in cost is inevitable, but the Army purchasing represents perhaps 10 percent of the total purchasing of the particular items throughout the country, so that if there is a 15-percent increase in cost to the Army, the same 15-percent increase would result throughout the whole country, and represent an aggregate of ten times the increase in cost to the Army. Therefore the public is quite vitally concerned in the administration of the Army purchases. I think the committee were impressed with the competence of Mr. Browning as a purchasing agent. Those who appeared before the committee also stated that in this way mills could be run on a more uniform plan, and that labor could be more uniformly employed.

The time may have been, Mr. President, when there would have been some question as to the advisability of this particular appropriation. We passed the draft act. I happened to be among those who voted against it. But the men are now going into the field. Whether the legislation was wise is not now open to discussion. That matter has been decided, and we cannot send the men into the field without clothing, without shoes, without blankets. I think in all probability the Army officials are doing here what was done during the World War—are overstating rather than understating their needs—but as a member of the Appropriations Committee of the Senate I have not been able to say that the Army does not need this amount.

As the present Presiding Officer knows, a question will arise in the future in connection with this matter. The President submitted a Budget estimate for the next fiscal year of some \$247,000,000, which soon will be under consideration, and some of us are inclined to think that this \$175,000,000 will cover the same items that are intended to be covered by the estimate for \$247,000,000, and that when we consider that estimate the amount now proposed to be appropriated should be deducted therefrom. By making this appropriation at this time we are not losing anything. On the contrary, we are gaining.

The PRESIDING OFFICER. The joint resolution is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading of the joint resolution.

The joint resolution (H. J. Res. 89) was ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That the following sum is appropriated, out of any money in the Treasury not otherwise appropriated, for the Military Establishment for the fiscal year ending June 30, 1941: For clothing and equipage, to

be supplemental to, and merged with, previous appropriations under this head for the fiscal year 1941, including the objects and subject to the limitations and conditions specified therein, \$175,000,000.

COAST GUARD AUXILIARY AND A COAST GUARD RESERVE

Mr. BAILEY. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 30, Senate bill 187, to provide for the establishment, administration, and maintenance of a Coast Guard Auxiliary and a Coast Guard Reserve.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 187) to provide for the establishment, administration, and maintenance of a Coast Guard Auxiliary and a Coast Guard Reserve, which had been reported from the Committee on Commerce with an amendment, on page 1, line 4, after the words "act of," to strike out "1940" and insert "1941," so as to make the bill read:

Be it enacted, etc., That this act may be cited as the "Coast Guard Auxiliary and Reserve Act of 1941."

TITLE I—REPEAL OF COAST GUARD RESERVE ACT OF 1939, AS AMENDED, AND ESTABLISHMENT OF COAST GUARD AUXILIARY

SEC. 1. The Coast Guard Reserve Act of 1939 (53 Stat. 854; U. S. C., Supp. V, title 14, ch. 9), as amended by Public Law No. 564, Seventy-sixth Congress, third session, is hereby repealed and in lieu of the United States Coast Guard Reserve provided for in such act there is hereby created and established a United States Coast Guard Auxiliary (hereinafter referred to as the "Auxiliary").

SEC. 2. It is hereby declared to be the purposes of the Auxiliary (a) to further interest in safety of life at sea and upon the navigable waters, (b) to promote efficiency in the operation of motorboats and yachts, (c) to foster a wider knowledge of, and better compliance with, the laws, rules, and regulations governing the operation of motorboats and yachts, and (d) to facilitate operations of the Coast Guard.

SEC. 3. The Auxiliary shall be composed of citizens of the United States and of its Territories and possessions, except the Philippine Islands, who are owners (sole or part) of motorboats or yachts, and who may be enrolled therein pursuant to regulations prescribed under the authority of this act.

SEC. 4. The Auxiliary shall be a nonmilitary organization administered by the Commandant of the Coast Guard (hereinafter referred to as the "Commandant") under the direction of the Secretary of the Treasury, and the Commandant shall, with the approval of the Secretary of the Treasury, prescribe such regulations as may be necessary to effectuate the purposes of this title.

SEC. 5. Subject to regulations prescribed under the authority of this act, members of the Auxiliary may also be enrolled in the Coast Guard Reserve established by title II of this act, and membership in the Auxiliary shall not be a bar to membership in any other naval or military organization.

SEC. 6. The Coast Guard is authorized to utilize in the conduct of duties incident to the saving of life and property, in the patrol of marine parades and regattas, or for any other purpose incident to the carrying out of the functions and duties of the Coast Guard which may be authorized by the Secretary of the Treasury, any motorboat or yacht placed at its disposition for any of such purposes by any member of the Auxiliary. No such motorboat or yacht shall be assigned to Coast Guard duty unless it is placed in charge of a commissioned officer, chief warrant officer,

warrant officer, or petty officer of the Coast Guard or the Coast Guard Reserve established by title II of this act during such assignment.

Sec. 7. Any motorboat or yacht, while assigned to Coast Guard duty as herein authorized, shall be deemed to be a public vessel of the United States, and within the meaning of the act of June 15, 1936 (49 Stat. 1514; U. S. C., Supp. V, title 14, sec. 71), shall be deemed to be a vessel of the United States Coast Guard.

Sec. 8. Appropriations of the Coast Guard shall be available for the payment of actual necessary expenses of operation of any such motorboat or yacht when so utilized, but shall not be available for the payment of compensation for personal services, incident to such operation, to other than personnel of the regular Coast Guard or the Coast Guard Reserve established by title II of this act. The term "actual necessary expenses of operation," as used herein, shall include fuel, oil, water, supplies, provisions, and any replacement or repair of equipment or any repair of the motorboat or yacht where, upon investigation by a board of not less than three commissioned officers of the regular Coast Guard, it is determined that responsibility for the loss or damage necessitating such replacement or repair of equipment or such repair of the motorboat or yacht rests with the Coast Guard.

