

annual convention held at Cincinnati, Ohio, concerning adequate protection for the sugar-refinery workers in any sugar legislation by Congress in 1940, also opposing importation of refined sugar; to the Committee on Agriculture.

8732. Also, petition of the National Association of Postmasters, adopted at their sixth annual convention at Buffalo, N. Y., expressing approval of the national-defense system as submitted by President Roosevelt to the Congress; to the Committee on Military Affairs.

8733. By Mr. KEOGH: Petition of the United Electrical, Radio and Machine Workers of America, Brooklyn, N. Y., concerning our national defense; to the Committee on Foreign Affairs.

8734. Also, petition of the National Association of Postmasters and National Association of Postal Supervisors, New York State branch, Buffalo, N. Y., approving the President's national-defense program; to the Committee on Military Affairs.

8735. By Mr. PFEIFER: Petition of the sugar workers conference, Washington, D. C., opposing House bill 9654 and the importation of tropically refined sugar; to the Committee on Agriculture.

8736. Also, petition of the Brotherhood of Railroad Trainmen, East River Lodge, No. 829, New York City, protesting against importation of tropically refined sugar; to the Committee on Agriculture.

8737. Also, petition of the New York State Federation of Labor, Albany, N. Y., favoring the passage of the housing bill (S. 591); to the Committee on Banking and Currency.

8738. By Mr. SANDAGER: Memorial of the delegates of Rhode Island State Elks Association, Elks Home, Providence, R. I.; endorsing all the efforts being made by the President and by Congress to make this Nation impregnable from outside assault; also endorsing the activities of the Dies committee; to the committee on Military Affairs.

8739. By Mr. SCHWERT: Resolution of the New York State branch of the National Association of Postal Supervisors, endorsing the President's national-defense program; to the Committee on Military Affairs.

8740. Also, resolution of the Board of Supervisors of Erie County, State of New York, opposing the State Department's ruling relative to passport requirements for Canadian citizens, and urging the cancelation of this order; to the Committee on Immigration and Naturalization.

8741. By Mr. VREELAND: Concurrent resolution adopted by the House of Assembly of New Jersey, regarding the establishment of a drydock and shipyard on the New Jersey side of the port of New York adequate for the largest naval and mercantile ships; to the Committee on Naval Affairs.

8742. The SPEAKER: Petition of the Amarillo Lions Club, Amarillo, Tex., petitioning consideration of their resolution with reference to the defense program; to the Committee on Military Affairs.

8743. Also, petition of the Fur Floor and Shipping Clerks' Union, Local 125, New York, petitioning consideration of their resolution with reference to House bill 9858, immigration legislation; to the Committee on Immigration and Naturalization.

8744. Also, petition of the Bronx Peoples Culture Center, Bronx, N. Y., petitioning consideration of their resolution with reference to House bill 9858, to promote the national defense, etc., program; to the Committee on Immigration and Naturalization.

8745. Also, petition of the American College of Radiology, New York, petitioning consideration of their resolution with reference to defense program; to the Committee on Military Affairs.

8746. Also, petition of the sugar workers conference, Washington, D. C., petitioning consideration of their resolution with reference to House bill 9654, agriculture legislation; to the Committee on Agriculture.

8747. Also, petition of the Bakery and Confectionery Workers, International Union of America, Brooklyn, N. Y.,

petitioning consideration of their resolutions with reference to immigration legislation; to the Committee on Immigration and Naturalization.

8748. By Mr. HARTER of New York: Petition of the Board of Supervisors of Erie County, N. Y., opposing the State Department's ruling relative to passport requirements for Canadian citizens; to the Committee on Foreign Affairs.

SENATE

FRIDAY, JUNE 14, 1940

(Legislative day of Tuesday, May 28, 1940)

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

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

Almighty God, our Heavenly Father, who knowest our every changing thought, who alone canst fill our life with holy purpose: Help us in these troublous days by discipline, industry, and prayer so to purify our hearts and minds that the sense of our intimacy with Thee may beget in us an ever-increasing self-respect which comes only to those who scorn to give less than their all in the service of their country.

On this day of national import help us to realize that our flag is the sacrament and sign of our affection, patriotism, and devotion to duty and stands for those noblest qualities that represent the spirit of America, qualities that must rest upon the conscience and the morality of our people. O'er-shadow us with Thy discernment, that we may grow in knowledge of Thy will, until we shall rise into the rest which it is Thine alone to give. Through Jesus Christ, our Lord. Amen.

MESSAGE FROM THE HOUSE

Mr. VANDENBERG. I suggest the absence of a quorum.

The VICE PRESIDENT. Will the Senator withhold the suggestion until the Senate receives a message from the House of Representatives?

Mr. VANDENBERG. Certainly.

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 9766. An act to authorize the deportation of Harry Renton Bridges; and

H. R. 9909. An act to amend sections 2803 (c) and 2903 of the Internal Revenue Code.

THE JOURNAL

Mr. BARKLEY. Will the Senator from Michigan withhold his suggestion of the absence of a quorum until I can have the Journal approved?

Mr. VANDENBERG. Certainly.

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day of Thursday, June 13, 1940, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

The VICE PRESIDENT. The Senator from Michigan [Mr. VANDENBERG] has suggested the absence of a quorum. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Burke	Ellender	Hill
Andrews	Byrnes	George	Holman
Ashurst	Capper	Gerry	Holt
Austin	Caraway	Gillette	Hughes
Bailey	Chandler	Green	Johnson, Calif.
Bankhead	Clark, Idaho	Guffey	Johnson, Colo.
Barkley	Clark, Mo.	Gurney	King
Bilbo	Connally	Hale	La Follette
Bone	Danaher	Harrison	Lee
Bridges	Davis	Hatch	Lodge
Brown	Donahey	Hayden	Lucas
Bulow	Downey	Herring	Lundeen

McKellar
McNary
Maloney
Mead
Miller
Minton
Murray
Neely
Norris

Nye
O'Mahoney
Overton
Pepper
Pittman
Radcliffe
Reed
Reynolds
Russell

Schwartz
Schwellenbach
Sheppard
Shipstead
Slattery
Smith
Stewart
Taft
Thomas, Idaho

Thomas, Okla.
Thomas, Utah
Townsend
Tydings
Vandenberg
Van Nuys
Wagner
Walsh

Mr. MINTON. I announce that the Senator from New Jersey [Mr. SMATHERS] is absent from the Senate because of illness in his family.

The Senators from Virginia [Mr. BYRD and Mr. GLASS], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Nevada [Mr. McCARRAN], the Senator from Missouri [Mr. TRUMAN], and the Senator from Montana [Mr. WHEELER] are necessarily detained.

Mr. AUSTIN. I announce that the Senator from New Jersey [Mr. BARBOUR] is necessarily absent on official duties.

My colleague the junior Senator from Vermont [Mr. GIBSON], the Senator from North Dakota [Mr. FRAZIER], and the Senator from Maine [Mr. WHITE] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following bills:

On June 11, 1940:

S. 1445. An act for the relief of Bruno Arena;

S. 1474. An act for the relief of Thomas G. Abbitt;

S. 1839. An act for the relief of Le Roy Breithaupt;

S. 1964. An act to amend section 5136 of the Revised Statutes, as amended, to authorize charitable contributions by national banking associations;

S. 2234. An act for the relief of Walter R. Maguire;

S. 2419. An act for the relief of Walter J. Hogan and W. R. Larkin, in connection with the construction, operation, and maintenance of the Fort Hall Indian irrigation project, Idaho;

S. 2798. An act for the relief of Charles H. Parr;

S. 3073. An act for the relief of Verle S. Ward; and

S. 3091. An act for the relief of Barnet Warren.

On June 12, 1940:

S. 186. An act to amend sections 798 and 800 of the Code of Law for the District of Columbia, relating to murder in the first degree;

S. 2639. An act relating to the hours of service of persons employed upon the Government-owned Wiota-Fort Peck Railroad in the State of Montana;

S. 3828. An act to amend section 107 of the Judicial Code, as amended, to eliminate the requirement that suitable accommodations for holding the court at Winchester, Tenn., be provided by the local authorities;

S. 2191. An act authorizing the Secretary of the Interior to grant to the State of Montana for the use and benefit of the Montana School of Mines a patent to a certain tract of land; and

S. 2262. An act to provide for a change in the time for holding court at Rock Hill and Spartanburg, S. C.

On June 13, 1940:

S. 1608. An act to repeal the provisions of Private Law No. 347, Seventy-first Congress, pertaining to Victoria Kessel;

S. 1777. An act granting the consent of Congress to the States of Montana, North Dakota, South Dakota, and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Little Missouri River;

S. 1977. An act for the relief of John A. Farrell;

S. 2328. An act to promote on the retired list officers who were decorated and recommended for promotion for distin-

guished service during the World War and who have not attained the rank to which recommended;

S. 2735. An act authorizing the issuance to Orville Wright of honorary aircraft pilot's certificate No. 1;

S. 3014. An act to amend the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902 (32 Stat. 662), so as to provide uniformity in the pay of all civilian employees of the Navy Department appointed for duty beyond the continental limits of the United States and in Alaska;

S. 3042. An act to amend the act entitled "An act to establish a Civilian Conservation Corps, and for other purposes," approved June 28, 1937, as amended;

S. 3065. An act authorizing the sale of fuel, electric current, ice, and water at isolated naval stations;

S. 3491. An act to provide that fines for failure to pay license taxes in Alaska shall be disposed of as provided for the disposition of such taxes;

S. 3496. An act to prevent retardation in promotion and in pay and allowances of permanent professors of the United States Military Academy appointed by the President from the commissioned officers of the Regular Army;

S. 3642. An act granting the consent of Congress to the Secretary of the Interior and the State of Washington to construct, maintain, and operate a highway bridge across the Spokane River, Wash.;

S. 3643. An act granting the consent of Congress to the Secretary of the Interior and Stevens County, State of Washington, to construct, maintain, and operate a highway bridge across the Kettle River, near Marcus, Wash.;

S. 3644. An act granting the consent of Congress to the Secretary of the Interior and the Great Northern Railway Co. to construct, maintain, and operate two railroad bridges across the Kettle River, near Marcus, Wash.;

S. 3677. An act to donate to the city of Seattle a totem pole carved by the Alaskan native Civilian Conservation Corps;

S. 3959. An act authorizing the Secretary of the Treasury to grant to the city of Fort Lauderdale, Fla., an easement or easements authorizing such city to construct and maintain a highway and utility facilities over the United States Coast Guard Reservation known as base 6 at Fort Lauderdale, Fla.; and

S. 3693. An act to authorize the Secretary of War to grant an easement for pipe lines across public lands reserved for military purposes in the parish of Plaquemines, La.

DRAFT CONVENTIONS AND RECOMMENDATIONS. TWENTY-FIFTH INTERNATIONAL LABOR CONFERENCE—REPORT OF THE SECRETARY OF STATE

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations:

To the Congress of the United States of America:

The Congress, by a joint resolution approved June 19, 1934, authorized me to accept membership for the Government of the United States in the International Labor Organization. Pursuant to that authorization, I accepted such membership on behalf of the Government of the United States.

Representatives of this Government and of American employers and American labor attended the twenty-fifth session of the International Labor Conference, held at Geneva, June 8 to 28, 1939. That Conference adopted 4 draft conventions and 10 recommendations, to wit:

The recommendation (No. 57) concerning vocational training;

The draft convention (No. 64) concerning the regulation of written contracts of employment of indigenous workers;

The recommendation (No. 58) concerning the maximum length of written contracts of employment of indigenous workers;

The draft convention (No. 65) concerning penal sanctions for breaches of contracts of employment by indigenous workers;

The recommendation (No. 59) concerning labor inspec-
torates for indigenous workers;

The recommendation (No. 60) concerning apprenticeship;

The draft convention (No. 66) concerning the recruitment,
placing, and conditions of labor of migrants for employment;

The recommendation (No. 61) concerning the recruitment,
placing, and conditions of labor of migrants for employment;

The recommendation (No. 62) concerning cooperation be-
tween states relating to the recruitment, placing, and condi-
tions of labor of migrants for employment;

The draft convention (No. 67) concerning the regulation
of hours of work and rest periods in road transport;

The recommendation (No. 63) concerning individual con-
trol books in road transport;

The recommendation (No. 64) concerning the regulation
of night work in road transport;

The recommendation (No. 65) concerning the methods of
regulating hours of work in road transport;

The recommendation (No. 66) concerning rest periods of
professional drivers of private vehicles.

In becoming a member of the International Labor Organi-
zation, pursuant to a joint resolution of the Congress ap-
proved June 19, 1934, this Government assumed the following
undertaking in regard to such draft conventions and recom-
mendations:

Each of the members undertakes that it will within the period of
1 year at most from the closing of the session of the conference,
or if it is impossible owing to exceptional circumstances to do so
within the period of 1 year, then at the earliest practicable moment
and in no case later than 18 months from the closing of the session
of the conference, bring the recommendation or draft convention
before the authority or authorities within whose competence the
matter lies for the enactment of legislation or other action (art.
19 (405), par. 5, Constitution of the International Labor Organi-
zation).

In the case of a federal state, the power of which to enter into
conventions on labor matters is subject to limitations, it shall be in
the discretion of that government to treat a draft convention to
which such limitations apply as a recommendation only, and the
provisions of this article with respect to recommendations shall
apply in such case (art. 19 (405), par. 9, Constitution of the Interna-
tional Labor Organization).

In accordance with the foregoing undertaking, the above-
named 4 draft conventions and 10 recommendations are here-
with submitted to the Congress with the accompanying re-
port of the Secretary of State and its enclosures, to which
the attention of the Congress is invited.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, June 14, 1940.

[Enclosures: 1. Report of the Secretary of State and en-
closures. 2. Texts of recommendations and conventions.]

SUPPLEMENTAL ESTIMATE FOR THE TREASURY DEPARTMENT
(COAST GUARD) (S. DOC. NO. 211)

The VICE PRESIDENT laid before the Senate a com-
munication from the President of the United States, trans-
mitting a supplemental estimate of appropriation for the
Treasury Department (Coast Guard) fiscal year 1941,
amounting to \$98,880, which with the accompanying paper,
was referred to the Committee on Appropriations and ordered
to be printed.

PROVISION RELATIVE TO APPROPRIATIONS FOR MILITARY ESTABLISH-
MENT (S. DOC. NO. 209)

The VICE PRESIDENT laid before the Senate a com-
munication from the President of the United States, trans-
mitting draft of a proposed provision pertaining to approp-
riations for the War Department, Military Establishment,
fiscal year ending June 30, 1941, which, with the accompa-
nying paper, was referred to the Committee on Appropriations
and ordered to be printed.

SUPPLEMENTAL ESTIMATE, NONMILITARY ACTIVITIES, WAR DEPART-
MENT (S. DOC. NO. 210)

The VICE PRESIDENT laid before the Senate a com-
munication from the President of the United States, trans-
mitting an estimate of appropriation amounting to \$8,127,000,

for the War Department, for the maintenance and improve-
ment of existing river and harbor works, as supplemental,
and in addition, to the amounts contained under the head-
ings "Improvement of existing river and harbor works" and
"Maintenance of existing river and harbor works," in the
Budget for the fiscal year ending June 30, 1941, which, with
the accompanying paper, was referred to the Committee
on Appropriations and ordered to be printed.

CONSERVATION AND UTILIZATION PROJECTS IN THE GREAT
PLAINS, ETC., AREAS

The VICE PRESIDENT laid before the Senate a letter
from the Acting Secretary of Agriculture, transmitting a
draft of proposed legislation to amend an act entitled "An
act authorizing construction of water conservation and
utilization projects in the Great Plains and arid and semi-
arid areas of the United States," approved August 11, 1939
(53 Stat. 1418), which, with the accompanying paper, was
referred to the Committee on Irrigation and Reclamation.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the peti-
tion of the American Good Government Society, Washing-
ton, D. C., praying for the enactment of legislation to coin
\$12,000,000,000 of gold and silver bullion in the Treasury and
to use such coinage to pay expenses of the national defense
program, and also praying for adoption of the Byrd amend-
ment to pending tax legislation looking toward retrenchment
in regular governmental expenditures, which was referred to
the Committee on Banking and Currency.

He also laid before the Senate a resolution of the Board
of Education, Schenectady, N. Y., requesting that any funds
appropriated to train workmen for essential war industries be
placed under the direction of existing educational agencies,
which was referred to the Committee on Education and
Labor.

He also laid before the Senate a petition of sundry citizens
of Dallas, Tex., praying that Congress remain in session dur-
ing the existing crisis, which was ordered to lie on the table.

He also laid before the Senate the petition of the Nebraska
Yearly Meeting of Friends, Central City, Nebr., praying that
the United States pursue a policy of peace and that Congress
remain in session during the existing crisis, which was ordered
to lie on the table.

He also laid before the Senate a resolution of the Lions
Club, of Crozet, Va., endorsing the national-defense program
and favoring the immediate enactment of legislation to stop
subversive activities of citizens or aliens and the agents of
foreign nations in the United States, etc., which was ordered
to lie on the table.

He also laid before the Senate a telegram, signed by Mayor
Woodall Rodgers, chairman, and Karl Hoblitzelle, general
chairman, and members of the resolutions committee, em-
bodying a resolution adopted at a recent mass meeting of citi-
zens of Dallas County, Tex., requesting that all possible as-
sistance, short of war, be extended to the allied nations;
condemning "fifth column" and un-American activities, and
requesting that Congress promptly appropriate \$50,000,000 for
the relief of war refugees, which was ordered to lie on the
table.

Mr. ASHURST presented a petition of sundry citizens of
Santa Cruz County, Ariz., praying that all needed assistance,
except the sending of American troops abroad, be rendered
to France and England in the present war situation, which
was referred to the Committee on Foreign Relations.

Mr. WALSH presented a resolution of the mayor and
council of the city of Quincy, Mass., favoring the elimination
of wreckage from Town River, at Quincy, Mass., so as to
make the beach safe for bathers, which was referred to the
Committee on Commerce.

He also presented a resolution of the third annual con-
vention of the New England Regional Federation of Federal
Employees' Unions held at Springfield, Mass., requesting that
per annum employees of naval yards and arsenals be paid
at the rate of one and one-half times—one two hundred
and sixtieth of their annual base pay per day—for overtime

work, which was referred to the Committee on Education and Labor.

He also presented a resolution of the Greater Back Bay Peace Committee, Boston, Mass., favoring the maintenance of a policy of strict neutrality by the Nation in the present international situation, which was referred to the Committee on Foreign Relations.

He also presented a petition of sundry citizens of the State of Massachusetts praying that all material assistance be rendered the allied nations in the present international situation, which was referred to the Committee on Foreign Relations.

He also presented a petition of sundry citizens of Worcester, Mass., praying that the Government promptly release airplanes and other material for the aid of the allied nations in the present international situation, which was referred to the Committee on Foreign Relations.

He also presented a petition of sundry citizens of Boston, Mass., praying for the prompt shipment, for use of the allied nations, of such available war materials as are not necessary for home defense purposes, and the enactment of legislation to enable the Allies to obtain loans and credit in this country, etc., which was referred to the Committee on Foreign Relations.

He also presented a resolution of Division No. 1, Ancient Order of Hibernians, of Lawrence, Mass., favoring the use of empty and idle floor space in the city of Lawrence, Mass., for the manufacture of defense weapons and materials, which was referred to the Committee on Military Affairs.

He also presented a resolution of the council of the city of Cambridge, Mass., endorsing the Administration's national defense program, which was ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. O'MAHONEY, from the Committee on the Judiciary, to which was referred the bill (H. R. 7343) to amend certain laws governing Federal prisoners, and for other purposes, reported it without amendment and submitted a report (No. 1854) thereon.

Mr. TYDINGS, from the Committee on Territories and Insular Affairs, to which was referred the bill (S. 3795) to authorize the transportation of employees of the Alaska Road Commission, and to validate payments for that and other purposes, reported it without amendment and submitted a report (No. 1855) thereon.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. PITTMAN, from the Committee on the Judiciary, reported favorably the nomination of Thomas J. Walker, of Montana, to be judge of the United States customs court to fill an existing vacancy.

Mr. NEELY, from the Committee on the Judiciary, reported favorably the following nominations:

Curtis L. Waller, of Florida, to be district judge for the northern and southern districts of Florida to fill an existing vacancy; and

Jordan B. Royall, of Florida, to be marshal for the northern district of Florida, vice E. Martin Sessoms, deceased.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on June 13, 1940, that committee presented to the President of the United States the following enrolled bills:

S. 1024. An act for the relief of Harriett Boswell, guardian of Betty Fisher; and

S. 3578. An act for the relief of Edward Smith.

BILL INTRODUCED

Mr. DOWNEY introduced a bill (S. 4138) to establish as a part of the reserve component of the Regular Army a Home Defense Organized Reserve for local home defense, which was read twice by its title and referred to the Committee on Military Affairs.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated below:

H. R. 9766. An act to authorize the deportation of Harry Renton Bridges; to the Committee on Immigration.

H. R. 9909. An act to amend sections 2803 (c) and 2903 of the Internal Revenue Code; to the Committee on Finance.

SUPPLEMENTAL APPROPRIATIONS FOR NATIONAL DEFENSE—AMENDMENT

Mr. AUSTIN (for Mr. BARBOUR) submitted an amendment intended to be proposed by Mr. BARBOUR to the bill (H. R. 10055) making supplemental appropriations for the national defense for the fiscal year ending June 30, 1941, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 7, line 13, after the word "thousand", to insert a colon and the following additional proviso:

"Provided further, That in the process of expanding the Regular Army to the limits authorized by law, and until such limits shall have been attained, officers and enlisted men of the National Guard who apply for active service in the Regular Army shall be accepted and enrolled for such service at the grade held by them at the time of application, and that from the date of their enrollment as members of the Regular Army they shall have the same status as other officers and enlisted men of the same grade, and shall receive the same pay and allowances, be eligible for promotion, and entitled to credits for active service and all other benefits provided for members of the Regular Army."

TAXATION FOR PREPAREDNESS—AMENDMENTS

Mr. LEE. Mr. President, I ask consent to submit amendments intended to be proposed by me to the bill (H. R. 10039) to provide for the expenses of national preparedness by raising revenue and issuing bonds, to provide a method for paying for such bonds, and for other purposes.

We have debated for many years different methods of preventing the special privilege of tax exemption with respect to bonds. My amendments are drawn to tax the income of those who own tax-exempt bonds, figuring the tax on the taxable part of their income. I ask that the amendments be properly referred and printed.

There being no objection, the amendments were received, referred to the Committee on Finance, and ordered to be printed.

UNLAWFUL USE OF INSIGNIA OF VETERANS' ORGANIZATIONS—CONFERENCE REPORT

Mr. VAN NUYS submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5982) for the protection against unlawful use of the badge, medal, emblem, or other insignia of veterans' organizations incorporated by act of Congress, and providing penalties for the violation thereof, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 1 and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "manufacture, sale, or purchase for resale," and restore after such words the following language stricken out by the Senate amendment, viz, "either separately or appended to, or to be appended to, or the reproduction on any article of merchandise manufactured or sold,"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 2 and agree to the same.

PAT MCCARRAN,

FREDERICK VAN NUYS,

JOHN A. DANAHY,

Managers on the part of the Senate.

HATTON SUMNERS,

FRANCIS E. WALTER,

JOHN W. GWYNNE,

Managers on the part of the House.

The report was agreed to.

ADDRESS BY SENATOR THOMAS OF UTAH ON HOUSING AND NATIONAL DEFENSE

[Mr. WAGNER asked and obtained leave to have printed in the RECORD an address delivered by Senator THOMAS of Utah at a meeting of the executive representatives of the United States Housing Authority, on Thursday, June 13, 1940, at the

Hotel Washington, Washington, D. C., which appears in the Appendix.]

KEEP WAR OUT OF AMERICA—ADDRESS BY SENATOR LEE

[Mr. LEE asked and obtained leave to have printed in the Appendix an address on the subject Keep War Out of America, delivered by him June 13, 1940, to the graduates of National University, Washington, D. C., which appears in the Appendix.]

AIDS SHORT OF WAR—ARTICLE BY HON. BAINBRIDGE COLBY

[Mr. LUNDEEN asked and obtained leave to have printed in the RECORD an article by Hon. Bainbridge Colby on the subject Aids Short of War, published in the Washington (D. C.) Evening Star of Friday, June 14, 1940, which appears in the Appendix.]

STATEMENT ON NATIONAL DEFENSE BY MAJ. GEN. WILLIAM C. RIVERS, RETIRED

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD a statement on national defense by Maj. Gen. William C. Rivers, retired, which appears in the Appendix.]

EMPLOYMENT DEBT—EXTRACT FROM ARTICLE BY LEONARD LYONS

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an extract from an article by Leonard Lyons entitled "Employment Debt," published in the Washington Post of June 11, 1940, which appears in the Appendix.]

RESOLUTIONS OF VETERANS OF FOREIGN WARS ON PARTICIPATION IN WAR AND PREPAREDNESS

[Mr. CLARK of Missouri asked and obtained leave to have printed in the RECORD resolutions adopted at the last national encampment of the Veterans of Foreign Wars on the subject of keeping out of war and national preparedness, which appear in the Appendix.]

TRUMBULL FAMILIES OF CONNECTICUT AND THE UNITED STATES—ARTICLE FROM CONNECTICUT CIRCLE

[Mr. MALONEY asked and obtained leave to have printed in the RECORD an article by Marjorie E. Case on Trumbull Families of Connecticut and the United States, published in Connecticut Circle of June 1940, which appears in the Appendix.]

AMENDMENT OF SECURITIES ACT OF 1933

Mr. BROWN. Mr. President, a few days ago I introduced a bill, at the request of the Investment Bankers Association, to amend the Securities Act of 1933. I ask unanimous consent that a short statement upon the subject, made by me, and an additional one from Mr. Starkweather, chairman of the legislative committee of the Investment Bankers Association of America, be printed in the RECORD before the consideration of the relief measure is resumed today.

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

STATEMENT BY SENATOR BROWN

By request of the Investment Bankers Association of America, whose president is Mr. Emmett F. Connely, of Detroit, Mich., I recently introduced certain amendments which the association proposes to the Securities Act of 1933. I do so for the purpose of having these amendments examined in an official way by the Banking and Currency Committee of the Senate. It is my hope that these amendments will be submitted to the Commission and other departments of the Government involved and that their enactment, with such changes as may be desirable, will provide a means by which some differences now existing between the Commission and the investment bankers can be eliminated.

For the purpose of explanation, I have asked Mr. John K. Starkweather, chairman of the legislative committee of the association, to prepare a statement of these amendments, which is now set forth. (See accompanying papers written by Mr. Starkweather.)

STATEMENT BY MR. STARKWEATHER

The theory of the Securities Act of 1933 is that before securities can be sold there must be complete and adequate disclosures made to the public, with liability imposed upon those responsible for the misstatements.

With this underlying theory we are in complete accord, and our one and only desire is to improve the act so that, without sacrificing the information available to the public, it will be much easier and much less expensive for issuers to raise capital under it.

To this end, the Securities Act of 1933 provides that no securities, unless specifically exempted, can be publicly offered in interstate or foreign commerce or through the mails (whether interstate or

intrastate) until they have been registered with the Securities and Exchange Commission. This body is appointed to supervise the act and to make such rules and regulations as it may deem necessary to carry out its provisions. A person in control (which does not necessarily mean 51 per cent of the voting stock of an issuer, but means some undefined influence sufficient in the opinion of the Commissioner to be actual or "factual" control) cannot sell securities owned in the issuer through an underwriter (which includes an agent) unless the securities are registered under the 1933 act.

At the present time much of the information required to register a security under the 1933 act and the information required to register a security under the 1934 act in order that it may be listed on the national securities exchange is substantially the same. By recent regulations of the Commission, the form of financial statements is the same. But, as you know, registration of securities under the 1933 act and registration of securities under the 1934 act are quite different things, and even though practically the same information is on file under the 1934 act, an issuer may not sell additional securities and a controlling person may not publicly offer his securities to or through an underwriter, as stated, unless a separate registration statement is effective under the 1933 act.

Securities may be offered "privately," that is, to a limited number of persons who state they are buying for investment and not with a view to distribution, without the securities being registered.

In the case of domestic securities a minimum period of 20 days must elapse between the date of filing a registration statement and its effective date. In the case of the refunding of obligations of foreign governments who have not defaulted on such outstanding obligations a period of 7 days must elapse. The filing of amendments starts a new 20-day waiting period running unless the Commission "accelerates" such amendments. During this waiting period sales or offers of sale or offers to sell cannot be made without incurring civil or criminal penalties. Since markets may change rapidly within a 20-day waiting period, issuers are not certain when they file whether they will be able to carry their issue through to conclusion at the end of the 20-day waiting period. Consequently this period produces great uncertainty and is a serious impediment in the flow of capital to industry.

Under the Public Utility Act of 1935, a registered holding company or a subsidiary thereof desiring to issue securities must file declarations pursuant to sections 6 and 7 of that act, and this information largely duplicates or triplicates, as the case may be, the information which must be filed under the 1933 act. Despite this fact, any company which previously registered under the 1933 act, or any company which has securities registered under the 1934 act and listed on a national securities exchange, or any company which must get the Securities and Exchange Commission's approval under the 1935 act, or any company which has had its accounts audited for years and furnished appropriate information to stockholders, must wait the 20-day period along with a brand-new corporation formed to sell speculative securities.

It is our theory that where adequate information is already available to the public that no public interest is served by requiring issuers to wait 20 days. In fact, the 20-day waiting period is a distinct menace to issuers desiring to raise new capital or to refund outstanding securities.

Hence our first proposal is to abolish the 20-day waiting period with respect to securities where there is already adequate information. This would take away from the Commission with respect to this type of security the right to examine the statements during the 20-day waiting period, issue deficiency letters, and require that corrections be made. The objection heretofore to abolition of the 20-day waiting period is that, even though the liabilities under the 1933 act are retained so that a purchaser would have the right to sue the person making the misstatement, the issuer might not be financially responsible. This argument does not hold if a distinction is made between responsible companies where there is adequate information and new companies. With respect to newly organized companies or companies where there has not been adequate information, we suggest that the 20-day waiting period and the Commission's power over the registration statements of such issuers be retained. (See point 1 of the detailed memorandum dated February 10, 1940.)

2. With respect to those issuers which would still have to go through the 20-day waiting period, the act is rather inflexible in that there is no way of scheduling a public offering where an amendment with respect to price and terms relating to price is filed after the initial filing date. Our second amendment is an endeavor to introduce a semblance of flexibility into the act so that if the registration statement complies to the satisfaction of the Securities and Exchange Commission in all other respects price amendments can be filed and an immediate offering can be made. (See point 2 of the detailed memorandum dated February 10, 1940.)

3. At the present time a plaintiff is not required to prove that a misstatement or omission sued on caused his loss. However, he is required to do this under section 18 (a) of the Securities Exchange Act of 1934 and section 16 (a) of the Public Utility Holding Company Act of 1935. It is suggested that the liability section of the 1933 act be brought into conformity. (See point 4 (a) (ii) of the detailed memorandum dated February 10, 1940.)

