

House bill 3852; to the Committee on the District of Columbia.

1213. By the SPEAKER: Petition of the Fight for Freedom Committee, New York, N. Y., petitioning consideration of their resolution with reference to foreign affairs; to the Committee on Foreign Affairs.

1214. By Mr. THOMASON: Petition of nine residents of Midland, Tex., members of the American Temperance Society of the Seventh-Day Adventists, favoring the passage of House bill 4000, to prevent the sale of alcoholic beverages inside Army and Navy camps and to establish zones around training camps to prevent taverns and vice districts in close proximity thereto; to the Committee on Military Affairs.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 28, 1941

The House met at 11 o'clock a. m.

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

Almighty God, the hour has come in the tragic struggle of Christian ideals when we must not measure our life by religious or political creed but by the motives and character we are to weave into the tissues of the soul of our Republic. We praise Thee that so long there lives a solitary heart, Thou wilt lend Thyself to the redeeming pulsations of everlasting love. As a people chosen in an exceptional way for an exceptional task, in spite of these momentous and grave uncertainties, endure us with an inflexible faith in the triumph of righteousness. Through the never-failing ministrations of the Holy Spirit of truth; lead us forward to the high altitudes envisioned by our fathers. We pray Thee to beckon our country to the places of intellectual refreshment, to the citadels of calm reason and study, to the quiet of the home altar, and to the Church for spiritual renewal; impress our democracy that these are the powers that make a nation grand and glorious. Heavenly Father, help us to subject ourselves to Thy holy influence that we may be guided to the highest conceptions of human life and government. Our President, his counselors, and immediate advisers, do Thou direct them in all their deliberations and conclusions, that national honor, security, and peace may ever be symbolized in the beauteous flag that floats over a free people. Through Jesus Christ our Lord. Amen.

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

COAST GUARD ACADEMY

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

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

There was no objection.

Mr. BLAND. Mr. Speaker, as chairman of the Committee on the Merchant Marine and Fisheries, I desire to announce that on the 3d day of May 1941, at the annual meeting of the Board of Visitors to the Coast Guard Academy at that academy, the gentleman from Georgia,

Mr. ROBERT RAMSPECK, a member of the Committee on the Merchant Marine and Fisheries, was elected chairman of the Board of Visitors of the academy.

The gentleman from Georgia [Mr. RAMSPECK] has manifested great interest in the work of the Coast Guard Academy and in the attainment of its objectives. For many years he has been a member of the Committee on the Merchant Marine and Fisheries and has rendered constructive service in all matters within its jurisdiction, which include, in addition to the merchant marine and fisheries, such subjects as the Coast Guard, Coast and Geodetic Survey, aids to navigation, marine hospitals, and the Panama Canal.

I consider the Coast Guard Academy fortunate to have as the chairman of its Board of Visitors a man as diligent and experienced in legislation and educational matters as the gentleman from Georgia [Mr. RAMSPECK.] [Applause.]

[Here the gavel fell.]

Mr. BLAND. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD on the subject of the Coast Guard Academy.

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

There was no objection.

EXTENSION OF REMARKS

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include therein a short statement on automobiles in our national defense.

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

There was no objection.

Mr. O'BRIEN of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address delivered by my distinguished colleague, Hon. ROBERT F. JONES, of Ohio.

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

There was no objection.

Mr. HAINES. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter I have received from the Administrator of the Farm Credit Administration.

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

There was no objection.

Mr. MICHAEL J. KENNEDY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial commending Judge Townley of the Supreme Court of the State of New York.

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

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

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

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

There was no objection.

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

EXTENSION OF REMARKS

Mr. HOWELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an article by Raymond Clapper.

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

There was no objection.

[Mr. LELAND M. FORD asked and was given permission to extend his own remarks in the RECORD.]

LABOR AND THE DEFENSE PROGRAM

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

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

There was no objection.

[Mr. LELAND M. FORD addressed the House. His remarks appear in the Appendix of the RECORD.]

PERMISSION TO ADDRESS THE HOUSE

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

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

There was no objection.

Mr. PATRICK. Mr. Speaker, I did not get up to talk about the President's speech last night, although it is of major importance, and it seems so clear to the Democrats and so confusing to the Republicans. I do not understand that. I guess if I were going to be partisan, I would say it is clear to the clear minds and confusing to confused minds. But perish that thought.

What I got up to say is that I hope that the precedent set by a certain gentleman of this House yesterday morning will not be followed. I was shocked a little bit when I heard it—it is what the second speaker preceding me this morning referred to. He referred to remarks made by the gentleman from Kansas yesterday about a certain group of people because they had Jewish names. Do not forget that that is exactly the same sort of demagoguery that breeds further demagoguery; the same sort of attack by which was begun the present Nazi regime in Germany. It is not hard to get demagoguery going against the Jews. They are in the minority in the country, but they are right intellectual people and in some respects a superior race, although they are greatly in the minority. Of course, anyone who wants to demagogue is always safe in jumping on the Jews, but let us not have it in America. [Applause.]

[Here the gavel fell.]

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

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

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I was one of the three hundred-odd millions of listeners to the President's address last night and I am going to discuss one phase of his talk. As far as he disclosed his attitude upon strikes I considered he was all right, but he did not go far enough, and I for one sincerely hope that as the days go by he will see to it that handling labor strife is his responsibility, as I have pointed out in this House before. I feel it is now his duty to regulate the activities of labor racketeers in some of the leading key defense industries which are so necessary to build up American defense to an invulnerable degree. Everything depends, Mr. Speaker, upon the successful culmination of the program which has been inaugurated. Nothing must intervene or interfere to hold up production of those materials that are so necessary for our defense and the defense of those other people who are so valiantly defending themselves. I sincerely hope that before very long Mr. Roosevelt will tackle the biggest problem facing the country today, that of dealing with the strike situation in defense industries. [Applause.]

[Here the gavel fell.]

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to extend my remarks in the Appendix of the Record and to include therein some extracts from an editorial from this morning's New York Times and also an article written by Maj. Alexander P. de Seversky on sea power. This article will cover more than two pages, but I have secured an estimate from the Government Printing Office.

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

There was no objection.

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

EXTENSION OF REMARKS

Mr. LUTHER A. JOHNSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix and to include therein an editorial from the New York Times.

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

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. LUTHER A. JOHNSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. LUTHER A. JOHNSON. Mr. Speaker, the address delivered by the President of the United States last night was perhaps listened to by the largest number of persons who have ever listened to any speech in all history. I think the President's address was magnificent from every angle, from every standpoint. I think it reflected the sentiment of the vast majority of the American people, and since our Commander in Chief has

spoken, I believe it to be the duty of the American people, and I believe they will rise to the leadership of their Commander in Chief, and follow him in this great crisis. [Applause.]

LENDING AUTHORITY OF RECONSTRUCTION FINANCE CORPORATION

Mr. SABATH. Mr. Speaker, I call up House Resolution 217, which I send to the desk.

Mr. MICHENER. Mr. Speaker, before that is done I rise to a point of order. The rule which the gentleman has just called up is a different rule from the rule that was ordered reported by the Committee on Rules. The Committee on Rules reported a straight rule on the bill S. 1438, to extend the operations of the Disaster Loan Corporation and the Electric Home and Farm Authority, and to provide for increasing the lending authority of the Reconstruction Finance Corporation. I have just learned what this rule does. It contains the following language:

It shall be in order to consider the substitute amendment recommended by the Committee on Banking and Currency now in the act, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill.

Mr. Speaker, the purpose of the Rules Committee was to report a rule for the Senate bill with the Senate amendment, and it was so understood, and not to report a rule on the House bill. If after the committee acts a rule may be drawn which expresses something different from what the Rules Committee intended, that is one thing.

The SPEAKER. Is it the gentleman's statement that it was the purpose of the Committee on Rules to report out the rule amending the Senate bill, with Senate amendments?

Mr. MICHENER. The committee voted to report the Senate bill and not the House bill. The Banking and Currency Committee asked for a rule on the House bill. The Committee on Rules took the matter under advisement and did not grant the rule. There was some opposition to the bill coming from the House Committee on Banking and Currency. Later, another hearing was held and the Rules Committee was told that the Senate had made certain amendments to the House bill, and then, as I understand it, a motion was made in the committee by a majority Member to report the Senate bill, that is, to grant a rule on the Senate bill.

Mr. SABATH. As amended, naturally.

Mr. MICHENER. Of course, "as amended" would be the Senate bill as it reached the House.

Mr. SABATH. Mr. Speaker, the Committee on Banking and Currency asked for a rule on the Senate bill as amended, the committee having substituted H. R. 4674 for the Senate bill, so the amendment and the Senate bill are identical with the original House bill, and it was upon the amended Senate bill that the Committee on Banking and Currency finally requested a rule.

Mr. MICHENER. The point I make is that the Rules Committee directed the chairman to report a rule, to bring before the House for consideration the Sen-

ate bill, and that would mean that that Senate bill would be subject to all germane amendments. Now, when we get the rule, it is not that.

Mr. SABATH. Mr. Speaker, the only question that has arisen is this. After the rule had been reported, the chairman of the Banking and Currency Committee thought that we should adopt a rule waiving all points of order. That is what he requested. I said to him then that no such request had been made, and the committee had not agreed on any rule that waived any points of order, whereupon I went to the gentleman from New York [Mr. FISH] and the gentleman from Michigan [Mr. MICHENER] and explained to them the request that had been made. Some of the Democratic Members were willing that we should change the rule by polling the members of the committee and I refused to do that. I went to both gentlemen I have mentioned, and when that was objected to, the provision waiving points of order was not included in the rule.

So it is a broad, liberal rule, with 3 hours of general debate provided and for consideration of the bill under the 5-minute rule. It cannot be any broader. If the gentleman can tell me where it can be made broader than it is, I will appreciate it.

Mr. MICHENER. Certainly. I do not know whether the gentleman understands it or not, but this rule, as written, attempts to accomplish the same thing that the gentleman told the gentleman from New York [Mr. FISH] and myself yesterday he wanted to accomplish.

Mr. SABATH. The gentleman is in error.

Mr. MICHENER. The gentleman asked me to tell him how. In line 13, on page 1, after the word "period", strike out "it shall be in order to consider the substitute amendment recommended by the Committee on Banking and Currency now in the act, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill." If you strike that language out, you have a straight, open rule to bring the Senate bill before the House, just as the Rules Committee voted.

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

Mr. MICHENER. Yes; I yield.

Mr. McCORMACK. It seems to me that with that language in there it facilitates matters. That language does not change the exact phraseology that the gentleman from Michigan has in mind, but unless this language is in there the Senate substitute will have to be read in its entirety; whereas this language is for the purpose of having the Senate substitute read as if it were a bill and open to amendment section by section. If this language is not in there, as I see it, it does not waive points of order, as I understand it.

Mr. MICHENER. It certainly provides a different procedure. I am not going to insist on the point of order, Mr. Speaker, because I do not want to delay matters, but I serve notice now that when the Rules Committee votes to report out a rule in the future I shall object if a different rule is brought before the House than the committee voted out.

Mr. Speaker, I withdraw the point of order.

The SPEAKER. The point of order is withdrawn. The Clerk will report the resolution.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of the bill S. 1438, an act to extend the operations of the Disaster Loan Corporation and the Electric Home and Farm Authority, to provide for increasing the lending authority of the Reconstruction Finance Corporation, and for other purposes. That after general debate, which shall be confined to the act and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the act shall be read for amendment under the 5-minute rule. It shall be in order to consider the substitute amendment recommended by the Committee on Banking and Currency now in the act, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the act to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the act or Committee substitute. The previous question shall be considered as ordered on the act and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. SABATH. Mr. Speaker, all who have heard the rule read must come to the conclusion that it is a broad and liberal rule. It provides for 3 hours of general debate and it provided that after debate the bill shall be read under the 5-minute rule for amendment.

I regret that the gentleman from Michigan [Mr. MICHENER] raised a point of order. I actually believe the gentleman must have been under the impression when he arose that the rule waived points of order. That was requested by the chairman of the Committee on Banking and Currency, but his request did not come to the committee direct. It was made to the secretary and I had no knowledge that such request had been made. Consequently a rule was granted on the Senate bill as amended to expedite the matter. Both bills are identical. The Senate bill and the House bill are identical. The only question that the gentleman has raised was that a certain provision was inserted that is not generally inserted in the rules that are usually reported. I will read for your information just exactly what the rule does provide.

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

Mr. SABATH. I yield.

Mr. WOLCOTT. I do not think that the gentleman intended to say that the Senate bill and the House bill are identical. They differ in at least one very material respect, and in that respect we are going to develop, I hope, a great deal of controversy. So I do not think the gentleman should let his statement stand that they are identical.

Mr. SABATH. Well, I read both bills, that is, the Senate bill and the House

bill, and I could not detect a single change as reported by the House.

Mr. WOLCOTT. Would the gentleman care to have me point out where the changes are?

Mr. SABATH. Is it not the same thing as the original House bill?

Mr. WOLCOTT. I assume that it is, but if the gentleman cares to have me, I will point out where it differs very materially.

Mr. SABATH. Here is S. 1438 and here is the bill originally recommended by the House. They are identical.

Mr. WOLCOTT. May I point out to the gentleman, if he cares to have me, wherein they differ?

Mr. SABATH. Perhaps the original Senate bill might have differed, but that is not included in the amendment.

Mr. WOLCOTT. I am speaking of the Senate bill as passed by the Senate.

Mr. SABATH. But they reported it with an amendment. I mean the Committee on Banking and Currency merely inserted H. R. 4674. Is that not right?

Mr. WOLCOTT. Yes; and because of that there are material differences between the bills. The gentleman should not let his statement stand that the bills are identical.

Mr. SABATH. I meant the amendment that the House Banking and Currency Committee has agreed upon.

Mr. WOLCOTT. The amendment the House Committee on Banking and Currency has agreed upon differs materially from the Senate amendment.

Mr. SABATH. Oh, yes; that I concede, but I wish to state to the gentleman from Michigan that it was not my intention, never has been, and it shall not be to report any rule other than what I believe was the intention of the committee. The committee intended to report a rule providing for the consideration of the Senate bill with the House amendment, which was H. R. 4674. The bill before us, as amended, I understand will be further amended, or at least that the Committee on Banking and Currency intends to offer certain amendments to the amendment. Is that correct, I ask the gentleman from Alabama [Mr. STEAGALL]?

Mr. STEAGALL. The gentleman is correct.

Mr. SABATH. In view of that fact, I feel that any possible objections that have been heretofore raised will be eliminated, and there should be no contention.

It is, I admit, a bill of far-reaching importance.

It extends the life of the various corporations heretofore authorized and created under the original Reconstruction Finance Act and amendments thereto, such as the Disaster Loan Corporation, the Electric Home and Farm Authority, to continue up to January 22, 1947.

Section 3 of the bill amends section 10 of the Reconstruction Finance Act to exempt the corporations created under the R. F. C. from taxation-sales taxes and use taxes, in addition to other tax exemptions. Specifically, the Defense Plant Corporation, the Defense Supplies Corporation, the Metals Reserve Com-

pany, the Rubber Reserve Company, The RFC Mortgage Company, the Federal National Mortgage Association, the Disaster Loan Corporation, and any other public corporation heretofore or hereafter organized by or at the instance of the R. F. C., are exempt from taxation.

The bill also gives the Federal Loan Administrator, subject to the President's approval, the authority to make loans to any foreign governments, to their central banks, or to any person, commission, association, corporation, or bank acting for or on behalf of such government.

Subsection 4 of the act (as renumbered) is amended as follows: After the word "organize", where it first appears therein, insert "at any time prior to July 1, 1943," and by inserting before the word "power" where it first appears therein the following: "Such powers as they may deem necessary in order to expedite the defense program, including, but not limited to." This amendment will give the Reconstruction Finance Corporation additional power to organize another corporation to aid the defense program.

Section 5 of the bill authorizes the Reconstruction Finance Corporation to increase the amount of notes, bonds, debentures, and other obligations it may have outstanding by \$1,500,000,000.

I am informed, however, that the House Committee on Banking and Currency has agreed to the Senate amendment to create a corporation prior to July 1, 1943, to produce and acquire strategic and critical materials as defined by the President. The amount originally set to carry out the organization of this corporation was \$300,000,000. The House committee has agreed to an amendment limiting the amount to \$100,000,000. Other amendments will be offered by the committee that it is hoped will eliminate any possible objections that have heretofore been raised against certain provisions of the bill.