Sec. 9. No member of the Auxiliary, solely by reason of such membership, shall be vested with or exercise any right, privilege, power, or duty vested in or imposed upon the personnel of the Coast Guard, except that any such member may, under such regulations as the Commandant shall prescribe, act in an advisory capacity to the Commandant in the administration of the Auxiliary. Any member performing such service shall, upon authorization by the Commandant, be entitled to actual expenses of travel and to a per diem allowance not exceeding \$5 per day while performing such travel from and to his home and while engaged upon such service.

Sec. 10. All orders, rules, regulations, enrollments, privileges, or other benefits made, issued, or granted pursuant to the Coast Guard Reserve Act of 1939, as amended, and in effect on the date of the enactment of this act, shall be applicable to the Coast Guard Auxiliary and shall continue in effect hereunder until modified or revoked in accordance with the provisions of this act.

TITLE II—ESTABLISHMENT OF NEW COAST GUARD RESERVE

Sec. 201. There is hereby created and established a United States Coast Guard Reserve (hereinafter referred to as the "Reserve"), the purpose of which is to provide a trained force of officers and men which, added to regular personnel of the Coast Guard, will be adequate to enable that service to perform such extraordinary duties as may be necessitated by emergency conditions.

Sec. 202. The Reserve shall be composed of male citizens of the United States and of its Territories and possessions, except the Philippine Islands, between the ages of 17 and 64, who are physically and otherwise qualified for the performance of duty with the Coast Guard, and who, through appointment or enlistment therein, obligate themselves to serve in the Coast Guard in time of war or during any period of national emergency declared by the President to exist.

Sec. 203. The ranks, grades, and ratings in the Reserve shall be the various ranks, grades, and ratings, not above lieutenant commander, prescribed by law for the Coast Guard.

Sec. 204. The Reserve shall be a military organization administered by the Commandant, under the direction of the Secretary of the Treasury, and the Commandant shall, with the approval of the Secretary of the Treasury and the concurrence of the Secretary of the Navy, prescribe such regulations

as may be necessary to effectuate the purposes of this title.

Sec. 205. Any member of the Reserve may be ordered to active duty by the Commandant in time of war or during any period of national emergency declared by the President to exist and be required to perform active duty throughout the war or until the President declares that such national emergency no longer exists; but in time of peace, except for disciplinary purposes as provided in section 209 hereof, no such member shall be ordered to or continued on active duty without his consent: *Provided*, That the Commandant may release any member from active duty either in time of war or in time of peace. Members of the Reserve while engaged on active duty shall be vested with the same power, authority, rights, and privileges as members of the regular Coast Guard of similar ranks, grades, or ratings.

Sec. 206. Commissioned officers, chief warrant officers, warrant officers, and enlisted men of the Reserve when engaged on active duty, or on active duty while undergoing training, or when engaged in authorized travel to or from such duty, shall receive the same pay and allowances as are received by commissioned officers, chief warrant officers, warrant officers, and enlisted men of the regular Coast Guard of the same rank, grade, rating, and length of service. In determining length of service for the purposes of this section there shall be included (a) all periods of active duty under this act, except active duty while undergoing training, and (b) all other service for which credit is given by law to members of the regular Coast Guard. When members of the Reserve perform active duty or active duty while undergoing training for a period of less than 30 days, such duty performed on the 31st day of any month shall be paid for at the same rate as for other days: *Provided*, That members of the Reserve while engaged on active duty which involves the actual flying in aircraft in accordance with regulations prescribed by the Commandant shall receive the same increase of pay of their ranks, grades, or ratings as may be received by members of the regular Coast Guard in similar ranks, grades, or ratings, for the performance of similar duty.

Sec. 207. The Commandant, with the approval of the Secretary of the Treasury, is hereby authorized to enroll for active duty, as temporary members of the Reserve, such owners, regular officers, and members of the crew of any motorboat or yacht placed at the disposal of the Coast Guard as are citizens of the United States or of its Territories or possessions, except the Philippine Islands, define their powers and duties, and confer upon them, appropriate to their qualifications and experience, the same ranks, grades, and ratings as are provided for the personnel of the regular Coast Guard Reserve. When on active duty with the Coast Guard, as herein authorized, temporary members of the Reserve shall be entitled to receive the pay of their respective ranks, grades, or ratings, and such allowances, not to exceed those prescribed for members of the regular Coast Guard, as the Commandant may deem appropriate: *Provided*, That temporary membership in the Reserve and the other benefits conferred by this section as a result thereof shall extend only for such period as the motorboat or yacht to which such members are attached is utilized in the service of the Coast Guard.

Sec. 208. Members of the Reserve, other than temporary members as provided for in section 207 hereof, shall receive the same exemption from registration and liability for training and service as members of the Naval Reserve, and no member of the Reserve, other than temporary members thereof, shall be a member of any other naval or military organization except the Auxiliary or the Coast Guard as provided for in sections 214 and 215

of this title: *Provided*, That temporary members of the Reserve who may be members of any other military reserve, if ordered to active duty therein, shall be forthwith released from all active duty with the Coast Guard, and their status as temporary members of the Reserve terminated.

Sec. 209. All members of the Reserve when employed on active duty, or when employed in authorized travel to or from such duty, or while wearing a uniform prescribed for the Reserve, shall be subject to the laws, regulations, and orders for the government of the Coast Guard: *Provided*, That disciplinary action for an offense committed while subject to the laws, regulations, and orders for the government of the Coast Guard shall not be barred by reason of release from duty status of any person charged with the commission thereof: *Provided further*, That for the purpose of carrying the provisions of this section into effect, members of the Reserve may be retained on or returned to a duty status without their consent, but not for a longer period of time than may be required for disciplinary action.

Sec. 210. Members of the Reserve may be allowed the cost of or issued such items of uniform bedding, and equipment, as may be prescribed by the Commandant, with the approval of the Secretary of the Treasury: *Provided*, That the value of such allowances or of items so issued to any one person during any 3-year period shall not exceed \$100.