4. No recommendation is made with respect to changing the standard of care required in order to avoid liability on registration statements with respect to new issues of securities under section 11 except as stated above with respect to causation of damage (despite the fact that there is a lesser standard in the 1934 and 1935 acts). At the present time, even though a misstatement would have caused a security to have been priced 1 or 2 points below its actual offer-

ing price at the time it was originally offered a long period after the offering when the security may have declined many points in value by reason of changes in market conditions, having nothing to do with the original misstatement, a purchaser may, nevertheless, recover the full purchase price. Since securities are not objects having intrinsic merit in and of themselves but each security in the same class is like every other security, all liability under the act should be limited to damages caused by the misstatement with respect to which there is no adequate defense. Rescission actions should be abolished as unfair. The above does not refer to those cases where securities are sold in violation of the provisions requiring registration and delivery prospectuses conforming to the act. As to these sections, the only change is to permit the defendant to avoid liability if he can prove that he did not act wilfully or was not grossly negligent. (See point 4 (a) (iii) of the detailed memorandum dated February 10, 1940.)

5. Under the Securities Act of 1933 a plaintiff does not have to prove reliance on a registration statement or prospectus in order to recover. No changes are recommended on this score in the case of registration statements or prospectuses with respect to new securities although reliance is required under section 18 of the Securities Exchange Act of 1934 and section 16 (a) of the Public Utility Holding Company Act of 1935. In the case of outstanding securities, however, where the sale is probably directly influenced by a memorandum or prospectus it seems fair to require that a plaintiff prove that he relied on the memorandum or offering prospectus. In the case of new securities, information in the registration statement and prospectus may influence the market or may influence rating agencies and while many people think it is fair to require that the plaintiff prove reliance, we have not thought it advisable to go that far at this time in the case of new securities. It is seldom, however, that the general market price of a security is affected very much by a particular memorandum with respect to outstanding securities. Consequently, it was thought fair to make this differentiation. (See point 4 (a) (i) of the detailed memorandum dated February 10, 1940.)

6. At the present time if an issuer offers its securities to its own security holders and wishes to be assured of having its money at the end of the offer, it pays an underwriter to underwrite the securities. To the extent that securities are purchased by the existing security holders or their assignees, they are purchased directly from the company and the underwriter has nothing to do with selling such securities to them other than the fact that his name appears on the prospectus as being willing to purchase at the end of the offering all securities not subscribed for. The underwriter therefore only sells to the public the unsubscribed balance. Under the existing law, however, he is liable under section 11 as an underwriter on the entire issue. It is suggested that this liability be confined to the portion actually taken up and distributed to the public. (See point 4 (d) of the detailed memorandum dated February 10, 1940.)

7. At the present time liability may be avoided by directors, officers, and underwriters with respect to portions of the registration statement certified to by experts if they can prove they had no reasonable ground to believe such portions were untrue. The Commission has been materially limiting the matters which can be so certified by experts. It is suggested that this be clarified by amendments. (See point 4 (f) of the detailed memorandum dated February 10, 1940.)

8. At the present time a prospectus must be delivered by dealers or brokers on all sales of the security for 1 year after the public offering. Prospectuses are frequently long—in some cases being 100 pages. They are expensive to print and to mail. Experts are generally agreed that most public distributions of securities are concluded in a few weeks. Consequently it is suggested that the period for the delivery of the prospectuses be changed from 1 year to 3 months. (See point 5 (a) of the detailed memorandum dated February 10, 1940.)

9. The present definition of a prospectus is very limited. Previously on high-grade securities investment bankers were able to inform universities, institutions, trustees, and savings banks on offering sheets listing securities of private obligors, railroads, municipal and Government securities the extent to which they were eligible for investment, listed on national securities exchanges, tax-exempt in certain States, the yield to maturity, yield to nearest redemption date, etc. Today this is forbidden with respect to issues registered within 1 year under the 1933 act, unless a long-form prospectus is also furnished, which is too expensive. The information can be given, however, with respect to outstanding securities, railroad securities, municipals and governments. This is a serious limitation on the information available to buyers and a severe handicap to private obligors. It is suggested that the definition of a prospectus be amended so as to permit such information to be given without delivery of a long-form prospectus. Also, at the present time, no matter how many prospectuses a buyer may already have received with respect to a particular security, a person desiring to sell that security to him must deliver him another prospectus unless he himself has delivered the prior prospectuses. Even if the buyer advises the seller he already has a prospectus, the seller (except as noted) must nevertheless deliver him another. This is anomalous and expensive and should be corrected. (See point 5 (b) of the detailed memorandum dated February 10, 1940.)

10. At the present time prospectuses must be delivered on sales occurring on national securities exchanges although, as a practical matter, there is no way to enforce this since sellers deal through brokers, brokers deal with each other, and the seller or his broker have no way of being sure that the buyer's broker will deliver the prospectus to the buyer. The Commission has adopted a rule with

respect to this but it is unsatisfactory. Consequently it is suggested that no prospectus need be delivered on sales on a national securities exchange. (See point 5 (c) of the detailed memorandum dated February 10, 1940.)

11. No amendments are suggested with respect to sections 9 (a) (2) and 9 (a) (6) of the Securities and Exchange Act of 1934, but this is a very important subject in connection with the sale of securities and it would be well if it could be given careful consideration. (See point 6 of the detailed memorandum dated February 10, 1940.)

12. Under the existing act, if securities are offered as convertible securities, the issuer may deliver common stock upon the conversion of a bond several years later without delivering a prospectus. If, on the other hand, an issuer offers a security with a warrant to subscribe to stock attached, when the stock is delivered several years later upon the exercise of the warrant an up-to-date prospectus must be delivered. This is purely fortuitous and should be corrected. (See point 8 of the detailed memorandum dated February 10, 1940.)

13. Under the existing act, securities exchanged by an issuer with its own security holders where no fees are paid for the solicitation are exempt. In the case of defaulted foreign obligations which have been issued by a subdivision of a foreign government where the taxing system of the subdivision has been taken over by the foreign government, the foreign government has sometimes offered to issue its securities in exchange or to guarantee the securities offered in exchange. The guaranty under the act is an additional security. Consequently, if the guaranty is added, the exemption is lost. No such limitations exist under the securities acts of foreign countries and, consequently, Americans are under a disadvantage in such negotiations. It is suggested that this disadvantage be removed. (See point 9 of the detailed memorandum dated February 10, 1940.)

14. Under the existing act, the Commission is of the opinion, because of the wording of the last sentence of section 6 (a), that it cannot permit securities to be registered unless there is an immediate intention to offer them. In certain instances this involves the Commission in a rather anomalous position, namely, that it believes certain sales by persons in control to be in violation of the Securities Act of 1933, but that such offerings from time to time may not be registered under that act unless the controlling person binds himself to sell all of his securities. It is suggested that this be corrected. (See point 10 of the detailed memorandum dated February 10, 1940.)

15. Due to the peculiar definition of an "underwriter" in the Securities Act of 1933, anyone, whether a dealer in securities or not, who turns in securities to an issuer in exchange for outstanding securities and who plans to sell the new securities may be technically an underwriter. Securities exchanged by an issuer with its own security holders where no fees are paid for the solicitation are exempt. Transactions by underwriters, however, are not exempt. Consequently, although the issuer may be permitted to issue the securities initially free from registration, persons taking them for exchange with a view to distributing them may be "underwriters" and hence required to register them. This restriction on the right of resale has been emphasized in section 264 of the bankruptcy laws. This constitutes a serious burden upon the right to exchange securities without registration. It is suggested that this can be amended. (See point 11 of the detailed memorandum dated February 10, 1940.)

The foregoing is a succinct statement of what our amendments propose to do. In our more detailed memorandum dated February 10, 1940, we have endeavored to make a very careful presentation of the pros and cons of the amendments. You may perhaps wish to refer to it for greater detail.

It has, of course, not been possible to do that in this letter, and if I have omitted the substance of any of the amendments it has not been intentional, and I hope you will permit me to explain these amendments or the memorandum to you in greater detail.

We did not think that the Congress would wish to undertake a wholesale revision of the Securities Act of 1933, the Securities Exchange Act of 1934, and the Public Utility Holding Company Act of 1935 at this session, and we have therefore not attempted to integrate these three laws, badly as that needs to be done in order to help industry. We do not believe that the amendments we have outlined fundamentally change the purpose back of the Securities Act of 1933 or the protection which should be granted to the public. We, of course, recognize that these amendments will not accomplish very much unless they are received in a cooperative spirit by the Commission, since the manner in which the act is regulated still makes all the difference in the world as to whether it is feasible for issuers to register and sell securities under it or whether it isn't. Many issuers have chosen the private placement route for securities because of the delays, expense, and uncertainties of registration. The uncertainty is a great nervous strain on businessmen.

We believe that the abolition of the 20-day waiting period on high-grade securities will be a great help. It is interesting to note in passing that there is no waiting period under the English Companies Act of 1929, which is self-executing.

Very truly yours,

JOHN K. STARKWEATHER,
Chairman, Federal Legislation Committee.

APPROPRIATIONS FOR WORK RELIEF AND RELIEF

The Senate resumed the consideration of the joint resolution (H. J. Res. 544) making appropriations for work relief and relief for the fiscal year ending June 30, 1941.

The VICE PRESIDENT. When the Senate took a recess yesterday the Senator from Kentucky [Mr. BARKLEY] had the floor, and declined to yield. The Chair wonders whether he wishes to continue to debate the pending amendment under the unanimous-consent agreement.

Mr. BARKLEY. No; I did not have the floor with the intention of keeping it. I simply wanted to have the Senate go into executive session, and declined to yield any further so that we might do so; but I have no desire to address the Senate now.

THE FINNISH DEBT

Mr. VANDENBERG. Mr. President, the distinguished representative of the Finnish Republic yesterday announced that in spite of the desperate condition in which his courageous country finds itself in respect to its needs for cash resources, it proposes as usual to maintain its magnificent credit record and make its debt payment on June 15.

At this point I ask that the statement issued by Minister Procope and published in the Washington Times-Herald be printed in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The statement is as follows:

War-torn Finland will again come through with its semiannual debt payment to the United States tomorrow, Hjalmar J. Procope, Minister from Finland, announced yesterday.

Finland has never missed a debt payment, even meeting its obligation last December.

STILL FREE, DEMOCRATIC

In announcing that his Government would make the payment, Minister Procope said:

"Finland, still an independent, free, and democratic country, in spite of the sufferings and the ordeals of the war, will always, to the utmost of her power, fulfill her obligations. On Saturday, June 15, we shall again make to the United States Treasury regular payment of our debt, not only in fulfillment of our obligations but as a symbol of the friendly relations which exist between the two Governments and the people. The ties that bind the two independent republics, Finland and the United States, have grown stronger since Finland in December made the last semiannual payment on her debt. The people of America, through their outpouring of aid to my country during the war, showed their friendship and sympathy for Finland."

FACES HEAVY BURDENS

"Finland's war was costly. Reconstruction, too, is costly. Hundreds of thousands of our people were left homeless when they moved from territory ceded to Russia. Our industries and economic life were demoralized. Thousands of orphans and widows became charges on the Government as a result of the casualties of the war."

"Faced with these heavy burdens of reconstruction, Finland is moving forward again with her own resources and the aid which she has received and continues to receive from her friends."

Mr. VANDENBERG. Mr. President, on May 28 I introduced Senate Joint Resolution 272, having for its purpose the extension to the Finnish Republic, of an option to refund its payments for the present year—namely, payments due on June 15 and December 15—if it wished so to do, the purpose and idea being to extend some small measure of voluntary recognition to the magnificent credit record which Finland has made. The joint resolution was referred to the Senate Finance Committee, which in turn referred it to the State Department and the Treasury Department. Both of those Departments have favorably reported on it.

I read a sentence or two from Secretary Hull's letter to the Senator from Mississippi [Mr. HARRISON]:

I do not believe I need comment for the committee's information on the present distress and strain in Finland nor on the great effort of reconstruction and resettlement it must undertake amid all the existing difficulties. Neither need I dwell on the claims of the Finnish people to the regard of this Government and people. I will merely say that should the Congress be disposed at this time to propose to the Finnish Government a postponement of payments which will make substantial sums available to the Finnish Government during the present period of stress, I perceive no ground for objection from the point of view of the United States.

I also read a single sentence from the letter of the Secretary of the Treasury. Not only does the Secretary have no objection to the enactment of the joint resolution, but he adds:

If the Congress should desire to afford a more liberal measure of assistance to the Republic of Finland than is contemplated under the proposed joint resolution, this Department would be very pleased.

Mr. President, the Senate Finance Committee unanimously ordered a favorable report on the joint resolution this morning and instructed me to present it. From the Committee on Finance, I report the joint resolution without amendment, and at the request of the chairman of the committee, the able Senator from Mississippi [Mr. HARRISON]—who is still in committee hearings—I ask unanimous consent for its present consideration, inasmuch as obviously the time element requires it.

The VICE PRESIDENT. The joint resolution will be read by title for the information of the Senate.

The CHIEF CLERK. A joint resolution (S. J. Res. 272) to authorize the postponement of payment of amounts payable to the United States by the Republic of Finland on its indebtedness under agreements between that Republic and the United States dated May 1, 1923, and May 23, 1932.

Mr. VANDENBERG. Mr. President, I ask unanimous consent to have published in full in the RECORD at this point the letters from which I have read brief extracts.

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

JUNE 10, 1940.

The Honorable PAT HARRISON,

Chairman, Committee on Finance, United States Senate.

MY DEAR SENATOR HARRISON: Pursuant to the request in your letter of June 5, I submit the following comment on Senate Joint Resolution 272. The joint resolution, if enacted, would authorize the postponement by the Republic of Finland of the payment of amounts payable to the United States during the calendar year 1940 under its debt agreements of May 1, 1923, and May 23, 1932, and would authorize the Secretary of the Treasury to make, on behalf of the United States of America, an agreement with the Republic of Finland for the payment of the postponed amount with interest at the rate of 3 percent per annum, in 10 annuities, to be paid during the calendar year beginning January 1, 1941, and in the 9 calendar years following.

I do not believe I need comment for the committee's information on the present distress and strain in Finland nor on the great effort of reconstruction and resettlement it must undertake amid all the existing difficulties. Neither need I dwell on the claims of the Finnish people to the high regard of this Government and people. I will merely say that should the Congress be disposed at this time to propose to the Finnish Government a postponement of payments which will make substantial sums available to the Finnish Government during the present period of stress I perceive no ground for objection from the point of view of the United States.

I do not wish to pass judgment upon the precise terms which such a proposal should include, although this would deserve the committee's careful consideration in drafting an unsolicited and unnegotiated tender of relief to an always punctual debtor government. Unless there is a postponement, Finland is to pay this year a \$76,000 bond, \$280,735 interest, and a Hoover moratorium annuity of \$38,061, which represents one-tenth of the \$55,000 bond and \$257,295 interest originally due in the fiscal year 1932 plus additional interest on this bond and interest. The bonds themselves include a substantial percentage of funded interest accumulated between 1919 and 1923. Finland's payments are mostly for interest and only in small part for debt curtailment, as may appear from the fact that for relief supplies in the value of \$8,281,926.17 received during the years 1919 and 1920, the Government of Finland has already paid the United States \$5,891,291.77 and still owes the United States \$8,142,890.21. The committee may wish to consider whether a further cumulation of interest on interest should be provided for in a postponement proposal to the Finnish Government, and also whether an adequate and wise measure of relief would be afforded by the brief term of postponement for which S. J. Res. 272 would provide. The effects sought by the resolution might not be produced by the terms in which it is at present drafted.

Sincerely yours,

CORDELL HULL.

JUNE 11, 1940.

MY DEAR MR. CHAIRMAN: Receipt is acknowledged of your letter of June 5, 1940, enclosing a copy of Senate Joint Resolution 272, introduced by Hon. ARTHUR H. VANDENBERG, to authorize the postponement of payment of amounts payable to the United States by the Republic of Finland on its indebtedness under agreements between that Republic and the United States dated May 1, 1923, and May 23, 1932.

The bill provides for the postponement at the option of Finland of payment of amounts payable to the United States during the period from January 1, 1940, to December 31, 1940. In the event of the exercise by Finland of the option to postpone such payments

the Secretary of the Treasury would be authorized to make, on behalf of the United States, an agreement with Finland for the payment of the postponed amount, with interest at the rate of 3 percent per annum, beginning January 1, 1941, in 10 annuities, the first to be paid during the calendar year beginning January 1, 1941, and 1 during each of the 9 calendar years following.

The amounts payable to the United States by Finland during 1940 which would be subject to postponement under the proposed joint resolution are as follows:

Date payable	Funding agreement, May 1, 1923		Moratorium agreement, May 23, 1932	Total
	Principal	Interest		
June 15, 1940.....		\$140,367.50	\$19,030.50	\$159,398
Dec. 15, 1940.....	\$76,000	140,367.50	19,030.50	235,398

The Treasury has no objections to the enactment of the proposed joint resolution if the Congress determines to grant a measure of assistance to the Republic of Finland. Finland was one of the first nations to come forward in 1922 to make arrangements for repaying to this Government amounts representing the cost to it of relief supplies which it had received. The people of Finland have steadfastly and scrupulously carried out their agreements with this Government. Notwithstanding the difficulties confronting that Government on December 15, 1939, it made a payment of \$234,693 which was due to the United States. Previous to that date the President announced that the Treasury would be directed to hold this payment in suspense, and that he would recommend to the Congress that the funds be used for the benefit of the Finnish people. While the Export-Import Bank has granted credits to assist Finland, the payment of the amounts which will soon begin to mature on such credits, when added to the semiannual payments due from Finland on her relief indebtedness incurred in 1919 and 1920, constitute a drain on the limited resources of that government, resources which are sorely needed in the rehabilitation of the country.

Finland's indebtedness for relief supplies aggregated \$8,281,926.17 and was represented by obligations of \$3,289,276.98 dated June 30, 1919, and \$4,992,649.19 dated July 1, 1920. As a result of the negotiations initiated in 1922 by the World War Foreign Debt Commission, the Congress, by an act approved March 12, 1924, authorized a refunding agreement with Finland under which interest on the original indebtedness at the rate of 4½ percent per annum to December 15, 1922, amounting to \$1,027,389.10, was added to the original debt, and after a cash payment of \$309,315.27 by Finland, the balance of \$9,000,000, with interest at 3 percent per annum from December 15, 1922, to December 15, 1932, and thereafter at 3½ percent per annum, was to be repaid over a period of 62 years. Each semiannual installment has been promptly paid by Finland except the installments due in the fiscal year 1932, which were postponed under the moratorium proposed by President Hoover and authorized by the joint resolution of Congress approved December 23, 1931. The postponed installments are being repaid in 10 annuities with interest at 4 percent per annum from July 1, 1933. Since 1923, Finland has paid to the United States the sum of \$5,891,291.77, of which \$957,533.23 represented principal and \$4,933,758.54 represented interest. This includes the payment of \$234,693 by Finland on December 15, 1939.

It appears that the proposed joint resolution affords only limited assistance to Finland. It imposes a 3 percent interest rate, and includes interest on interest, which Finland must pay if that Government should desire to take advantage of this proposed offer. While the proposed interest of 3 percent is less than the 3½ percent rate which is now borne by Finland's indebtedness under the agreement of May 1, 1923, and the rate of 4 percent on the amounts postponed under the agreement of May 23, 1932, in the light of recent developments in Finland and the problems of reconstruction now confronting that Government, the requirement that the proposed postponed amounts be repaid within 10 years does not offer much except a temporary measure of assistance to Finland.

If the Congress should desire to afford a more liberal measure of assistance to the Republic of Finland than is contemplated under the proposed joint resolution, this Department would be very pleased.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to your committee.

Very truly yours,

H. MORGENTHAU, Jr.,
Secretary of the Treasury.

HON. PAT HARRISON,
Chairman, Committee on Finance, United States Senate,
Washington, D. C.

THE VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

MR. BARKLEY. Mr. President, reserving the right to object, I was compelled to leave the committee room before action was taken on the joint resolution. I realize, of course, the feelings of the Senate and the country toward Finland. As I stated the other day, I had received some representations

from the representatives in Finland in the United States; and I got the impression—and I think it was an accurate impression—that they were not only willing to make their payment tomorrow, but they wanted to do it as a matter of pride on the part of the Finnish Government. They were not asking for a postponement or anything of the sort.

I should hate to do anything or to have the Senate do anything that would be regarded as contrary to the desire and wish of the Finnish Government to make its payment and to keep up its record, which is unique. I should like to ask the Senator from Michigan whether the enactment of the joint resolution would be interpreted in any way as reflecting on the ability or the willingness or the desire of the Finnish Government to make its payment as it had contemplated and announced that it would make it, because I have a feeling that the people of Finland have more pride in keeping up their record of payments than they have in securing some extension on the part of the Government of the United States.

MR. VANDENBERG. I am very glad the Senator has asked the question. It is pertinent and should be specifically answered.

My information is precisely the same as that of the able Senator from Kentucky. The representatives of the Republic of Finland propose to maintain their payments, and are prepared to do so, regardless of the burden it represents to them at this difficult moment in Finnish history. There is nothing in the joint resolution which could remotely reflect upon their credit. On the contrary, the joint resolution simply extends an option which they may accept if they desire. In other words, we have simply put ourselves in the position of saying to them, "You have been a good debtor. Lonesomely, you have been a good debtor, and we offer you this tangible token of our acknowledgment." I am sure it is not only no reflection on their credit, but I should construe it as being the Senate's compliment to their credit. What really ought to be done—and I shall welcome any Treasury negotiations to this end—is to refund the entire Finnish debt on far more favorable terms, in view of Finland's debt record. Let us not forget that Finland originally got only \$8,281,000 from us in 1919 and 1920; that Finland has actually paid us \$5,891,000; but, thanks to the power of compound interest, Finland still owes us \$8,142,000, although she has met every dollar of obligation when due. This resolution ought to be only the prelude to a rearrangement which would permit Finland to a receipt in full when it has paid the face of the principal. The pending resolution is no reflection on Finland. On the contrary, it is a compliment to Finland. The option may be rejected. But we can offer it as a matter of equity and fair play and as a demonstration of our constructive interest in good debtors.

MR. BARKLEY. Mr. President, in view of the action of the committee and the instructions of the chairman of the committee, the Senator from Mississippi, and in view of the fact that the two Senators from Michigan—both of whom are members of the committee—agree as to what happened, and I myself was not there, I do not feel that I am called upon to object. I insist, however, that nothing in the joint resolution or any action we may take here is in any way to be construed as indicating unwillingness or inability on the part of the Republic of Finland to make their payment as they planned to make it and have announced long in advance that they would make it.

MR. BYRNES. Mr. President—

MR. VANDENBERG. I yield to the Senator from South Carolina.

MR. BYRNES. I really regret that the Senator from Michigan cannot definitely state the wishes of the representatives of the Finnish Government with reference to the payment, because, with him and with the Senator from Kentucky, I share the view that the representatives of this little Government should have the opportunity to maintain its record for the payment of its indebtedness. If the Senator would not demand action upon his joint resolution at this time, and should ascertain that the representatives of the Finnish Government prefer to make the payment, as I understand they

are ready to do, I should like to suggest that the Senator from Michigan then move to amend the section of House Joint Resolution 544 which has been agreed to and which makes an appropriation of \$50,000,000 to aid the refugees in the invaded sections of Europe, and specify that \$10,000,000 shall be used for the assistance of refugees of the Finnish Government. In that way the Finnish Government would maintain its record; it would stand as an incentive not only to all governments but to all individuals throughout the world to pay their indebtedness when they are able to do so; and it would not deprive them of the remarkable record they have maintained to this time.

I wish the Senator would give consideration to adding \$10,000,000 to the \$50,000,000 and specify that it be spent for the aid and assistance of the Finns, and then let the Finnish Government maintain its record for paying its indebtedness.

Mr. JOHNSON of California rose.

Mr. VANDENBERG. Mr. President, I should like to comment on what the able Senator from South Carolina has suggested, and then I will yield to the Senator from California.

In the first place, I would not wish to make inquiry of the Finnish Minister whether or not he desired this action. I think that would be wholly out of harmony with the entire idea. This is a voluntary proposal on the part of the Government of the United States, a voluntary recognition of all the splendid attributes to which the Senator from South Carolina has referred. I think it would rob it of its entire value and sentiment if it were preceded by an inquiry as to whether or not it was wished.

So far as the other suggestion is concerned, I do not desire to confuse the refugee-appropriation question with this simple debt question, because the debt question is a very fundamental one in this country. Finland is the one nation which has maintained its record, yet which is under terrific pressure for cash at the present time. It is entitled to maintain its record and preference as a good debtor without the necessity of confronting this immediate burden, if it wishes to take the option. If it does not wish to take the option, it is in precisely the same position as if the resolution had not been passed, except that its appreciative creditor would have extended it the additional compliment of offering the option on the part of Congress.

I now yield to the Senator from California.

Mr. JOHNSON of California. Mr. President, I yield to no man, not even to the Senator from Michigan, in admiration for the Finns. When every other government on the face of the earth, at a time when they were amply able to pay, was defaulting in the payment of its just debts to the United States, the little Nation of Finland did its duty and kept the faith. I would go any length to show my appreciation of what they do and what they have done, but I want to be very certain before I do it that this is not to be taken as a precedent, and that there is no desire or design anywhere to take it as a precedent for the reduction or the omission or the remission of the amounts of money which are due from other nations of the world to the United States of America.

Mr. President, a great deal has been said of late about the so-called Johnson Act. The name of it is immaterial; the act itself has become immaterial; but against the endeavor which shall be made, either in this body or through the press, to repeal that act or to prevent nations which are indebted to us, even in this particular time, from paying the money they justly owe under the circumstances, I shall be in as firm opposition as I can be.

I do not want to afford a pretext for these nations to stand upon their contemptuous disregard of their plighted obligations. I should like to inquire of the Senator from Michigan whether he has heard anything in any way, shape, form, or manner as to the effect the particular action he seeks might have upon any of the debts due from any other countries to the United States.

Mr. VANDENBERG. Mr. President, I think that is a very fair question—one which should be raised and one which should be answered.

The Senator is familiar with my fidelity to the so-called Johnson Act. I have no interest in its amendment or repeal. I see nothing in the proposed action which would remotely affect that question. I have heard of no purpose to invade the Johnson Act, so far as legislative action is concerned.

Mr. JOHNSON of California. Mr. President—

Mr. VANDENBERG. I have heard the discussion outside, and I assume the Senator is asking me whether there is any relationship between this proposal of mine and the proposals which are heard for the repeal of the Johnson Act, and I say to him, "No." I wish to add that I do not see how this could be a precedent because, unfortunately, Finland is in a class by herself, and she creates no precedent for anyone else, either when she pays or when she is given the option of remission of payment for 1 year.

Mr. JOHNSON of California. I quite agree with the Senator from Michigan, but I am very peculiarly suspicious of the attempts which are being made to undermine or repeal the Johnson Act.

Mr. VANDENBERG. I hope the Senator will absolve me from that suspicion.

Mr. JOHNSON of California. Of course I do, but the Senator shows his knowledge of the efforts which are being made when he speaks of attempts being made outside this Chamber. They are being made. Every large newspaper in the land is saying to us that we must repeal that act, and there is pending before the Committee on Foreign Relations a resolution for the suspension of that act and the suspension of the neutrality law. So that the matter is now at a focus, and I want to be very certain that nothing we may do will in any degree afford comfort or sympathy to those who are seeking this peculiar action.

Mr. VANDENBERG. I have given the Senator every assurance I can, and I give him the assurance wholeheartedly and with complete frankness.

Mr. JOHNSON of California. Is it absolutely essential that this action be had today?

Mr. VANDENBERG. The joint resolution must be passed today, sent to the House, and passed by the House without reference to a committee, because the payment is to be made tomorrow.

Mr. NORRIS. Mr. President, will the Senator from Michigan yield?

Mr. VANDENBERG. I yield.

Mr. NORRIS. I have to leave the Chamber in a few moments, or I would not interrupt the Senator at this time.

I do not see anything in the joint resolution which hints at any suspicion that it could in any way be used as a precedent in favor of a resolution to repeal the Johnson Act. I am opposed to the repeal of that act.

Mr. President, in view of the record Finland has made, both as to the payment of the interest on her debt to us and later in the remarkable stand she made in defense of her freedom against the great octopus that was fighting her, knowing what that means in the way of finances to a government, knowing also the terrible distress visited upon her in a financial way as a result of the struggle, it seems to me the American Government, in view of those two considerations, should not only postpone the payment of interest but should remit the interest. I do not say that on behalf of the Finnish Government but I say it on behalf of our Government.

It is said here that Finland wants to keep up her record; that she wants to pay the money anyway. If that be true, let her pay it; but I think it is up to us to extend a gesture that will be fair and honorable—namely, to remit the payment of the interest entirely. If Finland pays it, if she feels that she wants to keep her record clear, it seems to me we should follow the payment by an immediate appropriation which would give the money we receive from Finland to the suffering people of Finland alone.

Mr. JOHNSON of California. Mr. President—

Mr. VANDENBERG. I yield again.

Mr. JOHNSON of California. I came into the Chamber during the course of the Senator's speech. Has he a copy of the joint resolution?

Mr. VANDENBERG. I am glad to hand a copy to the Senator. He will realize as he reads it that there is no provision for remission of the debt, there is nothing except provision for a refunding of two interest payments. There is nothing else involved, no other debtor involved, no precedent involved.

Mr. JOHNSON of California. As I stated before, I yield to no man in admiration for Finland. I yield to no man in asserting that they did a magnificent job, that they are a brave and a bold people, who fought to the last against a great overpowering enemy. I yield to no man in saying, in every way I can say it, that Finland deserves well of this country because of her desire and anxiety to keep her obligation, as no other country has done. So I should like to do exactly as the Senator from Michigan suggests.

I take it, when a statement is made here that this is not intended or designed in any fashion, nor has anyone heard that in any fashion it is to be used as a precedent for the remitting of the debts of other nations, that that is so, and with that firm determination on the part of the Senate, I will not object, under the circumstances. Otherwise I should.

Mr. VANDENBERG. I thank the Senator.

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

Mr. VANDENBERG. I yield to my colleague.

Mr. BROWN. I am in thorough sympathy with the joint resolution offered by my colleague. I wish to call the attention of the Senator from California to the fact that this is not the first time we have deferred payments due from the Finnish Government. In 1932, because of the financial condition of the country, we remitted payments which were then due, postponed them, and permitted them to be paid over a 10-year period, and \$38,000 annually of the amount that is being paid by the Finnish Government is in pursuance of a congressional enactment, Public Law No. 5, which was adopted in 1931 to that effect.

As I heard the joint resolution read before the Finance Committee this morning, there is nothing to it more than that it permits the two payments due this year, 1940, to be deferred at the option of the Finnish Government. It does not go any further than that.