Mr. Speaker, I am pleased to note there is really no division in this House as to the efficient manner in which the Reconstruction Finance Corporation has functioned and how its affairs have been conducted. This applies also to all the organizations that have been authorized to be organized under its jurisdiction. Each and every one of them has functioned 100 percent. Personally, however, I felt and still feel that the Reconstruction Finance Corporation should have been and should now be a little more liberal with the smaller manufacturers and the smaller businessmen in extending to them the aid they need, especially at this time. That was my original intent when I introduced the first bill to create the Reconstruction Finance Corporation; and I hope that the Reconstruction Finance Corporation as well as the other corporations under its supervision which have been formed since will in the future give consideration and aid to the smaller businesses to which, in my opinion, they are entitled. The large corporations with millions and millions do not need, especially at this time, any aid or help; nevertheless, whenever they need a few million dollars it is

forthcoming. They of course have the collateral security to furnish whereas the smaller businessman cannot always satisfy the demands or interest requests of the Reconstruction Finance Corporation and therefore finds it difficult to obtain the same financial aid and assistance the big business boys generally receive.

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

Mr. SABATH. I yield.

Mr. JOHNS. As I understand the gentleman's statement the Reconstruction Finance Corporation is given power to start another department of the Government. Is that right?

Mr. SABATH. Not another department.

Mr. JOHNS. At least another corporation.

Mr. SABATH. Yes; it is authorized to create another corporation, and it is merely for the purpose of aiding our export trade and aiding our sister republics. I may say to the gentleman that the provisions giving that power are so hedged about with restrictions that I am sure the interests of America are safely protected.

Mr. JOHNS. One further question if the gentleman will permit: Does not the Export-Import Bank take care of these loans now?

Mr. SABATH. It is not intended to make loans, it is intended also to make investments in manufacturing plants, and in the purchase of needed materials for our defense that this corporation is being created.

Mr. Speaker, in view of the fact that the gentleman from New York [Mr. FISH], desires now to proceed, I yield him 30 minutes of the time under the rule and reserve the balance of my 30 minutes.

Mr. FISH. Mr. Speaker, this is an emergency bill, a national-defense measure, and I propose to support it with the amendments that will be offered by the committee, but not in its present form. Everyone knows we are in an emergency. If they did not know it before last night, they know it today. The President of the United States has proclaimed an unlimited emergency. I confess I do not know how that gives him any more powers than he had under a limited emergency or a partial emergency which he proclaimed, I believe, on September 8, 1939. I rather think this statement of an unlimited emergency is a sop to the interventionists and to create more war hysteria and propaganda. In my opinion, the whole speech was an effort to promote and incite war hysteria, spread and extend war propaganda, and instill fear in the hearts of the American people in order to break down the determined will of the 80 percent of our people who are opposed to going into this war unless we are attacked. If that was the main purpose and motive of the speech—and I must confess I believe the speech was very excellent along that line—I think it did exactly what it meant to do; but I am not here now to speak upon that issue. I want to refer to another matter.

Mr. RANKIN of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. RANKIN of Mississippi. Let me say to the gentleman from New York that I heard the President's address very clearly and followed it carefully. It seems to me that the burden of that speech was the defense of America and the building up of the defense of this country, so that we would be impregnable to attack by a foreign power. It did not appear to me from a careful listening that he was advocating going into the war at all.

Mr. FISH. I hope to God the gentleman is right. I hope above everything else that the gentleman's interpretation is correct. But when the President said that he proposed to get these lend-lease goods over there, no matter what happened, and to use every force necessary to get them over there, of course, I understood by that that he was ready to use convoys and to take us to war, if necessary, to get the lend-lease goods to Britain. However, I hope the gentleman is correct, and I am sure the gentleman will agree with me in this: The one thing the American people must insist on is that we will have no undeclared war. We in America do not know what an undeclared war is. It is a foreign and undemocratic institution. It is the creation of the totalitarian state. There is only one proper and American way to declare war and maintain unity in America and that is by an act of Congress. I have no complaint with the President or anyone else who wants to get us into war. They have a perfect right to say so and to act accordingly, provided they submit the issue to the Congress in the constitutional manner for a war resolution and let Congress, as the elected Representatives of the people, either vote it up or down. Today 80 percent of the Members of Congress are against war just the same as 80 percent of the American people are against war.

Mr. Speaker, this bill comes to the House as an emergency measure. I am supporting it with the definite understanding that the committee amendments limiting the amount to be made available to the special fund will not exceed \$100,000,000. I believe that this fund is in safe hands when placed at the disposal of Jesse Jones who, although he comes from Houston, Tex., is shrewder than any New England horse trader. [Applause.] He out-Yankees the Yankees at their own game. I believe he will get the best of any bargain the United States enters into with any foreign nation. There will be no useless paper or I O U's or promises as there were after the World War. Instead, there will be substantial collateral or definite advantages in return for any loans made by him.

I would bet on Jesse Jones to out-guess and out-bargain Hitler, Mussolini, or any of their agents in any barter transactions. Jesse Jones, acting in the interest of our taxpayers, makes the American eagle scream every time his lending agencies part with a silver dollar.

He has handled billions of dollars honestly, efficiently, and with credit to himself and the Nation.

The Congress cannot perform the functions of lending money in emergencies, nor can we afford to tie the hands of an experienced administrator like Jesse Jones without handicapping American interests. We must rely on his business judgment and his record for honesty and ability to cut the red tape and to promote the production of necessary war goods and articles of defense.

There must be no delay in negotiating contracts and getting the defense job done if we are to make America impregnable on land, sea, and in the air in the shortest possible time.

We have seen all kinds of difficulties and delays as a result of the Army and Navy red tape in consummating contracts. We are in an emergency and in that spirit I hope we will amend the bill in those particulars that are necessary along the lines of the committee amendments, but that we will not seek to delay the consideration and passage of this national-defense measure beyond today. I have faith in Jesse Jones as a proven, experienced, and great American administrator and am willing to trust his judgment to protect American interests here and abroad.

Mr. Speaker, I refer the Members of the House to the last paragraph of the report from the Committee on Banking and Currency, which reads as follows:

Existing law authorizes Reconstruction Finance Corporation to create or organize defense corporations to procure strategic and critical materials, to expand, equip, and lease plants for the manufacture of arms, ammunition, and implements of war, and, upon finding of necessity by the President, to engage in the manufacture of armaments.

This bill helps promote that. It permits Jesse Jones to increase the general note-issuing power of the Corporation by one and one-half billion dollars, to set up a special fund of \$100,000,000, when amended by the House. I think it is needed in emergency, I think it is needed for national defense, and I know of no man in America who can administer it better or more efficiently or more honestly than Jesse Jones. [Applause.]

Mr. Speaker, I now yield the balance of my time, 21 minutes, to the gentleman from Indiana [Mr. HALLECK], to be used by him as he may see fit.

Mr. HALLECK. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, I am going to make a few remarks about this bill, but first I want to say something about the emergency declared by the President last night, and which has just been discussed. There has been some question as to whether or not the declaration made by the President is any more inclusive than the declaration made on September 8, 1939, which is commonly known as the limited-emergency proclamation.

Let me call your attention to the fact that the limited-emergency proclamation reads thus:

Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, do proclaim that a national emergency exists in connection with and to the extent necessary for the proper observance, safeguarding, and enforcing of the neutrality of the United States and the strengthening of our national defense within the limits of peacetime authorization.

That is the so-called limited emergency. It was proclaimed to make neutrality effective. The proclamation last night was to make belligerency effective. I never could see that there was any authority for the President to declare any such emergency, but there was no method by which you could prevent him from acting if he did act under any emergency he declared, authorized or not. I submit that the President only has emergency powers stemming from the Constitution of the United States or the statutes. The President of the United States cannot at any time he sees fit, if we are not at war, declare a national emergency, as he did last night, and take over the industry, the business, the press, and the lives of the country. [Applause.]

Then you say, Where did he get the authority for last night's emergency proclamation? I say he had that authority because, when the Congress passed the lend-lease bill, it gave to the President of the United States the right to do that which to him seemed to be best for the national defense of this country, all law, national and international, to the contrary notwithstanding.

So, as one Member of the House, I accept that proclamation as a war emergency proclamation, and coupled with the rest of his speech it cannot be interpreted in any other light than that he is going to go through with his program under the lend-lease bill to its fruition, which is to guarantee—according to his own language—the four freedoms to all the struggling democracies anywhere throughout the world. [Applause.]

I think that was leadership last night. He made it clear that he is going to assume the lend-lease power and will not consult Congress about convoys or any other phases of his undeclared war policy. The lend-lease bill gives him power to carry on war even though the Congress has not acted. Last night he accepted the instruction and outlined his course of action. When he gets ready to shoot he will give the order. In short, he has taken over the entry into and the conduct of the war so far as this country is concerned. The President is the Commander in Chief of the Army and Navy, and with the lend-lease law as a guide, it seems to me that it is academic to waste time on whether he had authority to issue his emergency proclamation. He has spoken and he has the armed forces at his command. He has announced to the country that he has assumed and will exercise such dictatorial powers in his discretion as he thinks advisable to obtain his announced objective. Was there any indication in last night's speech that this country would keep out of this war? I do not think so.

Reverting to the rule now before the House, permit me to call your attention to section 3 of the bill S. 4138, which this

rule makes in order. Together with other Members of Congress, I have received many protests against the provisions of section 3. The objections are set out in an understandable way by Gov. Murray D. Van Wagoner, of Michigan. I am in receipt of a letter from Governor Van Wagoner under date of May 23, 1941, which is as follows:

I am writing to call your attention to amendments, now being considered by the House of Representatives, to the Reconstruction Finance Corporation Act, as embodied in S. 1438.

We recognize the urgent need which has brought about these proposals, but we ask your specific attention to section 10. The proposed amendment of this section would make loans and personal property of the R. F. C. and all of its subsidiary corporations exempt from taxation by the States and their political subdivisions.

Such a provision in the Federal statutes would not seriously affect our State government. I am writing you principally in behalf of the local governments in this State—the counties, townships, schools, cities, and villages—which depend largely upon the taxation of real and personal property for the maintenance of essential governmental services.

I realize that S. 1438 does not contemplate exempting the R. F. C. from real-property taxation, but local governments will find small comfort in this omission. Already established is the practice of constructing buildings to house defense production machinery and other equipment on leased land; under Michigan law, all these, with the exception of the bare land itself, must be assessed as personal property, and personal property held by the R. F. C. is exempt under S. 1438. To date, less than 4 percent of all loans of the R. F. C. and its subsidiaries made for defense production facilities has been used in the purchase of land.

The removal of R. F. C.-aided defense industries from the tax rolls of this State will greatly decrease the tax base of the local governments where those industries are located. The rate of taxation on commercial and residential property in those communities will increase in direct ratio to the amount of R. F. C. aid their defense industries are receiving.

I should like to point out that this is only one burden to be placed on the local communities by S. 1438. It is already obvious that defense industries are putting a great strain on many communities by their demand and need for those services which are the fundamental functions of local government; extension of water and sewer mains, police and fire protection, public health, additional school facilities, increased housing and recreational facilities. S. 1438 would not only reduce the tax base which provides the normal demand for these services, but will require this smaller base to pay for extended services essential to defense industries themselves, and for which they should pay their proportionate share.

That defense is a national responsibility evokes little argument, nor should there be any question of distributing the cost of defense over all the citizens. Municipalities, no more than individuals, should not be singled out to bear an unequal part of the burden. The Defense Plants Corporation and all other R. F. C. subsidiaries should pay for the services they require and receive from the local governments in which they are located. I urge you to consider the problems of the municipalities, schools, and counties of Michigan in which sizable defense contracts have been let. I sincerely hope that S. 1438 will be amended to provide expressly for the taxation of these plants on a basis of equality with other property.

I also include a letter of May 26, 1941, from Mayor L. J. Young, of the city of Ann Arbor, Mich., which is as follows:

On behalf of the city of Ann Arbor, I wish to make an emphatic protest against the passage of the bill known as S. 1438 which passed the Senate on May 16.

This bill provides exemption from taxation of all personal property of defense-connected industries having loans from the Reconstruction Finance Corporation. Such an act as this is a direct infringement upon the home-rule rights of municipalities, and would cause serious difficulties in the proper financing of the services of such municipalities, in view of the fact that the construction of additional plant capacity for defense purposes will undoubtedly increase the drain on municipal revenues, because of new services that will be required. The result of such an act as this would be to put an unfair share of the costs of these new facilities on other commercial and residential property.

Anything you can do to prevent the passage of this act in the House will be very much appreciated by the people of Ann Arbor.

I shall not elaborate upon this justified objection to this section during the debate on the rule. The members of the Banking and Currency Committee who are the proponents of this bill and who held hearings and should understand fully all the details of the measure will be asked to explain these provisions when the bill, S. 4138, is being considered for amendment.

It is very difficult for any Member of the House who is not a member of the Banking and Currency Committee to read this bill, S. 4138, and have any definite knowledge as to what the bill means when he is through. Indeed, the ranking majority member of the Banking and Currency Committee, who appeared before the Committee on Rules, confessed to the Rules Committee that the bill was drafted in such a way that no one could have any definite information about what the changes in the law would be without having the original act and all amendatory acts before him. This is a sample of that loose and improper draftsmanship which "strikes out and inserts after the comma in the second paragraph of a certain section of the bill, and so forth." Time after time in recent years I have called attention to this type of draftsmanship. No one will attempt to justify it. All admit that it is confusing, yet for some unknown reason certain committees at times employ the system. The striking out and inserting, and so forth, directed in this bill is accomplished under the Ramseyer rule. Therefore, if you will turn to page 3 of the committee report, you will be able to get some idea of what the bill means. I am sure that no explanation given on the floor will make it possible for a Member to visualize and understand these amendments without going through the mechanical process above suggested or studying the committee report as above suggested.

I shall not vote for this bill in its present form. In my judgment, there would be no possibility of the bill passing the Congress were it not for the fact that Jesse Jones is momentarily the administrator who will carry out the terms of the bill. Well, Jesse Jones is simply human. He already has more work in

connection with the Government than any one man can possibly look after. If he were to cease to be the administrator for any reason, who would his successor be? Of course, that would depend entirely upon the President, and I, for one, would regret exceedingly to see the President's good Man Friday, Harry Hopkins, take on Jesse Jones' job together with the many others he has had with the Government during the last few years.

We will be told that in all "probability" this law will be administered fairly and justly. When drafting legislation, we should give consideration to the possibilities rather than the probabilities. Under this law, a corporation might be set up with complete power to build a Nicaragua Canal and, without amendments to the bill, the President might direct the formation of a corporation to carry out the St. Lawrence deep waterway project, the Passamaquoddy Bay project or the Florida Ship Canal project. Oh, it is said that Jesse Jones will not permit any of these things. Probably that is true, but possibly these things might happen. I am not in favor of granting these additional broad powers to any President and do not believe that this legislation in its present form is essential to our national defense. The Congress is going to be in constant session and, if it becomes necessary to do any of these unthought-of and extraordinary things in connection with financing corporations to operate anywhere throughout the world, then the country should know something about it. After all, the bonds issued by the R. F. C., the proceeds of which carry on these projects, are guaranteed by the Federal Government and, in the end, the taxpayers may be called upon to foot the bill.

In conclusion, may I urge that section 3 of the bill be amended to meet the objections suggested by Governor Van Wagoner and others.

[Here the gavel fell.]

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a letter from the Governor of Michigan, together with a letter from the mayor of the city of Ann Arbor, Mich.

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

There was no objection.

Mr. HALLECK. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Speaker, section 3 of this bill not only has challenged my attention, but it has challenged the attention of the Governor of my State and also the mayor and the city council of the fourth largest city in the United States, the city of Detroit. If my recollection serves me correctly, this House passed a law making the income on all future issues of Government obligations subject to taxation. It is not retroactive. If this bill becomes law with section 3 in it, then we are going counter to the established policy of the Government to tax the income on Government obliga-

tions, by exempting the obligations of an agency of the Government from taxation. Section 3 of the bill amends section 10 of the Reconstruction Finance Corporation Act by broadening the exemption from taxation for all purposes of obligations of the Defense Homes Corporation, the Defense Plant Corporation, the Defense Supplies Corporation, the Metals Reserve Co., the Rubber Reserve Co., and any other corporation theretofore or hereafter organized or created by the Reconstruction Finance Corporation. This is a broad delegation of power and is contrary and entirely inconsistent with the policy which we have established in making all State obligations subject to taxation. I realize the emergency, but we are establishing a principle which is not only dangerous but inequitable and unjust.

I can well imagine two houses in any city, town, or village in your district, one constructed and owned by a private individual, the other constructed and owned by an agency of the Government under the Reconstruction Finance Corporation, or any other corporation created by the R. F. C.; one subject to taxation, and the other considered personal property and exempt from taxation, local or otherwise. The inequity becomes apparent to all of us. In my judgment, this Federal gift horse needs a little mouth inspection because it will place a burden upon the local communities that have housing projects and properties established within their borders by these Federal agencies requiring Government service, but exempt from taxation; a burden which, in my judgment, will be entirely more than they can bear, and will strain the Government services of towns, the counties, the villages, and the school districts in every State in this Union.

I believe we would do well to consider carefully section 3.

May I read one line from a resolution passed by the City Council of Detroit in regard to this bill:

We respectfully urge all possible opposition to the passage of this bill.

This opposition is based entirely on the inequity I have pointed out.