Sec. 211. Members of the Reserve, other than temporary members thereof, who suffer sickness, disease, disability, or death in line of duty shall be entitled to the same benefits as are or may hereafter be prescribed by law for members of the Naval Reserve who suffer sickness, disease, disability, or death under similar conditions.

Sec. 212. When any temporary member of the Reserve is physically injured in line of duty while performing active Coast Guard service, or dies as a result of such physical injury, he or his beneficiary shall be entitled to all the benefits prescribed by law for civil employees of the United States, and the United States Employees' Compensation Commission shall have jurisdiction in such cases and shall perform the same duties with reference thereto as in the case of civil employees of the United States. Temporary members of the Reserve who contract sickness or disease while performing active duty shall be entitled to the same hospital treatment as is afforded members of the regular Coast Guard.

Sec. 213. Officers and employees of the United States or of the District of Columbia who may become members of the Reserve shall be entitled to the same leave of absence with pay while on training duty and, except as otherwise provided by this act, to all other benefits which are now or hereafter may be applicable by law to officers and employees of the United States or of the District of Columbia who are members of the Naval Reserve.

Sec. 214. Chief warrant and warrant officers and enlisted men of the regular Coast Guard may, under regulations promulgated pursuant to section 204 of this act, be issued appointments as commissioned, chief warrant, or warrant officers in the Reserve, under which appointments they may be required to serve only in time of war or during any period of national emergency declared by the President to exist: *Provided*, That while serving on active duty under such appointments, the regular status of such appointees shall be considered as in abeyance, and upon termination of active duty thereunder they shall revert to the status held by them immediately preceding such active duty: *Provided further*, That active duty in the Reserve performed under the provisions of this Act shall be counted for all purposes as though it had been rendered

by the individuals concerned in the status held by them immediately preceding such active duty.

SEC. 215. Members of the regular Coast Guard called to active duty in the Reserve, as provided by section 214 of this act, shall not thereby suffer any reduction in pay and allowances: *Provided*, That if while so serving on active duty such members contract sickness or disease or sustain injury, or die as a result of such sickness, disease, or injury, they or their beneficiaries shall be entitled to all the benefits provided for commissioned, chief warrant, or warrant officers of the Reserve of the same rank, or to the benefits to which they would have been entitled had such active service been performed in their prior status as chief warrant or warrant officers or enlisted men of the regular Coast Guard, whichever may be the greater.

TITLE III—GENERAL PROVISIONS

SEC. 301. The term of enrollment in the Auxiliary and appointment and enlistment in the Reserve (except for temporary members of the Reserve) shall be 3 years.

SEC. 302. The Secretary of the Treasury is hereby authorized to prescribe one or more suitable distinguishing flags or pennants to be flown from the motorboats and yachts owned by members of the Auxiliary or the Reserve, and one or more suitable insignia which may be worn by such members. Such flags and insignia shall be furnished by the Coast Guard at actual cost, and the proceeds received therefor shall be credited to the appropriation from which paid: *Provided*, That any member of the Auxiliary who surrenders flags, pennants, or insignia which were furnished to him by the Coast Guard as a member of the former Coast Guard Reserve shall be entitled to a like number of the flags, pennants, and insignia prescribed for the Auxiliary without additional charge. Any person who shall, without proper authority fly from a motorboat, yacht, or other vessel, any flag or pennant or wear any insignia of the Auxiliary or of the Reserve shall, upon conviction thereof, be punished by a fine not exceeding \$100.

SEC. 303. Pursuant to such rules and regulations as the Commandant may prescribe, correspondence courses of the Coast Guard Institute may be made available to members of the Auxiliary and to members of the Reserve: *Provided*, That the actual cost of the study materials for each such course shall be paid by the member of the Auxiliary taking such course and the proper Coast Guard appropriation shall be credited accordingly: *Provided further*, That such courses shall be made available to members of the Reserve in accordance with Coast Guard regulations applicable to personnel of the regular Coast Guard.

SEC. 304. The services and facilities of the Coast Guard may be employed in the administration and operation of the Auxiliary and of the Reserve; and the appropriations for the Coast Guard shall be available to effectuate the purposes of this act.

The amendment was agreed to.

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

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, I move that the Senate proceed to the consideration of executive business.

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

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. McKellar) laid before the Senate mes-

sages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

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

EXECUTIVE REPORTS OF COMMITTEES

Mr. GREEN, from the Committee on Foreign Relations, reported favorably the nomination of Herbert Claiborne Pell, of Rhode Island, now Envoy Extraordinary and Minister Plenipotentiary to Portugal, to be Envoy Extraordinary and Minister Plenipotentiary to Hungary.

He also, from the same committee, reported favorably, without amendment, Executive P, Seventy-sixth Congress, third session, a convention between the United States of America and the Dominican Republic signed at Washington on September 24, 1940, modifying the convention of December 27, 1924, between the two countries, providing for the assistance of the United States of America in the collection and application of the customs revenues of the Dominican Republic, and submitted a report (Ex. Rept. No. 3) thereon.

Mr. SHIPSTEAD, from the Committee on Foreign Relations, reported favorably the nomination of William Dawson, of Minnesota, now Ambassador Extraordinary and Plenipotentiary to Panama, to be Ambassador Extraordinary and Plenipotentiary to Uruguay.

Mr. GUFFEY, from the Committee on Foreign Relations, reported favorably the nomination of Anthony J. Drexel Biddle, Jr., of Pennsylvania, now Ambassador Extraordinary and Plenipotentiary to Poland, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary near the Government of Belgium now established in London; and as Envoy Extraordinary and Minister Plenipotentiary near the Governments of Norway and the Netherlands, also now established in London.

Mr. CHANDLER, from the Committee on the Judiciary, reported favorably the nomination of B. Howard Caughran, of Indiana, to be United States attorney for the southern district of Indiana, vice Val Nolan, deceased.

Mr. HATCH, from the Committee on the Judiciary, reported favorably the nomination of Charles M. Phillips, of New Jersey, to be United States attorney for the district of New Jersey, vice John J. Quinn, resigned.