The Senator from South Carolina [Mr. BYRNES] referred to the payment due. My recollection is that the amount of the payment due is just under \$150,000. The total amount of the indebtedness, according to a letter from the Secretary of the Treasury, which I placed in the RECORD while we were discussing the Finnish loan bill on February 7 of this year—that is, the principal amount of the debt, the balance due—is \$8,042,000. The purpose of my colleague is merely to defer, if the Finnish Government desires it, the two interest payments which would be due this year.

Mr. BYRNES. Mr. President, I do not know the facts about the joint resolution. I am not a member of the committee, and I am not aware of the amount involved. I do not think, however, that that would really change my view. I made a suggestion simply in view of the hope expressed that the Finnish Government could preserve its record of debt payment. I should be willing to place in the section, making an appropriation for refugees in Europe which has already been agreed to as a part of House Joint Resolution 544, the unfinished business, a sum much larger than the amount indicated by the junior Senator from Michigan.

Mr. BROWN. The amendment adopted yesterday would include in its benefits the people of Finland. They, of course, as well as the people of all other European nations, have suffered in the wars. This interest payment is so small that I hardly think we should go to the trouble of changing the resolution.

Mr. BYRNES. Mr. President, I have no intention of objecting. I do not know anything about the joint resolution. I could not help but express the hope that the Senator from Michigan would do nothing to keep the Finnish Government from preserving its record of debt payment.

Mr. BROWN. Mr. President, I hope the joint resolution will be adopted.

The PRESIDENT pro tempore. Is there objection to the request for the immediate consideration of the joint resolution?

There being no objection, the joint resolution (S. J. Res. 272) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the Republic of Finland, at its option, may postpone the payment of amounts payable to the United States of America during the period from January 1, 1940, to December 31, 1940, inclusive, under the agreements between that Republic and the United States of America dated May 1, 1923, and May 23, 1932; and, in the event of the exercise of the option herein granted, the Secretary of the Treasury is authorized to make, on behalf of the United States of America, an agreement with the Republic of Finland for the payment of the postponed amount, with interest at the rate of 3 percent per annum beginning January 1, 1941, in 10 annuities, the first to be paid during the calendar year beginning January 1, 1941, and one during each of the 9 calendar years following, each annuity payment to be payable in one or more installments: *Provided, however,* That the amounts postponed shall bear interest at the rate of 3 percent per annum from the date payment of such amounts was postponed to January 1, 1941.

Sec. 2. The agreement authorized in the first section of this joint resolution shall be in such form that annuity payments thereunder shall, unless otherwise provided in such agreement, (1) be in accordance with the agreement with the Republic of Finland dated May 1, 1923, and (2) be subject to the same terms and conditions as payment under the agreement dated May 1, 1923.

Mr. VANDENBERG. Mr. President, in connection with the action just taken I ask that the letters of the Secretary of State and the Secretary of the Treasury be printed in the RECORD at this point.

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

The letters are as follows:

HON. CORDELL HULL,
Secretary of State, Washington, D. C.

MAY 24, 1940.

MY DEAR MR. SECRETARY: I wish to present a concurrent resolution in the Senate to preserve the favorable status of the Republic of Finland in respect to her war-debt record without the necessity of any payment by Finland on her approaching June obligation and her subsequent December obligation. In other words, I want Finland to have the full benefit of her debt-paying record and of whatever American advantages may accrue therefrom without the necessity of any payment of the next two installments. In view of the plight of Finland, it seems to me that it would be as embarrassing for us to accept these next payments as it might be difficult for Finland to make them—although I have no doubt that she would still persist in this heroic sacrifice. I do not see that any precedent is involved which might subsequently affect other war debtors because, of course, the record of Finland is unique and alone.

I am taking the liberty of writing you about it because I would not care to proceed with anything of this nature—at this particularly delicate moment—except as I might hope to be assured either of your approval or at least that the suggestion would not invite your disapproval.

If I may have a response by early mail, I shall appreciate it because if any action of this nature is to be taken it should be initiated at once.

With sentiments of great respect, and with warm personal regards, I beg to remain

Cordially and faithfully.

JUNE 3, 1940.

THE HONORABLE ARTHUR H. VANDENBERG,
United States Senate.

MY DEAR SENATOR VANDENBERG: Your letter of May 24 regarding payments due from Finland this year raises the same question the President had in mind last December when he directed the Secretary of the Treasury to place the December 15 payment in a separate account pending such action, if any, as the Congress might desire to take with respect to it.

The Congress has since authorized an increase in the lending power of the Export-Import Bank of Washington, under which a credit of \$20,000,000 has been opened for Finland. However, the Congress has not directly dealt with the disposition to be made of the money received December 15 last from Finland.

I suggest that you may wish to discuss with Senator HARRISON the matter of the disposition both of the December 15 payment, which was duly received but has not yet been formally covered into the Treasury, and of the payment due June 15, and possibly other payments, during a reasonable time in the future. As the President said last January, the facts in regard to Finland are fully in possession of every Member of the Congress and the matter of credits to that Republic is wholly within the jurisdiction of the Congress.

In the meantime, the Department is proceeding with its usual routine handling of notification to Finland of the amount due and payable June 15, 1940.

Sincerely yours,

CORDELL HULL.

APPROPRIATIONS FOR WORK RELIEF AND RELIEF

The Senate resumed the consideration of the joint resolution (H. J. Res. 544) making appropriations for work relief and relief, for the fiscal year ending June 30, 1941.

The PRESIDENT pro tempore. The question is agreeing on the amendment of the Senator from Montana [Mr. MURRAY].

Mr. MEAD. Mr. President, I desire to take my allotted time to discuss the amendment offered by the junior Senator from Montana [Mr. MURRAY]. I wish to call the attention of the Senate to the fact that the amendment proposes what, in my judgment, would be the most important item in the measure now under consideration. The Murray amendment provides for an increase in the appropriation for work relief from \$975,000,000 to one and one-half billion dollars, which amount, as is the amount now contained in the measure, would be made available for the first 8 months of the next fiscal year.

I said the amendment proposes what would be the most important item in the joint resolution, and the proof of my statement is the universal acknowledgement of the fact that unemployment is the Nation's greatest problem, and that the Senator's proposal is a direct attack on the unemployment problem. Unemployment, our greatest problem, does not receive the consideration it merits from the legislators. It has yet to receive the energetic consideration that it merits from the country at large.

Unemployment, we are told, is the offspring, the child of democracy. Unemployment is prevalent only as a problem in the democratic nations of the world. Unemployment has destroyed many of the world's democracies. Unemployment is responsible for the debacle in Europe today.

Mr. President, unemployment never existed, nor does it exist today, in the primitive nations of Europe, Asia, and Africa. Unemployment is a direct result of the fostering, the encouragement of private enterprise in a capitalistic system. It is the result of a theory on the part of the Government that says to its citizens, "Go the limit in the expansion and the development of your private business. The sky is the limit." But while that development takes place, while this encouragement is given so freely and widely, very little attention is paid to the other side of the picture, to the human side, and the adversity which results from this highly mechanized age of speed in production in which we live.

As the result of the unemployment situation that burdened the inept democracies of the Old World, as the result of the unrest, the deprivation, and the desperation that gripped the hearts of men abroad, they yielded their loyalty to their democratic systems of government, and succumbed to this new and regimented ideology that today covers the earth like a dark ominous cloud. In their search for security they yielded their independence and their own enterprise. Today we find the primitive nations on the one hand and the totalitarian nations on the other condemning the democratic system for its burdening unemployment problem.

So I say, Mr. President, the amendment in question is the most important item in connection with the joint resolution. It is our opportunity in the closing hours of the session, and the only opportunity we will have, to make a marked contribution to the elimination of unemployment. We should grasp this opportunity while we still have time to provide that full and fair share which the Federal Government should assume in connection with private industry, and with local governments for the abolishment of poverty, privation, desperation, and unemployment in the United States.

Mr. President, since the coming of this problem as one of our major problems of government, we have made two national efforts to wipe it out. In 1930, with a conservative administration in power and with the natural tendency of a conservative administration guiding the legislative program, we began an offensive against unemployment by drastically reducing taxes, by adopting a program of economy, by reducing the wages of Federal employees, by cutting the compensation of veterans who had served in our wars. By reducing taxes and by eliminating costs of government, we found that

we dried up the sources of the Government's revenue, and that our tax collections dropped from more than \$6,000,000,000 to \$3,000,000,000. We found as a result of that program that the national wealth of the United States dropped from an all-time high in 1929 of approximately \$90,000,000,000 to a desperate low of \$36,000,000,000. After 2 or 3 years of that futile effort we found an ever-growing army of unemployed, reaching the record high of 15,000,000 idle men and women. We found deflation taking a greater toll than the marching armies of any totalitarian dictatorship could take in this or any other country.

So, Mr. President, that great national effort, that attack on our unemployment problem by a conservative administration, failed miserably. Finally, to the lasting benefit of the country, in 1933, we yielded to a new program, another national effort, the effort and program of a progressive administration. As a result of the program inaugurated by President Roosevelt, as a result of the creation of a Federal Works program, we doubled the Government's revenues. We increased the national income until today it approximates \$70,000,000,000. We added 10,000,000 jobless to the workers' rolls of America, until today, taking on an accumulation of 600,000 new workers every year, we have reduced the number of jobless from a total of 15,000,000 to a total today of 8,000,000 or 9,000,000 unemployed.

Above and beyond that, we restored confidence and hope. We provided time for this democracy to study the question, and to bring about a proper and just solution of it.

Since 1933, Mr. President, there have been many studies, many investigations, numerous forums, and a great many recommendations as to the solution of our unemployment program. If I were to list the most successful efforts in that direction, I should probably give first place to the committee headed by the distinguished Senator from Wyoming [Mr. O'MAHONEY] and his associates on the Temporary National Economic Committee.

I should pay considerable praise to the efforts of a national magazine which time after time has devoted editorial space and has sacrificed considerable money and effort to bring this problem to the surface. I have before me, Mr. President, a copy of the magazine *Forum* dated October 1939. In that issue I find emphasized as the most prominent article an account of the Fourth Forum Round Table discussion and consideration of the unemployment problem.

This forum was made up of a number of the leaders of the Nation—leaders in industry, agriculture, and government; leaders in finance and labor; leaders who were selected after considerable care and investigation, leaders who have the confidence of the country in the various walks of life in which they are engaged. In that round-table forum the Senator who is chairman of the Temporary National Economic Committee was an active participant. The forum spent a week-end in delving into the problem of unemployment. It brought to the round-table forum all the knowledge and experience gained in many endeavors and studies of the problem, and arrived at an area of agreement. There were suggestions in which they all joined, giving their hearty approval. There was also an area of disagreement. However, Mr. President, it is interesting to note, particularly while we are discussing the pending amendment, which is an attack on the problem of unemployment, that the members of the forum came to an agreement on the very fundamental which we are now considering.

Mr. President, the Fourth Forum Round Table, whose report on unemployment is presented in the issue of *Forum* for October 1939, has reached an agreement on the following:

First. That the democratic system thrives only by the creation of individual opportunity. That verifies the statement which I made, that democracies go into decay with the growth of idleness.

Second. That unemployment is a denial of opportunity. This is the land of opportunity. It is our solemn obligation

to protect our people in their right to opportunity. To adjourn this Congress with a full realization in our minds and hearts that we go home leaving 9,000,000 of our brethren without work and in desperation, is an un-American, unpatriotic, and disloyal thing to do.

Third. The round-table forum agreed that the greatest domestic problem with which the United States is now confronted is the problem of unemployment. That is a verification of the first statement I made. That statement has been made by every forum. It has been one of the results of every investigation. It is an undeniable truth. Unemployment is America's greatest problem. In the amendment offered by the Senator from Montana, who is deeply interested and concerned in the welfare of his fellow countrymen, we have an opportunity to direct a frontal attack upon unemployment which will reduce it to a point where it will not, at least during the next fiscal year, prove to be the major and devastating problem which it has been in the past few years.

Fourth. The forum found that there is no conflict between employer and employee, capital and labor, or farm and city, that cannot be solved by peaceful democratic means. Mr. President, we have 9,000,000 people out of work. That is a conservative estimate. We have estimates from many sources ranging all the way from 8,000,000 to 10,000,000. If we can solve this problem by peaceful democratic means, and if it is a problem that we should solve by peaceful democratic means, this is a democratic body, functioning in the formalisms of a representative system of government.

It is a body that realizes all too well that the existence of 9,000,000 unemployed is a reality. In our own communities we are reminded of it day after day. Men with whom we live, neighbors with whom we associate, will eloquently tell us when we go home every time we step out of the house that unemployment is a devastating and desperate problem. Yet, Mr. President, this being a democratic body, with a full realization that this question can be solved in a democratic way, we must realize that the session is drawing to a close; that there will perhaps be no further opportunity to consider a work-relief program while this session lasts, and that this is our last opportunity while the Congress remains in session. We, therefore, know that we have the problem, that we are going home to face the problem and its effects. We must realize that we have the opportunity in our hands now to direct a devastating blow at the problem. Therefore I call upon my colleagues to consider well the meritorious amendment which is at the desk and which will put 3,000,000 of these idle men to work, leave 3,000,000 for private enterprise and all its categories, and 3,000,000 more of unemployables for the States, counties, and local governments to look after.

Mr. President, having made these pronouncements, the round table unanimously agreed, first that the social gains of the past few years must be kept.

It will be interesting, Mr. President, for you to note, and I am sure it will be interesting for some of the candidates for the Presidency who may now be within the range of my voice, to note that on this round-table forum, who agreed that all the social gains of the last 6 or 7 years should be kept, were men who are vying with them for the nomination for the coveted office of President of the United States. I cannot speak for them all; I do not know, really, how many of them are candidates for the Presidency; but I find in that very imposing list, Mr. President, the name of the president of the Commonwealth & Southern Corporation, who, as a former Democrat, has made a phenomenal gain in the Republican field for delegates to the Republican National Convention. A forum composed of men of that particular character; a forum composed of those who might take issue with this administration; a forum composed of individuals who are not a part of, and, in many cases, are altogether out of sympathy with this administration, comes to the conclusion that we must keep, not some, not a few, but all the social gains of the last few years. What do they mean?

Mr. President, our attack upon unemployment is a social gain. The enactment of regulatory legislation that prevents

financial losses and waste is a social gain. The construction of new houses under the national housing program is a social gain, and the program we are considering today—the rehabilitation of our older workers, job opportunities for our youthful workers, a chance for our unemployed men and women to make a livelihood—is a social gain. When we are admonished by a forum of great national note that we must keep those gains, I really believe it is good advice from what might be considered an impartial source.

Mr. President, so much for the Fourth Forum Round Table. I believe we all agree with their findings; we all agree that unemployment is the all-important problem; we all agree that this is perhaps our last opportunity to go on record against privation and starvation and desperation before we go home to associate with our neighbors and our constituents again.

There is another item in which I believe there is general and unanimous agreement, and that is that we want jobs, not charity; we want work, not a dole for our people. I am sure every man and every woman within the hearing of my voice realizes that in work there is to be found initiative and ingenuity that build for stronger manhood, but that in idleness and in indolence there are decay and demoralization that will have a devastating effect upon our democracy. So we believe in jobs, not in idleness; and if we go home from here without making provision for jobs, we shall be giving lip service to the problem every time we mention our support of the cause of jobs and our denunciation of the devastation and desperation of the dole. Well, here is our last chance, Mr. President. We have never had a more favorable opportunity, a more commanding opportunity, to approach this question, to strike at its very heart, and to determine that we will reduce it to one of the minor problems of the country.

We agree that we have the jobless; we agree that it is work, not the dole, that we favor; we agree that it is our duty to make provision for work opportunities for those who are employable. We are admonished to keep all our social gains. Therefore this is our opportunity; it is our opportunity not only because it is our duty, not only because we have already started the program and we must not interrupt it now, but, above and beyond that, this is no time to tolerate idleness in America.

No man or woman realizing the situation that exists in Europe, and the ominous clouds that hang over us, should be permitted to remain idle in this period of our history. There is necessary work for everyone to do in order to provide for our national security and for their individual protection. We have a great national-defense program which, unfortunately, has been forced upon us, and, unwillingly, we must build instruments of destruction. In the building of our defenses there is much work that can be done by the 9,000,000 who are unemployed.

Mr. President, I will take 30 minutes on the bill if I have taken 30 minutes on the amendment, or vice versa.

The PRESIDENT pro tempore. The time of the Senator on the amendment has expired.

Mr. KING. Mr. President, will the Senator yield for a question?

Mr. MEAD. I am very glad to yield.

Mr. KING. I happen to be a member of the Committee on Finance which has been conducting hearings for 2 days for the purpose of trying to ascertain from what sources we may raise \$1,004,000,000 in order to aid in the development of national defense. Already we are imposing upon the American people enormous taxes, and in the bill which is under consideration, which has passed the House, there are imposed heavy taxes upon those in the lower brackets, upon the farmer, upon the tobacco grower, and upon those of small incomes. We have almost exhausted the resources in the high brackets, if I may use that expression, and so we are resorting to an increase of the taxes in the low brackets.

As I understand the able Senator from New York, he is asking for an additional \$500,000,000. It is obvious that we will have a deficit, to say nothing of that which will be caused

by preparation for national defense, of three or four billion dollars.

I should be glad if the Senator would indicate where we can get the additional revenue. Keep in mind the fact that only a few years ago our entire national expenditures were less than a billion dollars a year. Now those expenditures are from six to eight or nine billion dollars, and, notwithstanding very heavy taxes, we still have a deficit of three or four billion dollars. Unless we increase the taxes, in view of the preparations which are being made for national defense, the deficit for the coming year will be five or six or seven billion dollars. We cannot go on indefinitely creating such deficits without impairing the credit of the Nation.

Mr. MEAD. I appreciate the interruption of my distinguished friend from Utah. I realize how intensely interested he is in the Nation's finances. I can assure him, however, that I appreciate the necessity of a balanced Budget, and while we may differ in our approach to the attainment of that splendid objective, I know he agrees with me when I say that under present circumstances the security of our country, the protection of our country from invasion, the desire of our country to remain at peace by having an invulnerable defense, takes precedence over the desirability of attaining a balanced Budget within the next 2 or 3 years.

I said just a moment ago that this is a most favorable opportunity for the Senate to provide work for at least 3,000,000 of the 9,000,000 unemployed. I said that not only because of the need to make provision for work, not only because of the need to make provision for our national defense, but because never in all the history of our country have we been in more fortunate and favorable circumstances from a wealth-producing standpoint than we are at the present time.

The oft-spoken phrase that the United States is the richest country in the world is a truism which can be brought forcefully to the attention of Senators by a brief review of our financial sheets.

Today, with the last geographical frontier of the Nation settled, we have achieved a greatness which challenges the imagination. The Nation is a giant in wealth, in power, and in strength. The real story of our prowess as a Nation defies description. From time to time its strength has been severely tested, but no challenge has gone unanswered, no problem left unsolved.

Today there are those who cry out that our people have grown flabby, and that our economy has gone to pot. Critics of the present administration and some candidates for high office rail against the legislative accomplishments of the past 7 years. Over and over again they charge that we are in the financial and industrial doldrums; that we have "killed the goose that laid the golden eggs." They seek to convince the citizens of the Republic that agriculture, industry, and financial institutions are prostrate and bankrupt, due to the restrictions and regulations advocated and instituted by this administration. They say that the restriction of speculation, the regulation of utility holding companies, the aid to farmers, the rights granted to labor to organize and to bargain collectively, and other administration measures, have shackled American industry until the last feeble gasp of profits and prosperity has been snuffed out.

The most conservative and authentic sources contradict with irrefutable evidence these unfounded claims. They prove that we are going in the right direction. They blast to oblivion the empty charge that the New Deal program has weakened the financial strength of America.

I have here several newspaper clippings, selected at random, which tell the true story of American progress under our present liberal leadership—certainly one that would encourage us to continue in the path we have chosen to take.

Reading from the Christian Science Monitor of Tuesday, January 2, the heading is as follows:

Industrial groups reach new production peaks in 1939—Some industries break all past records during 1939.

The article goes on to relate that—

A number of United States businesses and industries managed to break all past records in the year 1939, despite war and the lingering aftermath of depression.

Electric-power production for the year totaled around 128,300,000 kilowatts, highest in history, and compared with 114,600,000,000 in 1938.

Production of steel ingots in October and November at 5,394,000 and 5,463,000, respectively, set consecutive new record monthly.

Motor fuel * * * output in 1939, at 596,111,000 barrels, was also the biggest in history.

Consumption of chemicals in the final 1939 quarter was the fastest for any 3 months on record.

Leading mail-order houses reported the biggest autumn sales in history.

The miles of film used by camera enthusiasts exceeded all marks in the annals of photography.

I have here a copy of Barron's National Financial Weekly of April 1, 1940:

AUTO-PARTS MAKERS SHARE AIRCRAFT BOOM—FOUR LEADING COMPANIES REPORTED NET INCOME LAST YEAR

Automobile-equipment companies which have branched out into the aircraft field are profiting from the current boom in that industry. All four of the leading companies last year reported the highest net income in their history.

Mr. President, I am not a piker. I am only picking out record breakers, all time-peaks, and they seem to cover almost every industry in the United States.

I have here an article from a trade journal dated April 4, 1940, which reads in part as follows:

I. P. & P. CO. REPORTS NET OF \$4,893,590

This compares with \$124,075 in 1938, 27 percent in excess of 1938.

Tonnage sales for the year were the highest in its history.

Mr. President, I have here a trade journal which relates that a new \$5,000,000 newsprint mill is being established in the South. Then it goes on further to say:

UNITED STATES PAPER EXPORTS SET NEW HIGH

The United States exports of paper and its manufactures in January, valued at \$4,164,065, set a new high, being the highest since February 1921, according to the Department of Commerce.

An all-time high since the depression.

I have here a copy of the New York Times which goes on to say that the profit of Gimbel Bros. is tripled:

One million four hundred and two thousand two hundred and ninety-five dollars cleared in year ended January 1931—sales up 4.8 percent.

Another article is headed:

Alcohol company turns loss to gain.

This is from the New York Times of March 1940:

Net income of United States Industrial, \$77,525 in '39; \$667,657 deficit in '38; * * * sales increased 25.5 percent.

NEW PROFIT PEAK FOR OIL COMPANY

The Tidewater Associated Oil Co. in its statement for the March quarter of 1940, issued for publication today, shows a net income of \$3,780,220, the highest for any first quarter in the history of the concern.

Here is another copy of the New York Times indicating that the pay roll of General Motors was up 28.4 percent:

Pay rolls of General Motors Corporation and its subsidiaries throughout the world in 1939 amounted to \$386,292,203, the third highest in the company's history, and a gain of * * * 28.4 percent over 1938.

FIVE MILLION TWO HUNDRED AND EIGHTEEN THOUSAND TWO HUNDRED AND FIFTY-NINE DOLLARS CLEARED BY CURTISS-WRIGHT

1939 profit peak for concern is 45 percent above 1938.

AVIATION CONCERN TURNS LOSS TO GAIN

United Air Lines Transport had \$322,121 profit in 1939; \$997,221 deficit in '38.

Here is another clipping from the New York Times. It goes on to say:

TWO HUNDRED AND FIFTY CORPORATIONS RAISE PROFITS 50 PERCENT
First-quarter income up to \$272,291,000 from \$181,375,000 a year before.

Mr. President, realizing the untold wealth, the amazing volume of profit industry is piling up, realizing as we do the favorable situation that confronts industry, just imagine the situation we should face if we were to adjourn and go home with the knowledge that 9,000,000 of our people are without work. Our industry is piling up fabulous sums of money, while profits and dividends are breaking all-time records. Can those who represent the people, realizing the plight of democracy all over the world, adjourn while this situation exists in America with wealth on one side of the road, desperation and privation on the other?

Mr. President, not only while this international situation looms black and ominous for us, but after that when peace returns I believe it is our solemn duty to see to it that unemployment is banished from the land, that the dole is not the only opportunity for our fellow beings, and that we provide opportunity for the unemployed of our country, the opportunity to work which every man hopes for and lives for. We must solve the problem in the democratic way by preserving the liberties of our people while increasing their security.

Speaking of the Federal debt, coming more directly to the point raised by my distinguished friend the Senator from Utah, what has been the situation since the adoption by the present administration of the national work-relief program? What would be the situation if we abandoned it?

Mr. President, if we abandoned the 9,000,000 unemployed or the 10,000,000 unemployed, or that portion of the unemployed we might be able to abandon if we wiped out this appropriation entirely and balanced the Budget, what would happen to them? What would happen to our economy? What would happen to the community which carried the relief burden? Would our industries show the profits they are showing? Would the national wealth produced in America continue to rise? Would the revenues collected by the Federal Government remain at the point where they are? No one has learned so little as the result of the presence of this economic storm as to believe that balancing the Budget, bankrupting the municipalities back home, reducing the buying power of our people, forfeiting the great wealth-producing-enriching projects which have been or will be constructed, would in any way help the economy of the Nation.

Mr. President, I have here the figures of our national debt in June 1930 as compared with June 1939. During all that time, particularly since 1933, we have provided programs for our people far in excess of the amount included in the amendment submitted by the Senator from Montana. We must remember, we must not forget, that in this session of Congress we have made no provision to carry on the Public Works Administration. That is gone, and all of the skilled and unskilled workers, hundreds of thousands of them, directly and indirectly associated with that vast construction program, are being furloughed as rapidly as the projects are being completed.

Let us not forget that when we adjourn, unless the House Rules Committee takes expeditious action, and unless the House itself takes action on the bill to provide decent housing conditions for millions of our people who are living in hovels, the program which has provided untold opportunities for work will be stricken from the works program. Realizing that we are in the closing days of the session, and with a full appreciation that the enactment of that housing program is at best something which we cannot figure on, it is all the more necessary for us to adopt the Murray amendment, in order to fill the gap which will result from the failure of the Congress to continue the housing program, and from the failure of the Congress to provide for a continuation of the public-works program.

Mr. President, let me show what happened during all this time we have been providing work relief for our people, ap-

propriating not millions, but billions, more than is contained in the Murray amendment. The public net debt on June 30, 1932, so far as the Federal Government was concerned, was \$16,824,000,000. On June 30, 1939, the Federal debt was \$32,044,000,000.

The State and local debt in 1932 was \$16,000,000,000, but on June 30, 1939, it was only \$14,000,000,000.

The total public debt in 1932, therefore, was \$32,000,000,000, while the total public debt, Federal and State, in 1939, was \$46,000,000,000. It rose something over \$13,000,000,000.

The private debt in June 1932 was \$108,000,000,000, but in June 1939 it had dropped to \$92,000,000,000.

So that the gross public and private debts as a result of the so-called fabulous appropriations by the Federal Government for public works, were reduced in the Nation by \$2,246,000,000.

I say to those who would interpose and suggest that we reduce appropriations and balance the Budget under these fearful conditions, under these terrifying circumstances, that experience proves that it is not the right thing to do. Waste is created by forcing men to remain idle, and wealth is created when our people are put to work on useful public or private projects.

Mr. President, I stated a moment ago that this is our chance, because experience proves the efficacy of the work relief program. Now is our chance, because we are all ready to adjourn in a few days, and adjourning, possibly, without the enactment of the wise housing program suggested and fostered by my colleague the senior Senator from New York [Mr. WAGNER]. It is our chance, because we believe that we need the help and cooperation and energy of every man and woman in the United States as we face the present national situation in all its precarious complications.

Mr. President, under the bill now being considered, and if enacted without the amendment, we will provide for only 1,900,000 of our unemployed. We will leave, therefore, two-thirds of the burden to the local governments. I claim that that is a disproportionate share; that we would not be doing our duty; that we would be giving only lip service to the unemployment problem.

We need national defenses, and we need them badly. The able Senator from Montana yesterday told us of the work which could be done in the building of airports, air ways, and runways, and the work which could be done on our Army and Navy bases and our military roads, and for military housing and mobilization centers and cantonments, as well as underground storage hangars.

Mr. President, there is a fabulous amount of work, which 9,000,000 people could not complete, in order that our defenses may be put in order; and I cannot think that we would adjourn without making provision for at least 3,000,000 of them; and I cannot think that we would not accept the amendment offered by the Senator from Montana in the face of present-day circumstances.

Personally, I believe that it is not as necessary to have a navy and an army as it is to have a patriotic, loyal citizenry. I believe that our defenses, no matter how powerful they may be, will be vulnerable unless we successfully attack the problem of unemployment and bolster up the morale of our people. I believe that if we adjourn, with the realization that adjournment means unemployment, impoverishment, and idleness, we shall fail to perform our patriotic duty.

I know that the unemployed of America are among the finest of our citizenship. I know that if war should come to America—and I pray it will not—we shall find recruited from the ranks of the unemployed of today the flower of America's volunteer army. Yet, Mr. President, I know that in enforced idleness and in indolence is found the best opportunity for the work of those with malice in their hearts and sabotage in their minds, those whose work is now evidenced even in this country in the building up of so-called "fifth columns."

To protect our country, therefore, to insulate it against the invasion of those who are unwelcome here, I believe we ought to provide work for all our loyal, faithful, and patriotic people. That is the best protection on earth.

Mr. MURRAY. Mr. President—

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Does the Senator from New York yield?

Mr. MEAD. I yield.

Mr. MURRAY. I should like to inquire of the able Senator, who is making such a forceful argument in favor of the pending amendment, if it is not true that it is the total mobilization of the manpower of Germany that makes it in Europe the formidable threat it is today?

Mr. MEAD. I will say to the able Senator, whose amendment I hope will be adopted, that I have before me a very exhaustive account of the German public-works program, which in some degree compares favorably with the works program of our own W. P. A. This is part of the program which Germany prosecuted for years, until finally her preparedness was the most perfect of any nation.

Mr. President, the Senator from Montana is entirely correct in his statement. It was the carrying out of a program similar to the program which we hope will receive the preferential consideration of the W. P. A. which helped to make Germany the military power it now is. Here we adopt such a program reluctantly, unfortunately, but because of world conditions our national peace and security demands it. I am in agreement with the Senator from Montana. We must put the unemployed to work. We must see to it that our defenses, our moral and our military defenses, are invulnerable. The W. P. A., with the aid of 3,000,000 workers, will make a—

The PRESIDING OFFICER. The time of the Senator from New York on the amendment and on the bill has expired.

Mr. MALONEY. Mr. President, I desire very briefly to explain some of the reasons why I shall support the amendment offered by the junior Senator from Montana [Mr. MURRAY]. I am not unmindful of the fact that there are many Members of the Senate and many persons outside who will consider this proposal tremendously unusual and extravagant. I would have some reluctance about supporting this great increase except for the fact that it impresses me as seriously important in connection with our national-defense program:

I was denied the pleasure and opportunity of hearing all the address of the distinguished junior Senator from New York, but I did hear it in part, and I find myself in accord at least with that portion of his address which I heard.

Mr. President, if the Members of the Senate and if the people of the country had a chance to know how much it would be possible to do with the additional appropriation here proposed, I think the proposal would meet with quite general approval.