I have faith and confidence in Jesse Jones. He has done a splendid job as a public officer and a public servant, but I believe we are going too far here in favoring the Federal Government and punishing the local and State governments by placing upon them a burden of taxation which they should not bear.

I hope the committee will offer an amendment before consideration of this bill is concluded to correct this glaring attempt to shift the burden of taxation of personal property belonging to governmental agencies to local communities or local governments.

For the benefit of the House, I insert in the RECORD, as a part of these remarks, a letter received from the Honorable Murray D. Van Wagoner, Governor of my State, and also a resolution passed by the Common Council of the City of Detroit, both bearing on the subject

which I have discussed. I am in complete accord with the position taken by Governor Van Wagoner, of Michigan, and the Common Council of Detroit:

STATE OF MICHIGAN,

EXECUTIVE OFFICE,

Lansing, May 23, 1941.

HON. GEORGE A. DONDERO,

Member of Congress,

Washington, D. C.

MY DEAR MR. DONDERO: I am writing to call your attention to amendments now being considered by the House of Representatives to the Reconstruction Finance Corporation Act as embodied in S. 1438.

We recognize the urgent need which has brought about these proposals, but we ask your specific attention to section 10. The proposed amendment of this section would make loans and personal property of the R. F. C. and all of its subsidiary corporations exempt from taxation by the States and their political subdivisions.

Such a provision in the Federal statutes would not seriously affect our State government. I am writing you principally in behalf of the local governments in this State—the counties, townships, schools, cities, and villages—which depend largely upon the taxation of real and personal property for the maintenance of essential governmental services.

I realize that S. 1438 does not contemplate exempting the R. F. C. from real-property taxation, but local governments will find small comfort in this omission. Already established is the practice of constructing buildings to house defense-production machinery and other equipment on leased land; under Michigan law, all these, with the exception of the bare land itself, must be assessed as personal property, and personal property held by the R. F. C. is exempt under S. 1438. To date, less than 4 percent of all loans of the R. F. C. and its subsidiaries made for defense-production facilities has been used in the purchase of land.

The removal of R. F. C.-aided defense industries from the tax rolls of this State will greatly decrease the tax base of the local governments where those industries are located. The rate of taxation on commercial and residential property in those communities will increase in direct ratio to the amount of R. F. C. aid their defense industries are receiving.

I should like to point out that this is only one burden to be placed on the local communities by S. 1438. It is already obvious that defense industries are putting a great strain on many communities by their demand and need for those services which are the fundamental functions of local government—extension of water and sewer mains, police and fire protection, public health, additional school facilities, increased housing, and recreational facilities. S. 1438 would not only reduce the tax base which provides the normal demand for these services, but will require this smaller base to pay for extended services essential to defense industries themselves and for which they should pay their proportionate share.

That defense is a national responsibility evokes little argument, nor should there be any question of distributing the cost of defense over all the citizens. Municipalities, no more than individuals, should not be singled out to bear an unequal part of the burden. The Defense Plants Corporation and all other R. F. C. subsidiaries should pay for the services they require and receive from the local governments in which they are located. I urge you to consider the problems of the municipalities, schools, and counties of Michigan in which sizable defense contracts have been let. I sincerely hope that

S. 1438 will be amended to provide expressly for the taxation of these plants on a basis of equality with other property.

Sincerely yours,

MURRAY D. VAN WAGONER.

CITY OF DETROIT,
OFFICE OF THE CITY CLERK,
May 23, 1941.

HON. GEORGE A. DONDERO,
United States Representative,

Washington, D. C.

DEAR SIR: At the direction of the common council, I am transmitting resolution approved by that body urging opposition to the passage of Senate bill 1438 relative to tax exemption for defense plants, etc.

Very truly yours,

THOS. D. LEADBETTER,
City Clerk.

Whereas Senate bill 1438 passed by the Senate on May 16, exempts from all taxation all personal property and all loans of the R. F. C. and the following subsidiaries: Defense Plant Corporation, Defense Supplies Corporation, Metal Reserve Company, Rubber Reserve Company, RFC Mortgage Company, Federal National Mortgage Association, Disaster Loan Corporation, and any other public corporation heretofore or hereafter organized by or at the instance of the R. F. C. to aid the Government in its national-defense program; and

Whereas Detroit and Michigan are large industrial centers; and

Whereas it is apparent that the defense program will necessitate widespread use of our industrial facilities, thereby creating an impossible problem for local assessment boards to determine what portion of industrial activity is a part of the defense program; and

Whereas to exempt certain phases of defense activity and not all phases of defense activity will create chaos and discrimination; and

Whereas at the same time unusual facilities always are requested and furnished by the local communities to industry actively engaged in defense work; and

Whereas major exemption of industrial property in Michigan and in Detroit will increase excessively the real-estate tax in the local communities: Therefore be it

Resolved, That the mayor and the common council of the city of Detroit earnestly and respectfully urge all possible opposition to the passage of this bill; furthermore be it

Resolved, That the city clerk be, and he is hereby, instructed to transmit copy of this resolution to the Members of the United States Senate and the House of Representatives, Washington, D. C., from the State of Michigan.

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

Mr. DONDERO. I yield to the gentleman from Alabama.

Mr. PATRICK. What I wish to inquire of the gentleman has nothing to do with the bill. The gentleman has a gentlemanly, courteous, and statesmanlike way of conducting himself. I wanted to hear the 20-minute address the gentleman was to have made yesterday on the conduct of Members of the House. I should like to know when the gentleman is going to give that speech, because I certainly do not want to miss it.

Mr. DONDERO. I thank the gentleman from Alabama for his generous compliment. If the gentleman will read this morning's RECORD, he will find there the speech made last night.

Mr. PATRICK. Is the gentleman going to make that speech on the floor?

Mr. DONDERO. I made the speech on the floor last night.

Mr. PATRICK. Will the gentleman kindly make that speech again at some future time, even though it does appear in the RECORD? I believe we would all profit by it.

Mr. DONDERO. I am afraid that repetition might be a sign of weakness.

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Speaker, the proclamation of an unlimited national emergency issued by the President last evening naturally creates in the minds of many Members of the Congress and the people concern as to what the powers of the President are under a national emergency. I thought it might be of service to the Members of the House and the public generally if I called attention to the fact that year before last, in response to a resolution by the Senate, the Attorney General filed a list of the statutes which by their terms grant powers that may be exercised by the Executive in an emergency or in a state of war. That document is about out of print this morning and at the conclusion of my remarks I am going to ask unanimous consent that it be incorporated in today's RECORD so that it may be available for the use of all the Members.

Mr. MICHENER. Mr. Speaker, will the gentleman yield there?

Mr. PACE. Of course.

Mr. MICHENER. Very recently I had the legislative reference service of the Library of Congress make a compilation covering that same matter and it is much longer than the list the gentleman refers to and has been brought up to date. I am wondering if the gentleman might not include that document rather than the one he refers to.

Mr. PACE. Of course, I shall be delighted to do so if the gentleman will supply me with it.

Mr. MICHENER. I shall be pleased to do that.

Mr. PACE. I may say on the question of authority that you will find numerous acts enacted by the Congress authorizing the President to exercise special powers. For instance, in the act of 1916 "to increase the Army in time of war or similar emergency when the public safety demands it." The act of 1918 authorizes the President to increase the authorized strength of the Navy "whenever, in his judgment, a sufficient emergency exists." The act of 1916 provided for a suspension of the requirement of sea service in connection with promotion of officers during war or a national emergency declared by the President.

I do not think there is any question, under the accumulation of statutes enacted by the Congress throughout the years, many of which were enacted during the last World War, that there is ample authority in the President, but what I arose to say was that all of us are interested in what his respective powers are and the extent of them. Mr. Speaker, I now ask that I may be permitted to extend my remarks in the RECORD, and to

include therein the proclamation issued by the President last evening, declaring a national emergency, and to include therein the talk of the President last evening and include therewith the compilation which the distinguished gentleman from Michigan [Mr. MICHENER] has referred to, annotating the different statutes and outlining the special powers of the President in time of national emergency or under the condition of a state of war.

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

There was no objection.

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

Mr. PACE. I yield.

Mr. WALTER. Does the gentleman feel that the President has any more powers after the declaration of last night than he had after the declaration that was made last September?

Mr. PACE. Unquestionably. I think the September declaration by the President was, by its express terms, limited for the specific purposes outlined in the declaration, and the declaration by the President last evening is, under its own terms, unlimited and invokes every power and every authority of the President of the United States given by statute and also those undefined, unlimited, and unquestionable, and I might say indefinable, powers which come to the President as Chief Executive under the Constitution of the United States and as Commander in Chief of the armed forces of the United States.

Mr. RANKIN of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. PACE. I yield to the gentleman.

Mr. RANKIN of Mississippi. The gentleman from Georgia is a good lawyer—

Mr. PACE. I am not so sure about that.

Mr. RANKIN of Mississippi. And I would like for the gentleman to comment on this proposition. Some Members have expressed the view that this proclamation gives the President the right to suspend the writ of habeas corpus or suspend the right of trial by jury.

Mr. PACE. The Constitution provides that the privilege of the writ of habeas corpus shall not be suspended unless, in cases of rebellion or invasion, the public safety may require it. The President's proclamation does not declare martial law and certainly does not authorize suspension of the writ of habeas corpus or trial by jury.

Mr. RANKIN of Mississippi. That can be done only in time of war?

Mr. PACE. Only in cases of rebellion within or invasion from without.

Mr. RANKIN of Mississippi. So it could not be affected by this proclamation?

Mr. PACE. Unquestionably, it could not.

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

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

Mr. GIFFORD. I wonder if the gentleman would explain to us how in the world the President can assume unto

himself the power that if any of the Axis Powers assume to occupy Dakar or the Cape Verde Islands or the Azores that he would consider that a dangerous act; that is, dangerous to the United States, and he would proceed to repel it. Where does he get quite that power?

Mr. PACE. Of course, as the Commander in Chief of the Army and Navy, it is not only the power and the right of the President, but it is certainly his most solemn duty to take such measures as will protect this Nation.

Mr. GIFFORD. How far beyond that could he go in regarding it as so dangerous to our safety that he would repel it? I suppose it is in that indefinable sphere the gentleman spoke of.

Mr. PACE. I think there is an indefinable sphere; I do not think there can be any question about that. The United States Supreme Court and the Attorneys General since 1800 have said so and as they have said, it is necessarily indefinable because it must meet different conditions and circumstances as they arise.

Mr. GIFFORD. Does it not appeal to the gentleman that it is a very extraordinary statement that he is going to assume, if the Axis powers should take possession of any place that might be dangerous to our well-being, the power referred to and that he would repel it?

Mr. PACE. I think there must be some authority somewhere to set up and determine what state of circumstances endangers this Nation. I am sure the gentleman is familiar with numerous instances in the past where different Presidents have acted quickly and without any express authority from the Congress, because they found conditions or a situation had developed which required immediate action in order to safeguard the safety of the Nation.

Mr. GIFFORD. And he has to determine that himself?

Mr. PACE. I do not know any other source that could determine it, with the advice of his military and naval advisers.

Mr. RANKIN of Mississippi. And it is a well-established and fundamental principle of law, civil or international, that resistance is never supposed to be withheld until it can be of no avail. If any act is taken that threatens the integrity of the United States, certainly it could be repelled without waiting for an act of Congress or an amendment to the Constitution.

Mr. GIFFORD. Is the word "integrity" involved?

Mr. RANKIN of Mississippi. Territorial integrity and safety of the United States I think; yes.

Mr. GIFFORD. But integrity and safety have different meanings.

Mr. RANKIN of Mississippi. I think the word integrity from the standpoint of national integrity has the proper meaning in this instance.

The SPEAKER. The time of the gentleman from Georgia has again expired. The matters above referred to follow:

PROCLAMATION OF EMERGENCY

Whereas on September 8, 1939, because of the outbreak of war in Europe, a proclamation was issued declaring a limited national emergency and directing measures "for the purpose of strengthening our national de-

fense within the limits of peacetime authorizations";

Whereas a succession of events makes plain that the objectives of the Axis belligerents in such war are not confined to those avowed at its commencement but include overthrow throughout the world of existing democratic order and a world-wide domination of peoples and economies through the destruction of all resistance on land and sea and in the air; and

Whereas indifference on the part of the United States to the increasing menace would be perilous, and common prudence requires that for the security of this Nation and of this hemisphere we should pass from peacetime authorizations of military strength to such a basis as will enable us to cope instantly and decisively with any attempt at hostile encirclement of this hemisphere, or the establishment of any base for aggression against it, as well as to repel the threat of predatory incursion by foreign agents into our territory and society;

Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, do proclaim that an unlimited national emergency confronts this country, which requires that its military, naval, air, and civilian defenses be put on the basis of readiness to repel any and all acts or threats of aggression directed toward any part of the Western Hemisphere.

I call upon all the loyal citizens engaged in production for defense to give precedence to the needs of the Nation to the end that a system of government that makes private enterprise possible may survive.

I call upon our loyal workmen as well as employers to merge their lesser differences in the larger effort to insure the survival of the only kind of government which recognizes the rights of labor or of capital.

I call upon loyal State and local leaders and officials to cooperate with the civilian defense agencies of the United States to assure our internal security against foreign-directed subversion and to put every community in order for maximum productive effort and minimum of waste and unnecessary frictions.

I call upon all loyal citizens to place the Nation's needs first in mind and in action to the end that we may mobilize and have ready for instant defensive use all of the physical powers, all of the moral strength, and all of the material resources of this Nation.

In witness whereof, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

Done at the city of Washington this twenty-seventh day of May, in the year of our Lord nineteen hundred and forty-one, and of the independence of the United States of America the one hundred and sixty-fifth.

FRANKLIN D. ROOSEVELT.

By the President:

CORDELL HULL, *Secretary of State.*

TEXT OF PRESIDENT'S SPEECH PROCLAIMING FULL EMERGENCY

I am speaking tonight from the White House in the presence of the Governing Board of the Pan-American Union, the Canadian Minister, and their families. The members of this board are the ambassadors and ministers of the American republics in Washington. It is appropriate that I do this. Now, as never before the unity of the American republics is of supreme importance to each and every one of us and to the cause of freedom throughout the world. Our future independence is bound up with the future independence of all of our sister republics.

The pressing problems that confront us are military problems. We cannot afford to approach them from the point of view of wishful thinkers or sentimentalists. What we face is cold, hard fact.

The first and fundamental fact is that what started as a European war has developed, as the Nazis always intended it should develop, into a world war for world domination.

Adolf Hitler never considered the domination of Europe as an end in itself. European conquest was but a step toward ultimate goals in all the other continents. It is unmistakably apparent to all of us that, unless the advance of Hitlerism is forcibly checked now, the Western Hemisphere will be within range of the Nazi weapons of destruction.

For our own defense we have accordingly undertaken certain obviously necessary measures:

First, we joined in concluding a series of agreements with all the other American republics. This further solidified our hemisphere against the common danger.

LARGEST ARMS PROGRAM EVER LAUNCHED

And then a year ago we launched and are successfully carrying out, the largest armament production program we have ever undertaken.

We have added substantially to our splendid Navy, and we have mustered our manpower to build up a new Army which is already worthy of the highest traditions of our military service.

We instituted a policy of aid for the democracies—the nations which have fought for the continuation of human liberties.

This policy had its origin in the first month of the war, when I urged upon the Congress repeal of the arms embargo provisions in the neutrality law. In that message of September 1939 I said, "I should like to be able to offer the hope that the shadow over the world might swiftly pass. I cannot. The facts compel my stating, with candor, that darker periods may lie ahead."

In the subsequent months the shadows deepened and lengthened. And the night spread over Poland, Denmark, Norway, Holland, Belgium, Luxemburg, and France.

In June 1940 Britain stood alone, faced by the same machine of terror which had overwhelmed her allies. Our Government rushed arms to meet her desperate needs.

In September 1940 an agreement was completed with Great Britain for the trade of 50 destroyers for eight important offshore bases.

HARD-HEADED CONCERN FOR OUR OWN SECURITY

In March 1941 the Congress passed the lend-lease bill and an appropriation of \$7,000,000,000 to implement it. This law realistically provided for material aid "for the government of any country whose defense the President deems vital to the defense of the United States."

Our whole program of aid for the democracies has been based on hard-headed concern for our own security and for the kind of safe and civilized world in which we wish to live. Every dollar of material we send helps to keep the dictators away from our own hemisphere. Every day that they are held off gives us time to build more guns and tanks and planes and ships.

We have made no pretense about our own self-interest in this aid. Great Britain understands it, and so does Nazi Germany.

And now—after a year—Britain still fights gallantly, on a far-flung battle line. We have doubled and redoubled our vast production, increasing month by month our material supply of tools of war for ourselves and Britain and China—and eventually for all the democracies.

The supply of these tools will not fail—it will increase.

With greatly augmented strength, the United States and the other American republics now chart their course in the situation of today.

Your Government knows what terms Hitler, if victorious, would impose. They are,

indeed, the only terms on which he would accept a so-called negotiated peace.