Mr. HUGHES, from the Committee on the Judiciary, reported favorably the nomination of William F. Smith, of New Jersey, to be United States district judge for the district of New Jersey, to fill a new position.

Mr. MURDOCK, from the Committee on the Judiciary, reported favorably the nomination of Roberto H. Todd, Jr., of Puerto Rico, to be associate justice of the Supreme Court of Puerto Rico, vice Harvey M. Hutchison, retired.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nomination of several general officers in the National Guard of the States to

be brigadier generals, National Guard of the United States.

He also, from the same committee, reported favorably the nomination of Brig. Gen. Richard Coke Marshall, Jr., Reserve, to be brigadier general, Reserve, from February 4, 1941.

He also, from the same committee, reported favorably the nomination of Brig. Gen. Benedict Crowell, Inactive Reserve, to be brigadier general, Inactive Reserve, from January 23, 1941.

He also, from the same committee, reported favorably the nominations of sundry officers for temporary appointment in the Army, under the provisions of law.

He also, from the same committee, reported favorably the nomination of Lieut. Col. Idwal Hubert Edwards, Air Corps, for appointment to temporary rank as colonel, in the Air Corps, Regular Army, from January 21, 1941.

He also, from the same committee, reported favorably the nomination of Chaplain Augustine Perry Donnelly (captain), Chaplains' Reserve, to be chaplain with rank of first lieutenant, from the date of appointment.

He also, from the same committee, reported favorably the nomination of Maj. Eugene Mead Caffey, Judge Advocate General's Department, for appointment, by transfer, to the Corps of Engineers, Regular Army.

He also, from the same committee, reported favorably the nominations of sundry officers for appointment, by transfer, in the Regular Army.

IN THE FOREIGN SERVICE

Mr. BARKLEY. From the Committee on Foreign Relations I report favorably the nomination of John G. Winant, of New Hampshire, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Great Britain.

I also report favorably from the same committee a number of other nominations and shall ask unanimous consent that the nominations of certain persons to be ambassadors and ministers, which have been reported today from the Committee on Foreign Relations—some of which represent exchanges of ambassadors and ministers already in the service, be now considered.

The PRESIDING OFFICER. Will the Senator from Kentucky state for the information of the Senate the nominations reported by him?

Mr. BARKLEY. I have already favorably reported the nomination of John G. Winant, of New Hampshire, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Great Britain.

From the Foreign Relations Committee I also report the following nominations: Nelson T. Johnson, of Oklahoma, to be Envoy Extraordinary and Minister Plenipotentiary to Australia.

Alexander C. Kirk, of Illinois, to be Envoy Extraordinary and Minister Plenipotentiary to Egypt.

Jay Pierrepont Moffat, of New Hampshire, now Envoy Extraordinary and Minister Plenipotentiary to Canada, to

serve concurrently as Envoy Extraordinary and Minister Plenipotentiary near the Government of Luxemburg now established in Canada.

Clarence E. Gauss, of Connecticut, to be Ambassador Extraordinary and Plenipotentiary to China.

The PRESIDING OFFICER. The reports will be received and placed on the Executive Calendar.

As the Chair understands, the Senator from Kentucky asks unanimous consent that all nominations today favorably reported from the Committee on Foreign Relations may be presently considered. Is there objection?

Mr. DANAHER. Mr. President, without objection on my part in any way, I should like to know from the Senator from Kentucky whether the nominee to be Ambassador to Great Britain, Mr. Winant, appeared before the Committee on Foreign Relations.

Mr. BARKLEY. No; he did not. None of these nominees appeared before the committee. The committee unanimously voted last Friday to report the nominations favorably.

Mr. DANAHER. I wondered if there was some examination of the gentleman, for if so I had not seen it.

Mr. BARKLEY. No; none of these nominees were requested to come before the committee.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky for the immediate consideration of the nominations? The Chair hears none.

The nominations will be stated.

The legislative clerk read the nomination of John G. Winant, of New Hampshire, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Great Britain.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Nelson T. Johnson, of Oklahoma, now Ambassador Extraordinary and Plenipotentiary to China, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Australia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Alexander C. Kirk, of Illinois, now counselor of embassy at Rome, with the honorary rank of minister, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Egypt.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Jay Pierrepont Moffat, of New Hampshire, now Envoy Extraordinary and Minister Plenipotentiary to Canada, to serve concurrently and without additional compensation as Envoy Extraordinary and Minister Plenipotentiary near the Government of Luxemburg now established in Canada.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Clarence E. Gauss, of Connecticut, now Envoy Extraordinary and Min-

ister Plenipotentiary to Australia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to China.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of William Dawson, of Minnesota, now Ambassador Extraordinary and Plenipotentiary to Panama, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Uruguay.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Anthony J. Drexel Biddle, Jr., of Pennsylvania, now Ambassador Extraordinary and Plenipotentiary to Poland, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary near the Government of Belgium now established in London; and as Envoy Extraordinary and Minister Plenipotentiary near the Governments of Norway and the Netherlands, also now established in London.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Herbert Claiborne Pell, of Rhode Island, now Envoy Extraordinary and Minister Plenipotentiary to Portugal, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Hungary.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. BARKLEY. Mr. President, I ask that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, the President will be notified.

AMBASSADOR TO PANAMA

Mr. PEPPER. Mr. President, from the Committee on Foreign Relations I report favorably the nomination of Edwin C. Wilson, of Florida, now Envoy Extraordinary and Minister Plenipotentiary to Uruguay, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Panama, and ask unanimous consent for its present consideration.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida? The Chair hears none. Without objection, the nomination is confirmed.

Mr. PEPPER. I ask that the President be immediately notified.

The PRESIDING OFFICER. Without objection, the President will be notified.

MINISTER TO PORTUGAL

Mr. PEPPER. Mr. President, from the Committee on Foreign Relations I report favorably the nomination of Bert Fish, of Florida, now Envoy Extraordinary and Minister Plenipotentiary to Egypt, to be Envoy Extraordinary and Plenipotentiary of the United States of America to Portugal, and ask unanimous consent for its present consideration.