During the last several days, as the result of the trying and terrifying situation in the Old World, we have come quite clearly to a realization that we must for the time being, for the sake of our country, set aside the immediate consideration of balancing of the Budget. A cry now for Budget balancing—much as we all desire a balanced Budget—raises a doubt that may do our country harm, and probably will react to the disadvantage of those in other places with whom we sympathize.

I regard the proposed additional appropriation completely as a defense measure, and I shall try, in the few minutes that I shall take, to show how it is important in that respect.

I should first like to say, however, that in connection with a national-defense program it is extremely important that our entire forces be united. I have long believed, and the belief is now intensified, that the true test of a nation is its care of the weak; and I have long believed—and I now believe to a greater extent—that we cannot expect the same patriotism, the same intense devotion to country, on the part of those who are neglected in part by their own neighbors, and by their countrymen, that we can expect from their more fortunate neighbors.

As we go forward with a program of national defense, it seems to me extremely important and necessary that we have a strong internal defense, that the feelings of all our people are in accord, that distressed people are removed from the susceptibility of the pagan and foreign influences which

we all admit are to some degree and extent existent within our country.

If those who are without sufficient food and shelter and those who are suffering the economic sorrows of the times complain of what we do, they should not be too harshly criticized, for they see their governmental representatives appropriating billions of dollars for armament, while in some instances the armament so vital and necessary to their own homes and firesides is woefully weak.

Mr. President, if we should appropriate the additional money suggested by the junior Senator from Montana, and thereafter, as the result of the armament program now under way, there should not be the present existing crying need for jobs, the money would not need to be spent; but if Congress is to go home—and I doubt that it should now go home—there should be appropriated sufficient money to meet the economic and social needs, at least during the uncertain days which lie just ahead; and, more important than that, there should be a sufficient amount of money available to take care of and to provide for those national-defense items, the need for which is probably yet not too clearly seen.

Without any desire to burn incense to myself, let me say that I suggested an amendment several days ago which would make unnecessary a sponsor's contribution in connection with W. P. A. projects proposed for national-defense purposes. The idea came to my mind as the result of many hearings which I attended as a member of subcommittees of the Committee on Appropriations dealing with Army and Navy matters and partially as a result of the tremendous program proposed in different places in connection with our need for a great air defense. The desire was expressed that we have, as soon as possible, an airplane production of 50,000 units a year. The suggestion was made, and the hope expressed, and in some places with confidence, that we could quickly train many thousands of flyers. Based upon my own limited knowledge of the situation, confined to my own neighborhood, and pretty much to the State in which I live, it became clear to me that there was much to do besides the manufacture of planes and getting enough young men to volunteer for air training. It seemed to me that if thousands of young men in all parts of the country were to volunteer for this uncertain and patriotic field of military service, appropriate and safe landing fields should be put at the disposal of the Government and of the young men and the agencies and forces which would train them.

In the progressive State in which I live, and in the forward-looking part of the country from which I come, it seemed to me that there was a number of very insufficient and incomplete air fields. I know that in my own State hundreds of thousands of dollars will be required properly to complete the existing air fields; and I seriously doubt that they will be completed without a more generous contribution on the part of the Federal Government.

Not only do we need adequate airfields in connection with the training of these young men, but if the darkest clouds should come, if we should suffer attack, and through no fault of our own we should become involved in the war, the air forces of our country would play an important part; and it seemed to me that we could best serve our Nation and people by strengthening our air forces in every possible way.

We know from the experience of the present war that centralizing and collecting airplanes and air forces in great numbers in any one field or in a few large fields is extremely dangerous. We know that to provide proper protection we need a great many airfields so that they may be widely separated in the event of attack.

With this thought in mind, I offered the amendment to which I have heretofore referred. The Appropriations Committee, in its usual wisdom, probably as a result of other thinking besides my own, adopted an amendment which provided that the sponsor's contribution might be waived in connection with projects approved by the Secretary of War and the Secretary of the Navy as necessary for national defense.

But let me point out, Mr. President, that as I understand, the amendment was accepted without the appropriation of additional money. So it seems to me that if we are proceeding with the pending measure in accordance with our national-defense plans, we had better provide the money now to do that kind of work. If we are to do it well and properly, no one will deny that millions upon millions of dollars will be required all over the country. No one will deny that there may be innumerable other instances the importance of which cannot now be foreseen, in which our national defense needs strengthening. Such projects might be undertaken with the forces of the present unemployed if money were available and the Secretary of War and the Secretary of the Navy should approve the projects.

Let me cite one extremely important instance in my own State, which, I think, might be comparable to innumerable other instances elsewhere. Connecticut has suffered seriously from devastating floods in recent years. The largest and by far the most important airplane-engine plant, from the standpoint of contributing the greatest strength to our air defense, is located in my State. It is a great factory, which employs many thousands of men. It is now producing almost all the airplane engines manufactured in this country. During one of the recent devastating floods it became necessary to close that plant. Since that time I have been trying in one way or another to obtain sufficient money to provide a dike extension which would protect the community in which the plant is located and the plant itself against the possibility of future floods.

Appreciating the importance of the project and the proposal, the Senate passed a bill for that purpose, but it has not finally passed the Congress. Greatly disturbed about conditions, I had it included in the civil-functions bill of the War Department, but the item was rejected on the other side of the Capitol.

Is it not fair to assume, Mr. President, that the project for the protection of this great industry—in my judgment an industry more vital to our national defense than any other—might be developed and completed through funds provided by the amendment offered by the Senator from Montana, which funds apparently are not elsewhere or otherwise provided? Who can say that other like projects might not be necessary in connection with needed protection for munitions plants or important industrial plants? At Hartford, Conn., there is another similar project which would protect other great munitions plants. Where is the money coming from if we are to go home? How are these national-defense projects to be undertaken without funds?

Mr. President, I have no desire longer to detain the Senate. In the emergency which confronts our country, I hope and pray that we shall not be lulled to sleep. I have an intense desire that our people shall not lessen the seriousness of their thinking. I hope that the effort started toward our national defense will be prosecuted to the end with continuing determination. I hope the additional money will be provided.

I am mindful, of course, of the terrific cost, and of the tax burden which will follow. But tax burdens are no longer of serious concern to the saddened and stricken people of Europe, who a little while ago at least saw by the light of a lamp, and now see only by the light of flashing guns and burning homes.

Mr. President, I am not unappreciative of the magnitude of the additional funds proposed to be appropriated. I know that in some places the suggestion will probably be regarded as fantastic. But the uncertainties of the times, the horrible examples that we face from day to day, and dark clouds all around us, make it ever so necessary that we set aside precedents, and that we be a bit more bold and courageous. Probably the time calls for a bit of recklessness.

So I hope, Mr. President, that the amendment will prevail. The proposed appropriation could not under any circumstances be a total loss. If men are without employment and in dire need, and we neglect them, we shall be neglecting

our national defense. If work is otherwise provided, we save the money. With what we spend under the W. P. A. we create everlasting social values. In my judgment, the waste and carelessness of the W. P. A. are things of the past. At long last I think we are convinced, as a result of the sufferings of other people who were careless of their own comfort and welfare and of their national security, as to what we must do. I am satisfied that we will do it, Mr. President.

Let me say once more that I am attracted to the proposed heavy additional expenditure only because of my intense desire that the national-defense program be completed in its entirety. Having started, we should go all the way; and, finally, after the indolence, carelessness, and neglect, which were, perhaps, natural in the old days, and for which no individual or group of individuals probably can be blamed, we should quickly take up the tools and finish the important national-defense work which remains undone.

Mr. ADAMS obtained the floor.

Mr. McKELLAR. Mr. President, will the Senator yield to me to suggest the absence of a quorum?

Mr. ADAMS. I yield.

Mr. McKELLAR. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Davis	King	Reed
Andrews	Donahay	La Follette	Reynolds
Ashurst	Downey	Lee	Russell
Austin	Ellender	Lodge	Schwartz
Bailey	George	Lucas	Schwellenbach
Bankhead	Gerry	Lundeen	Sheppard
Barkley	Gillette	McKellar	Shipstead
Bilbo	Green	McNary	Slattery
Bone	Guffey	Maloney	Smith
Bridges	Gurney	Mead	Stewart
Brown	Hale	Miller	Taft
Bulow	Harrison	Minton	Thomas, Idaho
Burke	Hatch	Murray	Thomas, Okla.
Byrnes	Hayden	Neely	Thomas, Utah
Capper	Herring	Norris	Townsend
Caraway	Hill	Nye	Tydings
Chandler	Holman	O'Mahoney	Vandenberg
Clark, Idaho	Holt	Overton	Van Nuys
Clark, Mo.	Hughes	Pepper	Wagner
Connally	Johnson, Calif.	Pittman	Walsh
Danaher	Johnson, Colo.	Radcliffe	

The PRESIDING OFFICER. Eighty-three Senators having answered to their names, a quorum is present.

Mr. ADAMS. Mr. President, I wish to say a few words in support of the committee's position and in opposition to the amendment of the Senator from Montana [Mr. MURRAY]. I believe that those who are supporting the amendment of the Senator from Montana are overlooking two or three very vital considerations in the situation.

In the first place, this is a relief bill; its purpose is to take care of people who are in distress by giving them employment. It is not primarily a defense bill. It is perfectly proper that we should make use of the employees on the relief rolls in furtherance of defense work, keeping in mind the main purpose which is relief; but it is a mistake to invert the picture and assume that this is a defense bill first and that relief is merely incidental to that.

As to the figures, where do the figures in the bill come from? They come from those best informed as to unemployment and relief needs in the country. The bill represents that for which the President and which Colonel Harrington of the Relief Administration asked.

Senators will recall when the Budget was submitted by the President for relief purposes the President requested \$975,000,000 for a 12-month period. That was what he regarded as adequate. Following the first of the year a somewhat less favorable economic situation developed. The President then asked that the amount of \$975,000,000 be given a flexibility, so that it could be consumed, if needed, within an 8-month period rather than to be stretched over a 12-month period. In other words, there was an increase of 33 1/3 percent in the amount of money available. The \$975,000,000 will take care of an average of 2,032,000 a month.

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

Mr. ADAMS. I yield to the Senator from Massachusetts.

Mr. WALSH. I was obliged to leave the Chamber temporarily and did not hear the entire statement of the Senator from Colorado. I assume a vote will be taken very shortly on this question. I have taken the position in the case of all relief measures to vote for the amount the President requests. I assume he consults the agencies of the Government that are best informed as to the need of relief. I want to give every dollar that is requested for relief purposes by those who are familiar with relief problems. Now I ask the Senator does this bill contain the full amount of money requested by the President for relief?

Mr. ADAMS. It does up to the last cent.

Mr. WALSH. That statement will determine my vote.

Mr. ADAMS. I was explaining that originally the President requested \$975,000,000 for a 12-month period, but a less-favorable economic situation developed, and he has now asked that the amount be made available for an 8-month period; and that has been done.

Congress has no source of information of its own as to the number of people in need; we have no machinery to gather information. The best source of information, necessarily, is the W. P. A., with their widespread organization. We all know that national agencies are not given to asking less than they need. So when we give to the W. P. A. the full amount it has asked for we may be quite sure that we are adequately taking care of the need.

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

Mr. ADAMS. Let me make one further statement. Then I will yield.

In the House hearings Colonel Harrington stated that the need for July was for 1,700,000 people; for August, 1,700,000; for September, 1,700,000; for October, 1,800,000; for November, 2,000,000. Those were his estimates, and those estimates furnished by Colonel Harrington were put in the bill in the House. We have recommended that those limitations be removed; and the amount of money provided by the pending measure, instead of taking care of 1,700,000 people, will take care of an average of over 2,000,000.

I now yield to the Senator from Michigan.

Mr. BROWN. Mr. President, I have been somewhat disturbed about the probable increase in the cost of living in the next few months. I anticipate that we are about to enter a period of rising prices because of the conditions in Europe and because of the very great industrial activity which I expect will soon start. Is any authority vested in the President or those who would administer this act to increase the wages of the W. P. A. workers in accordance with an increase which may come about in the cost of living? Is any provision at all made to cover that contingency, which I consider to be a probable one?

Mr. ADAMS. The W. P. A. Administration is absolutely free from any congressional limitations in fixing wages. In other words, in the joint resolution we do not fix the wages that shall be paid. We give the W. P. A. so much money for relief purposes. They may raise or lower the wages, providing they do not discriminate.

Mr. BROWN. What is all the controversy about the so-called prevailing-wage section, which, I think, is section 15 or 14 of the joint resolution? I supposed that we established a limit beyond which the W. P. A. Administrator could not go.

Mr. ADAMS. We did not.

Mr. BROWN. If there should be any considerable increase in the cost of living, has the committee supplied sufficient money to take care of that; or is it not desirable that an additional amount such as suggested by the Senator from Montana be added, so that that contingency will be cared for by way of appropriations?

Mr. ADAMS. I think the answer to the Senator's question is included in his statement of probable facts—that the increased cost of living which he thinks might come about would be due to increased employment. If we have increased employment, we shall have less men on the relief rolls.

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

Mr. ADAMS. Certainly.

Mr. MURRAY. I believe the Senator from Colorado is assuming something that is not justified.

While we had considerable unemployment in 1937, we found that industry rapidly raised prices and brought on a great inflation for a period, notwithstanding the fact that unemployment still persisted, and people were finding it difficult to obtain the means of living in this country. We at that time had a situation in which we had high prices, excessive profits, and yet we had a recession coming on; and we shall experience the same thing again in the present situation. Industry will raise its prices under this defense program, and we shall have a period of inflation in this country. We shall continue to have unemployment, as we now have, in the midst of prosperity in a few industries.

We now have 9,000,000 unemployed in this country. They cannot possibly obtain employment under the national-defense program, because they constitute largely common labor, and will not be employed in connection with the defense program at all.

It seems to me the Senator is not justified in the statement he makes that the program submitted by the W. P. A. is sufficient to take care of the unemployment situation. We have never had such a program in the country. It is not, and the W. P. A. knows that it is not. Every person in the country who is familiar with the situation knows that the present program will not take care of the unemployment situation, and we shall have a very bad condition if it is not taken care of.

Mr. ADAMS. Mr. President, it would be a most amazing thing if great increase in labor, great increase in employment, and development of war industry which left less unemployed, should increase the number on relief. That, however, is the argument which the Senator from Montana makes—that the more men that are employed, the more men will have to be taken care of on relief.

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

Mr. ADAMS. Certainly.

Mr. MURRAY. The facts are that the defense program will not bring about any great reemployment. According to the experts, it will employ only an additional 270,000 or 290,000 men in special industries. They are skilled workers. The program will not furnish employment for workers of the kind who are on the unemployment rolls.

Mr. ADAMS. Mr. President, that, of course, is a statement of the Senator's theory as to what is going to happen next month, or 6 months from now. I cannot say that the Senator is necessarily wrong, any more than he can say that it is a matter in which certainly he is right.

Mr. MURRAY. Is it not true that not more than 290,000 men can possibly be employed as a result of the national-defense program which is being inaugurated?

Mr. ADAMS. I should think not, most decidedly. Let me discuss that matter for a second.

How much money is Congress now appropriating for defense purposes? Five billion dollars—five billion dollars.

Mr. MURRAY. It goes chiefly into very expensive material, and not into common labor. It makes prosperity for the few but will have no material effect on unemployment.

Mr. ADAMS. It goes into steel, for instance; does it not? The ore for making the steel comes from the mines. It is necessary to get iron ore. To a large extent it is common labor that goes into the mines. Go up into the State of Wyoming, where the iron ore comes from that goes to the steel works in my city, and it will be found that the labor employed there is largely common labor. Part of the national-defense money will be spent on the railroads. In keeping up the railroads there is need for the employment of a large amount of now unemployed labor, common labor to a considerable extent. Part of the money goes into steel works. Three-fourths of the labor there employed is common labor. The Senator cannot think of any industry which employs exclusively skilled labor, with the exception of a very limited number of factories. The other industries are always the basis of employment of great armies of common labor.

Mr. BROWN. Mr. President, I should not want the Senator to leave the impression that all of the \$5,000,000,000 will be spent during the time this relief joint resolution will be in effect. My recollection of the figures is that in 8 months not more than one-fifth to one-sixth of it can possibly be expended.

Mr. ADAMS. Of course; and yet, at the same time, we are providing \$5,000,000,000 which is going into employment just as rapidly as it is humanly possible to put it to work. It may not be expended just as the keel of a battleship is laid down, but it will provide for continued employment.

That is not all of the \$5,000,000,000. A bill will come up following this measure in which the R. F. C. is to be given practically the equivalent of a billion dollars which will be expended, probably for defense purposes.

Mr. BROWN. That money is to be loaned.

Mr. ADAMS. That is true; but it does not make any difference. We are speaking of employment. It does not make any difference whether a manufacturer puts people to work with money that belongs to him or with money that he borrows. The same number of persons are employed in either event.

Mr. BROWN. But that is very likely a part of the same \$5,000,000,000 to which the Senator has been referring.

Mr. ADAMS. Oh, no; not at all. If we take the bills that we have passed, including the measure before us, there is \$5,000,000,000 of Army and Navy appropriations, including the supplemental bill which is now on my desk, exclusive of the R. F. C.

Mr. BROWN. If the Senator will pardon me, the \$1,000,000,000 that is provided in the bill which the Senator from New York will have taken up as soon as this measure is through is to be loaned to corporations which may engage in the business of producing munitions. That amount cannot be added to the \$5,000,000,000, because the corporations will have to pay that money out of the receipts they get from this \$5,000,000,000 munitions program. We cannot add one to the other.

Mr. ADAMS. I think the Senator is in error, but I think it is an immaterial item so far as I am concerned. I am merely pointing out this fact: The Senator from Montana, in his argument, was disposed to base his contention for increase upon the theory that this money could be used for defense purposes. The Senator bases his argument upon the contention that we ought to increase the appropriation for defense purposes, and then says the W. P. A. employees are not suited for work on defense matters.

Mr. MURRAY. I suggested that the money could be used in the expansion of air fields and naval bases, military roads, and military bases, and work of that character which would employ common labor, not skilled labor.

Mr. ADAMS. Does not the Senator recognize that the money we are appropriating for those purposes will employ the same kind of persons?

Mr. MURRAY. No; it will not.

Mr. ADAMS. If we increase the amount carried in the defense measure, these persons will be employed on air bases or flying fields; but if we leave it to the Government, the Government will employ them on the same kind of projects. They are qualified to do this work if the money comes from the W. P. A., and they are not going to do it if it comes from a direct appropriation for the War Department.

Mr. MURRAY. In connection with the question of unemployment, does not the Senator recognize the fact that as a result of the dislocation of trade in the world we have lost a tremendous amount of foreign trade, and that we have brought on unemployment in certain industries that will offset to a substantial degree the new employment that will be brought about as a result of the defense program?

Mr. ADAMS. All I can say to the Senator is that the figures today show an increased employment, an increased production over what we had 2 or 3 months ago. There is an increase in the number of men at work today over the number that were at work a month ago and over the number that were at work 2 months ago. In other words, the figures that

Colonel Harrington and the President had before them were based on a larger unemployment than the figures I have; but, in any event, the only reliable figures that we have come from the W. P. A. Administration. It is the only source we have from which to get the information. We are appropriating in the pending joint resolution all that they ask, clear down to the last dollar, and the Senator would increase the amount provided from enough to take care of 2,000,000 men to enough to take care of over 3,000,000 men.

That is, the Senator's figures would take care of an average of over 3,000,000.

Mr. MURRAY. And that would take care of only a small part of the total unemployed in the country.

Mr. ADAMS. I think the Senator has made plain the difference between us. The Senator thinks that the Government should employ people, regardless of whether they are in need or not, while the pending measure is for the relief of people not merely because they are out of work, but because they are in need, and, as it stands, the joint resolution will do the job, if we can trust the President of the United States, and Colonel Harrington, who is in charge of the administration of the work. If the desire is to put the obligation upon the Government to give every one of the 9,000,000 people out of work a job, the Senator's amendment would be thoroughly inadequate.

Mr. MURRAY. I am not proposing anything of the kind. There are millions on the relief rolls who cannot get employment. The Senator knows that.

Mr. ADAMS. I do not know that.

Mr. MURRAY. The W. P. A. has a record of them.

Mr. ADAMS. It is not the fact that there are millions on the rolls who cannot get work. There is always a waiting list, of course.

Mr. MURRAY. Let me read the statement of Colonel Harrington, in response to a question by the Senator from Florida [Mr. PEPPER]:

Now, Colonel, is your statement or opinion changed by our own policy of expanding in a rather large way our national-defense program? Is our national-defense program going to solve the problem of unemployment?

Colonel HARRINGTON. Definitely not, because the defense program consists of expenditures largely for material which we badly need and that is going to be concentrated in industries which will not employ people to a degree that will be helpful to W. P. A.

Mr. ADAMS. That is very far from sustaining the assertion the Senator has made. The Senator quotes Colonel Harrington, and in the joint resolution we are giving just what the authority the Senator quotes says is what he should have. The Senator wishes to turn over to the W. P. A. a half billion dollars in an 8 months' period over and above what the Administrator says is needed. It seems to me that in these times some consideration should be given to putting money where there is need for it, and in saving it where it is not needed. The amendment simply goes out of bounds, disregards all those in authority, and all the information which came to the Committee on Appropriations.

Furthermore, in the relief measure there is constant recognition of the fact that the W. P. A. worker may be used for defense purposes. Colonel Harrington, in a recent interview, stated that perhaps half the labor under this measure might be used for defense purposes. We have made special provision. We have eliminated the requirement of sponsors' contributions in defense measures. We have provided in the joint resolution for a special fund of \$25,000,000 which can be specifically used. I hope the Senate will not adopt the amendment of the Senator from Montana.

The PRESIDING OFFICER (Mr. STEWART in the chair). The question is on agreeing to the amendment offered by the Senator from Montana [Mr. MURRAY].

Mr. MURRAY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll. The legislative clerk called the roll, and the following

Senators answered to their names:

Adams	Austin	Barkley	Bridges
Andrews	Bailey	Bilbo	Brown
Ashurst	Bankhead	Bone	Bulow

Burke	Guffey	Lundeen	Schwartz
Byrnes	Gurney	McKellar	Schwellenbach
Capper	Hale	McNary	Sheppard
Caraway	Hatch	Maloney	Shipstead
Chandler	Hayden	Mead	Slattery
Clark, Idaho	Herring	Miller	Smith
Clark, Mo.	Hill	Minton	Stewart
Connally	Holman	Murray	Taft
Danaher	Holt	Neely	Thomas, Idaho
Davis	Hughes	Norris	Thomas, Okla.
Donahay	Johnson, Calif.	Nye	Thomas, Utah
Downey	Johnson, Colo.	O'Mahoney	Townsend
Ellender	King	Overton	Vandenberg
George	La Follette	Pepper	Van Nuys
Gerry	Lee	Reed	Wagner
Gillette	Lodge	Reynolds	Walsh
Green	Lucas	Russell	

NOT VOTING—19

Barbour	Gillette	McCarran	Truman
Byrd	Glass	Pittman	Wheeler
Chavez	Harrison	Radcliffe	White
Frazier	Hughes	Smathers	Wiley
Gibson	King	Tobey	

So Mr. MURRAY's amendment was rejected.

Mr. BARKLEY. Mr. President, I wish to announce that, in view of the legislative situation, it will probably be necessary to hold a session tomorrow. The Finance Committee completed the hearing today on the tax bill, and will meet tomorrow for the purpose of attempting to vote on reporting the bill with the view of having it considered on the floor on Monday. There are at least two bills which it is certainly desirable that we dispose of before the tax bill is taken up, and in view of the probability that consideration of the pending measure will continue for some time longer this afternoon, I felt it my duty to announce to Senators that I shall ask the Senate to meet tomorrow to consider the bills referred to.

Mr. BILBO. Mr. President, I submit an amendment to the joint resolution, and before offering some remarks on it I ask that it be read.

The PRESIDING OFFICER. The amendment will be read.

The CHIEF CLERK. At the end of the joint resolution it is proposed to insert the following new section:

Sec. . There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year 1941, the sum of \$100,000,000, to be used by the Secretary of Agriculture for the purpose of effectuating the provisions of section 32 of the act entitled "An act to amend the Agricultural Adjustment Act, and for other purposes," approved August 24, 1935, as amended, such sum to be in addition to any funds appropriated by such section 32.

Mr. BILBO. Mr. President, it is not my purpose to detain the Senate more than a few minutes in explanation of the amendment. I am advised that all the farm organizations of the country have appealed to Senators to support the amendment.

I wish to call attention to a statement appearing in yesterday's Washington Post, made by the Secretary of Agriculture, Mr. Wallace, as follows:

WALLACE CALLS FOR EMERGENCY FARM PROGRAM—URGES CONGRESS ACT THIS SESSION BECAUSE OF WAR SITUATION

Secretary of Agriculture Wallace called yesterday for a reexamination of the farm problem by Congress before adjournment because of the war situation.

"If the appropriate committees took another look at the farm situation now," said Wallace at a press conference, "they would probably find a need for action."

The Secretary refused to say whether he would ask Congress at this session to enact an emergency farm program. But some Agriculture Department officials said it was not unlikely that the President may ask Congress for emergency measures to help farmers meet the shock of spreading war abroad.

EXPLAINS MEANING OF "ACTION"

What Wallace meant by "action" was revealed in a formal statement he made to the press asking:

Expanded shipments of food to Europe to feed refugees. Wallace said "the opinion seems to be widespread in the United States that Europe in the coming months will see the most serious famine in the world's history."

Increased support for domestic programs to boost consumption of food products, such as the Triple-A program, food-stamp plan and removal of surpluses for direct distribution to the needy.

Wallace, without asking that Johnson Act bans on loans to defaulting European nations be removed, said, in response to a question, that if credits were made available to the British "they could take about \$100,000,000 of our food products."

The farm task of the future, Wallace said, is to cope with surpluses of foods that will be backed up in the United States owing to the spread of war. Markets are "for all practical purposes eliminated," he said, in the Mediterranean area, central Europe, Scandinavia, Holland, Belgium, and the Balkans.

PLANS FOR EMERGENCY

But while considering reduction or surpluses as the immediate problem, Wallace revealed that his Department had made preparations to begin "to the limit" farm production in case of a food emergency.

Machinery for unlimited farm production is at hand, Wallace said, through the county-by-county organizations of the A. A. A. and the Extension Service.

Mr. President, I wish I were able to impress upon Senators the serious situation which confronts the farmers of America as a result of the practically total elimination of export trade, involving forty-odd commodities which farmers have to sell.

The PRESIDING OFFICER. Seventy-nine Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment offered by the Senator from Montana [Mr. MURRAY].

Mr. MURRAY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. KING (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. TOBEY]. Not knowing how he would vote if present, I withhold my vote.

Mr. SHIPSTEAD (when his name was called). I have a pair with the senior Senator from Virginia [Mr. GLASS]. I transfer that pair to the Senator from North Dakota [Mr. FRAZIER] and will vote. I vote "yea."

The roll call was concluded.

Mr. MINTON. I announce that the Senator from Iowa [Mr. GILLETTE], the Senators from Virginia [Mr. BYRD and Mr. GLASS], the Senator from Mississippi [Mr. HARRISON], and the Senator from Maryland [Mr. RADCLIFFE] are unavoidably detained from the Senate. I am advised that if present and voting, these Senators would vote "nay."

The Senator from Delaware [Mr. HUGHES], the Senators from Nevada [Mr. MCCARRAN and Mr. PITTMAN], the Senator from Missouri [Mr. TRUMAN], and the Senator from Montana [Mr. WHEELER] are necessarily absent.

The Senator from New Jersey [Mr. SMATHERS] is absent because of illness in his family.

The Senator from New Mexico [Mr. CHAVEZ] is detained on public business. I am advised that if present and voting, he would vote "yea."

Mr. AUSTIN. I announce the necessary absence of my colleague [Mr. GIBSON], who is paired on this vote with the Senator from Montana [Mr. WHEELER]. If present, the Senator from Vermont would vote "nay," and the Senator from Montana, if present, would vote "yea."

The Senator from New Jersey [Mr. BARBOUR] has a general pair with the Senator from Missouri [Mr. TRUMAN], and the Senator from Wisconsin [Mr. WILEY] has a general pair with the Senator from New Jersey [Mr. SMATHERS].

I announce that the Senator from New Hampshire [Mr. TOBEY] and the Senator from New Jersey [Mr. BARBOUR] are necessarily absent on official duties.

The Senator from Maine [Mr. WHITE], and the Senator from North Dakota [Mr. FRAZIER], are necessarily absent.

The result was announced—yeas 25, nays 52, as follows:

YEAS—25

Ashurst	La Follette	Neely	Slattery
Bilbo	Lee	Norris	Thomas, Okla.
Bone	Lundeen	O'Mahoney	Thomas, Utah
Brown	Maloney	Pepper	Wagner
Caraway	Mead	Schwartz	
Downey	Minton	Schwellenbach	
Guffey	Murray	Shipstead	

NAYS—52

Adams	Clark, Mo.	Herring	Reed
Andrews	Connally	Hill	Reynolds
Austin	Danaher	Holman	Russell
Bailey	Davis	Holt	Sheppard
Bankhead	Donahay	Johnson, Calif.	Smith
Barkley	Ellender	Johnson, Colo.	Stewart
Bridges	George	Lodge	Taft
Bulow	Gerry	Lucas	Thomas, Idaho
Burke	Green	McKellar	Townsend
Byrnes	Gurney	McNary	Tydings
Capper	Hale	Miller	Vandenberg
Chandler	Hatch	Nye	Van Nuys
Clark, Idaho	Hayden	Overton	Walsh

The 10-year average of export trade from the farms of America has amounted, in round numbers, to \$750,000,000. As a result of the war situation, the major part of that market has been eliminated. Therefore, the surpluses from the farms of America are now piling up and will continue to pile up. There is only one way in which we can bring relief to the farmers at this time, and that is by the passage of legislation to sustain prices by the absorption of surpluses through the Surplus Commodities Corporation, by increasing current domestic consumption, and by proper distribution of the surpluses.

Of course, I appreciate the fact that my good friend from Colorado [Mr. ADAMS] will tell us that yesterday we unanimously appropriated \$50,000,000 for the Red Cross to buy up farm surpluses for the refugees in Europe. If we examine that appropriation, we find that it provides that the Red Cross is authorized to buy medicines, food products, and all other things necessary to bring relief to the refugees in Europe, and that out of the \$50,000,000 all the expenses of the operation shall be borne. That means that the Red Cross may buy ambulances, medicine, clothing, blankets, or anything it desires to take care of the refugees.

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

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). Does the Senator from Mississippi yield to the Senator from Colorado?

Mr. BILBO. I yield.

Mr. ADAMS. I merely wish to correct an error. The Red Cross does not do any of the buying. The buying is done by the President or by governmental agencies. The Red Cross is merely the distributing agency.

Mr. BILBO. Certainly. I understand that.

Mr. ADAMS. That is not what the Senator said. The Senator said the Red Cross would do the buying.