Under those terms Germany would literally parcel out the world, hoisting the swastika itself over vast territories and populations, and setting up puppet governments of its own choosing, wholly subject to the will and the policy of a conqueror.

To the people of the Americas, a triumphant Hitler would say, as he said after the seizure of Austria and after Munich and after the seizure of Czechoslovakia: "I am now completely satisfied. This is the last territorial readjustment I will seek." And he would, of course, add: "All we want is peace, friendship, and profitable trade relations with you in the New World."

And were any of us in the Americas so incredibly simple and forgetful as to accept those honeyed words, what would then happen?

QUISLINGS WOULD BE FOUND

Those in the New World who were seeking profits would be urging that all that the dictatorships desired was "peace." They would oppose toil and taxes for more American armament. Meanwhile, the dictatorships would be forcing the enslaved peoples of their Old World conquests into a system they are even now organizing—to build a naval and air force intended to gain and hold and be master of the Atlantic and the Pacific as well.

They would fasten an economic stranglehold upon our several nations. Quislings would be found to subvert the government in our republics; and the Nazis would back their "fifth columns" with invasion, if necessary.

I am not speculating about all this. I merely repeat what is already in the Nazi book of world conquest. They plan to treat the Latin-American nations as they are now treating the Balkans. They plan then to strangle the United States of America and the Dominion of Canada.

The American laborer would have to compete with slave labor in the rest of the world. Minimum wages, maximum hours? Nonsense! Wages and hours would be fixed by Hitler. The dignity and power and standard of living of the American worker and farmer would be gone. Trade-unions would become historical relics, and collective bargaining a joke.

WOULD FACE OBVIOUS DISASTER

Farm income? What happens to all farm surpluses without any foreign trade? The American farmer would get for his products exactly what Hitler wanted to give. He would face obvious disaster and complete regimentation.

Tariff walls—Chinese walls of isolation—would be futile. Freedom to trade is essential to our economic life. We do not eat all the food we can produce; we do not burn all the oil we can pump; we do not use all the goods we can manufacture. It would not be an American wall to keep Nazi goods out; it would be a Nazi wall to keep us in.

The whole fabric of working life as we know it—business, manufacturing, mining, agriculture—all would be mangled and crippled under such a system. Yet to maintain even that crippled independence would require permanent conscription of our manpower; it would curtail the funds we could spend on education, on housing, on public works, on flood control, on health. Instead, we should be permanently pouring our resources into armament; and, year in and year out, standing day and night watch against the destruction of our cities.

Even our right to worship would be threatened. The Nazi world does not recognize any god except Hitler, for the Nazis are as ruthless as the Communists in the denial of God. What place has religion which preaches the dignity of the human being, of the majesty of the human soul, in a world

where moral standards are measured by treachery and bribery and "fifth columnists"? Will our children, too, wander off, goose-stepping in search of new gods?

We do not accept, and will not permit, this Nazi "shape of things to come." It will never be forced upon us, if we act in this present crisis with the wisdom and the courage which have distinguished our country in all the crises of the past.

WAR COMING CLOSE TO HOME

The Nazis have taken military possession of the greater part of Europe. In Africa they have occupied Tripoli and Libya, and they are threatening Egypt, the Suez Canal, and the Near East. But their plans do not stop there, for the Indian Ocean is the gateway to the east.

They also have the armed power at any moment to occupy Spain and Portugal; and that threat extends not only to French North Africa and the western end of the Mediterranean, but also to the Atlantic fortress of Dakar, and to the island outposts of the New World—the Azores and Cape Verde Islands.

The Cape Verde Islands are only 7 hours' distance from Brazil by bomber or troop-carrying planes. They dominate shipping routes to and from the South Atlantic.

The war is approaching the brink of the Western Hemisphere itself. It is coming very close to home.

Control or occupation by Nazi forces of any of the islands of the Atlantic would jeopardize the immediate safety of portions of North and South America, and of the island possessions of the United States, and of the ultimate safety of the continental United States itself.

Hitler's plan of world domination would be near its accomplishment today were it not for two factors: One is the epic resistance of Britain, her colonies, and the great dominions, fighting not only to maintain the existence of the island of Britain, but also to hold the Near East and Africa. The other is the magnificent defense of China, which will, I have reason to believe, increase in strength. All of these together prevent the Axis from winning control of the seas by ships and aircraft.

MUST CAPTURE BRITAIN

The Axis Powers can never achieve their objective of world domination unless they first obtain control of the seas. This is their supreme purpose today; and to achieve it they must capture Great Britain.

They could then have the power to dictate to the Western Hemisphere. No spurious argument, no appeal to sentiment, and no false pledges like those given by Hitler at Munich can deceive the American people into believing that he and his Axis partners would not, with Britain defeated, close in relentlessly on this hemisphere.

But if the Axis Powers fail to gain control of the seas, they are certainly defeated. Their dreams of world domination will then go by the board; and the criminal leaders who started this war will suffer inevitable disaster.

Both they and their people know this—and they are afraid. That is why they are risking everything they have conducting desperate attempts to break through to the command of the ocean. Once they are limited to a continuing land war, their cruel forces of occupation will be unable to keep their heel on the necks of the millions of innocent, oppressed peoples on the Continent of Europe; and in the end their whole structure will break into little pieces. And the wider the Nazi land effort, the greater the danger.

We do not forget the silenced peoples. The masters of Germany—those, at least, who have not been assassinated or escaped to free soil—have marked these peoples and their children's children for slavery. But those people—spiritually unconquered: Austrians, Czechs, Poles, Norwegians, Dutch, Belgians,

Frenchmen, Greeks, southern Slavs—yes; even those Italians and Germans who, themselves, have been enslaved—will prove to be a powerful force in disrupting the Nazi system.

Yes; all freedom—meaning freedom to live and not freedom to conquer and subjugate other peoples—depends on freedom of the seas. All of American history—North, Central, and South American history—has been inevitably tied up with those words "freedom of the seas."

Since 1799, when our infant Navy made the West Indies and the Caribbean and the Gulf of Mexico safe for American ships; since 1804 and 1805, when we made all peaceful commerce safe from the depredations of the Barbary pirates; since the War of 1812, which was fought for the preservation of sailors' rights; since 1867, when our sea power made it possible for the Mexicans to expel the French Army of Louis Napoleon, we have striven and fought in defense of freedom of the seas—for our own shipping, for the commerce of our sister republics, for the right of all nations to use the highways of world trade, and for our own safety.

During the first World War we were able to escort merchant ships by the use of small cruisers, gunboats, and destroyers; and this type of convoy was effective against submarines. In this second World War, however, the problem is greater, because the attack on the freedom of the seas is now fourfold: First, the improved submarine; second, the much greater use of the heavily armed raiding cruiser or hit-and-run battleship; third, the bombing airplane, which is capable of destroying merchant ships seven or eight hundred miles from its nearest base; and fourth, the destruction of merchant ships in those ports of the world which are accessible to bombing attack.

ACTUAL MILITARY DANGER

The battle of the Atlantic now extends from the icy waters of the North Pole to the frozen continent of the Antarctic. Throughout this huge area there have been sinkings of merchant ships in alarming and increasing numbers by Nazi raiders or submarines. There have been sinkings even of ships carrying neutral flags; there have been sinkings in the South Atlantic; off West Africa and the Cape Verde Islands; between the Azores and the islands off the American coast; and between Greenland and Iceland. Great numbers of these sinkings have been actually within the waters of the Western Hemisphere.

The blunt truth is this—and I reveal this with the full knowledge of the British Government—the present rate of Nazi sinkings of merchant ships is more than three times as high as the capacity of British shipyards to replace them; it is more than twice the combined British and American output of merchant ships today.

We can answer this peril by two simultaneous measures: First, by speeding up and increasing our great ship-building program; and second, by helping to cut down the losses on the high seas.

Attacks on shipping off the very shores of land which we are determined to protect present an actual military danger to the Americas. And that danger has recently been heavily underlined by the presence in Western Hemisphere waters of Nazi battleships of great striking power.

Most of the supplies for Britain go by a northerly route, which comes close to Greenland and the nearby island of Iceland. Germany's heaviest attack is on that route. Nazi occupation of Iceland or bases in Greenland would bring the war close to our continental shores; because they are stepping-stones to Labrador, Newfoundland, Nova Scotia, and the northern United States, including the great industrial centers of the North, East, and the Middle West.

BASES THAT PERIL UNITED STATES

Equally the Azores and the Cape Verde Islands, if occupied or controlled by Germany, would directly endanger the freedom of the Atlantic and our own physical safety. Under German domination they would become bases for submarines, warships, and airplanes raiding the waters which lie immediately off our own coasts and attacking the shipping in the south Atlantic. They would provide a springboard for actual attack against the integrity and independence of Brazil and her neighboring republics.

I have said on many occasions that the United States is mustering its men and its resources only for purposes of defense—only to repel attack. I repeat that statement now. But we must be realistic when we use the word "attack"; we have to relate it to the lightning speed of modern warfare.

Some people seem to think that we are not attacked until bombs actually drop on New York or San Francisco or New Orleans or Chicago. But they are simply shutting their eyes to the lesson we must learn from the fate of every nation that the Nazis have conquered.

BUNKER HILL UP TO DATE

The attack on Czechoslovakia began with the conquest of Austria. The attack on Norway began with the occupation of Denmark. The attack on Greece began with occupation of Albania and Bulgaria. The attack on the Suez Canal began with the invasion of the Balkans and North Africa. The attack on the United States can begin with the domination of any base which menaces our security—north or south.

Nobody can foretell tonight just when the acts of the dictators will ripen into attack on this hemisphere and us. But we know enough by now to realize that it would be suicide to wait until they are in our front yard.

When your enemy comes at you in a tank or a bombing plane, if you hold your fire until you see the whites of his eyes, you will never know what hit you. Our Bunker Hill of tomorrow may be several thousand miles from Boston.

Anyone with an atlas and a reasonable knowledge of the sudden striking force of modern war knows that it is stupid to wait until a probable enemy has gained a foothold from which to attack. Old-fashioned common sense calls for the use of a strategy which will prevent such an enemy from gaining a foothold in the first place.

We have, accordingly, extended our patrol in North and South Atlantic waters. We are steadily adding more and more ships and planes to that patrol. It is well known that the strength of the Atlantic fleet has been greatly increased during the past year, and is constantly being built up.

These ships and planes warn of the presence of attacking raiders, on the sea, under the sea, and above the sea. The danger from these raiders is greatly lessened if their location is definitely known. We are thus being forewarned; and we shall be on our guard against efforts to establish Nazi bases closer to our hemisphere.

The deadly facts of war compel nations, for simple self-preservation, to make stern choices. It does not make sense, for instance, to say, "I believe in the defense of all the Western Hemisphere," and in the next breath to say, "I will not fight for that defense until the enemy has landed on our shores." And if we believe in the independence and integrity of the Americas, we must be willing to fight to defend them just as much as we would to fight for the safety of our own homes.

NATIONAL POLICY LISTED

It is time for us to realize that the safety of American homes even in the center of our country has a definite relationship to

the continued safety of homes in Nova Scotia or Trinidad or Brazil.

Our national policy today, therefore, is this:

First, we shall actively resist wherever necessary, and with all our resources, every attempt by Hitler to extend his Nazi domination to the Western Hemisphere, or to threaten it. We shall actively resist his every attempt to gain control of the seas. We insist upon the vital importance of keeping Hitlerism away from any point in the world which could be used and would be used as a base of attack against the Americas.

Second, from the point of view of strict naval and military necessity, we shall give every possible assistance to Britain and to all who, with Britain, are resisting Hitlerism or its equivalent with force of arms. Our patrols are helping now to insure delivery of the needed supplies to Britain. All additional measures necessary to deliver the goods will be taken. Any and all further methods or combination of methods, which can or should be utilized, are being devised by our military and naval technicians, who, with me, will work out and put into effect such new and additional safeguards as may be needed.

The delivery of needed supplies to Britain is imperative. This can be done; it must be done; it will be done.

To the other American nations—20 republics and the Dominion of Canada—I say this: The United States does not merely propose these purposes, but is actively engaged today in carrying them out.

INTERNATIONAL BANDITRY

I say to them further, you may disregard those few citizens of the United States who contend that we are disunited and cannot act.

There are some timid ones among us who say that we must preserve peace at any price—lest we lose our liberties forever. To them I say: Never in the history of the world has a nation lost its democracy by a successful struggle to defend its democracy. We must not be defeated by the fear of the very danger which we are preparing to resist. Our freedom has shown its ability to survive war, but it would never survive surrender. "The only thing we have to fear is fear itself."

There is, of course, a small group of sincere, patriotic men and women whose real passion for peace has shut their eyes to the ugly realities of international banditry and to the need to resist it at all costs. I am sure they are embarrassed by the sinister support they are receiving from the enemies of democracy in our midst—the Bundists, and Fascists, and Communists, and every group devoted to bigotry and racial and religious intolerance. It is no mere coincidence that all the arguments put forward by these enemies of democracy—all their attempts to confuse and divide our people and to destroy public confidence in our Government—all their defeatist forebodings that Britain and democracy are already beaten—all their selfish promises that we can "do business" with Hitler—all of these are but echoes of the words that have been poured out from the Axis bureaus of propaganda. Those same words have been used before in other countries—to scare them, to divide them, to soften them up. Invariably, those same words have formed the advance guard of physical attack.

LOYALTY EXPECTED

Your Government has the right to expect of all citizens that they take loyal part in the common work of our common defense—take loyal part from this moment forward.

I have recently set up the machinery for civilian defense. It will rapidly organize, locally by locality. It will depend on the

organized effort of men and women everywhere. All will have responsibilities to fulfill.

Defense today means more than merely fighting. It means morale, civilian as well as military; it means using every available resource; it means enlarging every useful plant. It means the use of a greater American common sense in discarding rumor and distorted statement. It means recognizing, for what they are, racketeers and "fifth columnists," who are the incendiary bombs of the moment.

All of us know that we have made very great social progress in recent years. We propose to maintain that progress and strengthen it. When the Nation is threatened from without, however, as it is today, the actual production and transportation of the machinery of defense must not be interrupted by disputes between capital and capital, labor and labor, or capital and labor. The future of all free enterprise—of capital and labor alike—is at stake.

This is no time for capital to make, or be allowed to retain, excess profits. Articles of defense must have undisputed right-of-way in every industrial plant in the country.

A Nation-wide machinery for conciliation and mediation of industrial disputes has been set up. That machinery must be used promptly—and without stoppage of work. Collective bargaining will be retained, but the American people expect that impartial recommendations of our Government services will be followed both by capital and by labor.

The overwhelming majority of our citizens expect their Government to see that the tools of defense are built; and for the very purpose of preserving the democratic safeguards of both labor and management, this Government is determined to use all of its power to express the will of its people, and to prevent interference with the production of materials essential to our Nation's security.

Today the whole world is divided between human slavery and human freedom—between pagan brutality and the Christian ideal.

We choose human freedom—which is the Christian ideal.

No one of us can waver for a moment in his courage or his faith.

We will not accept a Hitler-dominated world. And we will not accept a world, like the post-war world of the 1920's, in which the seeds of Hitlerism can again be planted and allowed to grow.

We will accept only a world consecrated to freedom of speech and expression—freedom of every person to worship God in his own way—freedom from want—and freedom from terrorism.

Is such a world impossible of attainment? Magna Carta, the Declaration of Independence, the Constitution of the United States, the Emancipation Proclamation, and every other milestone in human progress—all were ideals which seemed impossible of attainment—yet they were attained.

As a military force, we were weak when we established our independence, but we successfully stood off tyrants, powerful in their day, who are now lost in the dust of history.

REASSERTS FREEDOM OF SEAS

Odds meant nothing to us then. Shall we now, with all our potential strength, hesitate to take every single measure necessary to maintain our American liberties?

Our people and our Government will not hesitate to meet that challenge.

As the President of a united and determined people, I say solemnly:

We reassert the ancient American doctrine of freedom of the seas.

We reassert the solidarity of the 21 American Republics and the Dominion of Canada in the preservation of the independence of the hemisphere.

We have pledged material support to the other democracies of the world—and we will fulfill that pledge.

We in the Americas will decide for ourselves whether, and when, and where, our American interests are attacked or our security threatened.

We are placing our armed forces in strategic military position.

We will not hesitate to use our armed forces to repel attack.

We reassert our abiding faith in the vitality of our constitutional Republic as a perpetual home of freedom, of tolerance, and of devotion to the word of God.

Therefore, with profound consciousness of my responsibilities to my countrymen and to my country's cause, I have tonight issued a proclamation that an unlimited national emergency exists and requires the strengthening of our defense to the extreme limit of our national power and authority.

The Nation will expect all individuals and all groups to play their full parts without stint, and without selfishness, and without doubt that our democracy will triumphantly survive.

I repeat the words of the signers of the Declaration of Independence—that little band of patriots, fighting long ago against overwhelming odds, but certain, as we are, of ultimate victory: "With a firm reliance on the protection of Divine Providence, we mutually pledge to each other our lives, our fortunes, and our sacred honor."