The PRESIDING OFFICER. Is there objection to the request of the Senator

from Florida? The Chair hears none. Without objection, the nomination is confirmed.

Mr. PEPPER. I ask that the President be immediately notified.

The PRESIDING OFFICER. Without objection, the President will be notified.

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

DEPARTMENT OF JUSTICE—ASSISTANT ATTORNEY GENERAL

The legislative clerk read the nomination of Wendell Berge to be Assistant Attorney General of the United States.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTER NOMINATION REJECTED

The legislative clerk read the nomination of Bonham E. Freeman to be postmaster at Bowling Green, Mo., which nomination had been adversely reported from the Committee on Post Offices and Post Roads.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Bonham E. Freeman to be postmaster at Bowling Green, Mo.?

The nomination was rejected.

THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. BARKLEY. I ask unanimous consent that the nominations in the Navy be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Navy are confirmed en bloc.

That completes the calendar.

ORDER OF BUSINESS

Mr. DANAHER. Mr. President, I wish to ask the Senator from Kentucky if he is in a position to tell us whether or not he now contemplates a call of the calendar at any time this week.

Mr. BARKLEY. It is not contemplated today. The calendar may be called on Thursday. There is nothing on the calendar but relief bills, which is not to say that they are not important. However, there is no general legislation. We may be able to call the calendar on Thursday.

Mr. DANAHER. I thank the Senator.

ADJOURNMENT TO THURSDAY

Mr. BARKLEY. As in legislative session, I move that the Senate adjourn until Thursday next.

The motion was agreed to; and (at 2 o'clock and 44 minutes p. m.) the Senate adjourned until Thursday, February 13, 1941, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate, February 10, 1941, as follows:

APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES

TO BE MAJOR IN THE MEDICAL CORPS, WITH RANK FROM JUNE 14, 1930

Maj. Harold Wade Kinderman, United States Army, retired.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY OF THE UNITED STATES

TO ADJUTANT GENERAL'S DEPARTMENT

Maj. Burdette Mase Fitch, Field Artillery, with rank from August 15, 1939.
Maj. William Mason Wright, Jr., Field Artillery, with rank from June 12, 1939.

TO QUARTERMASTER CORPS

Capt. John Archer Stewart, Infantry, with rank from August 1, 1935.

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

TO BE COLONELS WITH RANK FROM FEBRUARY 1, 1941

Lt. Col. Stewart Woods Stanley, Signal Corps (colonel, Army of the United States).
Lt. Col. Kenneth Thompson Blood, Coast Artillery Corps (colonel, Army of the United States).

Lt. Col. Roy Silas Atwood, Coast Artillery Corps (colonel, Army of the United States).

Lt. Col. Samuel Franklin Hawkins, Coast Artillery Corps (colonel, Army of the United States).

APPOINTMENTS AND PROMOTIONS IN THE NAVY

Capt. William H. P. Blandy to be Chief of the Bureau of Ordnance in the Department of the Navy, with the rank of rear admiral, for a term of 4 years, effective upon the relinquishment of that office by Rear Admiral William R. Furlong.

The following-named officers of the Naval Reserve to be lieutenants (junior grade) in the Navy, to rank from the date stated opposite their names:

Easton B. Noble, January 13, 1938.
Edward D. Killian, February 9, 1938.
Joseph O. Christian, February 9, 1938.
Howard B. Beckwith, February 28, 1938.
David A. Sooy, February 28, 1938.

The following to be assistant dental surgeons in the Navy, with the rank of lieutenant (junior grade) to rank from the 10th day of February 1941:

Robert D. Schindler	Eugene T. Nealon
Walter W. Dann	Cline O. Williams
Wade H. Morgan, Jr.	James C. Cherault
William A. Newman	Donald W. Thompson
Edward J. O'Reilly	Nicholas C. Nelson
Walter B. Martin	George D. Vineyard
Ralph W. E. Cox, Jr.	Charles D. Hemphill
Ralph B. Haynes	Joseph M. Clements
Leonard E. Johnson	John H. McEachren
Frank T. Wais	Hugh J. Millgard
Lynn H. Rodenbarger	Elmo F. Ostermeier
Linzey LeR. Willis	John O. Booth
Karol I. Andreve	Roy E. Schaeffer
Robert G. Herthneek	

The following-named lieutenants to be lieutenants in the Navy, to rank from the date stated opposite their names, to correct the date of rank as previously nominated and confirmed:

William D. Kelly, July 1, 1939.
Dale R. Frakes, July 22, 1939.
Milton F. Pavlic, August 1, 1939.
Richard H. Blair, September 23, 1939.
Harry G. Moore, November 1, 1939.
Mark E. Dennett, January 1, 1940.
DeWitt C. McIver, Jr., February 1, 1940.
Michael B. O'Connor, February 12, 1940.
Norman J. Sampson, February 20, 1940.
Martin M. Koivisto, April 1, 1940.
John A. Moore, May 1, 1940.
Robert B. Moore, June 1, 1940.
John F. Fairbanks, Jr., June 26, 1940.
Nathaniel M. Dial, June 26, 1940.
Charles E. Robertson, July 1, 1940.
Julian S. Hatcher, Jr., August 1, 1940.
Earnest G. Campbell, September 1, 1940.
James H. Fortune, Jr., September 1, 1940.
Thomas H. Moorer, November 23, 1940.
Arnold F. Schade, December 1, 1940.

Lt. Comdr. Gordon Campbell to be a lieutenant commander in the Navy, from the 23d day of November 1940, to correct the date of rank as previously nominated and confirmed.

Passed Assistant Paymaster Lawrence Smith to be a passed assistant paymaster in the Navy, with the rank of lieutenant, from the 26th day of June 1940, to correct the date of rank as previously nominated and confirmed.

POSTMASTERS

ALASKA

Harry B. DeLand to be postmaster at Palmer, Alaska, in place of M. V. Kennedy, resigned.

ARKANSAS

Paul B. Garrett to be postmaster at Okolona, Ark., in place of P. B. Garrett. Incumbent's commission expired April 21, 1940.