Mr. BILBO. I meant that the Red Cross would make the demand, and that these things would be bought and given to the Red Cross for distribution.

Mr. ADAMS. I assumed that the Senator wished to be corrected.

Mr. BILBO. I thought the Senator assumed that I knew what the law was.

Mr. ADAMS. I was not assuming anything.

Mr. BILBO. The President is to do the buying, but he is to buy what the Red Cross calls upon him to buy in order to take care of the situation in Europe. So, as a result, out of the \$50,000,000 there will be some relief to the surplus situation in America, but very little.

In presenting this amendment I have the endorsement of all the farm organizations of America, because they realize the situation which confronts the farmer, which will become more acute before we have another session of Congress. If \$100,000,000 is turned over to the Surplus Commodities Corporation it can carry on its program of relief to the farmers by purchasing, storing, and distributing between 40 and 50 farm commodities. Among those, of course, will be corn, cotton, wheat, and many others. This organization has been able to deal in about 40 or 50 commodities, and thereby relieve the farmers of the country.

For the information of the Senate, I should like to refer briefly to the situation which confronts the farmers of the country at the present time. I should like to put certain information in the RECORD so that the farmers of the country may know what Senators are voting on.

I have before me a table showing the production and stocks of grains and cotton. It shows the 5-year average from 1935 to 1939, the figures for the year 1939, and an estimate for the year 1940.

With respect to wheat, the 5-year average production from 1935 to 1939 was 763,000,000 bushels, with 172,000,000 bushels in stocks. For 1939 the production figure was 755,000,000 bushels, with 254,000,000 bushels in stocks. The estimated production for 1940 is 728,000,000 bushels, with 288,000,000 bushels in stocks.

With respect to corn, the 5-year average production is 2,329,000,000 bushels, with 249,000,000 bushels in stocks. The production figure for 1939 is 2,619,000,000 bushels, with 573,

000,000 bushels in stocks. The estimated production for 1940 is 2,400,000,000 bushels, with 675,000,000 bushels in stocks.

With respect to oats, the 5-year average production figure is 1,030,000,000 bushels, with 168,000,000 bushels in stocks. For 1939 the production figure is 937,000,000 bushels, with 191,000,000 bushels in stocks. The estimated production figure for 1940 is 1,021,000,000 bushels, with 140,000,000 bushels in stocks.

The table also shows the same information for rice, soy beans, and cotton. Let us take cotton for illustration. The 5-year average production is 13,149,000 bales, with 8,336,000 bales in stocks. The production figure for 1939 is 11,817,000 bales, with 13,032,000 bales in stocks. The estimated production for 1940 is 11,800,000 bales, with 11,000,000 bales in stocks.

Those figures show the condition as to the major crops of the country. I have figures showing the storage holdings of fruits and vegetables, dairy and poultry products, meats and lard, condensed milk, and evaporated milk. Under the heading of fruits and vegetables the storage holding on May 1, for the 5-year average from 1935 to 1939, was 4,586,000 bushels. On May 1, 1939, the figure was 4,707,000 bushels; on May 1, 1940, 3,599,000 bushels.

For frozen fruits the amount in storage on May 1, for the 5-year average, was 61,507,000 pounds; on May 1, 1939, 76,180,000 pounds; and on May 1, 1940, 75,620,000 pounds.

For frozen vegetables the data are not available for the 5-year average. On May 1, 1939, there were in storage 47,427,000 pounds; and on May 1, 1940, 49,089,000 pounds.

With the increase in production throughout the country, great quantities of dairy and poultry products, meats and lard, condensed milk, and evaporated milk are in storage today.

Mr. President, I ask unanimous consent that the tables to which I have referred be printed in the RECORD in connection with my remarks.

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

Production and stocks of grains and cotton, 1935-39, 1939, and estimates for 1940

Commodity	5-year average 1935-39		1939		Indicated 1940	
	Production	Stocks	Production	Stocks	Production	Stocks
Wheat.....million bushels..	763	172	755	254	728	288
Corn.....do.....	2,329	249	2,619	573	2,400	675
Oats.....do.....	1,030	168	937	191	1,021	140
Rice.....thousand barrels..	13,748	1,729	14,529	2,744	14,500	3,000
Soybeans.....thousand bushels..	53,954	456	87,409	965	100,000	---
Cotton.....thousand bales..	13,149	8,336	11,817	13,032	11,800	11,000

Storage holdings of specified agricultural commodities on May 1, 1935-39, 1939, and 1940

Commodity	Unit	May 1, 5-year average 1935-39	May 1, 1939	May 1, 1940
Fruits and vegetables:				
Apples.....	1,000 bushels..	4,586	4,707	3,599
Fruits, frozen.....	1,000 pounds..	61,507	76,180	75,620
Vegetables, frozen.....	1,000 pounds..	---	47,425	49,089
Dairy and poultry products:				
Butter.....	1,000 pounds..	21,625	70,909	9,457
Cheese.....	1,000 pounds..	71,393	75,345	78,600
Eggs.....	1,000 cases....	5,989	5,896	5,576
Poultry, frozen.....	1,000 pounds..	67,330	70,568	86,418
Meats and lard:				
Beef.....	1,000 pounds..	66,247	36,866	61,959
Pork.....	1,000 pounds..	561,283	527,213	613,970
Lamb and mutton.....	1,000 pounds..	2,693	1,956	3,570
Lard.....	1,000 pounds..	129,141	129,533	266,352
Condensed milk.....	1,000 pounds..	4,780	4,608	4,014
Evaporated milk.....	1,000 pounds..	116,684	134,625	207,740

Mr. BILBO. Mr. President, let us see how we could relieve the farmers and absorb the surpluses by the expenditure of \$100,000,000. Being more familiar with cotton than with anything else, I refer first to cotton.

Through the activities of the Surplus Commodities Corporation we have inaugurated what is known as the mattress plan. One bale of cotton will make ten mattresses.

Estimates show that in the United States there are two and a half million families whose income is less than \$500 a year. There are 6,000,000 families in the United States whose income is between \$500 and \$1,000. In other words, there are eight and one-half million families in the United States whose income is less than \$1,000.

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

Mr. BILBO. I yield.

Mr. STEWART. The Senator has informed himself with respect to these facts; and I should like, as a matter of information, to know where these families principally reside. I do not mean in what particular section, but are they the families of men engaged in agriculture or industry?

Mr. BILBO. The information I am giving covers the entire United States. A great many of the families are found in rural sections of the country, as well as in some of the industrial sections. They are scattered all over the United States.

Mr. STEWART. Does the Senator know whether or not the majority of them are engaged in agriculture?

Mr. BILBO. I do not know about the majority. I presume that is true. If we take the East Side of New York and the South Side of Chicago—the black belt—we find a great many of such families. There are eight and a half million of them.

The Surplus Commodities Corporation proposes to take the raw cotton. Out of each bale 10 mattresses can be produced. The proposal is to distribute the mattresses to the eight and a half million poor families with incomes of less than \$1,000. The plan would not interfere with the manufacture of mattresses, because I care not how many mattresses industrial plants may manufacture, these families are not able to buy them. Therefore, there is no competition, and we are bringing relief to eight and a half million needy families throughout the United States.

I have statistics showing what has been recently done. As I understand, more than 100,000 bales of cotton have already been manufactured into mattresses. The process of manufacturing the mattresses carried out through cooperation by the extension forces of the Department of Agriculture and various other agencies in the States. The Surplus Commodities Corporation furnishes the raw cotton and ticking, the work is done in the field by the various agencies, and the mattresses are distributed to those who are eligible to receive them.

For the information of the Senate, I will say that a survey is made by the agencies of the Government to determine those eligible to receive free mattresses. I have often thought that one of the great tragedies of the cotton industry is that in the South, where we grow the cotton, there are millions of tenant laborers on the cotton farms who plant, hoe, and pick the cotton, and yet they spend their nights on mattresses of shucks or something worse. We have an opportunity through the Surplus Commodities Corporation to correct that situation.

The foodstuff plan is another way in which part of the \$100,000,000 will be spent. More than a thousand cities in the United States are begging for this service of the Federal Surplus Commodities Corporation. With the money we have already appropriated, relief funds are distributed through the stamp plan. Mr. Perkins, of the Surplus Commodities Corporation, estimates that about 150 cities scattered over the United States can be reached.

With this extra \$100,000,000 we would be able to reach many more cities, and give greater service to the poor people of this country who will buy with their relief money, which is already provided for in the bill, these articles of food and clothing. I merely mention these items to show how this money will be spent.

Three million children in the United States are receiving lunches in school through supplies furnished to W. P. A. agencies by the Surplus Commodities Corporation, and there are 9,000,000 children who, by an investigation, are entitled to such free lunches. Another way in which this \$100,000,000 could be used by the Surplus Commodities Cor-

poration would be in furnishing surplus products bought up by it to the proper agencies, thus enabling 9,000,000 children to receive free lunches at school in order that they may have something to eat, and enjoy a proper diet.

Do you know, Mr. President, that only 4,000,000 unfortunates in this country are being benefited by the food-stamp plan? There are 20,000,000 who are entitled to this relief, and by the adoption of this amendment we will reach a greater number of those on relief.

Mr. President, since all the farmers of this country, together with the Secretary of Agriculture—I am not authorized to quote the President, but I am sure he would look with favor upon this kind of legislation, this kind of relief—and since all the farm organizations of the country are begging the Congress to give this relief because of the seriousness and tragic conditions which face the farmers I cannot understand how anyone can oppose it.

Yes, we voted \$50,000,000 for refugees, for foreigners who live across the sea. Here we have a chance to vote money for the relief of people in this country who are in about as bad condition as are those to whom we are extending relief on the other side of the sea, or who are at least in a serious condition. How can we face our constituents and say "I voted for, and there was adopted unanimously, an appropriation of \$50,000,000 to take care of the unfortunates of Europe, a responsibility which cannot be charged to us, and yet we failed to take care of 9,000,000 ill-fed children in America, many of whom throughout the United States are sleeping without mattresses, and of the farmers who will be destitute and in bankruptcy because of the loss of their market as the result of this damnable war in Europe." I insist that of all the appropriations we are making we can accomplish more good for the unfortunates of this country by such an appropriation as I propose, small as it is in comparison to the appropriation carried by the bill we are about to pass.

We have been voting billions of dollars—\$5,000,000,000—for defense. This is the beginning of defense. If we want a strong, virile, red-blooded race of men to fight our wars, then we must give them the proper food and the proper attention in the homes throughout this land. That is the meaning of this amendment to the pending relief measure. It is to provide the ways and means by which the unfortunates, the neglected, the emaciated of this country may be given some of the surpluses which our farming lands can produce. In that way we will help not only the farmer but will help the unfortunate poor, and we will help the laboring man who works yonder in the industries of the country, because the industries must have somebody with purchasing power, and this will help give purchasing power to the farmers of the country.

I ask the Senate to give favorable consideration to the amendment.

Mr. ADAMS. Mr. President, a word of explanation. The Senator from Mississippi was good enough to present this matter to the Appropriations Committee, and the committee gave his suggestion consideration. It did not feel, however, that this appropriation should be added to this particular measure.

The amendment the Senator proposes is an addition to the Agricultural Adjustment Act. The Surplus Commodities Corporation in the Agricultural Appropriation Act, which has recently been passed by the Congress, has been given \$185,000,000, which is a very substantial sum, for the very purposes the Senator has in mind. If he was dissatisfied with that appropriation, his amendment should have been addressed to that bill and not to the relief measure which comes up at this time.

The pending joint resolution provides an appropriation to the Agricultural Department for agricultural relief of \$200,000,000. That appropriation is in this bill.

Mr. BILBO. Mr. President, will the Senator yield for a moment?

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

Mr. ADAMS. Certainly.

Mr. BILBO. At the time of the passage of the agricultural appropriation bill, it will be remembered, I sponsored an additional appropriation of \$85,000,000, but at that time the farmers of America were not faced with the conditions which they face today as the result of the spread of the war in Europe, which has eliminated their export market. Furthermore, conditions are growing worse. If I had known then what I know now, I would have asked for the additional \$100,000,000, and perhaps more, for I doubt whether \$100,000,000 would be sufficient to take care of the situation.

Mr. ADAMS. Not a nickel of the funds appropriated in the Agricultural Appropriation Act has been spent. That money becomes available only on the 1st of July.

Mr. BILBO. I know that.

Mr. ADAMS. We may need more or we may not need more, but the Congress will have ample time to make additional provision should it develop to be necessary.

Mr. BILBO. In response to the Senator's statement, let me make this observation: We are working overtime trying to adjourn a week from tomorrow. No one knows—

Mr. ADAMS. I may state to the Senator that I do not think he need worry about adjournment.

Mr. BILBO. No one knows whether or not we will have another session between now and January, and it will be too late to come to the rescue of the farmer in January; he will then be in worse condition than are the refugees in Europe.

Mr. ADAMS. The \$185,000,000 in the Agricultural Appropriation Act will be available on the 1st of July. There is \$200,000,000 for farm relief in this bill. The Senator knows that we have provided a large sum for various agricultural purposes, including parity payments and other items.

Mr. BILBO. How much is there for agriculture in this bill?

Mr. ADAMS. There is \$200,000,000 in this bill for agriculture.

Mr. BILBO. For what purpose?

Mr. ADAMS. For grants and loans to needy farmers.

Mr. BILBO. That is the point. I am glad the Senator mentioned that.

The PRESIDING OFFICER. The Chair will state that the Senator from Colorado has the floor.

Mr. ADAMS. I am always glad to yield.

Mr. BILBO. Loans have been provided for, that is true; but when we grant loans we build up the surplus and a loss will ensue. My amendment provides for the equitable, fair, just, and righteous distribution of a hundred million dollars' worth of surplus farm products which will be taken even if the farmers are given loans.

Mr. ADAMS. I thought the Senator, in the first part of his remarks, was quoting the Agricultural Department and Secretary Wallace as his authority. What this measure does is in accordance with his request. We accepted, as I thought the Senator did, the opinion of the Secretary of Agriculture, who appeared before the committee in behalf of this \$200,000,000 appropriation. We raised the amount the House provided from \$115,000,000 to \$200,000,000. The Appropriations Committee has not dealt harshly with the farmers.

Mr. BILBO. For the purpose the Senator refers to he is right, but this is a different purpose; it is along a different line, and I think I am justified in stating that the Secretary will favor it.

Mr. ADAMS. We even went \$16,000,000 beyond the request of the Secretary of Agriculture.

As the Senator pointed out, the \$50,000,000 appropriated for the relief of refugees must be spent in America, largely for the very products the Senator has in mind. I am sure he did not mean to object to the fact that a little of it would be spent for medicine. I am sure the Senator did not want that inference to be drawn from his remarks, because he commented on that fact.

Mr. BILBO. I took pleasure in voting for the \$50,000,000; I am in favor of this kind of relief, and want to sustain the reputation of the United States as being the great humanitarian brother of the entire world.

Mr. ADAMS. I believe it would be a mistake for the Senate to add this amount to this bill.

Mr. MILLER. Mr. President, I have no desire to prevent the chairman of the committee from closing this debate, but I should like briefly to call the attention of the Senate to one or two matters which, to my mind, are outstanding reasons why this amendment should be adopted.

It is true we have provided \$185,000,000 for the next year for loans or for administration under section 32 of the act of 1935. This amendment proposes \$100,000,000 additional to be used by the Secretary for a certain distinct purpose, and that purpose is the purchase of agricultural commodities.

We must admit, if we stop for a moment to think, that such foreign markets for agricultural products as we may have had in the past have gone. It does little good to loan, as we have provided in the joint resolution, and to which the chairman of the subcommittee has called attention, the amount of \$125,000,000 for rehabilitation purposes.

What is the purpose of a rehabilitation loan? It is to enable the farmer to make a crop. It is to enable the farmer to sustain himself. If he has not any market for his products, then we shall not only fail to get back the \$125,000,000 which we loan, but we shall not be doing anything for the aid of the farmer.

As the Senator from Mississippi [Mr. BILBO] has said, we shall harvest these crops in the fall of this year. What are we going to do with them? That is a question which no one can answer except to say, "to supply the market"; that is all.

We are faced with this situation: Do we want to furnish that market, or do we want to go ahead and make these loans and let surpluses pile up more than we can consume? The surpluses will not be more than we can consume if properly distributed; but do we want to let those excess products pass into the surpluses, or do we want to put them out among the needy of this country? That is the question.

I think the Senate ought to take action now and adopt the amendment.

Mr. LA FOLLETTE obtained the floor.

Mr. HILL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Davis	King	Reed
Andrews	Donahey	La Follette	Reynolds
Ashurst	Downey	Lee	Russell
Austin	Ellender	Lodge	Schwartz
Bailey	George	Lucas	Schwellenbach
Bankhead	Gerry	Lundeen	Sheppard
Barkley	Gillette	McKellar	Shipstead
Bilbo	Green	McNary	Slattery
Bone	Guffey	Maloney	Smith
Bridges	Gurney	Mead	Stewart
Brown	Hale	Miller	Taft
Bulow	Harrison	Minton	Thomas, Idaho
Burke	Hatch	Murray	Thomas, Okla.
Byrnes	Hayden	Neely	Thomas, Utah
Capper	Herring	Norris	Townsend
Caraway	Hill	Nye	Tydings
Chandler	Holman	O'Mahoney	Vandenberg
Clark, Idaho	Holt	Overton	Van Nuys
Clark, Mo.	Hughes	Pepper	Wagner
Connally	Johnson, Calif.	Pittman	Walsh
Danaher	Johnson, Colo.	Radcliffe	

The PRESIDING OFFICER. Eighty-three Senators have answered to their names. A quorum is present.

Mr. LA FOLLETTE. Mr. President, I realize that it is very difficult to get Members of the Senate to focus their attention upon questions relating to our domestic problems. Quite naturally, in the face of events occurring in Europe, the thoughts and attention of Senators, as well as other persons in this country, are focused upon that tragic development. But one thing does surprise me, and that is that in the light of the recent tragic lesson in Europe there should not be a full appreciation of the fact that national defense does not consist alone of battleships, airplanes, tanks, and other munitions and implements of war. That they are essential, that they are of vital importance, I should be the first to concede; but I do not see how any man or woman who has watched the developments in Europe since September 3, 1939, can fail to realize that a sound, dynamic, domestic

economy of a nation is of equal importance with its preparations for and its ability to provide national defense.

In Norway, in Holland, in Denmark, and now in France, we have seen not only the tragic effects of a failure to provide adequate instrumentalities of national defense but likewise the catastrophic consequences resulting from failure to cope with the pressing problems which modern industrialism presents to society in every important nation in the world.

I pray to God, Mr. President, that the representatives of democracy in America will not repeat the tragic mistakes, the fatal mistakes, which have characterized democratic leadership in other nations in the period since the last World War.

Mr. President, we should take advantage of the opportunity presented to us. We should utilize the time which is given to this country, because of its geographic situation and its potential power, not only to adequately prepare our technical instrumentalities of national defense but likewise to bring to bear upon the problems confronting society in the United States the genius, the intelligence, and the courageous leadership which this Nation affords.

We should have learned by now that the type of unity produced at the last moment, in the face of threatened national peril, is a false type of unity. It crumbles at the impact of a dynamic, expanding, and functioning economy, no matter how much we may abhor the objectives of such a dynamic and functioning economy.

Since 1929 the problem of unemployment, the failure of the farmer to obtain his fair share of the national income, the resultant displacement of many people from their possession of the land, the threatened destruction of farming as a way of life, the insecurity of the aged, and the denial of opportunities to youth have been eating away at the foundations upon which a democratic society must ultimately rest.

Mr. President, I would not be misunderstood. I am not for one moment suggesting that there should be any slackening in our preparations for national defense, in the technical sense of the phrase. I have given my enthusiastic support to the staggering appropriations which have been provided at this session of Congress. I measure my words when I say that I am willing to support whatever may be needed and required to defend and to protect this hemisphere, from the Arctic Circle to Cape Horn, against any and all comers. But I would be less than frank with my colleagues did I not say that I am concerned, as I have never been concerned since I came to this body, with the evident concentration of democratic leadership in the United States upon these instrumentalities, implements, and techniques of national defense to the point of submerging our concentration and thought and action upon the domestic front, which is as important as our military and naval front.

No man in this Chamber has greater confidence in the potential capacity of the American people, in our vast resources, in our productive capacity both on the farm and in the factory. There is no task upon which the genius of the American people is brought to bear which cannot be solved. But I wish to utter a word of warning, at this critical juncture in the affairs of this Nation, that we not repeat the tragic mistakes which have been made by other democracies.

Mr. President, the pending amendment is only a small approach to one of the most important problems confronting the American people. No man doubts our capacity to produce. Our system has shown this fatal tendency to contract, with all the problems which that produces, because of our failure to distribute the products which we have the capacity to produce on the farm and in the factory.

This program calls for an appropriation of \$100,000,000. We will have appropriated in excess of \$5,000,000,000 for national defense if the Congress adjourns a week from Saturday. No man knows how much more will be appropriated in the next year. Is it too much to ask \$100,000,000 in order that we may expand this device—the stamp plan—which has been worked out under the Surplus Commodities Corpo-

ration's leadership, and which all strata of society and all economic points of view approve and are enthusiastic to see carried forward?

Mr. President, the impact of the consequences of the catastrophic struggle now going on in Europe upon the American farmer has only begun to be appreciated in this country. The impact of the loss of our export markets for manufactured products has not yet fully revealed itself in the form of unemployment and increased misery in the United States. Here is a program which attacks those two problems simultaneously.

The Senator from Colorado [Mr. ADAMS], in charge of the pending joint resolution, has indicated that this is not the time or the place for the consideration of this amendment. When the agricultural appropriation bill was before us, and when I attempted to incorporate into it an amendment for this same purpose, I was confronted with a point of order, and a statement that it did not belong in the agricultural appropriation bill. Legalistic, parliamentary hair-splitting at this critical juncture, in my opinion, is not contributing to that dynamic functioning of democratic processes essential to the preservation of this Republic.

Mr. President, there are 3,000,000 children in the United States getting lunches as the result of this program. There are 6,000,000 more school children in the United States on the same level of destitution, and who have been certified as eligible, but who are unable to receive this form of assistance because the funds are inadequate.

There are 4,000,000 persons in the United States receiving the benefit of adding 2½ cents a meal a person as the result of this program, but there are 16,000,000 additional persons who have been ground down through the cruel processes of pauperization, who have been certified to be equally deserving of 2½ cents a meal more each day, who are unable to get the benefits of this program because the appropriations are inadequate.

Mr. President, if this proposal were coming here initially, if it had not been tried, if it had not been proven to be a success, if it did not have the enthusiastic backing of all elements in the communities in which it is operating, there might be some validity to the suggestion that the amendment was not timely, but this program, under the leadership of Milo Perkins, has been developed carefully, it has been developed gradually, and it has been developed upon a sound basis. It utilizes the existing means of distribution, it is efficient, it produces results. There are 800 cities in the United States asking to come into the program which are denied because there are insufficient funds.

I do not wish to make any invidious comparisons. I supported with enthusiasm the \$50,000,000 appropriation to provide assistance to the innocent victims of the juggernaut of war on the continent of Europe. I hope Senators with equal enthusiasm and with a feeling that they are in the last analysis contributing to national defense, will support an amendment to provide \$100,000,000 to help the farmers and to help those who are destitute in America.

In conclusion, let me say that I realize full well that it is difficult to get Senators to consider our fundamental and important domestic problems. I hope that in this mad race to rearm America with the instrumentalities of national defense we shall not overlook the vital importance of mobilizing the intelligence of America for action, not talk, on those vital problems of domestic concern which in this critical hour are of equal importance with national defense.

The PRESIDING OFFICER (Mr. HATCH in the chair). The question is on the amendment offered by the Senator from Mississippi [Mr. BILBO].

Mr. LA FOLLETTE. I ask for the yeas and nays.

The PRESIDING OFFICER. Is the request seconded? Apparently there is not a—

Mr. GUFFEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Donahey	King	Pittman
Andrews	Downey	La Follette	Reynolds
Ashurst	Ellender	Lee	Russell
Austin	George	Lodge	Schwartz
Bankhead	Gerry	Lucas	Schwellenbach
Barkley	Gillette	Lundeen	Sheppard
Bilbo	Green	McKellar	Shipstead
Bone	Guffey	McNary	Slaterry
Brown	Gurney	Maloney	Stewart
Bulow	Hale	Mead	Taft
Burke	Harrison	Miller	Thomas, Idaho
Capper	Hatch	Minton	Thomas, Okla.
Caraway	Hayden	Murray	Townsend
Chandler	Herring	Neely	Tydings
Clark, Idaho	Hill	Norris	Vandenberg
Clark, Mo.	Holman	Nye	Wagner
Connally	Holt	O'Mahoney	Walsh
Danaheer	Johnson, Calif.	Overton	
Davis	Johnson, Colo.	Pepper	

The PRESIDING OFFICER. Seventy-four Senators having answered to their names, a quorum is present.

The yeas and nays have been requested. Is there a second to the request of the Senator from Wisconsin for the yeas and nays?

Mr. LA FOLLETTE. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LA FOLLETTE. It is my understanding that the present occupant of the Chair previously said the yeas and nays were ordered.

The PRESIDING OFFICER. That is not correct. The Chair was about to say there was not a sufficient number, but before completing the statement the absence of a quorum was suggested.

Mr. LA FOLLETTE. This is an important matter. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. DANAHER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DANAHER. Is it in order at this time to offer an amendment to the pending amendment?

The PRESIDING OFFICER. It is in order.

Mr. DANAHER. Would such an amendment be acted upon first?

The PRESIDING OFFICER. It would.

Mr. DANAHER. I desire to offer an amendment to the pending amendment. My amendment is, in line 4, to strike out the word "effectuating" and insert in lieu thereof the words "extending the food-stamp plan of distributing surplus commodities pursuant to", so that the pending amendment would then read:

Sec. —. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year 1941, the sum of \$100,000,000, to be used by the Secretary of Agriculture for the purpose of extending the food-stamp plan of distributing surplus commodities pursuant to the provisions of section 32 of the act entitled "An act to amend the Agricultural Adjustment Act, and for other purposes," approved August 24, 1935, as amended, such sum to be in addition to any funds appropriated by such section 32.

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

Mr. DANAHER. I yield.

Mr. HAYDEN. Would the amendment then limit the expenditure of the money to foods?

Mr. DANAHER. It would limit the expenditure of the money to the food-stamp plan, as it has been designated.

Mr. HAYDEN. The food-stamp plan relates only to foods. How about clothing?

Mr. DANAHER. I am perfectly willing that the word "food" be stricken out, and that the plan shall include clothing. What I am opposed to is continuing an export subsidy under present conditions. I firmly believe that we can best preserve the best attributes of the stamp plan of distributing surplus commodities in the fashion which has been so eloquently argued by the Senator from Wisconsin [Mr. LA FOLLETTE]. I am in full accord with his objective in that particular. When the agricultural appropriation bill was before us, I attempted to extend the food-stamp plan in that fashion.

The Senator from Arizona makes a good point in the suggestion that the word "food" would create a limitation. I am perfectly willing, therefore, that my amendment be modified by eliminating the word "food" and that the amendment be limited to the extension of the distribution of surplus commodities under the stamp plan.

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

Mr. DANAHER. I yield.

Mr. BARKLEY. What stamp plan is in force other than the food-stamp plan?

Mr. DANAHER. It has been extended to include cotton clothing in particular, and it is going forward with splendid results. I am very much in favor of it.

Mr. BILBO. Mr. President, let me express the hope that the Senator will not insist upon his amendment. My amendment was submitted to the Surplus Commodities Corporation, and it has the full approval of that agency. As I understand, it permits the Surplus Commodities Corporation to do all the things it is now doing to handle surplus commodities. It may handle about 50 farm commodities, including cotton. I think the matter should be left to the discretion of the agency which is doing such a wonderful job for the Government in the interest of the people who are in need of these surpluses, and bringing relief to the American farmers.

I will say to the Senator that the purpose of the \$100,000,000 is to carry on the food-stamp plan. That is why we want the extra \$100,000,000. I do not think any of it should be used for an export subsidy. We already have money for that purpose. This amendment is designed only to enlarge the program of relief.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. BILBO. I yield.

Mr. LA FOLLETTE. I should like to join in urging the Senator from Connecticut, whose support of this program I wish to acknowledge, not to insist upon his amendment to the amendment, because many communities are not receiving the advantage of the stamp plan, and, for purposes of relief, are largely, if not entirely, dependent upon the disposition of surplus commodities in bulk form, so to speak. I know the Senator from Connecticut never desires to be unfair; but, in my opinion, it would be very unfair to the communities which have not yet obtained, and may not obtain, the benefits of the stamp plan to deny them the benefits of distribution of surplus commodities to needy persons on relief.

Mr. DANAHER. Mr. President, let me point out to the Senator from Wisconsin that had the amendment been left the way it was originally offered by the Senator from Mississippi there would be no question on this subject. However, he has stricken out the words "of clause (2)", in line 5, and the net result now is that the \$100,000,000 would be used for all the purposes stated in section 32 as the law now stands.

Only within the past few weeks we read about the Secretary of Agriculture spending 30 cents a bushel to export 300,000 bushels of wheat to Japan, furthering the efforts of Japan in her aggression against China. That is a condition, Mr. President, which it seems to me we should not support. It is a situation which we should not sustain.

This whole subject was thoroughly gone into when the agricultural appropriation bill was under consideration. I want to see the farmers distribute the surpluses. I am very much in favor of it. I want to see surplus commodities, whether they be cotton, clothing, or food, distributed and distress alleviated in that way, assisting the beneficiaries of the whole program. If we were to restore the language "of clause (2)", then beyond any doubt the operations of the proposed \$100,000,000 program would be limited to the objectives stated by the Senator from Wisconsin and the Senator from Mississippi; but when we take out that language, we can see the handwriting on the wall. It amounts once again to a reintroduction in enhanced form of the export-subsidy program of the Secretary of Agriculture. I submit that with world conditions as they are today this is no time for an extension in that field. We can accomplish all the desirable

results if we amend the pending amendment in the particular suggested.

Mr. BILBO. Mr. President, I am sure the Senator does not want to leave the impression that I am in any way favorable to the use of this money for paying an export subsidy, because I was in the thick of the fight when the question was before the Congress, and I even took to the radio in opposition to using the money to subsidize foreign buyers of cotton and other products upon the theory that if we are to grant a bounty to anyone we should grant it first to the American people and let them be the beneficiaries.

I can assure the Senator that not one cent of the \$100,000,000 will be used to pay a subsidy, because we already have \$185,000,000, two or three times more than anyone ever dreamed would be used to subsidize the disposition of surpluses. This money is to be used in the expansion of the food-stamp plan, the mattress plan, the lunchroom plan, and all such plans, to help the needy poor people of America, and, at the same time, help the farmer by getting rid of surpluses.

Mr. DANAHER. Mr. President, will the Senator yield to me?

Mr. BILBO. I shall be glad to yield.