ACTS OF CONGRESS APPLICABLE IN TIME OF EMERGENCY

Part I covers provisions specifically applicable in "emergencies," whether or not coupled with "war," and is subdivided into provisions relating to the military and naval forces and provisions relating to other matters.

Part II covers provisions specifically applicable in time of war alone, and is subdivided into (a) provisions relating to war in which the United States is not a belligerent, (b) provisions relating to the military and naval forces in time of war, and (c) miscellaneous war provisions.

Part III covers provisions specifically applicable in time of peace (in other words, provisions that are not applicable in time of war).

I. PROVISIONS APPLICABLE IN TIME OF EMERGENCY

(a) Provisions relating to the military and naval forces

Act of February 2, 1901 (31 Stat. 752, sec. 18; U. S. Code 10:107): The Surgeon General of the Army, with the approval of the Secretary of War, may appoint as many contract surgeons as necessary "in emergencies."

Act of May 27, 1908 (35 Stat. 400, sec. 3; U. S. Code 32:81a): The President may call out such number of the militia of the States, Territories, or the District of Columbia as may be necessary "whenever the United States is invaded or in danger of invasion from any foreign nation, or of rebellion against the authority of the Government of the United States, or the President is unable with the regular forces at his command to execute the laws of the Union."

Act of February 16, 1914 (38 Stat. 289, sec. 21; U. S. Code 34:851): The President is authorized to commission in the Regular Navy persons certified by examining boards as eligible for naval duties, etc., "upon the outbreak of war or when, in his opinion, war is imminent."

Act of January 28, 1915 (38 Stat. 800-801, sec. 1; U. S. Code 14:1): The Coast Guard is to operate as part of the Navy, subject to orders of the Secretary of the Navy "in time of war or when the President shall so direct."

Joint resolution of March 17, 1916 (39 Stat. 36, c. 46): Organizations of the Army below the maximum enlisted strength authorized by law may be raised to that strength "when

in the judgment of the President an emergency arises which makes it necessary."

(This resolution is probably temporary or superseded by later provisions.)

Act of August 29, 1916 (39 Stat. 581; U. S. Code 34:191): Navy enlisted men on furlough without pay for the unexpired portion of their enlistment are subject to recall to complete the enlistment period "in time of war or national emergency."

Same (p. 591; U. S. Code 34:433): The Secretary of the Navy may call retired enlisted men into active service "in time of war or when a national emergency exists."

Same (p. 614; U. S. Code 34:831): Marine Corps training camps, authorized to be established by the Secretary of the Navy, are not to be maintained for more than 6 weeks in each fiscal year "except in time of actual or threatened war."

Act of October 6, 1917 (40 Stat. 393, ch. 93; U. S. Code 34:1200, art. 65, as amended by acts of July 1, 1918 (40 Stat. 708), and February 28, 1925 (43 Stat. 1081, sec. 3)): Commissioned officers of the Coast Guard, Lighthouse Service, Coast and Geodetic Survey, and Public Health Service may serve on naval courts martial and deck courts "in time of war or during the existence of an emergency."

(The Lighthouse Service is now part of the Coast Guard; see 53 Stat. 1432, sec. 2.)

Act of July 1, 1918 (40 Stat. 717; U. S. Code 14:164, 165; 34:423): "During the existence of war or of a national emergency declared by the President to exist," commissioned or warrant officers of the Navy, Marine Corps, or Coast Guard on the retired list may be ordered to active duty in the discretion of the Secretary of the Navy, and retired officers performing such duty may be temporarily advanced in rank on the retired list, as the President may determine.

Act of July 11, 1919 (41 Stat. 137; U. S. Code 34:151): The President is empowered to increase the authorized enlisted strength of the Navy up to 191,000 men "whenever in his judgment a sufficient emergency exists."

Act of June 4, 1920 (41 Stat. 759, sec. 2; U. S. Code 10:602): The number of enlisted men of the Regular Army is limited to 280,000, "except in time of war or similar emergency where the public safety demands it."

(The act of June 26, 1940 (54 Stat. 601, Public No. 667, 76th Cong.), authorized an increase during the fiscal year 1941 of 95,000 in the number of enlisted men in the Regular Army.)

Same (p. 776 (sec. 37a); U. S. Code 10:369): The restriction on employment of Reserve officers on active duty for more than 15 days is not applicable "in time of a national emergency expressly declared by Congress."

Same (p. 778 (sec. 47a), U. S. Code 10:441): Instruction camps authorized for members of the Reserve Officers' Training Corps are not to be maintained for longer periods than 6 weeks in any 1 year, "except in time of actual or threatened hostilities."

Same (p. 780, sec. 35 (sec. 55b); U. S. Code 10:426): Certain restrictions on active duty service of members of the Enlisted Reserve Corps are not applicable "in time of a national emergency expressly declared by Congress."

Act of June 4, 1920 (41 Stat. 808, art. 104; U. S. Code 10:1576): Certain commanding officers of the Army "in time of war or grave public emergency" may impose, as additional punishment upon officers under their command, forfeiture of not more than one-half of 1 month's pay.

Same (p. 811, art. 119; U. S. Code 10:1591): The President may assign the command of forces in the field, "in time of war or public danger," without regard to seniority of rank in the same grade.

Act of May 13, 1926 (44 Stat. 532, ch. 289, sec. 4; U. S. Code 10:1032; 34:440a): Retired

nurses may be employed on active duty with the full active pay and allowances of their grades "in time of war or national emergency."

Act of June 15, 1933 (48 Stat. 156, sec. 7; U. S. Code 32:124): The President may extend enlistment terms of the National Guard for 6 months "in the event of an emergency declared by Congress."

Same (p. 160, sec. 18; U. S. Code 32:81) as amended by act of June 19, 1935 (49 Stat. 392, sec. 7): When Congress shall have declared a national emergency and shall have authorized the use of armed land forces of the United States for any purpose requiring the use of troops in excess of those of the Regular Army, the President may order units of the National Guard of the United States into active military service "for the period of the war or emergency."

Same (p. 161, sec. 20; U. S. Code 10:513) as amended by act of September 9, 1940 (54 Stat. 875, sec. 101; Public No. 781, 76th Cong.): Officers of the Regular Army may, "in time of war or national emergency determined by the President," be appointed to higher grades without vacating their permanent appointments; all such appointments below the grade of brigadier general are to be made by the President alone; general officers, with the consent of the Senate.

Act of May 29, 1934 (48 Stat. 816, ch. 370; U. S. Code 10:17): The provision that Army officers or enlisted men are not to be required to serve more than 2 years on tours of duty on foreign stations is not to be applicable "in case of insurrection or of actual or threatened hostilities and * * * for temporary emergencies."

Act of June 10, 1935 (49 Stat. 391, ch. 277, sec. 1; U. S. Code, Supp. 32:81c): The President may order officers of the National Guard of the United States to active duty "in an emergency at an" time"; but no such officer is to be employed on active duty for more than 15 days in a year without his own consent, "except in time of a national emergency expressly declared by Congress."

Act of April 25, 1938 (52 Stat. 222, ch. 171; U. S. Code, Supp. 10:343): Members of the Regular Army Reserve may be ordered to active duty "only in case of emergency declared by the President."

Act of June 23, 1938 (52 Stat. 948, sec. 11 (c); U. S. Code, Supp. 34:311): Sea-service requirements for officers designated by the Secretary of the Navy to perform highly important shore duties are not to apply "while the United States is at war, or during a national emergency declared by the President," or for 2½ years thereafter.

Act of July 25, 1938 (52 Stat. 1176, sec. 5; U. S. Code, Supp. 34:853c): Members of the Naval Reserve, including those on the retired list, may be ordered to active duty by the Secretary of the Navy "in time of war or when in the opinion of the President a national emergency exists."

Same (p. 1180, sec. 302; U. S. Code, Supp. 34:855a): Officers of the Naval Reserve are to be paid \$150 in addition to the regular gratuity for the purchase of required uniforms upon first reporting for active duty "in time of war or national emergency."

Same (p. 1181, sec. 303; U. S. Code, Supp. 34:855b): Enlisted men of the Naval Reserve, upon first reporting for active duty "in time of war or national emergency," may be issued additional articles necessary to give them the same outfit as that of enlisted personnel of the Regular Navy, and midshipmen, merchant-marine cadets, and nurses are to be furnished such additional articles as the Secretary of the Navy may prescribe.

Same (p. 1183, sec. 311; U. S. Code, Supp. 34:855j), as amended by act of August 27, 1940 (54 Stat. 865, sec. 8 (c); Public No. 775, 76th Cong.): When mobilized with the Regular Navy, "for war or a national emergency," officers of the Naval Reserve are to take

precedence next after officers of the Regular Navy of the same rank or grade whose length of service on the date of the declaration of such war or emergency is nearest one-half that of the Reserve officer.

Same (p. 1183, sec. 312; U. S. Code, Supp. 34:855k): Naval Reserve or Marine Corps Reserve officers of the active list, employed on active duty, are to be advanced in the same manner as officers of the Regular Navy or Marine Corps "in time of war or national emergency."

Act of June 25, 1938 (52 Stat. 1185, sec. 401; U. S. Code Supp. 34:856). Officers and men of the Naval Reserve, who are members of the Naval Militia of any State, Territory, or the District of Columbia are to be relieved from service or duty in such Naval Militia "when on active duty in time of war or national emergency."

Act of May 14, 1940 (54 Stat. 213, ch. 194; Pub. No. 513, 76th Cong.): "In time of war or other emergency declared by Congress," enlistments in the Army are to be without specification of any particular component, for the duration of such war or emergency plus 6 months. Persons enlisted at any time in the Army are to be available for assignment to any unit and for transfer from one unit to another, "in time of war or other emergency declared by Congress."

Act of May 14, 1940 (54 Stat. 214, ch. 195; Pub. No. 514): The President may, within the limit of the total authorized strength of the Regular Army, authorize additional enlistments in the Medical Department, "in event of actual or threatened hostilities involving the United States," to such number as he deems necessary.

Navy Department Appropriation Act of June 11, 1940 (54 Stat. 275, 293; Pub. No. 588): The restriction on paying active-duty pay, etc., to retired Navy officers is not applicable "during war or national emergency declared by the President to exist."

Officers of the Navy or Marine Corps who have been adjudged fit are not to be involuntarily retired "during the existing limited emergency."

Act of September 16, 1940 (54 Stat. 886 (b); Pub. No. 783): The President is authorized to extend the 12-month period prescribed for training and service under the Selective Training and Service Act, "whenever the Congress has declared that the national interest is imperiled."

Coast Guard Auxiliary and Reserve Act of February 19, 1941 (Pub. No. 8, secs. 201, 202, 205, 214, 77th Cong.): The United States Coast Guard Reserve is established in order to provide a trained force of officers and men to enable the Coast Guard to perform extraordinary duties "necessitated by emergency conditions." The Reserve is to be composed of male citizens who "obligate themselves to serve in the Coast Guard in time of war or during any period of national emergency declared by the President to exist." Any member may be ordered to active duty by the commandant "in time of war or during any period of national emergency declared by the President to exist and be required to perform active duty throughout the war or until the President declares that such national emergency no longer exists"; but the commandant may release any member from active duty "in time of war."

Chief warrant and warrant officers and enlisted men of the Regular Coast Guard may receive appointments in the Reserve, under which they may be required to serve "only in time of war or during any period of national emergency declared by the President to exist."

Act of March 17, 1941 (55 Stat. —; Pub. No. 14, 77th Cong.): The Secretary of the Navy may appoint "in time of war or national emergency declared by the President to exist," acting assistant surgeons, "as the exigencies of the service may require."

(b) Miscellaneous provisions

Revised Statutes 4798 (U. S. Code 4:8): The President may permit the removal of public offices from the seat of the Government "in case of the prevalence of a contagious or epidemic disease."

Joint resolution of April 11, 1898 (30 Stat. 737, No. 21; U. S. Code 50:178): The President is authorized to erect temporary forts "in case of emergency when, in the opinion of the President, the immediate erection of any temporary fort or fortification is deemed important and urgent."

Act of July 1, 1902 (32 Stat. 713, sec. 4; U. S. Code 42:8): The President is authorized to utilize the Public Health Service "in time of actual or threatened war" to such extent as will "in his judgment promote the public interest."

Act of January 5, 1905 (33 Stat. 600, sec. 3; U. S. Code 36:3): The American National Red Cross was incorporated for the purpose of mitigating the sufferings caused by "national calamities," etc.

Act of April 24, 1912 (37 Stat. 90, ch. 90; U. S. Code 36:10): The President is authorized to accept the assistance of the American National Red Cross "in time of war or when war is imminent."

Act of June 19, 1912 (37 Stat. 138, sec. 2; U. S. Code 40:325): The President is authorized to waive stipulations of the 8-hour law in public contracts "during time of war or a time when war is imminent."

Penalties are not to be imposed for violations which were "due to any extraordinary events or conditions of manufacture or to any emergency caused by fire, famine, or flood, by danger to life or to property, or by other extraordinary event or condition on account of which the President shall subsequently declare the violations to have been excusable."

Act of August 24, 1912 (37 Stat. 569, sec. 13; U. S. Code 48:1306; Canal Zone Code 2:8): The President may designate an officer of the Army to assume exclusive authority and jurisdiction over the operation of the Panama Canal "in time of war * * * or when, in the opinion of the President, war is imminent."

Act of March 3, 1913 (37 Stat. 726; U. S. Code 40:321): Employment of laborers and mechanics on public works for more than 8 hours a day is prohibited, "except in case of extraordinary emergency."

Act of June 3, 1916 (39 Stat. 204, sec. 86; U. S. Code 32:39): Material of war, purchased by States from Army stores, may be requisitioned by the United States for use in the military service "in time of actual or threatened war."

Same (p. 213, sec. 120; U. S. Code 50:80): The President is authorized, "in time of war or when war is imminent," to place orders through the heads of departments for arms or other required material with any factory, etc.; such orders are obligatory and must be given precedence over other orders at such times. Failure to give such precedence subjects the factory, etc., to immediate possession by the Government, and the manufacturer, etc., to imprisonment up to 3 years and a fine up to \$50,000.

Act of August 29, 1916 (39 Stat. 602; U. S. Code 33:759): The President is authorized, whenever "in his judgment a sufficient national emergency exists" to transfer vessels, equipment, stations, and personnel of the Lighthouse Service (now Coast Guard, under Reorganization Plan No. II) to the jurisdiction of the Navy or War Department.

Same (p. 604; U. S. Code 10:1362, 49:6 (8)): The President may demand, "in time of war or threatened war" that preference and precedence over all other traffic be given for the transportation of troops and war material.

Act of March 4, 1917 (39 Stat. 1192; U. S. Code 40:326): The President may suspend provisions of the 8-hour law as to contracts with the United States "in case of national emergency."

Act of May 22, 1917 (40 Stat. 87, sec. 16; U. S. Code 33:855): The President may transfer vessels, equipment, stations, and personnel of the Coast and Geodetic Survey to the jurisdiction of the War or Navy Department whenever in his judgment "a sufficient national emergency exists."

Act of June 15, 1917 (40 Stat. 219, sec. 6, 220, sec. 1; U. S. Code 50:36, 191): The President "in time of war or in case of national emergency" may designate places used for Army or Navy storage as places concerning which information is not to be published, in the interest of national defense; he may approve regulations concerning vessels in territorial waters, upon declaring that a national emergency exists "by reason of actual or threatened war, insurrection, or invasion, or disturbance or threatened disturbance of the international relations of the United States."

Act of July 2, 1917 (40 Stat. 241, ch. 35; U. S. Code, 50:171): Immediate possession may be taken of land needed for military purposes at the commencement of condemnation proceedings "in time of war or the imminence thereof."

[Extended by act of April 11, 1918 (40 Stat. 518, ch. 51), to nitrate plants, etc., and by act of July 9, 1918 (40 Stat. 888; U. S. Code, 50:172), to timber, etc.]

Act of July 9, 1918 (40 Stat. 861; U. S. Code, 40:37): The Secretary of War may rent, etc., buildings in the District of Columbia necessary for military purposes "in time of war, or when war is imminent."

Same (p. 893; U. S. Code 10:1287): The proceeds from operation of public utilities in connection with engineer operations in the field overseas are to be available for such utilities "in case of actual or threatened war."

Act of July 15, 1918 (40 Stat. 901, sec. 4; U. S. Code 46:835): It is declared unlawful, "when the United States is at war or during any national emergency, the existence of which is declared by proclamation of the President," without first obtaining the approval of the Shipping Board (now the U. S. Maritime Commission; see 49 Stat. 2016, sec. 904; U. S. Code Supp. 46:1243), to transfer any American ship to a foreign registry; to sell any American vessel to other than a citizen; to agree to construct vessels, etc., before the end of the war or emergency, for other than citizens; to vest in foreigners a controlling interest in shipyards, etc.; or to cause an undocumented American-built vessel to depart from a port of the United States.