Eva B. Bird to be postmaster at Wilmar, Ark., in place of C. L. Bird, deceased.

CALIFORNIA

Herbert L. Hartman to be postmaster at Boulder Creek, Calif., in place of R. C. Line. Incumbent's commission expired February 9, 1939.

William M. Patterson to be postmaster at Lakeport, Calif., in place of P. H. Millberry, deceased.

Richard E. Horton to be postmaster at Loomis, Calif., in place of W. S. Williams, retired.

Hayden Stephens to be postmaster at Sheepbranch, Calif. Office became Presidential July 1, 1940.

Opal Lambert to be postmaster at Summerland, Calif. Office became Presidential July 1, 1940.

DELAWARE

James W. Conley to be postmaster at Fredrica, Del., in place of O. G. Melvin, removed.

FLORIDA

Arthur B. Moore, to be postmaster at Baker, Fla., in place of H. L. Eiland, deceased.

Lula J. Edge to be postmaster at Niceville, Fla., in place of W. J. Armstrong, retired.

GEORGIA

William Cecil Middlebrooks to be postmaster at Woodbury, Ga., in place of H. B. McCoy, removed.

ILLINOIS

Peter R. Buschbacher to be postmaster at Ashton, Ill., in place of J. A. Roesler. Incumbent's commission expired July 26, 1939.

Vivian G. White to be postmaster at Blue Mound, Ill., in place of J. C. Kepner, transferred.

Walter A. Homrich to be postmaster at Galena, Ill., in place of W. L. Reed, deceased.
Ella F. Day to be postmaster at Hamburg, Ill., in place of Frank Fischer, removed.

William A. Schulke to be postmaster at Riverton, Ill., in place of W. A. Schulke. Incumbent's commission expired July 1, 1940.

Charles H. Beien to be postmaster at Rock Falls, Ill., in place of R. E. Harper, deceased.

George J. Holm to be postmaster at South Wilmington, Ill., in place of John Suddick, resigned.

John H. Zitzmann to be postmaster at Trenton, Ill., in place of W. E. Poos. Incumbent's commission expired April 24, 1940.

INDIANA

Grace Cross to be postmaster at Browns-town, Ind., in place of L. M. Welsh, deceased.

Hazel H. Applegate to be postmaster at Carmel, Ind., in place of H. R. Applegate. Incumbent's commission expired July 27, 1939.

Fred H. Banks to be postmaster at Grand View, Ind., in place of Orville Martin, deceased.

Guy C. Davison to be postmaster at Lewisville, Ind., in place of G. C. Davison. Incumbent's commission expired July 1, 1940.

Gordon N. Stockdale to be postmaster at Wingate, Ind., in place of G. N. Stockdale. Incumbent's commission expired June 25, 1940.

IOWA

William Howard Kahler to be postmaster at Granger, Iowa, in place of L. A. Moran. Incumbent's commission expired July 1, 1940.

August Sindt to be postmaster at Lake Park, Iowa, in place of August Sindt. Incumbent's commission expired May 19, 1940.

KENTUCKY

Lucy W. Dyer to be postmaster at Sturgis, Ky., in place of L. W. Dyer. Incumbent's commission expired March 10, 1940.

MAINE

Ernest C. Libby to be postmaster at Yarmouth, Maine, in place of F. O. Wellcome. Incumbent's commission expired January 7, 1936.

MARYLAND

John L. Thompson to be postmaster at Oxford, Md., in place of M. W. Stewart, retired.

MICHIGAN

Floyd N. Hubbard to be postmaster at Evart Mich., in place of J. E. Richardson, removed.

Raymond P. McConnell to be postmaster at Rosebush, Mich., in place of F. H. Lynch. Incumbent's commission expired May 18, 1940.

MISSOURI

Ray G. Carter to be postmaster at Ellington, Mo., in place of E. K. Daniels, removed.

NEBRASKA

Lester H. Andersen to be postmaster at Naper, Nebr., in place of G. G. Reber. Incumbent's commission expired June 19, 1940.

Fred W. Schuman to be postmaster at Osceola, Nebr., in place of F. W. Schuman. Incumbent's commission expired June 1, 1940.

NEW HAMPSHIRE

Napoleon A. Berube to be postmaster at Somersworth, N. H., in place of Polycarpe Tardif, resigned.

NEW JERSEY

Samuel Munyan to be postmaster at Gibbstown, N. J., in place of Samuel Munyan. Incumbent's commission expired May 19, 1940.

William P. Kern to be postmaster at Jersey City, N. J., in place of W. P. Kern. Incumbent's commission expired March 25, 1940.

Carlton F. Elwell to be postmaster at Toms River, N. J., in place of H. M. Dunham. Incumbent's commission expired February 18, 1939.

NEW YORK

Harold L. Wright to be postmaster at Bellport, N. Y., in place of A. R. Maletta, removed.

Arnold E. Cook to be postmaster at Hermon, N. Y., in place of J. E. Robinson, retired.

James E. Clark to be postmaster at Pleasant Valley, N. Y., in place of E. M. Cole, resigned.

Bernard J. Sheeran to be postmaster at Staten Island, N. Y., in place of C. F. Pallister, resigned.

NORTH CAROLINA

Arthur W. Burt to be postmaster at Biscoe, N. C., in place of R. D. McLeod, transferred.

Walter H. Blair to be postmaster at Carolina Beach, N. C., in place of J. C. Kolemam, removed.

Frank D. Bell to be postmaster at Tuxedo, N. C. Office became Presidential July 1, 1940.

NORTH DAKOTA

Henry R. Wohl to be postmaster at Anamoose, N. Dak., in place of A. A. Glotzbach, resigned.

Emil R. Christensen to be postmaster at Drake, N. Dak., in place of H. L. Morrow, removed.

OHIO

Harry R. Shipman to be postmaster at Orwell, Ohio, in place of Aymer Nye, resigned.