Mr. DANAHER. When the Senator first offered his amendment, it contained language which would cover all the objectives and purposes which he has just stated. However, for some reason or other he has modified his amendment by striking from line 5 the words "of clause (2)." If the Senator will restore to his amendment the language which he himself has stricken from his amendment, I shall be more than happy to withdraw my amendment.

Mr. BILBO. Mr. President, at the suggestion of the Surplus Commodities Corporation I made the change in the amendment as originally offered. However, if the Senator insists, I will restore that language and let the matter go to conference, because I am sure it will not interfere with what we are trying to do.

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

Mr. BILBO. I yield.

Mr. BANKHEAD. What is clause (2) of section 32? I have not the section before me. I do not approve of the Senator from Mississippi and the Senator from Connecticut trading the thing out. I know what the Senator from Connecticut wants. I know what he tried to do when the matter was under consideration before.

Mr. BILBO. The matter under discussion is the elimination in line 5 of the words "of clause (2)." I left out those words at the suggestion of the Surplus Commodities Corporation. As I understand, the modification would not interfere with the purposes we have in mind accomplishing.

Mr. BANKHEAD. Will the Senator read clause (2)?

Mr. BILBO. Has the Senator the clause before him?

Mr. BANKHEAD. No; I have not. I am trying to see the subject matter and the effect of taking it out.

Mr. BILBO. I am willing to let the matter go to conference. It must go to conference anyway. It can then be thrashed out.

Mr. LA FOLLETTE. Mr. President, if the Senator will yield to me I shall be glad to read clause (2) of section 32.

Mr. BILBO. I yield.

Mr. LA FOLLETTE. Clause (2) of section 32 reads as follows:

(2) Encourage the domestic consumption of such commodities or products by diverting them, by the payment of benefits or indemnities or by other means, from the normal channels of trade and commerce.

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

Mr. BILBO. I yield.

Mr. BANKHEAD. I should like to have the Senator's idea about the effect of eliminating clause (2).

Mr. DANAHER. Mr. President, a reference to the whole of section 32 will make it perfectly apparent. I do not happen to have the advantage at the moment of having it before me; but, if the Senator from Wisconsin will permit me, I shall be glad to read it to the Senator.

Mr. BANKHEAD. As I understand, the Senator wants the program limited to the provisions of clause (2), which was originally in the amendment and which was stricken out.

Mr. DANAHER. Mr. President, will the Senator from Mississippi yield to me?

Mr. BILBO. I yield.

Mr. DANAHER. When the agricultural bill was before us we appropriated \$185,000,000, as I remember, for this very proposition.

Mr. BANKHEAD. No; the Senator is mistaken about that.

Mr. DANAHER. Perhaps I am.

Mr. BANKHEAD. The amount was \$85,000,000.

Mr. DANAHER. It was \$85,000,000. I thank the Senator. This sum, if added, would make the amount \$185,000,000. That is how I inadvertently made the error, and I am sorry.

Section 32 reads:

SEC. 32. There is hereby appropriated for each fiscal year beginning with the fiscal year ending June 30, 1936, an amount equal to 30 percent of the gross receipts from duties collected under the customs laws during the period January 1 to December 31, both inclusive, preceding the beginning of each such fiscal year. Such sums shall be maintained in a separate fund and shall be used by the Secretary of Agriculture only to (1) encourage the exportation of agricultural commodities and products thereof by the payment of benefits in connection with the exportation thereof or of indemnities for losses incurred in connection with such exportation or by payments to producers in connection with the production of that part of any agricultural commodity required for domestic consumption.

So, if we do not limit the amendment, Mr. President, clause 1 is restored.

(2) Encourage the domestic consumption of such commodities or products by diverting them, by the payment of benefits or indemnities or by other means, from the normal channels of trade and commerce.

Consequently, Mr. President, if we restore clause 2 the way the Senator from Mississippi offered the amendment originally, we would at least limit the \$100,000,000 to encouraging domestic consumption of the particular surplus commodities.

The section reads further:

And (3) finance adjustments in the quantity planted or produced for market of agricultural commodities.

It is not necessary to read the remainder of the section, but if we strike out the words "clause 2" in the pending amendment of the Senator from Mississippi we have really undertaken to add the sum of \$100,000,000 for unbridled exploitation, so to speak, under section 32 of the agricultural act; and, consequently, Mr. President, if we really want to afford relief, if we want to relieve the beneficiaries as well as the producers, if we wish to aid the farmer with his surplus commodities and anybody else who is involved—whether it be in the production of cotton or foodstuffs is immaterial—all we have to do is to restore the words "clause 2" in the Senator's amendment and we will accomplish that desirable result; and, with that result achieved and that language restored, I personally would be more than willing to vote for the amendment.

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

Mr. DANAHER. I yield.

Mr. SHIPSTEAD. Does the Senator intend to try to eliminate export subsidies? Is that what the Senator is trying to do?

Mr. DANAHER. No, indeed. Let me say to the Senator from Minnesota that insofar as section 32 of the Agricultural Adjustment Act already provides for that, and insofar as we have already appropriated for it, there is no involvement here in any way; but this is a relief measure and the Senator from Mississippi is now asking that we appropriate an additional \$100,000,000 without any restriction or limitation as to its use. Consequently, far from its becoming a relief bill, it becomes an appropriation of \$100,000,000 to execute all the policies of the Department of Agriculture under section 32.

Mr. SHIPSTEAD. Including the subsidies.

Mr. DANAHER. Including export subsidies, and including any other powers granted by section 32.

Mr. SHIPSTEAD. The question which arises in my mind is if by so doing we are not subsidizing nations at war to prolong the war?

Mr. DANAHER. That would be one effect.

Mr. McNARY. With the kindness and courtesy of the able Senator from Connecticut I want to ask the Senator from Mississippi if he has changed the outline of his amendment as originally introduced with reference to section 32? I have been very much interested in that section for a number of years, and, as a member of the subcommittee of the Committee on Appropriations representing the agricultural bill, I have taken a very lively interest in increasing the 30 percent of import duties, a sum which is now \$185,000,000, and which was \$203,000,000 last year.

I am willing to go along and increase that fund as provided in section 32 of the Agricultural Adjustment Act which covers the exportation of products and the distribution domestically of products under the stamp plan, as suggested by the able Senator from Connecticut. I would not want to change that plan and vote for an amendment to increase the amount \$100,000,000 merely for the exportation of surplus products. I think it ought to apply to all products and all purposes set out in section 32 of the Agricultural Adjustment Act, leaving it to the good judgment of the administrator of that act either to send abroad such surpluses as may be distributed there or to enlarge the operations of the stamp plan, as it may occur to him in his good judgment.

I hope the Senator will not curtail or modify his plan now, but let it go forward, put it into the bill, and leave it to the judgment of the administration either to buy surpluses and expand the stamp plan, which is working so beautifully, or, if need be, use some of it for the exportation of products.

Mr. BANKHEAD obtained the floor.

Mr. BILBO. Mr. President, will the Senator from Alabama let me respond to the observations of the Senator from Oregon?

Mr. BANKHEAD. Yes; but that is what I myself wanted to do. Let the Senator proceed, however.

Mr. BILBO. I want to say that when the amendment was originally drawn it was drawn for the purpose of extending the food-stamp plan alone; then, upon further conferences with the Department, we thought it best to take that out and let the \$100,000,000 be used at the discretion of the agency for all purposes under section 32 as set out. That is the amendment I am offering, and I hope the Senator from Connecticut will agree to withdraw his objection. I merely want to do what the Senator wants to do.

Mr. McNARY. Mr. President, it is my opinion, from the language employed by the able Senator in his modification, that it is limited to the exportation of surplus farm products. I do not think it should be so limited. I think if, in the good judgment of the Department, it should be used, or a major portion of it or a substantial amount or portion of it should be used, to expand the work now being done under the stamp plan that should be left to him. I want to ask the Senator, if I may, is it his interpretation that the modified amendment, as suggested by him, in any way restricts the Department in exercising its functions under the stamp plan?

Mr. BILBO. It does not.

Mr. McNARY. The Department would not, in the Senator's opinion, devote this sum of money to the exportation of agricultural products?

Mr. BILBO. No.

Mr. BANKHEAD. Mr. President, I am greatly pleased to hear the statement of the able Senator from Oregon [Mr. McNARY]. I am in full accord with the views expressed by him. He is not, however, in accord, as he apparently thought, with the Senator from Connecticut.

The amendment of the Senator from Mississippi as originally presented by him fixes a very definite limitation upon the use of the funds; it fixes that limitation in conflict with the statement of views of the Senator from Oregon and in conflict with my views. I think, in recognition of the fact that the limitation was not advisable, the Senator from Mississippi

eliminated it from his amendment. Then the Senator from Connecticut, who has no interest, I think, in this program except the stamp part of it, insisted upon the Senator from Mississippi withdrawing the modification of his amendment and restoring the limitation which would confine the use of the money being appropriated to the domestic-use plan.

I think, Mr. President, that section 32 has been one of the most useful features of the agricultural program, and that it has served those who are intended to be served by the legislation. In the beginning the authors of section 32 and its supporters in the Committee on Agriculture, including the Senator from Oregon, who is always interested in the farmer, and its other advocates had primarily in mind aid to the farmers whose incomes were being adversely affected as the result of excessive surpluses of farm commodities which drove down the price of the entire crop. So this amendment was intended, in the beginning, to provide a fund with which the surpluses would be lifted from the market and, in that way, establish a price for the crop based upon the law of supply and demand. As the matter progressed and surpluses were bought, the question of the distribution of those surpluses developed. Large quantities of butter, particularly, and other perishable commodities, vegetables and fruits, have been bought under section 32, put in cold storage, and there they rested until a time came when they could be marketed without undue loss to the fund.

Then, as a result of the development of the need of these commodities in promoting the relief plan, this program was gradually shifted from one of primary benefits to the farmer to one involving primary benefits to those upon the relief rolls by reason of giving or granting the surplus commodities which first had been stored with the intention of disposing of them at a time when their disposition would not further depress the price of the commodities.

In that way the present system, which has developed into the food-stamp plan, was worked out. I am a strong advocate of that plan, because when we brought into the picture a distribution of the surplus commodities that were bought under the original plan to aid the farmer, we at the same time developed a plan to aid those on relief, the poor and the needy who were not able to buy the foodstuffs which had been bought as surplus commodities.

Mr. President, I submit, therefore, that it is not right to change this whole program now, and attempt to give it direction down one channel, that channel being the food-stamp plan. I favor that plan, as I said. I think it is a most worthy and helpful part of this program; but I submit that it is not right, it is not fair, and it is an abandonment of the original section 2 and of its purposes that have worked so well under a latitude of administration which has been given to, and exercised by, those in charge of the program.

I submit, therefore, that if the amendment is to be adopted it should be adopted as it now stands, without the amendment offered by the Senator from Connecticut [Mr. DANAHER].

Mr. RUSSELL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Georgia?

Mr. BANKHEAD. I yield.

Mr. RUSSELL. I am sure the Senator from Alabama has already recognized that not only would the amendment offered by the Senator from Connecticut tie the hands of the administrator of the fund, but would constitute a rank discrimination between those who are on the relief rolls.

The last figures I had showed that there were in the United States approximately 150 cities in which the food-stamp plan was in effect. There are about 3,000 counties in the United States in which surplus foods are distributed to those who are on the rolls to receive direct relief. If the amendment offered by the Senator from Connecticut were adopted by the Senate, it would make a preferred class of those who are on relief in approximately 150 cities, which are able to finance the stamp plan of distribution, and would say to those in the other 3,000 counties of the United States that because, forsooth, those counties or towns are unable to make the initial

deposit required of the communities which avail themselves of the stamp plan, the people on the relief rolls of those counties, who are perhaps the recipients of less relief than those in the larger cities, shall be absolutely denied any of the surplus commodities which might be distributed after having been purchased by the Federal Surplus Commodities Corporation.

In other words, the amendment offered by the Senator from Connecticut is a proposal to segregate the entire \$100,000,000 for the benefit of those on relief in 150 cities in the United States.

Mr. BANKHEAD. The statement of the Senator from Georgia is absolutely sound, and, in my judgment, unanswerable.

I say to the Senator from Mississippi [Mr. BILBO] that when I took the floor he indicated that he would yield to the suggestion of the Senator from Connecticut. If so, I am here to protest against the adoption of the amendment at all with that provision in it. If he is ready to have a vote on it without yielding to the suggestion of the Senator from Connecticut, I am ready to yield the floor.

Mr. BILBO. I will state to the Senator that I am standing pat. The only question which can be voted upon now is the amendment offered by the Senator from Connecticut, because he offered it after the roll call was ordered.

Mr. BANKHEAD. I hope the Senator from Connecticut will not insist on his amendment. If he is interested in this program, he certainly is endangering it by a limitation of that sort. He is acting in opposition to the judgment and statement of the leader on his side of the Chamber; and I hope he will not insist on complicating the matter in that way.

Mr. DANAHER. Mr. President, I withdraw the pending amendment, and offer in lieu thereof an amendment which will restore to the amendment of the Senator from Mississippi the words originally in his printed amendment when he asked that it lie on the table. Those words are, in line 5, "of clause (2)."

As I have stated, I withdraw the amendment I previously sent to the desk, and send to the desk in lieu thereof this amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Connecticut to the amendment offered by the Senator from Mississippi.

The amendment to the amendment was rejected.

Mr. McNARY. Mr. President, a parliamentary inquiry. I understood that the Senator from Connecticut had proposed to restore the original language of the amendment offered by the Senator from Mississippi.

Mr. BILBO. I did not so understand the Senator. We started to vote on the original language of my amendment as read by the clerk when I offered it, and before that was done I struck out these three words. That puts it all under section 32.

Mr. BANKHEAD. Mr. President, may I make a statement to the Senator from Oregon?

Mr. McNARY. Yes.

Mr. BANKHEAD. The amendment of the Senator from Mississippi now is exactly in line with the statement made by the Senator from Oregon.

Mr. McNARY. That is what I wanted to know. It does not modify the substance of section 32 of the A. A. A. Act?

Mr. BILBO. There is no limitation; it is all under section 32.

Mr. McNARY. What was the reason the Senator had for inserting the language which he now removes?

Mr. BILBO. I am not inserting anything.

Mr. McNARY. No; why did the Senator remove that language?

Mr. BILBO. I withdrew it at the request of the agents of the Surplus Commodities Corporation.

Mr. McNARY. What was the purpose of doing that?

Mr. BILBO. There was no especial purpose, except to give them absolutely free latitude to handle the matter under section 32.

Mr. McNARY. Is it the Senator's opinion that with this language restored, section 32 could not be employed in its present form?

Mr. BILBO. Except subsection (2). It would limit it to subsection (2); and that is what I wanted to get away from, and put it all under the general section 32.

Mr. McNARY. The language as originally proposed would confine all the activities to section (2)?

Mr. BILBO. Yes, sir.

Mr. McNARY. But now the language the Senator strikes out permits both sections—section 1 and section 2—to be used, and permits all this money to be expended in the discretion of the Administrator?

Mr. BILBO. That is correct.

Mr. BYRNES. Mr. President, in view of the very obvious sentiment of the Senate, I ask the Senator from Colorado [Mr. ADAMS] if he will not accept the amendment as it is now drawn, so that without further debate we may now vote on it and have a chance to get through with the joint resolution?

Mr. ADAMS. I have not any authority to accept it. It is rather obvious that the sentiment in the Senate is for the amendment; and, of course, as a member of the committee, I shall follow the directions of the Senate. It is not necessary to have a roll call on the amendment.

Mr. BYRNES. The Senator has no objection?

Mr. ADAMS. No; but I have my views.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Mississippi [Mr. BILBO]. On that amendment the yeas and nays have been ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BANKHEAD. Mr. President, I ask unanimous consent that the order for the yea-and-nay vote be vacated, because it was agreed the amendment should be accepted and go in the joint resolution.

Mr. TAFT. I object.

The PRESIDENT pro tempore. Objection is made, and the roll call will proceed.

The Chief Clerk resumed and concluded the calling of the roll.

Mr. SHIPSTEAD. I have a pair with the senior Senator from Virginia [Mr. GLASS], which I transfer to the senior Senator from North Dakota [Mr. FRAZIER], who, I am informed, if present, would vote "yea," and I vote "yea."

Mr. CLARK of Missouri. My colleague the junior Senator from Missouri [Mr. TRUMAN] is unavoidably detained from the Senate. If present, he would vote "yea."

Mr. MINTON. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from South Carolina [Mr. SMITH], the Senator from Utah [Mr. THOMAS], and the Senator from Montana [Mr. WHEELER] are necessarily detained from the Senate. I am advised that if present and voting, these Senators would vote "yea."

The Senators from Virginia [Mr. BYRD and Mr. GLASS], and the Senator from Maryland [Mr. RADCLIFFE] are unavoidably detained. I am advised that if present and voting, these Senators would vote "nay."

The Senator from North Carolina [Mr. BAILEY], the Senator from South Carolina [Mr. BYRNES], the Senator from Delaware [Mr. HUGHES], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Indiana [Mr. VAN NUYS] are necessarily detained.

The Senator from New Jersey [Mr. SMATHERS] is absent because of illness in his family.

Mr. AUSTIN. My colleague the junior Senator from Vermont [Mr. GIBSON], the Senator from Wisconsin [Mr. WILEY], the Senator from North Dakota [Mr. FRAZIER], and the Senator from New Jersey [Mr. BARBOUR], who are necessarily absent, would vote "yea" if present.

The Senator from New Hampshire [Mr. BRIDGES] has a general pair with the Senator from Utah [Mr. THOMAS].

The Senator from Kansas [Mr. REED] is detained on official business of the Senate.

The Senator from Maine [Mr. WHITE] is necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

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

The result was announced—yeas 58, nays 16, as follows:

YEAS—58

Andrews	Donahey	King	Pepper
Ashurst	Downey	La Follette	Pittman
Austin	Ellender	Lee	Reynolds
Bankhead	George	Lundeen	Russell
Barkley	Gillette	McNary	Schwartz
Bilbo	Guffey	Maloney	Schwellenbach
Bone	Harrison	Mead	Sheppard
Burke	Hatch	Miller	Shipstead
Capper	Hayden	Minton	Slattery
Caraway	Herring	Murray	Thomas, Idaho
Chandler	Hill	Neely	Thomas, Okla.
Clark, Idaho	Holman	Norris	Wagner
Clark, Mo.	Holt	Nye	Walsh
Connally	Johnson, Calif.	O'Mahoney	
Davis	Johnson, Colo.	Overton	

NAYS—16

Adams	Gerry	Lodge	Taft
Brown	Green	Lucas	Townsend
Bulow	Gurney	McKellar	Tydings
Danaher	Hale	Stewart	Vandenberg

NOT VOTING—22

Bailey	Frazier	Reed	Van Nuys
Barbour	Gibson	Smathers	Wheeler
Bridges	Glass	Smith	White
Byrd	Hughes	Thomas, Utah	Wiley
Byrnes	McCarran	Tobey	
Chavez	Radcliffe	Truman	

So Mr. BILBO's amendment was agreed to.

EXPEDITION IN STRENGTHENING THE NATIONAL DEFENSE—
CONFERENCE REPORT

Mr. SHEPPARD submitted a report, which was ordered to lie on the table, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9850) to expedite the strengthening of the national defense, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

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

"That (a) in order to expedite the building up of the national defense, the Secretary of War is authorized, out of the moneys appropriated for the War Department for national-defense purposes for the fiscal year ending June 30, 1941, with or without advertising, (1) to provide for the necessary construction, rehabilitation, conversion, and installation at military posts, depots, stations, or other localities, of plants, buildings, facilities, utilities, and appurtenances thereto (including Government-owned facilities at privately owned plants and the expansion of such plants, and the acquisition of such land and the purchase or lease of such structures as may be necessary), for the development, manufacture, maintenance, and storage of military equipment, munitions, and supplies, and for shelter; (2) to provide for the development, purchase, manufacture, shipment, maintenance, and storage of military equipment, munitions, and supplies, and for shelter, at such places and under such conditions as he may deem necessary; and (3) to enter into such contracts (including contracts for educational orders, and for the exchange of deteriorated, unserviceable, obsolescent, or surplus military equipment, munitions, and supplies for other military equipment, munitions, and supplies of which there is a shortage), and to amend or supplement such existing contracts, as he may deem necessary to carry out the purposes specified in this section: *Provided*, That the limitations contained in sections 1136 and 3734 of the Revised Statutes, as amended, and any statutory limitation with respect to the cost of any individual project of construction, shall be suspended until and including June 30, 1942, with respect to any construction authorized by this Act: *Provided further*, That all contracts entered into pursuant to the provisions of this section shall be subject to the provisions of the Act entitled 'An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes', approved June 30, 1936 (49 Stat. 2036; U. S. C., Supp. V, title 41, secs. 35-45): *Provided further*, That the cost-plus-a-percentage-of-cost system of contracting shall not be used under this section; but this proviso shall not be construed to prohibit the use of the cost-plus-a-fixed-fee form of contract when such use is deemed necessary by the Secretary of War.

"(b) The Secretary of War is further authorized, with or without advertising, to provide for the operation and maintenance of any plants, buildings, facilities, utilities, and appurtenances thereto constructed pursuant to the authorizations contained in this section and section 5, either by means of Government personnel or through the agency of selected qualified commercial manufacturers under contracts entered into with them, and, when it deems it necessary in the interest of the national defense, to lease, sell, or otherwise dispose of, any such plants, buildings, facilities, utilities,

appurtenances thereto, and land, under such terms and conditions as he may deem advisable, and without regard to the provisions of section 321 of the act of June 30, 1932 (47 Stat. 412).

"(c) Whenever, prior to July 1, 1942, the Secretary of War deems it necessary in the interest of the national defense, he is authorized, from appropriations available therefore, to advance payments to contractors for supplies or construction for the War Department in amounts not exceeding 30 percent of the contract price of such supplies or construction. Such advances shall be made upon such terms and conditions and with such adequate security as the Secretary of War shall prescribe.

"Sec. 2. (a) During the fiscal year 1941 all existing limitations with respect to the number of flying cadets in the Army Air Corps, and with respect to the number and rank of Reserve Air Corps officers who may be ordered to extended active duty with the Air Corps, shall be suspended.

"(b) The President may, during the fiscal year 1941, assign officers and enlisted men to the various branches of the Army in such numbers as he considers necessary, irrespective of the limitations on the strength of any particular branch of the Army set forth in the National Defense Act of June 3, 1916, as amended.

"Sec. 3. All existing limitations with respect to the number of serviceable airplanes, airships, and free and captive balloons that may be equipped and maintained shall be suspended during the fiscal year 1941.

"Sec. 4. (a) The Secretary of War is further authorized to employ such additional personnel at the seat of government and elsewhere, and to provide for such printing and binding, communication service, supplies, and travel expenses, as he may deem necessary to carry out the purposes of this act: *Provided*, That until December 31, 1941, the Secretary of War may, if he finds it to be necessary for national-defense purposes, authorize the employment of supervising or construction engineers without regard to the requirements of civil-service laws, rules, or regulations: *Provided further*, That notwithstanding the provisions of section 6 of the act of August 24, 1912 (37 Stat. 555; U. S. C., title 5, sec. 652), the Secretary of War may remove from the classified civil service of the United States any employee of the Military Establishment forthwith upon a finding that such person has been guilty of conduct inimical to the public interest in the defense program of the United States and upon the giving of notice to such person of such charges: *And provided further*, That within 30 days after such removal such person shall have an opportunity personally to answer such charges in writing and to submit affidavits in support of such answer.

"(b) Notwithstanding the provision of any other law, the regular working hours of employees of the War Department and its field services (except employees of the War Department engaged in nonmilitary activities) shall be 8 hours per day or 40 hours per week during the period of any national emergency declared by the President to exist: *Provided*, That, under such regulations as the Secretary of War may prescribe, these hours may be exceeded, but compensation for employment in excess of 40 hours in any administrative workweek, computed at a rate not less than one and one-half times the regular rate, shall be paid per annum, per hour, per diem, and piecework employees: *Provided further*, That in determining the overtime compensation of per annum Government employees the pay for 1 day shall be considered to be one three hundred and sixtieth of their respective per annum salaries.

"Sec. 5. The President is authorized, with or without advertising, through the appropriate agencies of the Government (1) to provide for emergencies affecting the national security and defense and for each and every purpose connected therewith, including all of the objects and purposes specified under any appropriation available or to be made available to the War Department for the fiscal years 1940 and 1941, (2) to provide for the furnishing of Government-owned facilities at privately owned plants, (3) to provide for the procurement and training of civilian personnel necessary in connection with the protection of critical and essential items of equipment and material and the use or operation thereof, and (4) to provide for the procurement of strategic and critical materials in accordance with the act of June 7, 1939, but the aggregate amount to be used by the President for all such purposes shall not exceed \$66,000,000. The President is further authorized, through such agencies, to enter into contracts for such purposes in an aggregate amount not exceeding \$66,000,000. An account shall be kept of all expenditures made or authorized under this section, and a report thereon shall be submitted to the Congress at the beginning of each session subsequent to the third session of the Seventy-sixth Congress: *Provided*, That all contracts entered into pursuant to the provisions of this section shall be subject to the provisions of the act entitled 'An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes', approved June 30, 1936 (49 Stat. 2036; U. S. C., Supp. V, title 41, secs. 35-45).

"Sec. 6. Whenever the President determines that it is necessary in the interest of national defense to prohibit or curtail the exportation of any military equipment or munitions, or component parts thereof, or machinery, tools, or material or supplies necessary for the manufacture, servicing, or operation thereof, he may by proclamation prohibit or curtail such exportation, except under such rules and regulations as he shall prescribe. Any such proclamation shall describe the articles or materials included in the prohibition or curtailment contained therein. In case of the violation of any provision of any proclamation, or of any rule or reg-

ulation, issued hereunder, such violator or violators, upon conviction, shall be punished by a fine of not more than \$10,000, or by imprisonment for not more than 2 years, or by both such fine and imprisonment. The authority granted in this section shall terminate June 30, 1942, unless the Congress shall otherwise provide."

And the Senate agree to the same.

MORRIS SHEPPARD,
R. R. REYNOLDS,
WARREN R. AUSTIN,
Managers on the part of the Senate.

A. J. MAY
EWING THOMASON,
DOW W. HARTER,
W. G. ANDREWS,
DEWEY SHORT,
Managers on the part of the House.

APPROPRIATIONS FOR WORK RELIEF AND RELIEF

The Senate resumed the consideration of the joint resolution (H. J. Res. 544) making appropriations for work relief and relief, for the fiscal year ending June 30, 1941.

Mr. O'MAHONEY. Mr. President, I desire to offer an amendment, which will eliminate what I think is an obvious inconsistency in the joint resolution. On page 38 appears section 34, which reads as follows:

Sec. 34. None of the funds appropriated by this joint resolution shall be used for the manufacture, purchase, or construction of any naval vessel, any armament, munitions, or implement of war, for military or naval forces, and no funds herein appropriated or authorized shall be diverted or allocated to any other department or bureau for such purpose.

My amendment is to strike out section 34, and to change the numbering of the remaining sections of the bill.

This limitation was originally placed in the appropriation act when it was apparently the sentiment of Congress that we should not engage in any program of preparedness. That is obviously not the purpose of the Congress at the present time.

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

Mr. O'MAHONEY. If the Senator will bear with me just a moment, I will yield.

It will be noted that on page 5, by an amendment already agreed to, the Senate has provided that—

Not to exceed \$25,000,000 of funds herein appropriated * * * may be used * * * for other than labor costs * * * in connection with projects which have been certified by the Secretary of War or by the Secretary of the Navy as being important to the national defense.

On page 6 there is another amendment of the same tenor, which was also adopted by the Senate. This is to the effect that—

The provisions of this subsection shall not apply to projects which have been certified by the Secretary of War or the Secretary of the Navy as being important to the national defense.

It seems to me, Mr. President, to be perfectly obvious that we should not allow to remain in the bill a provision which would have the effect of preventing the use of these funds for military or naval purposes, and particularly for the manufacture of munitions.

Mr. President, I think it is scarcely necessary to make any further allusions to the amendment.

Mr. CLARK of Missouri. Mr. President, the Senator from Wyoming is under an entire misapprehension as to the purpose which led to the inclusion of the provision in the appropriation bill a year ago to which he refers. I myself offered the provision, and it was not offered by me, and I am sure was not adopted by the Senate, with any idea that a program of national defense was not to be adopted by the United States, or was not then under way. Quite the contrary was true at that time. It was adopted very shortly after we had entered upon a program of naval expansion and a very large expansion of aviation. It was adopted with the idea that the appropriations for national defense were to be earmarked so that we would know how much we were spending for national defense, and so that we would be able to determine whether we were spending enough for national defense or too much.

Nor is the provision on page 38 in the slightest degree inconsistent with the provisions of the amendments on

pages 5 and 6, which have heretofore been adopted by the Senate, which to my mind are entirely proper provisions for insertion in the joint resolution, because they are specific provisions under which funds appropriated in this measure may be expended.

The purpose of section 34 is merely to assure that moneys appropriated for national defense may be spent in such a way that they may be recognized by the Congress and the public, and that we may be able to tell how much money we are spending for national defense.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. O'MAHONEY. I was about to add that my thought is that since we have passed numerous measures within the last 2 weeks, all of which are designed to promote the national defense and make it easier for the War Department and the Navy Department to put the country in a proper degree of preparedness, and authorizations have been made under these various provisions, we should not retain in this measure a provision which would unquestionably have the effect of preventing the use of relief labor for those desirable purposes, if the opportunity arises. It seems to me that at this time, since the authorizations are being made, and rapidity of preparation is undoubtedly essential, the arguments which the Senator advanced at the time the measure was originally introduced no longer hold good.

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

Mr. CLARK of Missouri. I yield.

Mr. HAYDEN. When the Senator from Missouri offered his amendment there was ground for doing so, because from the very large appropriations which had been made for relief, with no limitation of any kind, money had been allocated in a way which he sought to prohibit. The situation is quite different today. When the Senator from Missouri offered the amendment we were appropriating, if I remember correctly, \$2,200,000,000 for relief. Now we are appropriating \$975,000,000. The total amount available is less than one-half the amount previously made available. In the second place, we have placed a limitation in this measure, as the Senator will note if he will look on page 20, that not more than \$20,000,000 can be transferred to any other Federal agency. There was no such limitation in the relief measure when the Senator offered his amendment.

Mr. CLARK of Missouri. There was no such provision either in the bill at that time. It was evidently inserted with the provisions of section 34 in mind, although I am not a member of the Appropriations Committee, and cannot say as to that. The Senator from Wyoming referred to the amendment on page 5, line 15—

Provided further, That not to exceed \$25,000,000 of funds herein appropriated to the Work Projects Administration may be used by the Commissioner to supplement—

And so forth. The purpose of section 34, as I have said, is to assure that money appropriated for national defense will be spent in such a way as may be recognized by the Congress and the public, so we may know how much we are spending for national defense.