Act of October 27, 1918 (40 Stat. 1017, ch. 196; U. S. Code, 42:18): A reserve of the Public Health Service is directed to be organized for duty "in time of national emergency."

Act of February 28, 1920 (41 Stat. 477 (15); U. S. Code, 49:1 (15)): The Interstate Commerce Commission is to direct that preference is to be given to transportation of such traffic as the President deems essential to national defense and security "in time of war or threatened war."

Act of June 10, 1920 (41 Stat. 1072, sec. 16; U. S. Code, 16:809): The United States may take possession of any project licensed for the manufacture of nitrates, etc., when in the opinion of the President "the safety of the United States demands it."

Act of February 26, 1925 (43 Stat. 984, ch. 340): The Secretary of War was directed to attach to the transfer of the stock of the Hoboken Manufacturers' Railroad Co. a condition that would insure the use of the railroad by the United States "in the event of war or other national emergency."

Act of March 3, 1925 (43 Stat. 1110, ch. 425; U. S. Code, 16:440): The Secretary of War is authorized to close Fort McHenry Military Reservation in Maryland, "in case of a national emergency," and use it for military purposes during the period of such emergency and as long thereafter as necessary.

Act of March 3, 1925 (43 Stat. 1129, ch. 450): The United States reserves the right to take exclusive possession of the Presidio of San Francisco Military Reservation, including that portion transferred to the city and county of San Francisco, "in the event of war or any other great national emergency."

Act of April 12, 1926 (44 Stat. 241, ch. 116): The Government may assume absolute control of the municipal aviation field established on certain land leased to the city of Tucson, Ariz., "in case of emergency, or in event it shall be deemed advisable."

Act of May 29, 1926 (44 Stat. 677, ch. 424): "In case of emergency, or in the event that it shall be deemed advisable by the Secretary of War," the War Department may assume control of the aviation field established near Yuma, Ariz.

Act of May 14, 1930 (46 Stat. 332, sec. 10): The Secretary of the Navy may revoke the lease of the floating drydock and water-front accessories at the New Orleans naval station "in case of national emergency declared by the President."

Act of May 29, 1930 (46 Stat. 479, ch. 350): The Secretary of the Navy may revoke the lease of the United States naval destroyer and submarine base at Squantum, Mass., "in case of a national emergency declared by the President."

Act of June 17, 1930 (46 Stat. 696, sec. 318; U. S. Code, 19:1318): "Whenever the President shall by proclamation declare an emergency to exist, by reason of a state of war or otherwise," he may authorize the Secretary of the Treasury to extend the time prescribed in the Tariff Act of 1930 for the performance of any act thereunder, and to permit the free importation of food, clothing, and medical supplies for use in emergency relief work.

Act of February 23, 1931 (46 Stat. 1213, sec. 27; U. S. Code 22:22): The President may recall to active service any retired Foreign Service officer "in the event of public emergency."

Act of February 28, 1933 (47 Stat. 1363, sec. 4): Resumption of possession of certain rights-of-way granted to Arlington County, Va., in order to connect Lee Boulevard with Arlington Memorial Bridge, "whenever in the judgment of the President an emergency exists that requires the use and appropriation of the same for the public defense."

Act of March 9, 1933 (48 Stat. 1, sec. 2, sec. 4; U. S. Code 12:95a, 95).

"During time of war or during any other period of national emergency declared by the President," he may regulate transactions in foreign exchange and the export, hoarding, melting, etc., of gold or silver coin, bullion, or currency, by any person subject to the jurisdiction of the United States; and "during such emergency period as the President of the United States by proclamation may prescribe," member banks of the Federal Reserve System are not to transact any banking business, except in accordance with regulations of the Secretary of the Treasury approved by the President.

[Amended by joint resolution of May 7, 1940 (54 Stat. 179, ch. 185; Pub. Res. No. 69, 76th Cong.) by extending the provision for regulation, etc., by the President to payments to banking institutions, and to transfers, withdrawals, or exports of or dealings in, evidences of indebtedness or ownership of property in which any foreign state, etc., has any interest.]

Act of May 12, 1933 (48 Stat. 51, sec. 43; U. S. Code 31:821): Whenever the President finds that "the foreign commerce of the United States is adversely affected" by for-

eign-currency depreciation or action "is necessary in order to regulate and maintain the parity of currency issues of the United States," or "an economic emergency requires an expansion of credit," or an expansion of credit is necessary for the "stabilization at proper levels of the currencies of various governments," he is authorized (a) to conduct open market operations in United States obligations through the Federal Reserve Board; (b) to direct the issuance of United States notes; or (c) to fix the weight of the dollar at not less than 50 percent of its present weight (amended by adding "nor * * * more than 60 percent" by act of January 30, 1934, 48 Stat. 342, sec. 12).

(These powers of the President expire June 30, 1941, unless he "sooner declares the existing emergency ended"; act of July 6, 1939 (53 Stat. 998, ch. 260; U. S. Code Supp. 31:821).)

Act of May 18, 1933 (48 Stat. 68, sec. 20; U. S. Code 16:831s): The United States reserves the right, "in case of war or national emergency declared by Congress," to take possession of property described in the Tennessee Valley Authority Act, for the purpose of manufacturing explosives or for other war purposes.

Act of May 10, 1934 (48 Stat. 759, sec. 513; U. S. Code 5:246a): The Secretary of the Treasury may appoint five assistants, at not over \$10,000 a year, and may delegate to them any of his authority; whenever "the President declares by Executive order that the emergency requiring the appointments * * * has ceased to exist, the persons appointed shall cease to hold office * * * and the power of the Secretary" hereunder is to terminate.

Act of June 19, 1934 (48 Stat. 1104, sec. 606; U. S. Code 47:606): "Upon proclamation by the President that there exists war or a threat of war or a state of public peril or disaster or other national emergency, or in order to preserve the neutrality of the United States," he may suspend regulations of the Federal Communications Commission as to radio stations, or close or assume control of stations.

Act of June 27, 1934 (48 Stat. 1262 (f); U. S. Code 12:1431): The Federal Home Loan Bank Board may require Federal home loan banks to rediscount notes in certain cases "whenever in the judgment of at least four of its members an emergency exists."

Act of August 26, 1935 (49 Stat. 849 (c); U. S. Code Supp. 16:824a): The Federal Power Commission may require certain temporary connections of facilities, etc., to prevent shortage of electric energy "during the continuance of any war in which the United States is engaged, or whenever the Commission determines that an emergency exists."

Act of August 30, 1935 (49 Stat. 1013, ch. 825, sec. 6; U. S. Code Supp. 40:276a-5): The President may suspend certain provisions of law relating to wages of laborers, etc., under public building contracts, "in the event of a national emergency."

Act of May 15, 1936 (49 Stat. 1292 (2)): The Secretary of War may request the municipality of Little Rock, Ark., to turn over complete control of the Little Rock Municipal Airport to the United States "in time of national emergency," for such length of time as, in the discretion of the Secretary, the emergency requires.

Act of May 27, 1936 (49 Stat. 1387, ch. 465): The President may order for use by the War Department certain land, etc., conveyed to the city of Charleston, S. C., "in the event of a national emergency."

Act of June 19, 1936 (49 Stat. 1535, ch. 604): The President is authorized to use for public defense certain lands transferred to Hawaii, whenever in his judgment "an emergency exists that requires" such use.

Act of June 20, 1936 (49 Stat. 1557, ch. 636): The United States may, "in the event

of war or of any national emergency declared by Congress to exist," take over Fort Newark Army Base property, sold to the city of Newark, N. J.

Act of June 29, 1936 (49 Stat. 1993, sec. 302 (h), 2010, sec. 712 (d); U. S. Code Supp. 46:1132, 1202): During a "national emergency as proclaimed by the President," he may suspend section 302 of the Merchant Marine Act of 1936, relating to citizenship of officers and crews of vessels; and the United States Maritime Commission may terminate charters of public vessels during such time.

Act of August 19, 1937 (50 Stat. 696, ch. 697): The Secretary of War may resume possession of Fort Schuyler Military Reservation, N. Y., for use, etc., for public defense, whenever in his judgment "an emergency exists that requires the use and appropriation of the same for the public defense."

Act of September 1, 1937 (50 Stat. 916, sec. 509; U. S. Code Supp. 7:1179): "Whenever the President finds and proclaims that a national economic or other emergency exists with respect to sugar," he may suspend titles II (Quota Provisions) and III (Conditional-Payment Provisions) of the Sugar Act of 1937.

Act of February 16, 1938 (52 Stat. 64, sec. 371 (b); U. S. Code Supp. 7:1371): Whenever the Secretary of Agriculture has reason to believe, that, because of "a national emergency," etc., the marketing quotas for corn, wheat, cotton, rice, or tobacco should be increased or terminated, he must cause an immediate investigation to determine whether such increase or termination is needed.

(Amended by act of April 3, 1941 (55 Stat. —; Public, No. 27, 77th Cong.) to include peanuts.)

Act of June 21, 1938 (52 Stat. 834, sec. 3): The Hoboken Pier Terminal property conveyed to the city of Hoboken, N. J., under this act, may be taken upon order of the President "in event of a national emergency" for use of the War Department during the period of such emergency.

Act of June 7, 1939 (53 Stat. 811, sec. 4; U. S. Code Supp. 50:98c): Strategic and critical materials, acquired to supply industrial, military, and naval needs of the country and to prevent the dependence of the United States upon foreign nations for such supplies, are to be "used only upon the order of the President in time of war, or when he shall find that a national emergency exists with respect to national defense as a consequence of the threat of war."

Act of June 29, 1939 (53 Stat. 890): The President may make available certain funds for the protection of American citizens in any foreign country whenever he "shall find that a state of emergency exists endangering the lives" of such citizens.

Act of August 7, 1939 (53 Stat. 1254, sec. 1 (d), 1255, sec. 3 (a); U. S. Code Supp. 46:1202, 1242): "Whenever the President shall proclaim that the security of the national defense makes it advisable, or during any national emergency declared by proclamation of the President," the United States Maritime Commission may terminate charters of vessels, and may requisition, etc., vessels of citizens for any period during such emergency.

Act of August 11, 1939 (53 Stat. 1418, ch. 701; U. S. Code Supp. 15:713a-6): The Commodity Credit Corporation, in selling surplus agricultural commodities to foreign governments, must require the condition that these commodities are to be held in reserve for at least 5 years "unless a war or war emergency results in a serious interruption of normal supplies of such commodities."

Act of February 12, 1940 (54 Stat. 33, sec. 203; Public, No. 415, 76th Cong.): The Secretary of the Navy is authorized to exceed

the statutory limit on repairs and alterations to vessels commissioned or converted "to meet the existing emergency."

Department of Justice Appropriation Act of May 14, 1940 (54 Stat. 201; Public, No. 508): The Attorney General is to direct the expenditure of \$20,000 appropriated "to meet unforeseen emergencies of a confidential nature," also of \$200,000 appropriated as a "reserve for emergencies arising in connection with kidnaping, extortion, and bank robbery."

Navy Department Appropriation Act of June 11, 1940 (54 Stat. 292, sec. 6, 293, 297; Public, No. 588): The President may suspend compliance with citizenship requirements as to employment under the Navy Department of persons in the Canal Zone "in time of war or national emergency."

The Secretary of the Navy may exceed the statutory limit, under the Bureau of Engineering and Bureau of Construction and Repair (consolidated into Bureau of Ships by act of June 20, 1940, 54 Stat. 492-493; Public, No. 644, 76th Cong.), on repairs and alterations to vessels commissioned or converted "to meet the existing emergency."

Thirty-four million dollars is appropriated as an emergency fund to enable the President to "provide for emergencies affecting the national security and defense," including purposes specified under the Navy Department appropriation acts for 1940 and 1941, the furnishing of Government-owned facilities at privately owned plants, the training of civilian personnel necessary for the protection of essential equipment, etc., and the procurement of strategic and critical materials.

Military Appropriation Act of June 13, 1940 (54 Stat. 379, sec. 7; Public, No. 611): The President may suspend compliance with citizenship requirements in the employment of persons in the Canal Zone "in time of war or national emergency."

(For emergency fund of \$66,000,000, see under act of July 2, 1940, below.)

Act of June 14, 1940 (54 Stat. 395, sec. 10; Public, No. 629): Provisions of the act of April 25, 1939 (53 Stat. 591), authorizing contracts upon a cost-plus-a-fixed-fee basis in certain cases, are to be applicable to naval public works and utilities projects in the fourteenth naval district (at Pearl Harbor, T. H.) "during the period of any national emergency declared by the President to exist."

Act of June 20, 1940 (54 Stat. 494, sec. 3; Public, No. 644): The President is authorized to appoint from civil life, with the Senate's consent, an Under Secretary of the Navy to serve "during any national emergency declared by him to exist, including the present limited emergency."

Act of June 26, 1940 (54 Stat. 581; Public, No. 665): "In the event of an emergency declared by the President to exist," he may make inapplicable a proviso restricting expenditures of any class under the Civilian Conservation Corps appropriation of 10 percent above the Budget estimates for 1941.

Act of June 26, 1940 (54 Stat. 599; Public, No. 667): The head of any department or independent establishment of the Government may, with the President's approval, employ persons of outstanding experience and ability at \$1 a year "until such time as the President shall declare the present emergency at an end."

Act of June 28, 1940 (54 Stat. 676-680; Public, No. 671): Whenever the President deems it to be in the best interests of national defense, "during the national emergency declared by the President on September 8, 1939, to exist": (a) The Secretary of the Navy (or the Secretary of the Treasury, in the case of Coast Guard contracts) may make advance payments to contractors up to 30 percent of the contract prices; (b) the Secretary of the Navy may negotiate contracts for the acquisition, alteration, etc., of

naval vessels or aircraft, without competition; and deliveries of materials authorized under this act must be given priority over all deliveries for private account or for export.

Certain restrictions on contracts for aircraft for the Navy are limited to contracts where the award exceeds \$25,000 "during the period of the national emergency declared by the President on September 8, 1939, to exist."

The Secretary of War or the Secretary of the Navy may, under regulations prescribed by the President, certify to the Commissioner of Internal Revenue as to the cost, etc., of additional equipment needed under contracts for construction, etc., of vessels and aircraft "during the national emergency declared by the President on September 8, 1939, to exist."

The regular working hours of the Navy Department and the Coast Guard are to be 8 hours a day or 40 hours a week "during the period of national emergency declared by the President on September 8, 1939, to exist," notwithstanding any other provisions of law; but these hours may be exceeded where additional employees cannot be obtained to meet the exigencies of the situation.

The President may suspend, for the War and Navy Departments and for the Coast Guard, "during the period of the national emergency declared by him on September 8, 1939, to exist," provisions of the act of March 3, 1931, authorizing Saturday half holidays for Government employees.

Provisions of law prohibiting more than 8 hours' labor a day of persons employed under Army, Navy, and Coast Guard contracts are to be suspended "during the national emergency declared by the President on September 8, 1939, to exist."

The Secretary of War or the Secretary of the Navy may decide that the removal of civil-service employees is warranted by the demands of national security "during the national emergency declared by the President on September 8, 1939, to exist."

The Secretary of the Navy or the Secretary of the Treasury may decide which are the employees whose services "cannot be spared without detriment to the national defense" and who may, "during the period of the national emergency declared by the President on September 8, 1939, to exist," forego their vacations and receive double pay instead.

Monetary limitations on payment out of Navy Department appropriations for certain Navy employees are to be suspended "during the limited national emergency declared by the President on September 8, 1939, to exist."

Act of June 29, 1940: See under part II (c), below (p. 28).

Act of July 2, 1940 (54 Stat. 714, sec. 4, sec. 5; Pub., No. 703): The regular working hours of laborers and mechanics employed by the War Department in the manufacture or production of military equipment, etc., are to be 8 hours a day or 40 hours a week "during the period of any national emergency declared by the President"; overtime is to be paid for as time and a half.

The President may expend up to \$66,000,000 (authorized herein) in providing for "emergencies affecting the national security and defense," including purposes specified under the War Department appropriation acts for 1940 and 1941, the furnishing of Government-owned facilities at privately owned plants, the training of civilian personnel necessary for the protection of essential equipment, etc., and the procurement of strategic and critical materials.

(This \$66,000,000 was appropriated by the Military Appropriation Act of June 13, 1940 (54 Stat. 377; Public, No. 611).)

Act of July 2, 1940 (54 Stat. 724 ch. 516 sec. 1; Pub., No. 711): The provision that the natural features of the Barro Colorado Island in Gatun Lake, Canal Zone, are to be left in their natural state for scientific observation and investigation is not to be ap-

plicable "in event of declared national emergency."

Act of September 9, 1940 (54 Stat. 884, sec. 301; Pub., No. 781): The provision of law requiring heads of executive departments to submit reports relating to mail matter transmitted free of postage, is suspended, as to the War and Navy Departments, during "the period of the national emergency declared by the President on September 8, 1939, to exist."