OKLAHOMA

Roy Ruel Castleberry to be postmaster at Bokchito, Okla., in place of W. F. Hughes. Incumbent's commission expired June 19, 1940.

Sam C. Ritter to be postmaster at Wyandotte, Okla. Office became Presidential July 1, 1940.

OREGON

Harold L. Muzzy to be postmaster at Cloverdale, Oreg., in place of V. R. Donough, resigned.

Robert D. Pittam to be postmaster at North Bend, Oreg., in place of F. B. Hollister, transferred.

PENNSYLVANIA

Seth W. Bloom to be postmaster at Clearfield, Pa., in place of Daniel Leffler, deceased.

Thomas A. Friel to be postmaster at Crum Lynne, Pa., in place of P. J. Friel, deceased.

Gordon Stella to be postmaster at Edge Hill, Pa., in place of A. R. Minio, removed.

Wilda E. Sickles to be postmaster at Houston, Pa., in place of L. M. Peacock. Incumbent's commission expired June 25, 1940.

Kathryn H. Eaton to be postmaster at Lawrenceville, Pa., in place of M. L. King, transferred.

Daniel E. Walter to be postmaster at Lebanon, Pa., in place of D. E. Walter. Incumbent's commission expired March 18, 1939.

Ralph Blaine Althouse to be postmaster at Sharon Hill, Pa., in place of R. B. Althouse. Incumbent's commission expired January 28, 1940.

RHODE ISLAND

Freeman P. Tefft to be postmaster at Saunterstown, R. I., in place of A. E. Osborne, removed.

SOUTH DAKOTA

Ward Kieser to be postmaster at Wessington Springs, S. Dak., in place of N. V. Anton. Incumbent's commission expired May 1, 1940.

TEXAS

Homer S. Granberry to be postmaster at Douglassville, Tex. Office became Presidential July 1, 1940.

William J. Reeves to be postmaster at Humble, Tex., in place of Emery Beaumont. Incumbent's commission expired January 31, 1940.

UTAH

Ivan Decker to be postmaster at Parowan, Utah, in place of W. W. Mitchell, deceased.

Elizabeth C. Elliott to be postmaster at Wendover, Utah, in place of M. N. Lyman, removed.

VIRGINIA

Jane S. Clarkson to be postmaster at Millboro, Va., in place of A. C. Tyree, resigned.

WASHINGTON

Orley B. Gwin to be postmaster at Benton City, Wash., in place of A. E. Scott. Incumbent's commission expired July 1, 1940.

WEST VIRGINIA

James C. Cameron to be postmaster at Hollidays Cove, W. Va., in place of T. T. Bambrick, deceased.

WISCONSIN

Milton E. Lang to be postmaster at Wabeno, Wis., in place of W. A. Weier, removed.

Vernon O. Fuller to be postmaster at Wonewoc, Wis., in place of A. R. White. Incumbent's commission expired August 14, 1939.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 10, 1941, as follows:

DEPARTMENT OF JUSTICE

ASSISTANT ATTORNEY GENERAL

Wendell Berge to be Assistant Attorney General of the United States.

PROMOTIONS IN THE NAVY

TO BE A REAR ADMIRAL

Thomas Withers

TO BE CAPTAINS

John G. Moyer
Robert W. Hayler
Richard L. Conolly
William A. Corn

TO BE COMMANDERS

John T. Bottom, Jr.
Elmer F. Helmkamp
Edwin G. Fullinwider

TO BE LIEUTENANT COMMANDERS

William R. Hollingsworth
Ford N. Taylor, Jr.
Roy A. Gano
William K. Romoser
Benjamin Van M. Russell
John E. Fradd
Charles W. Moses
Robert S. Purvis, Jr.

TO BE LIEUTENANTS

Aquilla G. Dibrell, Jr.
Thomas E. Chambers
Alexander B. Cox, Jr.
Louis J. Stocker
Charles L. Moore, Jr.
Raymond B. Jacoby
Bruce E. Wiggan
James M. Elliott
John Ramee
Ruben E. Wagstaff
Thomas H. Moorer
Frederick W. Bruning
Roy M. Davenport
Arnold F. Schade

TO BE A LIEUTENANT (JUNIOR GRADE)

Herold A. Harveson

TO BE A PASSED ASSISTANT SURGEON

Martin T. Macklin

TO BE A PAYMASTER

James R. Hanna

TO BE A CHIEF GUNNER

Daniel B. Shepherd

TO BE A CHIEF ELECTRICIAN

Hugh C. Overstreet

TO BE A CHIEF RADIO ELECTRICIAN

Robert D. Lagle

TO BE CHIEF MACHINISTS

Otis M. Parker
John M. Owen

TO BE ASSISTANT PAYMASTERS

Roy H. Burgess, Jr.
Donald V. Wengrovius
Frederic W. Muir
Harold E. Nixon
Charles D. Cooper

James E. Tinling
William G. Blasdel
Wells C. Felts

TO BE A LIEUTENANT

Frederick Wolsieffer

TO BE REAR ADMIRALS

Alexander H. Van Keuren
Henry K. Hewitt

TO BE A CAPTAIN

Albert H. Rooks

TO BE COMMANDERS

William L. Rees
Jesse H. Carter

TO BE A LIEUTENANT COMMANDER

Robert B. Ellis

TO BE A LIEUTENANT

Horace V. Bird

TO BE LIEUTENANTS (JUNIOR GRADE)

Ray A. Snodgrass
James G. Cresap

TO BE A CHIEF ELECTRICIAN

Joe M. Danielski

TO BE A CHIEF MACHINIST

J. LeRoy Johnson

TO BE REAR ADMIRALS

Herbert S. Howard
Allan J. Chantry, Jr.

TO BE A CAPTAIN

John B. W. Waller

TO BE A LIEUTENANT

Clarence M. Caldwell

TO BE A LIEUTENANT (JUNIOR GRADE)

Hugh R. Rimmer

DIPLOMATIC SERVICE

Clarence E. Gauss to be Ambassador Extraordinary and Plenipotentiary of the United States of America to China.