Mr. HAYDEN. Mr. President, the point I want to make is that Congress has specifically set forth in two places in the measure, first, that not more than \$20,000,000 can be transferred to any other Federal agency; and, second, that only \$25,000,000 can be used for military purposes. So there is no need for section 34, which the Senator from Wyoming seeks to have stricken from the joint resolution and it might as well be stricken.

Mr. CLARK of Missouri. Does not the Senator from Wyoming believe that it is desirable for the Congress to know how much it is appropriating for naval and military purposes? We have passed in the last few days a number of very large bills for military and naval purposes. We have carried out every recommendation the administration has made. In some instances we have gone beyond the administration's recommendations to a considerable extent. Those measures have passed both Houses of Congress by substantially a unanimous vote.

We have provided in this measure for \$25,000,000 to be used for certain purposes—something that is written on the face of the measure and which we can see. Does not the Senator think that having done so, it is desirable that this money be spent for relief and not for military purposes?

Mr. HAYDEN. Mr. President, we do know how much can be spent for those purposes. In one place in the measure it is provided that \$25,000,000 may be used for military and naval purposes approved by the War Department and the Navy Department, and in the latter part of the bill it is provided that no part of the money can be used for such purposes. That is inconsistent.

Mr. BONE. Mr. President, I think the language of this section is rather too plain for any misunderstanding. I wonder if Senators understand it as I do?

None of the funds appropriated by this joint resolution shall be used for the manufacture, purchase, or construction of any naval vessel, any armament, munitions, or implements of war.

It is my understanding that it is the function of the Navy Department and the War Department to manufacture, purchase, or construct such things under the appropriations we have made. It is proposed that we shall appropriate some \$975,000,000 in the pending measure, and the only thing section 34 forbids, as I understand, is the use of this money to purchase and construct naval vessels, and armament, and implements of war.

If we are going to divert any part of the money for that purpose it seems to me we ought to put the money in the proper appropriation bill, where all Senators can see for what purposes the money is being appropriated.

I voted for the amendment offered by the Senator from Montana [Mr. MURRAY], because I do not believe there is enough money made available to W. P. A. to do the work it will be called upon to do. I see no harm in the language in question. If we are going to appropriate money to build warships, let us do it out in the open so we will know where it is being spent.

Mr. O'MAHONEY. Mr. President, let me call the attention of the Senator to the fact that the language which the Senator has read includes manufacture as well as purchase. The War Department has numerous arsenals in which munitions of war are manufactured. The point is that if it is possible to establish a works project in such an arsenal, to use unemployed persons to manufacture powder, for example, or guns, or to do any of that work, we should not have this prohibition in the measure.

Mr. BONE. Mr. President, let me say to my good friend the Senator from Wyoming that yesterday in the Naval Affairs Committee we went over many aspects of that very problem. Those employed in the civilian activities of the Army and Navy are almost without exception under civil service. Everyone of them draws civil-service compensation. My mail is full of letters from contractors protesting against the use of W. P. A. labor in these normal civilian activities. If there is a Senator in this Chamber who has not had that type of mail I should like to hear from him.

I have received it, and I suspect all other Senators receive that kind of mail. I think business people and civil-service groups and normally employed individuals would raise the objection, whether it would be valid or not, that W. P. A. labor was being used in that competitive field where other men are drawing \$5, \$6, \$7, and \$8 a day. W. P. A. workers will feel that it is already occupied by those who are regularly employed in that sort of service.

I doubt if anyone thinks we are going to employ W. P. A. labor in building a battleship or in making munitions of war. Such operations are accomplished by the use of a trained personnel, drawing certainly infinitely more than W. P. A. labor draws.

That is the picture that has unfolded itself to me. I do not think I have misstated the facts and I believe every other Senator is aware of the situation. W. P. A. labor is employed in a rather narrowing field. I do not know whether it is good

or bad, but certainly business groups and organized labor are demanding that W. P. A. be confined to a constantly narrowing field of activities.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Wyoming [Mr. O'MAHONEY].

The amendment was rejected.

Mr. THOMAS of Oklahoma. Mr. President, yesterday the Senate adopted an amendment which made necessary the consideration of a second amendment. I offered the second amendment yesterday, and because it had not been checked by our secretary and by the Treasury officials, I withdrew it. I now desire to offer an amendment which has just been checked, and ask that it be read.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 17, line 11, it is proposed to strike out "\$3,225,000" and to insert "\$3,400,000."

On the same page, line 12, it is proposed to strike out "\$1,724,516" and to insert "\$1,954,516."

In line 15, it is proposed to strike out "\$3,827,400" and to insert "\$4,628,841."

In line 17, it is proposed to strike out "\$9,429,916" and to insert "\$10,636,357."

Mr. THOMAS of Oklahoma. Mr. President, yesterday I received permission to have those four items considered as one amendment. This amendment provides additional money with which to maintain the existing State agencies of the Treasury in the respective States of the Nation. The total additional amount represented is \$1,200,000, to be apportioned as the Treasury officials say it shall be. It is provided as a supplement to the provision adopted yesterday, which provided that the agencies shall be retained in the separate States, and not be regionalized.

Mr. ADAMS. Mr. President, I wish to call the attention of the Senator from Oklahoma to his original amendment. I think some results would flow from his original amendment which he does not intend.

Mr. THOMAS of Oklahoma. I may say in reply that the Senator is correct. I am having the Treasury redraft that amendment. When the bill goes to conference, if the chairman of the committee will be good enough, the redrafted amendment can be substituted for the original amendment, thus obviating the difficulty.

Mr. ADAMS. Under the restrictions provided by the amendment as originally drawn, an auditor in the General Accounting Office could not be sent from Washington to work any place else.

Mr. THOMAS of Oklahoma. I realize that, and I am sure such procedure as I have suggested will obviate any difficulty in that regard.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. THOMAS].

The amendment was agreed to.

Mr. BONE. Mr. President, I have an amendment on the desk directed to section 1 of the measure, page 3, lines 17 and 18, which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 3, line 17, after "public utilities", it is proposed to strike out the semicolon and insert "refrigerated cold-storage plants, and."

On page 3, line 18, after the word "systems", it is proposed to insert "together with offices and buildings."

Mr. BONE. Mr. President, let me offer a word of explanation.

The language of the joint resolution authorizes W. P. A. work to be done in the creation of electric transmission and distribution lines or systems to serve persons in rural areas, including projects fostered by and for the benefit of nonprofit and cooperative associations. Under this language, of course, the R. E. A. and the cooperative organizations would utilize the services of W. P. A. workers, I think, to the satisfaction

and advantage of everyone. It so happens that a proposal of this kind, if adopted, would not add a dollar of expense to the Government, because it is all a part of the W. P. A. operation; but it would permit the use of W. P. A. labor in building offices for the cooperative organizations in case labor were desirable in that direction.

Many of the farmer organizations have undertaken to set up small cold-storage units to save their meat, eggs, fruits, and vegetables. Millions of pounds of such commodities are being lost every year because in rural areas the farmers desiring to have the somewhat limited rural facilities for the preservation of their own farm products have found it somewhat difficult to accomplish that purpose. This amendment merely permits the little rural cooperatives and the R. E. A. organization to utilize W. P. A. labor in building not only their electric systems but necessary adjuncts, such as small office buildings and small cold-storage plants, to be owned by the farmers.

I think the amendment is a worth-while addition to the joint resolution. It would add nothing to the cost to the Government, and would merely broaden the program to a slight extent.

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

Mr. BONE. I yield.

Mr. HILL. As I understand from the Senator's amendment, the funds would be available only to nonprofit and cooperative associations. Is that true?

Mr. BONE. That is true.

Mr. HILL. The associations are on a cooperative basis. They are cooperative organizations of farmers, and they derive no profit whatever from service to the farmers. Is that true?

Mr. BONE. The projects are purely rural, sponsored by and for the benefit of nonprofit and cooperative associations. That limitation is set out in the joint resolution.

Mr. HILL. We know that many of such associations have no resources from which to obtain funds to construct cold-storage plants.

Mr. BONE. That is true.

Mr. HILL. Cold-storage plants are absolutely necessary for the farmers to preserve their eggs, meat, vegetables, fruits, and other products. Is not that true?

Mr. BONE. That is correct.

It might be noted that these operations are not commercial. I have examined the laws of a great many States, and I think they are somewhat like the laws of my own State of Washington. A cooperative, nonprofit organization in Washington, created under the laws of that State—which, as I say, are similar to the laws of most States—may not engage in business for profit. It is what the name implies—a purely cooperative venture, which may not, under the law, pay dividends. It may accumulate a little surplus, but it may not pay a dividend. It may not possess and exercise the attributes of the average private-business corporation. Therefore, anything we do in this direction is merely an extension of the R. E. A. program and the cooperative idea on the farm. Certainly it can do no harm.

Mr. HILL. The beneficiary of the proposal would be the farmer.

Mr. BONE. The program is purely rural.

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

Mr. BONE. I yield.

Mr. ADAMS. I think the statement that the amendment is consonant with the R. E. A. program is inaccurate. The R. E. A. program provides for lending Government funds in order that electricity may be extended into rural communities. The R. E. A. Act does not provide that the Government shall build, buy, or donate rural electrification projects for private purposes. A relief bill has a very definite purpose. Relief legislation started with the very definite and limited purpose of providing work for needy persons on useful public projects.

Projects proposed are not public projects. The question is whether or not we wish to divert the purpose of the appropriation so as to build refrigerating plants and office build-

ings for private groups. They are not public groups. They may be cooperative, but nevertheless they are still private groups. The associations are owned by individuals. Their purpose is very commendable; but this matter was presented to the committee, and the committee felt that it was not the function of the Government, and particularly not the function of a relief measure, to build refrigerator plants for groups of private citizens which they should own, or to build office buildings in which they should conduct their private business.

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

Mr. ADAMS. I yield.

Mr. BONE. Mr. President, I have not surrendered the floor.

Mr. ADAMS. I thought the Senator had.

Mr. BONE. No.

Mr. ADAMS. I beg the Senator's pardon.

Mr. BONE. I shall be glad to yield to the Senator from Utah in a moment.

Let me call attention to the language of the joint resolution:

Electric transmission and distribution lines or systems to serve persons in rural areas, including projects sponsored by and for the benefit of nonprofit and cooperative associations.

The committee has approved that language. It is the House language. Of course, it sounds more elaborate and ornate for my good friend from Colorado to refer to office buildings and refrigerator plants; but anyone who knows anything about these little farm organizations knows that the only kind of an office building any of them ever had is perhaps a one-story building with a room or two in it. That is about all they require.

I have organized a number of rural cooperative-power organizations. As a labor of love, I contributed much time and energy to them. I have found pleasure and joy in doing so. I recall one little outfit which has 1,100 or 1,200 farm homes connected to its lines. It has perhaps 200 or 300 miles of main transmission lines. It has its headquarters in an office building. Do Senators know what that office building looks like? I will tell them. It is a little frame building with a room about 12 by 20, with a dinky little safe in one corner, and a battered old desk. That is the office building.

Cooperative associations could not have ornate office buildings. In the first place, they have not the money to pay for the material to go into them, even though some labor might be contributed through the W. P. A. operation. In the second place, if they had a large building, they could not use it. In the third place, Colonel Harrington and all his assistants would have suddenly to part company with their senses in order to authorize the building of anything beyond what a sane man would realize to be the normal need of one of these little cooperatives.

That is all there is to it. We are going to help them build their own power systems. I think that is a very fine idea. Lord knows, we have subsidized enough things in this country. I think we can readily do what is suggested by the amendment.

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

Mr. BONE. I yield.

Mr. HILL. I realize that in the past W. P. A. projects have had to be sponsored by some governmental agency such as a State, city, or county. Of course, the people who live in a city or town have a governmental agency which can sponsor a project for them and for their town, whether it be a water-works, a storage house, streets, pavements, or whatever it may be. However, farmers living in the rural sections of the country have no city; they have no town; they have no governmental corporation which can sponsor such projects. Is not that true?

Mr. BONE. That is correct.

Mr. HILL. As I understand, under the present arrangement the nonprofit cooperative rural organizations would have to put up a sponsor's share, under the same require-

ments and conditions that apply to other applicants. Is that not true?

Mr. BONE. That is correct. As I understand, the W. P. A. would require every one of these little dinky farmers' organizations to have a sponsorship comparable to that required of a city.

Mr. HILL. As we know, frequently farm cooperatives cut across county lines; do they not?

Mr. BONE. Of necessity, they must do so.

Mr. HILL. When rural electric lines are laid out they are not run with any idea of county lines.

Mr. BONE. The cooperatives are organized under State corporate acts.

Mr. HILL. That is correct; and the only way in which we can give them any help from the W. P. A. along this line is by an amendment such as that offered by the Senator from Washington. Is that not true?

Mr. BONE. That is correct.

Let me add one further suggestion. My good friend, JOHN RANKIN, a Member of the other House, has called my attention to the fact that Colonel Harrington has been made aware of this proposal and finds it not objectionable. I take it Colonel Harrington is quite prepared to cooperate with the program in every way.

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

Mr. BONE. I yield.

Mr. NORRIS. I have before me the Senator's amendment. I cannot entirely make it out. Will the Senator explain the language of the amendment?

Mr. BONE. On page 3, line 17, after the words "public utilities", it is proposed to strike out the semicolon and insert a comma and the words "refrigerated cold-storage plants, and," so as to read:

Refrigerated cold-storage plants, and electric transmission and distribution lines or systems to serve persons in rural areas, including projects sponsored by and for the benefit of nonprofit and cooperative associations;

Mr. NORRIS. Then, after "systems," what would the Senator insert?

Mr. BONE. After the word "systems," in line 18, insert "together with offices and buildings."

Mr. NORRIS. I should like to say to the Senator that the words "together with offices and buildings," as usually understood, are not intended here at all. There is no idea of building an office building.

Mr. BONE. Certainly not.

Mr. NORRIS. Senators ought not to get that idea at all; and, personally, I doubt whether it is necessary to say that, if we include the other language that is put in. I think "cold-storage plants" would cover the matter.

Mr. BONE. They might have an office building in a cold-storage plant.

Mr. NORRIS. Yes.

Mr. BONE. I have no objection to that.

Mr. NORRIS. My own idea is that the amendment would be just as good if the expression "office buildings" were omitted. If it is feared by any Senators that the W. P. A. are going to go into the business of building 8- and 10-story office buildings and renting them out, that fear would be entirely relieved, and the amendment still would be effective, if that language were omitted.

I should like to hear what the Senator thinks about that. It seems to me that the erection of cold-storage plants would necessarily include with it sufficient office space to operate the plants. I should like to say to the Senator that it seems to me this amendment is entirely unobjectionable, and will bring about a very good addition to the benefits that may come to rural areas that are supplied with electrification.

I happen to know of one which was erected in my own State; and I know, from talking with the farmers who are participants in that nonprofit organization of cooperatives, that it is something of which they are very proud, and is very useful, and is used by practically all the farmers who

are supplied with electricity on the line. I do not see any possible objection to it.

Mr. BONE. Mr. President, it may be that we can find some language that will satisfy the Senator from Nebraska.

Mr. NORRIS. I am satisfied with the language as it is.

Mr. BONE. Obviously, the great, insuperable barrier to the accomplishment of anything elaborate would be the W. P. A. officials themselves. They would drop dead at the suggestion of constructing an office building. They do not have to do it. It is a purely voluntary matter with the W. P. A.; and I think we can well leave it to the discretion of the W. P. A. officials. Whatever else they have done, I never found them doing any such thing as that. That would be a monstrous perversion of common sense, let alone ordinary business practice.

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

Mr. BONE. Certainly.

Mr. KING. The R. E. A. undoubtedly is doing very satisfactory work. It was created under a special act. It seems to me that commingling it with the Work Projects Administration would be like yoking two unequals.

The Work Projects Administration is to take care of the unemployed. It has its organizations where people are out of employment, on relief. To convert those organizations into adjuncts to the R. E. A. when we have given full opportunity for the development of the R. E. A., authorizing it to borrow money, and the Government is furnishing the money, it seems to me is not quite the proper thing. I concede that it might accomplish a great deal of good.

Mr. NORRIS. Mr. President, the Senator's objection—

Mr. KING. I am not making an objection. I am merely making a suggestion.

Mr. NORRIS. The suggestion reminds me of an objection which probably can be easily explained by saying that in a rural project covering hundreds of miles there may be several cooperative organizations of farmers in various parts of the project who will take the benefit of this language if it goes in. It does not mean that everybody on a rural line would have to become a member of this particular organization; so it would not be fair to leave it to the project itself. Some of the members would not want to utilize this kind of service, but those who do want to organize this kind of thing are given the opportunity to do it.

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

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Alabama?

Mr. BONE. I yield.

Mr. HILL. With reference to the suggestion of the Senator from Nebraska, I wonder what the Senator from Washington would think of modifying his amendment so that instead of having it read as it now does, "together with offices and buildings," it would read "together with office quarters." I wonder what the Senator from Washington would think, and I also should like to know what the Senator from Nebraska would think, of the use of those words.

Mr. NORRIS. If the Senator is asking me—

Mr. HILL. Yes.

Mr. NORRIS. I should not have any objection. I have not any objection to the language just as it is. The reason why I have offered the suggestions I have offered is that other Senators may be alarmed at the use of the words "offices and buildings."

Mr. HILL. Certainly.

Mr. NORRIS. I think that without that language they could accomplish the object it is desired to accomplish, because if we put in the words "cold-storage plants"—that is part of the language the Senator is putting in his amendment—that would mean, I take it, that if a small office or room were necessary in which to keep the records, or anything of that kind, it would be part of the plant, and I think all the office it would need would be covered by that language.

Mr. BONE. Mr. President, I shall send to the desk a modification of the amendment I tendered after the Senator from Nebraska looks at it. It merely says "office quarters." Of

course, that might be a little dinky room 10 by 12 feet, or something of that sort; and it gets away from any question about constructing elaborate buildings.

I realize that a Member of Congress, looking at the amendment, might very justly question it. I certainly have not in my heart anything looking to the idea of operating a big building. I am perfectly satisfied to have that language in the amendment, because it implies nothing but a little building; and if the Senator will let it go to the desk and have the clerk state the amendment I should like to have a vote on it now.

The PRESIDENT pro tempore. The amendment offered by the Senator from Washington, as modified, will be stated.

The CHIEF CLERK. On page 3, line 18, after the word "systems", it is proposed to insert "together with office quarters."

Mr. BONE. That satisfies me.

Mr. ADAMS. Mr. President, I desire again simply to call attention to what I think is an inconsistency between this amendment and the whole purpose of the act, in that it is constructing with public money buildings and plants for the benefit of private individuals. From the standpoint of providing work, if we put in a cold-storage plant, the bulk of the cost is in the purchase of equipment, and it will not provide work for persons on relief.

Mr. BONE. The Senator will admit that it will provide some work.

Mr. ADAMS. Some work, yes; but there are thousands of communities, cities, and small towns that would like cold-storage plants. They are missing in many places. If we provide for the construction of cold-storage plants which are available for public use and which are to be owned by public authority, it is perfectly proper; but I think it is very improper at any time, under a relief measure or any other, to build plants or institutions which are to be owned by private individuals and to be paid for by public funds.

The PRESIDENT pro tempore. The question is on agreeing to the amendment, as modified, offered by the Senator from Washington.

Mr. ADAMS. I ask for a division.

On a division, the ayes were 18 and the nays were 16; so the amendment was agreed to.

Mr. BONE. Mr. President, I ask that the clerk state the next amendment I have lying on the desk.

Mr. ADAMS. Mr. President, if the Senator will permit me to interrupt for a moment, I should like to call the attention of the Senator from Maryland [Mr. TYDINGS] to a matter which we took up the other day when the Senator from Maryland was not present, with reference to the expenditures for the Treasury Department. It may not be clear, but there was a roll call vote on an amendment offered by the Senator from Oklahoma [Mr. THOMAS], and the Senator asked me to call his attention to the matter.

Mr. TYDINGS. It was reported in some quarters that on the amendment submitted by the Senator from Alabama I was in opposition to the economy side. I certainly was not in opposition to the economy side, and had I been present I would have voted against the proposal of the Senator from Alabama. My sole remark in the debate was one of a humorous nature, because the Senator from Alabama had twice, in the course of his remarks, referred to my State in a humorous vein. I should like to have the RECORD show that I did not speak in any sense at all for the amendment.

Mr. BARKLEY. Mr. President, I wonder if we might not at this time enter into a further limitation of debate on amendments.

Mr. LA FOLLETTE. I have no desire to delay the consideration of the joint resolution, but I have two amendments which I desire to offer before the measure is disposed of, and while I do not think I shall require much time, I do desire to explain the amendments.

Mr. BARKLEY. I was going to propose that during the further consideration of the joint resolution no Senator should speak more than once nor longer than 15 minutes on the joint resolution or any amendment.

Mr. LA FOLLETTE. That would mean that on an amendment and the joint resolution a Senator would have 30 minutes?

Mr. BARKLEY. Yes.

Mr. LA FOLLETTE. I should not object.

Mr. BARKLEY. I ask unanimous consent that during the further consideration of the joint resolution no Senator shall speak more than once nor longer than 15 minutes on the joint resolution or any amendment.

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

Mr. BONE. Mr. President, I ask that the clerk state the amendment I have sent to the desk.

The PRESIDENT pro tempore. Let the Chair call the attention of the Senator from Washington to the fact that what he proposes is an amendment to a committee amendment which has already been agreed to.

Mr. BONE. I ask unanimous consent that the vote by which the committee amendment on page 25, in section 15 (a), was agreed to, be reconsidered, so that I may offer an amendment to the amendment.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, the vote is reconsidered, and the question is on agreeing to the amendment. The clerk will state the amendment offered by the Senator from Washington to the amendment of the committee.

The CHIEF CLERK. On page 25, line 16, after the words "and are American citizens", it is proposed to insert the following:

Provided further, That if the income of any such person from compensation, pension, or any other benefit payments from the Veterans' Administration is less than the amount to which he would be entitled per month if assigned to a Work Projects Administration work project for which he is qualified, then he shall be certified as in need of such employment, and shall be assigned to work at least so many hours of each month as will bring his total income up to the amount he would receive if he were assigned for full-time work to such a work project.

Mr. BONE. Mr. President, I shall take just a moment to explain the purpose of the amendment.

This is an amendment designed to touch one phase of veterans' preference. As I gather from the suggestions of those who are very much interested in the matter, it would have the result I shall state. I will give a specific instance of how the law would work if the amendment were enacted.

A veteran who otherwise is qualified to work on W. P. A. is found to be receiving, as in the case I mention, \$20 a month from the Government in the way of compensation. Because he receives that compensation, he is disqualified from working on W. P. A. The amendment provides that if he received \$20, or any amount less than what he might receive on W. P. A., he should not be disqualified thereby, but might work a requisite number of hours on W. P. A. so as to bring up the total of his earnings on W. P. A. to what he received in benefit payments from the Government, but not less than what he would otherwise receive on W. P. A. were he not a veteran receiving Government benefits.

Mr. ADAMS. Mr. President, this matter was given careful consideration by the committee. Colonel Harrington said to us that the provision would be almost impossible of administration; that it involved a gradation of every individual with the different amount he was to receive. It might result in one veteran being allowed to work only 2 hours in a month, another 20 hours, depending on the amount each was receiving, and it would involve investigating every individual's case.

Colonel Harrington, whose advice the committee followed, said that the present provision had been worked out, that they had established what they thought was a very satisfactory basis of operations, and, while there is always some complaint, he said that, so far as the veterans were concerned, 90 percent of those who applied for employment were actually put to work. Of those who applied, naturally not all of them can meet the requirement. There might be in a particular instance a Spanish-American War veteran receiving from the Government \$50, and he would go in and make

his case, and would find that in the neighborhood they were paying \$52, so that they would grade him and say, "You are entitled to earn \$2." Under the law as it now stands that veteran could be certified, if he met the requirements, and would, in addition, get his full month's pay. In the long run, the provision which the Senator from Washington seeks to have inserted would discriminate against the veterans. It would not be in their favor.

There are a few cases in which a veteran who is receiving a certain amount from Social Security, or has some minor income, is met with the test which the act applies, that in employing people relative need shall be considered, and that whenever the relative need is equal, veterans shall be employed. On the other hand, if a veteran has an income of \$40 a month from outside sources, and there is a man or woman utterly destitute, with 4 or 5 or 8 or 10 children to be supported, that individual, I think, is entitled to some preference. Wherever there is an equality of need, the veteran has been given the preference, and when he is taken on, he gets the same full wage every other person on W. P. A. receives, while this amendment would result in veterans receiving less than the full wage while they were on the roll.

Mr. HAYDEN. Mr. President, I listened to Colonel Harrington very carefully when he appeared before the committee, and what impressed me was that under the law as it now is, 90 percent of the veterans who have applied have been cared for. Any system which will take care of 9 out of every 10 is a pretty good one. On the other hand, as the chairman of the subcommittee has pointed out, if we attempt to apply this to a Government job, and have some veteran working 5 days a week, or 2 days a week, or 10 days a week we utterly disrupt the works. It is impossible to make out the little difference between the average of \$55 a month paid all over the country and the forty or thirty or twenty dollars or whatever it may be a veteran would receive who would work a little while on a job and then be off. It would utterly disrupt the work. I think it is wholly impracticable.

The third objection I have to it is that if we should attempt to carry it out, in the end the number of veterans employed would not be so great as under the present arrangement.

Mr. BONE. Mr. President, in view of the suggestion that this might be injurious to veterans, I wish to say that it was prepared and brought to my attention by the legislative representatives of the Veterans of Foreign Wars in Washington, and I assume they have sufficiently full contact with the problem in hand to know what they want and what they feel would be the most desirable solution. Most of the veterans are getting only \$8 a month, instead of some other sum.

Mr. HAYDEN. That class of veteran is cared for now.

Mr. BONE. I merely want the Record to show that I am not electing to adjust this matter myself. I am merely taking the word of the leaders of the veterans, who thought this language would be just and helpful.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. BONE] to the amendment of the committee.

The amendment to the amendment was rejected.

The amendment of the committee was agreed to.

Mr. LA FOLLETTE. Mr. President, I move on page 12, line 13, to strike out paragraph (f), as amended. This provision reads as follows:

No loan or grant shall be made under this section to any person to enable him to subscribe or pay for stock or membership in any cooperative association.

Mr. President, in my judgment one of the most successful programs which has been carried on by the Department of Agriculture has been the program of rehabilitation under the Farm Security Administration. This program has been designed to take people who have no means of support, and set them upon farms of their own through the provisions of loans and grants to such families.

When the program was first suggested it was stated by some people that this was a group which could not be successfully rehabilitated. On the contrary this program has been a great success, and the clients of the Farm Secur-

ity Administration have repaid their loans in large measure. They have become self-respecting, self-supporting families. They are once more being welcomed back into the economy of the United States. They feel that they have a successful place in such society.

Mr. ADAMS rose.

Mr. LA FOLLETTE. Mr. President, I shall be glad to yield to the Senator from Colorado.

Mr. ADAMS. I shall be glad to explain this situation.

Mr. LA FOLLETTE. Proceed.

Mr. ADAMS. I will, perhaps, take more time than the Senator will, because the committee heard two sides to the argument. I wish to present those things in my own time. It is very good of the Senator from Wisconsin to be willing to yield to me at this time.

Mr. LA FOLLETTE. Mr. President, one of the means by which this program has been made successful and these clients of the Farm Security Administration have been able to rehabilitate themselves and to make such a splendid showing, insofar as repayment of these loans is concerned, has been the device of setting up small cooperatives whereby these farmers, who are operating on a small scale, are able to pool their meager resources, and thus enable them to utilize heavy farm machinery, more and better breeding stock. This amendment, in conjunction with one which I intend to offer so far as section 33 is concerned, is of vital importance to this program.

In this connection I desire to call the attention of the Senate to a communication directed to the Committee on Appropriations by the Secretary of Agriculture:

DEAR SENATOR ADAMS: As you will recall, Mr. C. B. Baldwin, of the Farm Security Administration of this Department, indicated Monday morning before the subcommittee in connection with House Joint Resolution 544 that we would write you relative to section 2 (e) and section 33 of that bill.

Section 2 (e) provides that: "No loan shall be made under this section to any person to enable him to subscribe or pay for stock of membership in any cooperative association." No such provision has appeared in earlier measures appropriating funds for the Farm Security Administration. The appropriation act of last year contained in section 34 a provision analogous to section 33 in House Joint Resolution 544. However, the wording of section 33 in the measure now under consideration by your committee imposes greatly increased limitations over the use of funds from that imposed by the analogous provision in last year's act.

The provisions of these two sections strike at the very heart of an important phase of our rehabilitation program. We have found from experience that one of the soundest and most economical ways of bringing about rehabilitation of many thousands of low-income farmers is by local effort made possible through loans to small groups of such farmers.

In further cooperative effort among low-income farmers, we have felt that we were carrying out a well-established policy of Congress which is actually of very long standing. That this is true is evidenced by various acts of Congress, such as the Capper-Volstead Act; the Agricultural Act of 1929; the United States Warehouse Act; the act of June 16, 1933, establishing the Farm Credit Administration, which includes a central bank for cooperatives and 12 district banks for cooperatives empowered to make loans to cooperative associations; the Agricultural Marketing Agreement Act of 1937, and similar legislation.

The restrictions imposed by sections 2 (e) and 33 are inconsistent with this policy. Furthermore, they discriminate against the low-income farmers of the country. Through the facilities of the Farm Credit Administration the large and successful farmer will still be able to obtain credit to organize and participate in cooperative associations. The low-income farmers of the Nation need the benefits of sound, successful cooperative enterprises as much, or even more, than does the large successful operator. But these low-income farmers do not have the necessary capital to participate in these cooperatives. Moreover, there is no Government agency other than the Farm Security Administration which can assist them in purchasing a membership or a share of stock in sound cooperative enterprises.

Unless the Congress intends to make a substantial change in national policy respecting farmers' cooperative activities, there is little ground for restrictions of the type embodied in sections 2 (e) and 33 of House Joint Resolution 544, the chief effects of which are to place low-income farmers at a distinct disadvantage to other farmers.

Most of the loans we make to aid farmers to derive the benefits of cooperative efforts are to enable them to participate in small groups which provide purebred sires, heavy farm equipment, modest storage facilities for food and feed produced on the farm, and similar facilities. Since the inception of the Farm Security program, we have aided in the establishment of about 13,150 such services, participated in by more than 260,000 families. Of this

number 32 percent have been for purebred sires; 53 percent for heavy farm equipment; 5 percent for purchasing and marketing services; and 10 percent for miscellaneous services such as feed, grist, and sirup mills, other small types of processing equipment, and roadside vegetable stands. About 20 farmers on an average participate in each of the group services. Many of the groups do not have more than 5 or 6 members.

Although most of our loans to low-income farmers to enable them to participate in cooperative organizations are of the simple-service type just mentioned, it is, nevertheless, true that there are thousands of individual farmers who can be aided in their rehabilitation process through becoming members of existing cooperative organizations, such as mutual insurance companies, mutual irrigation associations, and successful marketing and purchasing organizations.