Title III of Revenue Act of October 8, 1940 (54 Stat. 998-1003; Pub., No. 801): Taxpayers may be allowed to amortize in 60 months the cost of an "emergency facility" (certified by the Advisory Commission to the Council of National Defense and the Secretary of War or the Secretary of the Navy as "necessary in the interest of national defense during the emergency period") completed after June 10, 1940, during an emergency period beginning June 10, 1940 and ending on the date when the President proclaims the facility is no longer required in the interest of national defense.

(Amended by joint resolution of January 31, 1941 (Pub. Law 3, 77th Cong.).)

Act of October 9, 1940 (54 Stat. 1029, c. 777, sec. 9; Pub., No. 809): The President may accelerate, "during any national emergency" proclaimed by him, the effective date of the law relating to the carriage of dangerous cargoes on vessels, etc.,

Act of October 14, 1940 (54 Stat. 1125-28; Pub., No. 849): The President may determine in what areas a shortage of housing exists or impends which would impede national-defense activities, whereupon housing is to be provided by the Federal Works Administration. This authority is to terminate when the President declares "that the emergency declared by him on September 8, 1939, to exist has ceased to exist."

Act of October 21, 1940 (54 Stat. 1205 c. 903; Pub., No. 873): Work in excess of 40 hours a week is to be paid for at not less than one and one-half times the regular rate, for certain employees of the field services of the War Department and of the Panama Canal "during the national emergency declared by the President on September 8, 1939, to exist," and until June 30, 1942, "unless the Congress shall otherwise provide."

Lease-lend act of March 11, 1941 (55 Stat. —; Pub. Law 11, 77th Cong.).

(Without specifically using the term "emergency").

The President may, for the benefit of any foreign nation whose defense he "deems vital to the defense of the United States," authorize Government departments or agencies, to (1) manufacture, (2) sell, lend, or lease, up to the value of \$1,300,000,000, (3) outfit, etc., and (4) release for export, defense articles upon conditions satisfactory to him, when he deems such action to be in the interest of national defense.

The Secretaries of War and Navy are authorized to acquire arms, ammunition, etc., produced abroad, if the President deems such acquisition "necessary in the interests of the defense of the United States."

(To enable the President to carry out this act, \$7,000,000,000 was appropriated by the act of March 27, 1941 (55 Stat. —; Pub. Law 23, 77th Cong.).)

Act of March 28, 1941 (55 Stat. —; Pub. Law 24, sec. 603 (a), 77th Cong.): After July 1, 1942, "or after such earlier date as the emergency, declared by the President on September 8, 1939, to exist, has by his declaration ceased to exist," the Federal Housing Administration is not to insure mortgages under section 603 of the National Housing Act, which provides for insurance of mortgages on property in an area in which the President finds that there is a shortage of housing detrimental to national defense.

Deficiency Appropriation Act of April 1, 1941 (55 Stat. —; Pub. Law 25, p. 11, 77th

Cong.): Ambassadors or ministers who, prior to appointment as such, were legally appointed and served as Foreign Service officers, etc., and who on account of emergent conditions abroad are unable properly to serve the United States at their regular posts of duty, may, "during the period of the existing state of emergency proclaimed by the President on September 8, 1939," be appointed to serve in any capacity in which a Foreign Service officer is authorized to serve.

II. PROVISIONS APPLICABLE IN TIME OF WAR

(a) War between foreign countries, in which the United States is not a belligerent

Revised Statutes 4090 (U. S. Code 22:166, 167): United States ministers in foreign countries in which the United States has extraterritorial jurisdiction, may issue writs, etc., to prevent citizens of the United States from enlisting in the military or naval service of such countries to make war upon any foreign power with which the United States is at peace.

Criminal Code of March 4, 1909 (35 Stat. 1089-1091; U. S. Code 18:21-30) amended May 7, 1917 (40 Stat. 39 c. 11) and June 15, 1917 (40 Stat. 223 § 8, § 10): Enumeration of offenses against neutrality, such as enlisting in foreign service or accepting commission to serve a foreign state at war with a power at peace with the United States; arming vessels of a foreign state hostile to a power at peace with the United States; augmenting the force of such foreign armed vessels; or organizing a military expedition against powers with whom the United States is at peace; penalties prescribed for such offenses.

Act of March 4, 1915 (38 Stat. 1063; U. S. Code 10:750a): Expenses of Army officers observing operations of armies of foreign states at war abroad are to be paid out of appropriation for contingencies of the military information section, General Staff Corps.

Act of September 8, 1916 (39 Stat. 799, § 805, § 806; U. S. Code 15:76, 77): The President may prohibit importation into the United States of articles from countries which prohibit, contrary to the law and practice of nations, the importation of any products of the United States.

The President may also withhold clearance of vessels of a belligerent discriminating unfairly against American vessels, etc., during a foreign war.

Espionage Act of June 15, 1917 (40 Stat. 221-223; U. S. Code 18:25, 27, 31-38): The President is authorized to withhold clearance of vessels, domestic or foreign, carrying arms, etc., to a belligerent; to detain privately owned armed vessels to prevent their use against a nation with which the United States is at peace; to prohibit sending out armed vessels for delivery to a belligerent; and to require manifests to be delivered before departure of vessels.

(Amended by act of March 28, 1940 (54 Stat. 79-80; Pub. No. 443, 76th Cong.), by increasing penalties for violations of any of the above provisions.)

Act of April 16, 1936: See under (c), below (p. 28).

Neutrality Act (joint resolution) of November 4, 1939 (54 Stat. 4-12; Public Resolution No. 54, 76th Cong.; U. S. Code Supp. 22:245j to 245j-19): The President or Congress may find that a state of war exists between foreign states; in such case arms, ammunition, and implements of war may be sold to the belligerents for cash, but American ships are prohibited from carrying arms, etc., to the ports of the belligerents, and from transporting supplies or passengers to the ports of the belligerents, except to certain ports which are not in the European war zone; exportation or transportation of any articles or materials to the belligerents prohibited, until all right, title, and interest therein shall have been transferred to some foreign government,

agency, or national, except that private shipments to ports within the exempted areas, and inland transportation to Canada, can be made without transfer of title.

The President may define combat areas around belligerent or neutral ports into which American citizens or vessels must not go; the use of American ports by submarines or armed merchant vessels of the belligerents is restricted; vessels are required to give bond not to make deliveries to belligerent ships; restrictions are placed on travel by citizens of the United States on vessels of belligerents, on arming of American vessels, and on dealing in financial transactions with belligerents.

Provision is made for regulation of the munitions industry by the National Munitions Control Board.

Act of June 29, 1940: See under (c), below (p. 28).

(b) Provisions relating to the military or naval forces of the United States in time of war

(Most of the provisions listed under I (a), above, are applicable in time of war, whether or not war is expressly referred to. The provisions below are applicable in time of actual war only.)

Revised Statutes 1166 (U. S. Code 10:194): The Chief of Ordnance (or the senior officer of that corps for any district) is to execute the orders of any general or field officer commanding any army, garrison, or detachment for the supply of all ordnance and ordnance stores for garrison, field, or siege service.

Revised Statutes 1209 (U. S. Code 10:521): The President may confer brevet commissions upon Army officers for distinguished conduct in the presence of the enemy.

Revised Statutes 1436 (U. S. Code 34:225): Navy staff officers who have served as chiefs of bureaus are to be "exempt from sea duty, except in time of war."

Revised Statutes 1462-1464 (U. S. Code 34: 421, 424, 425): Retired Navy officers are not to be "employed on active duty except in time of war"; and in such time the President, with the consent of the Senate, may detail certain officers to such commands as he believes to be required for the good of the service.

[Amended by act of August 22, 1912 (37 Stat. 329; U. S. Code 34:422), to permit employment on active duty under certain circumstances.]

Revised Statutes 1624, article 4, paragraph 6, 7, 12-20, article 5 (U. S. Code 34:1200): The death penalty is prescribed for certain naval offenses, such as desertion, spying, etc.

Act of February 15, 1879 (20 Stat. 295, ch. 86, section 2; U. S. Code 34:21): The Secretary of the Navy is not to appoint acting assistant surgeons for temporary service, "except in case of war."

Act of March 3, 1883 (22 Stat. 457; U. S. Code 10:525): Army officers are to be assigned to duty according to their brevet rank only "when actually engaged in hostilities."

Act of April 26, 1898 (30 Stat. 365, section 7; U. S. Code 10:694): An Army officer, exercising command in a higher grade with troops operating against the enemy, is entitled to receive the pay and allowances of such higher grade.

Act of August 29, 1916 (39 Stat. 586; U. S. Code 34:1200 art. 38): General courts martial may be convened by the commandants of navy yards, etc., and by commanding officers of brigades, etc., of Navy or Marine Corps on shore.

Same (p. 600; U. S. Code 14:3): When the Coast Guard operates as part of the Navy, its personnel are subject to the laws governing the Navy.

Same (p. 601; U. S. Code 14:95): The Secretary of the Navy may man any Coast Guard station or maintain any house of refuge as a Coast Guard station.

Act of May 22, 1917 (40 Stat. 89, sec. 18; U. S. Code 34:213): Officers for the command

of fleets are to be selected from the grades of rear admiral or captain on the active list of the Navy.

Act of July 9, 1918 (40 Stat. 892 (XVIII); U. S. Code 31:80): Time for transmission of Army disbursing officers' accounts may be extended (from 60) to 90 days.

Act of June 4, 1920 (41 Stat. 785; U. S. Code 10:513, 992): Retired Army officers may be employed on active duty in the discretion of the President, with full pay and allowances; permanent commissions are not vacated by the appointment of the officer to higher temporary rank.

Same (p. 787, art. 2 (d); U. S. Code 10:1473): Camp retainers, etc., whether within or without the territorial jurisdiction of the United States, are subject to the Articles of War.

Same (p. 794, art. 39; U. S. Code 10:1510): Person subject to military law are not liable to prosecution for crimes committed 2 years before arraignment, except for "desertion committed in time of war," etc.

Same (p. 796, 797, art. 48 (b), (d); U. S. Code 10:1519): Commanding general of the Army, or of the territorial department or division, may confirm court-martial sentences of dismissal of an officer below the grade of brigadier-general, or of death for persons convicted of murder, rape, mutiny, or desertion, or as spies.

Same (p. 800, art. 58, 59; U. S. Code 10:1530, 1531; p. 803-4, arts. 75-82; U. S. Code 10:1547-1554; p. 811, art. 119, U. S. Code 10:1591): Penalties prescribed by the Articles of War for various enumerated wartime offenses, such as desertion, aiding the enemy, etc.

Act of June 20, 1938 (52 Stat. 1176, § 5; U. S. Code Supp. 34:853c): Any member of the Naval Reserve may be released from active duty by the Secretary of the Navy.

Act of September 16, 1940 (54 Stat. 886 (a); Public No. 783, 76th Cong.): A provision that the number of men inducted into service under the Selective Training and Service Act is to be limited to 900,000, is not to be in effect in time of war.

(c) Miscellaneous provisions

(Many of the provisions listed under I (b), above, are applicable in time of war, whether or not war is expressly referred to.)

Revised Statutes 4068 (U. S. Code 50:22): Alien subjects of hostile countries are to be allowed full time, as stipulated in treaties, for removal of goods, etc., and for departure from the United States. In the absence of a treaty, the President may declare such reasonable time as is consistent with the public safety, etc.

[R. S. 4069 and 4070 (U. S. Code 50:23, 24) prescribe the jurisdiction of United States courts, etc., over alien enemies.]

Act of March 24, 1908 (35 Stat. 46, c. 96; U. S. Code 46:133, 134): Hospital ships, in accordance with the international convention of December 21, 1904 (35 Stat. 1854-62), are to be exempt from all dues and taxes imposed on vessels by the laws of the United States, and from all pilotage charges.

Act of August 29, 1916 (39 Stat. 558; U. S. Code 24:192): Interned persons and prisoners of war, under the jurisdiction of the Navy Department, are entitled to admission to Saint Elizabeths Hospital for treatment.

Same (p. 602; U. S. Code 33:757): The Secretaries of the Navy, War, and Commerce are jointly to prescribe regulations governing the duties of the Lighthouse Service "in time of war," etc.

[This provision is probably made obsolete by Reorganization Plan No. II which provides for the administration of the Bureau of Lighthouses as a part of the Coast Guard.]

Act of August 29, 1916 (39 Stat. 645; U. S. Code 10:1361): The President is empowered to assume control of transportation systems for the transfer of troops, war material, etc.

[See also act of February 28, 1920; 41 Stat. 457 (c).]

Act of March 4, 1917 (39 Stat. 1192-1193; U. S. Code 50:82): The President is authorized, within certain appropriation limits, to procure ships and war material, commandeer factories, etc.

Espionage Act of June 15, 1917 (40 Stat. 218-219; U. S. C. 50:32-38): Special punishments are prescribed for certain offenses, such as communicating plans of defense to foreign governments, making false statements to interfere with operation of national forces, etc.

Same (p. 220, U. S. C. 50:191-194): The Secretary of the Treasury may assume control, etc., over vessels, foreign or domestic, in United States ports.

Act of October 6, 1917 (40 Stat. 373, U. S. C. 24:192): Prisoners of war, under the jurisdiction of the War Department, are entitled to admission to St. Elizabeths Hospital for treatment.

Act of October 6, 1917 (40 Stat. 385-389; U. S. C. 50:121-133, 135-143): The manufacture, distribution, etc., of explosives in the United States is restricted.

Acts of October 6, 1917 (40 Stat. 394, c. 95; 40 Stat. 422 § 10 (1); U. S. C. 35:42), as amended by the act of July 1, 1940 (54 Stat. 710, c. 501; Public, No. 700, 76th Cong.): If it is found that the publication of an invention by the granting of a patent might be detrimental to the safety or defense of the United States, such grant may be withheld until the termination of the war.

Trading With the Enemy Act of October 6, 1917 (40 Stat. 411-426): Penalties are imposed for unlicensed (1) trading in the United States with an enemy or ally of an enemy; (2) transportation of an enemy to or from the United States; also, for sending out of, or receiving into, the United States any communication except in the regular course of the mail. Corporations are required to transmit to the Alien Property Custodian lists of stockholders believed to be enemies; the President may require property of enemies, etc., to be conveyed to the Alien Property Custodian (amended and broadened by act of November 4, 1918; 40 Stat. 1020); persons holding property, etc., for enemies are required to make report to the Alien Property Custodian; regulations are prescribed concerning applications for patents, etc., by enemies.

Act of April 16, 1918 (40 Stat. 531, c. 55; U. S. C. 50:21): Persons 14 years of age or over, citizens, etc., of a hostile nation, are liable to removal as alien enemies; and the President is authorized to establish regulations concerning the conduct to be observed toward such aliens.

Act of April 20, 1918 (40 Stat. 533, c. 59; U. S. C. 50:101-103), as amended by the act of November 30, 1940 (54 Stat. 1220, c. 926; Public, No. 886, 76th Cong.): Penalties are prescribed for injuring or destroying war material, or making war material in a defective manner.

Act of May 22, 1918 (40 Stat. 559; U. S. C. 22:223-226): The following acts are declared unlawful unless in accordance with rules prescribed by the President: Departure from or entry into the United States by an alien; transportation into or from the United States of prohibited persons; making false statements in applications for permits to depart or enter, etc.

Act of March 2, 1929 (45 Stat. 1495 (e); U. S. C. 46:85g): Concealing, removing, etc., marks placed on American vessels is not penalized if done to prevent capture by an enemy.

Act of May 18, 1933 (48 Stat. 62 (m); U. S. C. 16:831d (m)): Products of the Tennessee Valley Authority may be sold, for use outside the United States, to allies of the United States.

Act of June 19, 1934 (48 Stat. 1104, § 606; U. S. C. 47:606): The President may direct that "during the continuance of any war in which the United States is engaged" such communications as he deems essential to the national defense and security be given preference by any carrier subject to the Communications Act.

Act of April 16, 1936 (49 Stat. 1210 § 4 (2) (e) (f); U. S. C. Supp. 46:1305): Under contracts for the carriage of goods by sea, neither the carrier nor the ship is to be liable for loss or damage arising or resulting from an "act of war" or "act of public enemies."

Act of June 16, 1938 (52 Stat. 708, c. 458 § 3; U. S. C. Supp. 50:93): A statutory limit on the educational orders (for the manufacture of special munitions, etc.) which may be awarded to any one factory is not applicable, "during any war in which the United States is engaged."

Act of June 29, 1940 (54 Stat. 689-691; Public, No. 677, 76th Cong.): The United States Maritime Commission may insure water-borne commerce of the United States against war risks, etc., whenever the Commission feels that adequate insurance cannot be obtained on reasonable terms from companies authorized to do insurance business in a State.

The property which may be insured includes: (1) American vessels, their cargoes, disbursements, freight and passage moneys, and personal effects of masters, officers, and crews; (2) commercial vessels owned or controlled by the United States, Government cargoes disbursements, freight and passage moneys, etc.