John G. Winant to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Great Britain.

Edwin C. Wilson to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Panama.

William Dawson to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Uruguay.

Anthony J. Drexel Biddle, Jr., now Ambassador Extraordinary and Plenipotentiary to Poland, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary near the Government of Belgium now established in London; and as Envoy Extraordinary and Minister Plenipotentiary near the Governments of Norway and the Netherlands, also now established in London.

Jay Pierrepont Moffat, now Envoy Extraordinary and Minister Plenipotentiary to Canada, to serve concurrently and without additional compensation as Envoy Extraordinary and Minister Plenipotentiary near the Government of Luxemburg now established in Canada.

Nelson T. Johnson to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Australia.

Alexander C. Kirk to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Egypt.

Herbert Claiborne Pell to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Hungary.

Bert Fish to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Portugal.

REJECTION

Executive nomination rejected by the Senate February 10, 1941, as follows:

Bonham E. Freeman to be postmaster at Bowling Green in the State of Missouri.

HOUSE OF REPRESENTATIVES

MONDAY, FEBRUARY 10, 1941

The House met at 12 o'clock noon.

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

Most gracious Lord God, we praise Thee that in the long travail of this tortured earth Thou hast never forsaken Thy children. Thy merciful Providence has always led us along the white ways of eternal hope where there is true peace and unwearying toil. Morning, noon, and night will come, but truth will expand, life will be made beautiful, and the human spirit redeemed as it passes beyond all discordant voices where time and space are but bursting bubbles. Oh, fill our hearts with love for Thee and our fellow men; inspire us to wiser conceptions of fatherhood and brotherhood that we may discern that there is something beneath our experiences, something noble, something pure, and as modest as it is unblemished. Heavenly Father, we rejoice that love will never die. Prophecies may fail, knowledge may vanish away, and tongues may cease but love will remain fragrant and gladden human hearts until the power of sin is foiled. Almighty God, vindicate our faith by writing morning hope on the brow of this sad world, and let us hear Thy voice above the troubled waters. In our dear Redeemer's name. Amen.

The Journal of the proceedings of Saturday, February 8, 1941, was read and approved.

OFFICE OF DISBURSING CLERK

Mr. COCHRAN. Mr. Speaker, by direction of the Committee on Accounts, I submit a privileged resolution, and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 92

Resolved, That there shall be paid out of the contingent fund of the House, until otherwise provided by law, compensation at the rate of \$1,800 per annum for the services of an additional assistant in the disbursing office, who shall be designated by the disbursing clerk subject to the approval of the Clerk of the House.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. ALLEN of Illinois. It is true, is it not, that the disbursing office is already taking care of over 500 retirement employees?

Mr. COCHRAN. The gentleman is correct. There are about 1,500 employees in the legislative branch eligible

to apply under the Retirement Act. I may say that in the 15 years I have been a member of the Committee on Accounts I have never heard a better case presented than was presented on this matter in justification for this additional employee.

Mr. ALLEN of Illinois. Not only does the disbursing office take care of these retired employees but most of the Members have hired an additional clerk, and there are many requests made on the disbursing office. We feel this additional clerk for the disbursing office is necessary and justified.

Mr. COCHRAN. The gentleman is entirely correct.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

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

REPORT OF COMMITTEE ON ADMINISTRATIVE PROCEDURE

Mr. JARMAN. Mr. Speaker, from the Committee on Printing I report back a privileged resolution (S. Con. Res. 4, Rept. No. 58) and ask for its immediate consideration.

The Clerk read as follows:

Senate Concurrent Resolution 4

Resolved by the Senate (the House of Representatives concurring), That there be printed 9,000 additional copies of the Senate Document No. 8, current session, entitled "Report of the Committee on Administrative Procedure," appointed by the Attorney General, at the request of the President, to investigate the need for procedural reform in various administrative tribunals and to suggest improvement therein, of which 2,000 copies shall be for the use of the Senate, 4,500 copies for the use of the House, 1,000 copies for the Senate Committee on the Judiciary, and 1,500 copies for the Committee on the Judiciary of the House of Representatives.

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

WORK PROJECTS ADMINISTRATION

Mr. WOODRUM of Virginia, from the Committee on Appropriations, reported the bill (H. R. 3204) making additional appropriations for the fiscal year 1941 urgently required for the Work Projects Administration and certain other Federal agencies, and for other purposes (Rept. No. 59), which was read a first and second time and, with the accompanying papers, referred to the Union Calendar and ordered to be printed.

Mr. TABER reserved all points of order against the bill.

TREASURY-POST OFFICE APPROPRIATION BILL, 1942

Mr. LUDLOW, from the Committee on Appropriations, reported the bill (H. R. 3205) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1942, and for other purposes (Rept. No. 60), which was read a first and second time and, with the accompanying papers, referred to the Union Calendar and ordered to be printed.

Mr. TABER reserved all points of order against the bill.

EXTENSION OF REMARKS

Mr. LUDLOW. Mr. Speaker, this afternoon I expect to make some remarks on a bill to be called up by the gentleman from North Carolina. I ask unanimous consent now in the House that I may include in the remarks I expect to make some testimony presented by Secretary Morgenthau on that subject before our Committee on Appropriations.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WELCH. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to include therein an address delivered by Mr. Joseph Scott, of Los Angeles, in the civic auditorium of San Francisco on the subject, Ireland's Neutrality.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ROBERTSON of North Dakota. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and include therein a resolution passed by the State Senate of North Dakota.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and include therein an article appearing in the Washington Post on February 4.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CHIPERFIELD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and include therein two or three short excerpts from the hearings on the bill H. R. 1776.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include therein an address delivered by Mr. R. M. Evans, Administrator of the Agricultural Adjustment Administration.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent to extend remarks I expect to make later in the day on the bill to be called up by the gentleman from North Carolina and include certain excerpts therein.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CONTINUATION OF THE DIES COMMITTEE

Mr. JENKINS of Ohio. 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. JENKINS of Ohio. Mr. Speaker, I understand it is contemplated to take