Mr. President, I wish very briefly to point out the remarkable showing which has been made by this phase of the farm-security program. This refers to one State in the Union, but it is typical:

The average net income of these farm families the year before they secured these rehabilitation loans was \$257.08, while in 1939 it was \$490.05, or a gain of 91 percent.

Mr. President, this is the type of program which in my opinion, instead of being hamstrung, curtailed, or interfered with, ought to be expanded. Here is an attack upon a problem which is of major significance and importance so far as the future of America is concerned. Here is a program which is rehabilitating families on the land and restoring them to a position of security and usefulness in our economic system instead of maintaining them upon relief without rehabilitating them. Here are families the overwhelming majority of which under this program are placing themselves in a position where they will ultimately find it unnecessary to ask the Government for further assistance.

Mr. President, for nearly a year I have spent much time in studying the question of migratory agricultural labor, and the underlying economic causes which are constantly augmenting that portion of our farm population who are being dispossessed and who are finding themselves in a position in which they are migrating from one State to another in a vain search for a new opportunity to restore themselves to the land.

As I stated in my few remarks on the previous amendment, farming as a way of life in America is threatened, and we must attack the problem on all fronts if we are to preserve farming as a way of life in America. This program has demonstrated itself to be economically sound. It results in rehabilitation, new hope, and new opportunity, instead of the disintegrating process of great numbers of people in the United States finding themselves unwanted and unusable in our society, and forced to accept relief and other forms of public-welfare assistance.

It would be a tragic mistake to curtail this program. In this respect, of course, I am only expressing my own opinion. I accord recognition to the sincerity of purpose of those who disagree with me. All I am asking in connection with my amendment is that a provision which does not appear in any previous act shall be eliminated, and that the program be permitted to go on.

What could be less logical than for the Government on the one hand to make loans or grants to a farm family for rehabilitation on the land, and on the other hand to deny them the benefits of cooperative activity in order that they may be placed in a position to utilize heavy farm equipment, labor-saving devices, and a better breed of stock so as to continue their program of rehabilitation and ultimately repay their obligations to the Federal Government?

Mr. AUSTIN. Mr. President—

Mr. LA FOLLETTE. I yield to the Senator from Vermont.

Mr. AUSTIN. I am very much interested in this activity of the Federal Government.

Mr. LA FOLLETTE. I know the Senator is interested. He has evidenced his interest on many occasions.

Mr. AUSTIN. After the Senator from Wisconsin shall have concluded I shall take the floor for the purpose of briefly pointing out the wonderful service which this program has accomplished in my small State. However, before the Senator finishes, I wish to inquire just exactly what this particular amendment does. It is not clear to me.

Mr. LA FOLLETTE. The amendment is to strike out the provision in the joint resolution which prohibits the use of any farm-security moneys from being used for the purpose of making loans or grants to farmers to enable them to subscribe to or pay for stock or membership in any cooperative association. The Senator must remember that rehabilitation clients are people who have been at the bottom, or near the bottom, of the agricultural economic ladder. In order to give the cooperative associations capital stock and sufficient membership so that they may buy a purebred sire for their dairy cows, for example, or a corn binder, or a tractor, if there is a large enough group in the community to utilize it—things which have become a part of modern, scientific agricultural enterprise—farmers must be in a position to subscribe to the stock and set up a cooperative organization.

Mr. AUSTIN. Mr. President, will the Senator further yield?

Mr. LA FOLLETTE. I yield.

Mr. AUSTIN. In most cases are the services of grants and loans for the purpose of organizing a cooperative with one of those specific objectives in view?

Mr. LA FOLLETTE. Either that, or, if there is an existing cooperative, and if the client has not the money to subscribe for membership, under existing law and practice the Farm Security Administration may make the client a loan for that purpose.

Mr. AUSTIN. I thank the Senator.

Mr. LA FOLLETTE. Mr. President, in the brief limitation of time which has been imposed, with my consent, upon the debate on the joint resolution, I merely wish to say that it is my deliberate and considered judgment that instead of curtailing this program we ought to be expanding our activity on this front as one of the means of preserving and restoring farming as a way of life in America so as to check the alarming trend to people being dispossessed from the land.

I am sure that Senators who are familiar with agricultural communities and with the contribution which such communities, based upon farming as a way of life, have made to the stability, the functioning, and the success of our democracy, must agree with me in principle. If I had the time, Mr. President, I could pile up evidence to demonstrate that I am making no alarmist statement. A trend has been going on in this country on a very significant and increasing scale, but like many other trends it has escaped our observation, because apparently it is a human characteristic to fail to recognize trends until they assume alarming proportions. I repeat, this is a sound program. It has demonstrated its usefulness. These people have demonstrated their capacity for rehabilitation. They are making a splendid record in the repayment of their loans and grants. Cooperative activity is the right arm of Farm Security Administration clients in their efforts to rehabilitate themselves. Do not cut it off. Strengthen and uphold it by adopting the amendment I have offered.

Mr. ADAMS. Mr. President, I simply wish to explain the situation as it was submitted to the committee.

The committee has simply passed along the joint resolution as it came from the House in this particular. We had before the committee Secretary Wallace and Mr. Bain, I think, whose letter the Senator read, with the argument against this section. There were also submitted to the committee the hearings in the House.

The situation was to this effect: All of the matters that came to the Senate committee were in favor of the exclusion of this clause. The hearings in the House were all the other way. In other words, there was no meeting of the issue before either the Senate committee or the House committee. The House hearings took the following aspect: There were two men—I do not know who they were—who appeared with certain letters claiming that the provisions as they had been carried out resulted in loans being made to cooperatives to engage in competitive businesses with private industry. That was the complaint in the House committee—

that cooperative organizations which were competitive were being financed with Government money.

In the Senate committee, the letter of Secretary Wallace pointed out the things the Senator from Wisconsin has pointed out, the lesser matters, in which the cooperative was endeavoring to improve his stock, buying good horses, and doing the minor things. The Senate committee merely let the matter stand so that it would be available for discussion. We were confronted with a letter which was in the House hearings, which I do not care to sponsor, but simply to note in the RECORD that on page 1052 of the House hearings there is printed a letter which had some influence on the committee in keeping their hands off the amendment.

Mr. LA FOLLETTE. Mr. President, will the Senator be good enough to yield?

Mr. ADAMS. Certainly.

Mr. LA FOLLETTE. I am familiar with that situation. My understanding is that two men who have a chain of oil stations in North Dakota came before the House committee and objected to these loans on the ground that they constituted unfair competition. If the Senator will permit me, however, the point I should like to make is that it has been the established policy of Congress to foster farmer-producer and farmer-consumer cooperatives; and if we are to reverse that policy because two oil-station operators in North Dakota do not think it is fair, we ought to abolish the many statutes which are on the books designed to foster and assist farm-owned and farm-operated cooperatives.

With the Senator's permission I should like to make just one more point, and that is that larger cooperative associations, the more successful farmers, can today go to the banks of cooperatives, and get, in any one of 12 districts, loans for this purpose; but if this amendment stays in, and the amendments to section 33 stay in, then the lowest-income group of farmers who are being helped by the Federal Government will be denied the benefits of a policy which is being extended to other and more fortunate farmers.

Mr. ADAMS. Mr. President, I am trying to give the Senator the picture of the Senate Appropriations Committee. We did not hear these two gentlemen. We were influenced by the fact that the House itself had taken certain action. We left the matter alone, it having been presented in one House from one standpoint and before us in the other, and we knew it would be presented here.

Personally, my sympathies were with Secretary Wallace and the other group.

The Senate, I think, has now indicated a desire to go quite a distance; that is, we are going to finance cold-storage plants, and construct buildings, and lend money to buy stock; and yet I have full sympathy with the cooperative movement. It is not only beneficial but it is essential in the lower economic farming areas.

I think criticism could be leveled if Government money were loaned to farmers upon a better level, so that they could go into competitive lines with Government money instead of using their own money, if it were possible to draw the line between aiding the farmer who is unable to help himself as distinguished from providing funds for the better-to-do farmer to engage in competitive mercantile business and manufacturing.

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

Mr. ADAMS. Certainly.

Mr. LA FOLLETTE. I should like to repeat that that is already the established policy. Through a long period of years the Federal Government has believed that it was economically sound for producers to engage in cooperation. We have even gone so far as to set up a bank of cooperatives in this country. It does seem to me that the same advantages and privileges which are extended to farmers who are in a comparatively better-income status, and have the opportunity to secure such credit from the bank of cooperatives should not be denied to clients of the Farm Security Administration when the farmers are making such a splendid showing and response to this aid and assistance from the Federal Government.

Mr. JOHNSON of Colorado. Mr. President, will my colleague yield to me?

Mr. ADAMS. Certainly.

Mr. JOHNSON of Colorado. I desire to ask the Senator a question, though not about the pending matter. Did representatives of the Actors' Equity appear before the committee in behalf of theater projects?

Mr. ADAMS. They did. A number came before us—I think a legal representative and some others.

Mr. JOHNSON of Colorado. Was any inquiry made by the committee as to whether or not Communists were members of the Equity's executive council?

Mr. ADAMS. I think not. I have no recollection of that. Some gentlemen came to my office and said that there were certain Communist members; but, of course, in the joint resolution there is a provision forbidding granting relief to Communists when the fact of their being Communists is demonstrated. What we did with the theatrical projects was simply to restore them to a common level with all the other projects; that is, we took away the priority which they had had before, in that no contribution was required, and then we took out the discrimination against them which the House put in which forbade the use of Government money to foster theatrical projects, and simply left them on a par with all other types of projects.

Mr. JOHNSON of Colorado. I thank my colleague.

Mr. AUSTIN. Mr. President, I shall not detain the Senate long.

I have carefully studied the work of the Farm Security Administration in the State of Vermont, and the record is amazingly good. It is better, in fact, than the record referred to in the one specific case mentioned by the Senator from Wisconsin.

I shall not read to the Senate all of the letter I have before me; but I shall point out some essential things which, if they are true all over the United States, justify Congress in having entire faith in the Farm Security Administration, and supporting it with all the vigor we can afford.

In Vermont, a survey was made which showed that the 800 standard stabilization borrowers had an average net income last year—that is, the year 1938, this letter having reference to the record of 1939—of \$929.93 per family, as compared with \$683.58 in the year before they came to the Farm Security Administration for help.

This represents an increase of 36 percent. These families increased their average net worth—that is, worth above all their debts—by 29 percent since taking advantage of the program. They added \$438,880 to the wealth of their communities, and they also increased their annual incomes by a total of \$197,078. Of course, such an expanding purchasing power benefited the entire community, merchants and businessmen generally, with whom farmers have to deal.

The survey showed another rather interesting fact—that these borrowers from my State repaid \$357,776 into the Federal Treasury as installments on loans totaling \$810,408. Of course, Vermont is a small State, and relatively this is a small amount of borrowings—less than a million dollars; but when we compare the total amount of the borrowings with the total amount of repayments, it is a splendid record and reflects not merely the integrity of the borrowers but the efficient operation of the Farm Security Administration by way of advice and help, which, in my opinion, is one of the finest elements of that particular service.

The typical rehabilitation family in Vermont has borrowed \$1,013.01 and has already repaid \$447.22.

In a limited number of cases, in order to get the family off to a sound start, small grants were made to supplement the loans. Usually these grants were just large enough to tide the family over until it could make its first crop. They averaged \$20.35 per family, or a total of \$16,280, over a 4-year period.

Another fact to which I wish to call attention is that the Farm Security Administration has helped these poor people to work out a way of adjustment of their debt condition. Local farm debt adjustment committees were set up in Vermont for that purpose. They had no legal authority

to compel adjustments, they could not under the law make a creditor reduce his debt, and so the transaction was purely a social transaction, in which the spirit of the whole State entered, in a desire to rehabilitate this fundamental activity of the State, because the State of Vermont recognizes that agriculture is a basic industry within its borders.

Adjustments have been made which are reflected in the figures given in the letter to which I am referring, although the figures alone do not represent the whole value. In other words, I think the higher value in these adjustments is the encouragement the farmers and their wives and children receive for the future. But this is what the figures show. Understand, this service is available to all farmers, whether or not they were rehabilitated borrowers. The service was spread out to include others than those who had become borrowers.

Altogether, debt reductions totaling \$353,498 have been negotiated for the farmers in Vermont. This represents a scaling down of 22.3 percent. As a direct result of these adjustments \$15,383 in back taxes have been paid to local governmental agencies.

In helping out new borrowers to get a new start, this Administration has made efforts to assist them in getting adequate sized farms, farms which would pay out. The figures will make some Senators smile, because of the relative smallness of the farms, but they are significant of the difference in methods of agriculture between the northeastern part of the United States and the great West. The borrowers in Vermont are now operating on an average of 183.10 acres, or an increase of 19.44 acres since they came under the program. This increased acreage has not added materially to the production of commercial crops, however, since virtually everything raised is consumed on the farm. It merely means a better diet and a better standard of living for the families involved.

I shall not weary the Senate with other details, which I think are equally interesting, but I ask unanimous consent to have printed in the RECORD this letter, dated March 19, 1940, signed by Will W. Alexander, Administrator of the Farm Security Administration, written to me at my request.

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

UNITED STATES DEPARTMENT OF AGRICULTURE,
FARM SECURITY ADMINISTRATION,
Washington, March 19, 1940.

HON. WARREN R. AUSTIN,
United States Senate.

DEAR SENATOR AUSTIN: In accordance with your telephone request, we are giving you the results of a survey of the progress being made by Farm Security Administration borrowers in the State of Vermont.

We are proud to report that F. S. A. borrowers not only have increased their net worth and annual income, but also are making satisfactory progress in the repayment of their loans.

The survey showed that the 800 standard rehabilitation borrowers in your State had an average net income last year of \$929.93 per family, as compared with \$683.58 in the year before they came to F. S. A. for help. This represents an increase of 36 percent.

Moreover, these families increased their average net worth—over and above all debts—by 29 percent since coming on the program.

In other words, these families not only have added \$438,880 to the wealth of their communities, but they also have increased their annual incomes by a total of \$197,078. This expanding purchasing power has, of course, been a considerable benefit to the merchants and other businessmen of the State.

At the same time, the survey showed that the borrowers in your State already have repaid \$357,776 into the Federal Treasury as installments on loans totaling \$810,408. The typical rehabilitation family in Vermont has borrowed \$1,013.01, and already has repaid \$447.22. Since much of the money loaned does not fall due for 4 or 5 years, there is every reason to expect that the great bulk of it will be repaid.

We feel that this collection record is particularly significant because, according to normal business standards, our borrowers would certainly not be considered good credit risks. Rehabilitation loans are made only to families which cannot get adequate credit anywhere else, and nearly all of them either had been on relief or were approaching the relief level.

Although the rehabilitation program is intended to meet long-range problems, which have been growing steadily worse for more than a generation, it is financed out of relief appropriations, and it takes the place of direct relief in rural areas. It is designed to help needy farm families to become permanently self-supporting, instead of remaining indefinitely dependent on relief.

It has succeeded largely because every loan is accompanied by advice and guidance in sound farming methods, to make sure that the money is put to the best possible use. There is ample evidence that this guidance and technical training is the most important part of the rehabilitation program. Without it, few of the families would have been able to make much progress or to repay their loans.

In a limited number of cases, in order to get the family off to a sound start, small grants have been made to supplement the loan. Usually these grants were just large enough to tide the family over until it could make its first crop. They have averaged \$20.35 per family, or a total of \$16,280 over a 4-year period.

Often it has been necessary to work out an adjustment of the family's old debts, before rehabilitation could be successful. Local farm debt adjustment committees have been set up for this purpose. They have no legal authority to compel adjustments, but by bringing the farmer and his creditors together for a friendly discussion, they usually are able to arrange a scale-down of the obligations, reduced interest rates, or extension of the payment period. Such adjustments frequently save the farmer from foreclosure, and at the same time enable the creditors to get substantial payments on what might otherwise have been bad debts.

This service is available to all farmers, whether or not they are rehabilitation borrowers. Altogether, debt reductions totaling \$353,498 have been negotiated for the farmers in Vermont. This represents a scale-down of 22.3 percent. As a direct result of these adjustments, \$15,383 in back taxes has been paid to local governmental agencies.

In helping rehabilitation borrowers to plan their farm operations, we always urge them to get away from one-crop farming, and to raise as much as possible of their food and feed supplies. The progress they are making is indicated by the fact that the borrowers in your State produced \$128,128 worth of goods for home consumption last year, as compared with only \$134,808 worth before they came into the F. S. A. program.

These families canned 160,864 quarts of fruits and vegetables last year, or an average of 201 quarts per family for home consumption. They also produced 308,864 gallons of milk, an average of 386 gallons, and 75,896 tons of forage, an average of approximately 95 tons. This kind of diversified farming has meant a higher standard of living, a better diet, and usually a marked improvement in health.

One of the most common reasons for past failure among the families which come to F. S. A. for help was that they had not farmed enough acreage to make a living. In helping our borrowers to get a new start, we have made every effort to assist them in getting adequate-size farms. Consequently, the borrowers in Vermont are now operating an average of 183.1 acres, or an increase of 19.44 acres, since they came on the program. This increased acreage has not added materially to the production of commercial crops, however, since virtually everything raised on it is consumed on the farm. It simply means a better diet and a better standard of living for these families.

Another main objective of F. S. A. is to help tenants and sharecroppers get more secure land-tenure arrangements so they can plan ahead for crop rotations, soil conservation, and other sound farming practices. The survey indicated that 96 tenants in Vermont have obtained written leases in place of verbal agreements.

In making the survey our field workers found that there are 6,251 families in Vermont which are eligible and in need of rehabilitation loans but have been unable to get them because of our limited funds.

Aside from the rehabilitation program, the Farm Security Administration's most important job is to make loans under the Bankhead-Jones Farm Tenant Act to tenants, sharecroppers, and farm laborers to enable them to purchase family-size farms of their own.

While it has been necessary to confine loans to certain counties because of the limited funds available, we had made four such loans in Vermont, totaling \$31,750, up to the end of the last fiscal year. This year we are expecting to make about six Bankhead-Jones loans in Vermont, totaling approximately \$37,000.

This has been a rather detailed report, but I felt that the information might be useful to you. If you would like to have any further details about our program I hope you will let me know.

Sincerely,

WILL W. ALEXANDER,
Administrator.

Mr. CHANDLER. Mr. President, will the Senator from Vermont yield?

Mr. AUSTIN. I yield.

Mr. CHANDLER. What is the present interest charge the borrowers pay?

Mr. AUSTIN. It is less than the prevailing rate of interest.

Mr. CHANDLER. I was sure it was, and I was very much interested in the statement of the Senator from Vermont. This seems to have been a very fine and helpful influence to the farmers of his State. It also has been most helpful in the other States of the country. I wondered whether the Senator knew what the present interest rate is.

Mr. AUSTIN. I do not know what it is, but I know that I helped to get some loans which were carrying a high rate

of interest changed to loans which would carry only a moderate rate of interest, and to induce the creditors to scale down their principal and to put the loans on such a basis that the farmers would have a living chance to pay them off. The way it works is psychological, as well as economical. It cheers up and encourages those who are on the farms to go ahead, and, besides that, it affords them very practical advice and help. If there is a reason why the farmers have been unable to pay off, other than the amount of the debt and the rate of interest, the adjustment committees find it out, and undertake to tell the farmers why it was they got into the shape in which they found themselves. It worked very well.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. LA FOLLETTE. Mr. President, is the Senator from Kentucky about to move a recess?

Mr. BARKLEY. I am.

Mr. LA FOLLETTE. I want a record vote on the amendment, so I should like to have it go over.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore, as in executive session, laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

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

RECESS

Mr. BARKLEY. I move that the Senate take a recess until tomorrow at 12 o'clock.

The motion was agreed to; and (at 5 o'clock and 55 minutes p. m.) the Senate took a recess until tomorrow, Saturday, June 15, 1940, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 14 (legislative day of May 28), 1940

APPOINTMENT IN THE REGULAR ARMY

First Lt. Edwin Joseph Sunderville, Veterinary Corps Reserve, to be first lieutenant, Veterinary Corps, with rank from date of appointment.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

TO SIGNAL CORPS

Capt. Ross Thatcher Sampson, Infantry, with rank from June 12, 1940.

APPOINTMENTS IN THE NAVY

The following-named meritorious noncommissioned officers to be second lieutenants in the Marine Corps from the 20th day of June 1940:

Corp. William M. Gilliam.

Corp. Wade M. Jackson.

Corp. David E. Marshall.

The following-named citizens to be second lieutenants in the Marine Corps from the 25th day of June 1940:

David Ahee, a citizen of Arizona.

Paul H. Allbright, a citizen of Arkansas.

Earl E. Anderson, a citizen of West Virginia.

Wendell W. Andrews, a citizen of South Dakota.

Henry Aplington II, a citizen of California.

James O. Appleyard, a citizen of Illinois.

Robert H. Armstrong, a citizen of Alabama.

Robert M. Ash, a citizen of Illinois.

John D. Atkins, Jr., a citizen of North Carolina.

Frank L. Aybel, a citizen of Pennsylvania.

Charles R. Baker, a citizen of Maryland.

Allen T. Barnum, a citizen of Texas.

Edward M. Barrett, a citizen of Washington.

Roy J. Batterton, Jr., a citizen of Kentucky.

Kenneth H. Bayer, a citizen of New York.

Francis X. Beamer, a citizen of the District of Columbia.

James O. Bell, a citizen of Kentucky.

Alexander R. Benson, a citizen of New York.

Orville V. Bergren, a citizen of North Dakota.

James H. Bidby, a citizen of Mississippi.

Paul H. Bird, a citizen of Colorado.

William M. Bryan, Jr., a citizen of South Carolina.

Earl A. Cash, a citizen of Massachusetts.

Hugh J. Chapman, a citizen of New Hampshire.

Mason F. Chronister, a citizen of Maryland.

Max B. Clinkinbeard, a citizen of Kansas.

Darrell L. Cool, a citizen of Montana.

Walter F. Cornnell, a citizen of Virginia.

Stoddard G. Cortelyou, a citizen of California.

Lloyd G. Coutts, a citizen of Massachusetts.

Winsor V. Crockett, Jr., a citizen of Utah.

Victor J. Croizat, a citizen of Massachusetts.

Claude B. Cross, a citizen of Oklahoma.

Francis P. Daly, a citizen of the District of Columbia.

John E. Decher, Jr., a citizen of New York.

John L. Donnell, a citizen of North Carolina.

William R. Dorr, Jr., a citizen of California.

Clifford B. Drake, a citizen of California.

Walter L. Eddy, Jr., a citizen of Rhode Island.

Emil P. Eschenburg, a citizen of Michigan.

Edward V. Flinn, a citizen of Connecticut.

Clyde P. Ford, a citizen of South Dakota.

Fred J. Frazer, a citizen of Ohio.

Ernest C. Fusan, a citizen of Pennsylvania.

Walter C. Goodpasture, Jr., a citizen of Georgia.

Elbert D. Graves, a citizen of Indiana.

John W. Graves, a citizen of California.

John H. Gustafson, a citizen of New Mexico.

Victor J. Harwick, a citizen of New York.

Robert O. Hawkins, a citizen of Connecticut.

Thomas H. Healy, a citizen of Massachusetts.

Wade H. Hitt, a citizen of Virginia.

Walter Holomon, a citizen of Alabama.

John F. Holt, a citizen of Wisconsin.

Marshall J. Hooper, a citizen of Alabama.

Nicholas L. Hotti, a citizen of Montana.

Kenneth C. Houston, a citizen of Wisconsin.

Wilson F. Humphreys, a citizen of New Jersey.

Homer G. Hutchinson, Jr., a citizen of Georgia.

John R. Ivey, a citizen of Georgia.

Paul T. Johnston, a citizen of Nebraska.

Paul M. Jones, a citizen of Connecticut.

William P. Kaempfer, a citizen of New York.

George B. Kantner, a citizen of Pennsylvania.

Bernard T. Kelly, a citizen of Illinois.

John W. Kennedy, Jr., a citizen of Mississippi.

Walter T. Kerttula, a citizen of Montana.

Karl W. Kolb, a citizen of Georgia.

Carl V. Larsen, a citizen of Oregon.

Crawford B. Lawton, a citizen of South Carolina.

Walter E. Lischeid, a citizen of Minnesota.

Will E. Madden, a citizen of Indiana.

Charles S. Manning, a citizen of South Carolina.

Kenneth E. Martin, a citizen of Wyoming.

Marlin C. Martin, Jr., a citizen of Kansas.

Phillip B. May, a citizen of Virginia.

Robert C. Maze, a citizen of California.

William S. McLaughlin, a citizen of Massachusetts.

Paul B. McNicol, a citizen of Massachusetts.

George G. Megraill, a citizen of West Virginia.

Robert F. Meldrum, a citizen of California.

Robert A. Merchant, Jr., a citizen of New Jersey.

Ross S. Mickey, a citizen of Pennsylvania.

Hector R. Migneault, a citizen of Massachusetts.

Harry T. Milne, a citizen of Oregon.

Richard I. Moss, a citizen of Pennsylvania.

Franklin B. Nihart, a citizen of California.

Arba L. Norton, a citizen of Texas.

Thomas J. O'Connor, a citizen of Nebraska.

Robert J. Oddy, a citizen of South Dakota.

Jeff P. Overstreet, a citizen of Mississippi.

Edward L. Peoples, a citizen of Iowa.

Tillman N. Peters, a citizen of Tennessee.
 Ralph L. Pipes, a citizen of Maine.
 Jonas M. Platt, a citizen of Rhode Island.
 Daniel S. Pregnall, a citizen of South Carolina.
 Baptiste D. Pronovost, a citizen of North Dakota.
 John A. Ptak, a citizen of South Dakota.
 Robert T. Raby, a citizen of Pennsylvania.
 Earle K. Radford, Jr., a citizen of Missouri.
 James D. Ramsey, a citizen of Arkansas.
 Howard J. Rice, a citizen of Michigan.
 Hulon H. Riche, a citizen of Louisiana.
 Wallace H. Robinson, Jr., a citizen of the District of Columbia.

Leyton M. Rogers, a citizen of Vermont.
 Albert H. Schierman, a citizen of Washington.
 Donald M. Schmuck, a citizen of Colorado.
 Frederick A. Seimears, a citizen of California.
 Robert D. Shaffer, a citizen of Illinois.
 Allan L. Shepard, a citizen of Oregon.
 Carleton E. Simensen, a citizen of North Dakota.
 Frederic R. Smith, a citizen of the District of Columbia.
 Robert E. Snider, a citizen of South Dakota.
 Francis T. Snyder, a citizen of Pennsylvania.
 Raymond O. Sommers, a citizen of Oklahoma.
 William H. Souder, Jr., a citizen of the District of Columbia.
 Edward M. Staab, Jr., a citizen of Ohio.
 Elmer E. Sutphin 3d, a citizen of New Jersey.
 Robert T. Sweeney, a citizen of Kentucky.
 Robert Y. Stratton, a citizen of Washington.
 Robert D. Taplett, a citizen of South Dakota.
 Harry W. Taylor, a citizen of South Carolina.
 Eugene N. Thompson, a citizen of California.
 Robert J. Trulaske, a citizen of Missouri.
 Walton L. Turner, a citizen of Pennsylvania.
 Clarence E. Van Ray, a citizen of North Dakota.
 Charles E. Warren, a citizen of Oregon.
 George F. Waters, Jr., a citizen of Tennessee.
 John A. White, a citizen of Missouri.
 Elliott Wilson, a citizen of Ohio.
 John Winterholler, a citizen of Wyoming.
 Herbert F. Woodbury, a citizen of Rhode Island.
 Alexander M. Worth, Jr., a citizen of North Carolina.
 Richard W. Wyczawski, a citizen of Indiana.
 Howard A. York, a citizen of Washington.
 Kermit C. Zieg, a citizen of Ohio.

HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 14, 1940

The House met at 12 o'clock noon and was called to order by the Speaker.

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

Our Father in heaven, persuade us that to know the duty of the hour is wisdom and to discharge our obligations is a great virtue. Enable us to live up to Thy rule of right and to have a growing faith in the God of our fathers, whose chivalry of soul and vision of a just government challenge the admiration of humankind. Today let a halo of Thy presence be thrown over our country; speak the eternal truths which change not. Almighty God, we thank Thee for our Republic and for its historic institutions. May they ever abide for their glory and perpetuity upon the inalienable and God-given rights of man; ever inspire us to keep the trust, revere the truth, and honor Thy decrees. We praise Thee for our glorious flag, for all it symbolizes and teaches us. In song and in story, may it be honored today in city, hamlet, and countryside, especially by the youth of our land; God guide and bless them. Grant that its beauteous folds may be seen in our broad, open skies, telling of the onward sweep of liberty, tolerance, and justice. In the spirit of the Prince of Peace, with its celestial white, its sacrificial crimson, and with the stars of Thy providence, may it pose

like a rainbow in every storm cloud of strife and discontent, declaring the unity and faith of a free, Christian people. In our dear Redeemer's name. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3840) entitled "An act to amend the act entitled 'An act for making further and more effectual provision for the national defense, and for other purposes,' approved June 3, 1916, as amended, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate No. 17 to the bill (H. R. 8913) entitled "An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1941, and for other purposes."

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On June 11, 1940:

H. R. 169. An act to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Cleveland National Forest in San Diego County, Calif.;

H. R. 952. An act for the relief of Indians who have paid taxes on allotted lands for which patents in fee were issued without application by or consent of the allottees and subsequently canceled, and for the reimbursement of public subdivisions by whom judgments for such claims have been paid;

H. R. 2009. An act to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Angeles National Forest, Calif.;

H. R. 6158. An act authorizing the selection of a site in the District of Columbia and the erection thereon of a statue of George Washington;

H. R. 6668. An act to authorize the Secretary of the Interior to convey to the State of North Carolina for use in connection with the Blue Ridge Parkway certain land within the Cherokee Indian Reservation in the State of North Carolina;

H. R. 7072. An act for the relief of Esther Ross;

H. R. 7147. An act to amend the service pension acts pertaining to the War with Spain, Philippine Insurrection, and the China Relief Expedition to include certain continuous service;

H. R. 7530. An act to transfer the site and buildings of the Tomah Indian School to the State of Wisconsin;

H. R. 7811. An act to establish the Hot Springs division of the Western Judicial District of Arkansas;

H. R. 7901. An act to transfer certain Indian lands to the Grand River Dam Authority, and for other purposes;

H. R. 8119. An act to amend the Criminal Code so as to confer concurrent jurisdiction on courts of the United States over crimes committed on certain Federal reservations;

H. R. 8283. An act to amend section 4370 of the Revised Statutes of the United States (U. S. C., 1934 edition, title 46, sec. 316);

H. R. 8292. An act for the relief of Erich Hecht, Grete J. L. Hecht, and Erich F. Hecht, Jr.;

H. R. 8438. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1941, and for other purposes;

H. R. 8452. An act to declare Frankford Creek, Pa., to be a nonnavigable stream;

H. R. 8475. An act to limit the interpretation of the term "products of American fisheries";