(This act is operative until March 10, 1942, unless the President by proclamation declares "that the extraordinary condition upon which it is predicated is passed.")

Act of October 9, 1940 (54 Stat. 1061, ch. 788, sec. 1; Public, No. 820): When a claim against the United States accrues in time of war, to a person in the military or naval service, or when war intervenes within 5 years after accrual of such claim, it may be presented within 5 years after the close of the war, even though this would exceed the ordinary limit of 10 years.

Nationality Act of October 14, 1940 (54 Stat. 1150, sec. 326, 1169, sec. 401 (g); Public, No. 853): An alien enemy may be naturalized if his declaration of intention was made 2 years prior to the beginning of the war, or if he was at the beginning of the war entitled to become a citizen without making a declaration of intention, etc.

A person who is a national of the United States, whether by birth or naturalization, loses that nationality upon conviction of deserting the military or naval service of the United States in time of war.

Soldiers' and Sailors' Civil Relief Act of October 17, 1940 (54 Stat. 1189, sec. 510, 1190, sec. 512, 1191, sec. 604; Public, No. 861): A homestead entryman is entitled to a leave of absence from his entry for the performance of farm labor during the pendency of any war in which the United States may be engaged.

The United States citizens who serve with the forces of any nation with which the United States is allied in the prosecution of a war, while the act is in force, are entitled to certain benefits relating to taxes and public lands.

If, on the date set for the termination of the act (May 15, 1945), the United States is engaged in a war, the act is to remain in force until such war "is terminated by a treaty of peace proclaimed by the President and for 6 months thereafter."

III. PROVISIONS SPECIFICALLY APPLICABLE IN TIME OF PEACE

R. S. 1229, 1624, art. 36 (U. S. Code, 34:1200, art. 36): No officer in the naval service is to

be dismissed except by sentence of a general court martial or in mitigation thereof.

[R. S. 1229 originally applied to the Army also, but in that respect is superseded by the act of June 4, 1920, below.]

R. S. 1436, 1462: See under II (b), above (p. 22).

R. S. 1534, 1535 (U. S. Code, 34:452, 453): The President may keep in actual service as many of the public armed vessels as are required, to be officered and manned as he may direct; the remaining vessels are to be laid up in convenient ports.

Act of February 15, 1879: See under II (b), above (p. 22).

Act of June 16, 1890 (26 Stat. 158, sec. 4; U. S. Code, 10:651): The President may permit any enlisted man to purchase his discharge from the Army.
(But see act of May 18, 1917 (40 Stat. 78, sec. 3).)

Act of March 3, 1893 (27 Stat. 717; U. S. Code, 34:196): The President may permit any enlisted man to purchase his discharge from the Navy or the Marine Corps.

(But see act of August 29, 1916 (39 Stat. 580; U. S. Code, 34:191).)

Act of August 1, 1894 (28 Stat. 216, sec. 2; U. S. Code, 10:625), as amended June 14, 1920 (41 Stat. 1077, ch. 286): Aliens who have not declared their intention to become citizens are not to be enlisted for the first enlistment in the Army.

Act of February 25, 1895 (28 Stat. 680, ch. 128; U. S. Code, 34:1200, art. 62): No person is to be tried or punished for "desertion in time of peace" committed more than 2 years previously, unless he had absented himself from the United States and thereby was not amenable to justice within that period.

Act of February 27, 1895 (28 Stat. 689, ch. 137; U. S. Code, 34:1200, art. 63): Punishments for Navy offenses are not to be in excess of limits which the President may prescribe.

Act of June 3, 1916 (39 Stat. 198, sec. 61; U. S. C. 32:194), as amended by the act of October 21, 1940 (54 Stat. 1206, c. 904; Public, No. 874, 76th Cong.): No State may maintain troops except as authorized under the National Defense Act.

Act of August 29, 1916 (39 Stat. 601; U. S. C. 14:22): The Secretary of the Treasury may man any Coast Guard station or maintain any house of refuge as a Coast Guard station.

Same (p. 604; U. S. C. 10:1362; 49:6 (8)): Shipments consigned to agents for use of the United States are to be delivered as promptly as possible and without regard to any embargo that may have been declared; no such embargo is to apply to shipments so consigned.

Act of May 22, 1917 (40 Stat. 89, sec. 18; U. S. C. 34:864): Officers for the command of fleets are to be designated from among the rear admirals on the active list of the Navy.

Act of June 4, 1920 (41 Stat. 780, sec. 35 (sec. 55c); U. S. C. 10:1181): Retired officers, warrant officers, or enlisted men are not, except with their consent, to be detailed by the Secretary of War as instructors in military training at schools and colleges.

Same (p. 794, art. 39; U. S. C. 10:1510): A limitation of 3 years is prescribed for trial and punishment by Army court martial "for desertion in time of peace."

Same (p. 796, art. 45; U. S. C. 10:1516): Confinement in a penitentiary of a person subject to military law is not to be for a longer period than that prescribed by statute for the particular offense, unless the accused is convicted at the same time of one or more other offenses.

Same (p. 805, art. 92; U. S. C. 10:1564): Persons subject to military law are not to be tried by court martial for murder or rape "committed * * * in time of peace" within the States or the District of Columbia.

Same (p. 811, art. 118; U. S. C. 10:1590): No Army officer is to be dismissed except by sen-

tence of a general court martial or in mitigation thereof.

Act of July 2, 1926 (44 Stat. 781; U. S. C. 10:291d, 291f): In order to receive a rating as pilot, an Army officer or enlisted man must have flown in heavier-than-air craft for 200 hours as pilot, 75 of them alone. Not less than 20 percent of the total number of pilots employed in Air Corps tactical units are to be enlisted men.

Act of January 29, 1929 (45 Stat. 1144; U. S. C. 28:334): Not more than 25 copies of Supreme Court Reports are to be distributed to the Secretary of War for military headquarters which exercise general court-martial jurisdiction.

Act of June 30, 1932 (47 Stat. 451, c. 326; U. S. C. 34:735, par. 8): Not less than 20 percent of the total number of pilots employed in aviation tactical units of the Navy and Marine Corps are to be enlisted men, except when the Secretary of the Navy finds it impracticable to secure that number.

Act of March 4, 1933: See under II (b) above (p. 24).

Act of June 15, 1933 (48 Stat. 154; U. S. C. 10:353, 370): Officers of the Officers' Reserve Corps must at the time of appointment be citizens of the United States (or of the Philippine Islands) (see act of June 12, 1934, 48 Stat. 939, c. 467) between 21 and 60 years of age. Only former Army officers may be originally appointed as Reserve officers in the Infantry, Cavalry, Field Artillery, or Air Corps in a grade above that of second lieutenant. So far as practicable, Reserve officers must be assigned to units in the locality of their place of residence.

Same (p. 155, sec. 4; U. S. C. 32:142a): The President may order officers of the National Guard of the United States to certain active duty, with their consent.

Same (p. 156, sec. 5; U. S. C. 32:4a): The National Guard of the United States are to be administered, armed, uniformed, etc., as the National Guard of the several States, Territories, and the District of Columbia.

Same (p. 157, sec. 10; U. S. C. 32:125): Discharges may be given in the National Guard and the National Guard of the United States prior to the expiration of terms of enlistment, under regulations prescribed by the Secretary of War.

Act of June 15, 1933 (48 Stat. 159, § 15; U. S. Code 32:133): National Guard enlisted men may not by transfer between the active and inactive Guard, be required to serve under any enlistment for a longer time than the period for which they enlisted.

Act of July 22, 1935 (49 Stat. 488, § 2): See under II (b), above (p. 24).

Act of April 27, 1937 (50 Stat. 108): The issuance, for current use, of strategic and critical materials acquired under Navy Appropriation Act of April 27, 1937, is restricted. (Repeated in appropriation acts of April 26, 1938 (52 Stat. 235) and May 25, 1939 (53 Stat. 770).)

Act of April 22, 1938 (52 Stat. 220, c. 167; U. S. Code Supp. 10:27, 28, 532 note): Army officers of the line are not to be detailed as members of the General Staff Corps unless they have served 2 of the preceding 6 years with combatant troops, or as instructor of the National Guard, Organized Reserves, or Reserve Officers' Training Corps; officers below the grade of brigadier general must perform duty with combatant troops for at least 1 year in every period of 5 consecutive years, except that officers of less than 1 year's commissioned service in the Regular Army may be detailed as students at service schools.

Act of June 3, 1938 (52 Stat. 610, c. 319, § 1; U. S. Code Supp. 10:25): The detail of an officer to the General Staff Corps is to be for a period of 4 years unless sooner relieved.

Act of June 23, 1938 (52 Stat. 944, c. 598, § 3): See under II (b), above (p. 24).

Same (p. 951, § 13; U. S. Code Supp. 34:398a): When the yearly average number

of vacancies in the grade of rear admiral is found to be less than eight, the Secretary of the Navy is to convene a board to recommend for retirement a sufficient number of rear admirals to bring the average number of vacancies to eight.

Same (p. 952 (b)): See under II (b) above (p. 24).

Same (p. 952 (e); U. S. Code Supp. 34:687): Provision for maintenance of average number of vacancies in grade of general officer of the line of the Marine Corps.

Act of June 25, 1938 (52 Stat. 1176, § 5, § 6; U. S. Code Supp. 34:853c, 853d): Members of the Naval Reserve may be ordered to or continued on active duty with their consent only; they may be released from active duty by the Secretary, and may be discharged only upon expiration of their term of service or upon their own request.

Same (p. 1179, § 205, § 206; U. S. Code Supp. 34:854d, 854e): Men transferred to the Fleet Reserve for a 4-year period upon termination of enlistment in the Regular Navy may be ordered to active duty only with their own consent; men who have served 16 years in the Regular Navy are not to be required to perform more than 2 months' active duty in each 4-year period in the Fleet Reserve.

Same (p. 1180, § 302; U. S. Code Supp. 34:855a): Officers of the Naval Reserve, upon first reporting for active or training duty, are to be paid \$100 for required uniforms, and thereafter an additional \$50 upon the completion of each 4-year period in the Reserves.

Same (p. 1181, § 303; U. S. Code Supp. 34:855b): The Secretary of the Navy is to prescribe regulations for the issuance of uniforms, etc., to midshipmen, merchant-marine cadets, nurses, and enlisted men of the Naval Reserve.

Same (p. 1181-1182, § 304-306; U. S. Code Supp. 34: 855c-855e): Members of the Naval Reserve injured in line of duty in time of peace are entitled to the same benefits as civil employees of the United States.

Officers of the Naval Reserve shall be commissioned to serve during the pleasure of the President.

One rear admiral is allowed in the Naval Reserve and one brigadier or major general in the Marine Corps Reserve.

Same (p. 1183, § 311; U. S. Code Supp. 34:855j) as amended by the act of August 27, 1940 (54 Stat. 865, § 8 (e); Pub., No. 775, 76th Cong.).

Naval Reserve officers are to take precedence according to regulations prescribed by the Secretary of the Navy.

Same (p. 1184, § 315; U. S. Code Supp. 34:855n): Members of the Naval Reserve in receipt of pay for performance of drills, etc., may be required to perform such duty up to 15 days annually.

Act of April 3, 1939 (53 Stat. 558, sec. 8; U. S. C., Supp. 10: 481b): The peacetime commissioned strength of the Regular Army is prescribed, with a total of 16,719 officers.

Act of June 13, 1939 (53 Stat. 820, sec. 5; U. S. C., Supp. 34: 849c): Officers commissioned pursuant to the Naval Aviation Reserve Act of 1939 may be employed on active duty only during the 7-year period following the completion of their duty as aviation cadets undergoing training, except for the purpose of instructing and training members of the Naval Reserve and the Marine Corps Reserve.

Act of July 15, 1939 (53 Stat. 1044, ch. 284; U. S. C., Supp. 5: 797): The benefits of the United States Employees' Compensation Act are extended to members of the Officers' Reserve Corps or of the Enlisted Reserve Corps of the Army physically injured in line of duty while on active duty, or traveling to or from such duty, or training without pay, or dying as a result of such physical injury. (See act of July 18, 1940, below.)

Act of July 18, 1940 (54 Stat. 762, ch. 633; Pub., No. 747, 76th Cong.): The benefits of the Employees' Compensation Act are extended to members of the Officers Reserve Corps or of the Enlisted Reserve Corps of the Army physically injured in line of duty.

Act of September 16, 1940 (54 Stat. 886 (c), 887, sec. 5 (b); Pub. No. 783): A person who completes 12 months' training and service in the land forces, and thereafter serves satisfactorily in the Regular Army or in the active National Guard for at least 2 years, is to be relieved from liability to serve in any Reserve component of the land or naval forces, etc.

Various classes of persons are exempt from liability to serve in any Reserve component of the land or naval forces of the United States in time of peace.

Act of October 8, 1940 (54 Stat. 1023, ch. 765, sec. 4; Pub. No. 808): Officers of the Naval Reserve and Marine Corps Reserve may be employed on active duty other than training duty for periods determined by the Secretary of the Navy.

Coast Guard Auxiliary and Reserve Act of February 19, 1941 (55 Stat. —; Public Law 8, sec. 205, 77th Cong.): Members of the United States Coast Guard Reserve are not to be ordered to or continued on active duty without their consent, except for certain disciplinary measures; and the Commandant may release any member from active duty in time of peace.

Mr. HALLECK. Mr. Speaker, I yield myself 5 minutes. As the resolution that we are presently considering was offered a point of order was made against it. The point of order was subsequently withdrawn, but the circumstances that gave rise to the original raising of the point of order should be brought to the attention of the House.

This bill was brought before the Committee on Rules. Certain members of the legislative committee appeared and asked for a rule. There was some resistance because of the form of the bill. Subsequently, as I understand it, the legislative committee, the Committee on Banking and Currency, agreed to certain amendments to the bill which are to be offered. It is my understanding that these amendments very materially change several important provisions of the bill.

The thing that I say ought to be considered is this: So far as I know, those amendments are not in print anywhere. I do not think a Member of the House here today, except as he might find some member of the legislative committee who has a copy of the amendments, could find out what it is proposed to do in this bill. In other words, I think these bills should be brought in as clean bills, with the considered judgment of the legislative committee back of them, with a report that is written and drafted along the lines of the bill as it is expected to be presented to the House. I say it is a sorry situation indeed that this bill is here as it is today, to be materially amended as agreed by the committee but without the amendments generally available.

Now to talk a bit about the bill. It does a number of things, but there are two or three things I shall comment upon. First, it undertakes to extend for 6 years, not 1 year, the operations of the Disaster Loan Corporation and the Electric Home and Farm Authority and then it seeks to

greatly expand the power of the President and the Federal Loan Administrator to go into all kinds of business, to spend or lend a billion and a half dollars, setting up any kind of business, to carry out all sorts of projects, to do all manner of things, just so long as the President and the Loan Administrator determine in their own judgment that that action is necessary to expedite national defense.

I recognize that in this emergency additional powers must be granted to a strong centralized Government. The genius of the people of America has been evidenced in the fact that in crises and emergencies we have granted strong centralized power. But I say that the genius of the American people has been better evidenced in the fact that after the emergency and the crisis are over the people have taken back to themselves and to their local governments the powers that were granted to the strong centralized government in order that the crisis or emergency might be met. Take this bill. We grant tremendously increased power to the President and to the Loan Administrator. I am not prepared at the moment to say that with the adoption of the amendments proposed by the committee and to be proposed by Members it may not be a proper delegation of authority. But it is an overawing and far-reaching grant of power which may have tremendous consequence. And then I reflect upon the action of last night declaring an unlimited emergency, carrying with it, as it is alleged, far-reaching powers over all the people of the land, all of our business, our lives, and our economy. I say many of these things may be necessary to meet the war crisis in which we presently find ourselves, but I would feel a lot better about granting those emergency powers to meet the critical war situation and the defense situation now before the country, if the administration were a little quicker to grant back to the people some of the powers that were taken in the early days of the administration supposedly to cope with a depression then threatening the country—powers many of which I say today are obsolete and unnecessary. You have all sat here and watched people from downtown and people here in this House resist to the very end the taking back by the people and their representatives of any of the powers originally granted to centralized government here in Washington on the proposition that they were necessary to deal with the depression.

[Here the gavel fell.]

Mr. HALLECK. Mr. Speaker, I yield myself 5 additional minutes.

In this particular bill, along with the tremendously increased grant of authority to the Reconstruction Finance Corporation, are provisions that I commented upon a moment ago, to extend for 6 years the Disaster Loan Corporation and the Electric Home and Farm Authority.

Mr. RANKIN of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. Not at this time. I would like to continue a little longer. For the information of the gentleman and for the information of the House

generally, I have supported rural electrification and have supported measures designed to carry it out. I recognize its benefits.

If I understand the operations of the Electric Home and Farm Authority correctly, here is about what they do: They discount the notes of the electric appliance dealers who sell electric appliances and equipment to folks who are putting electric power in their homes.

I take it that the gentleman from Mississippi [Mr. RANKIN] would agree with me that primarily and fundamentally throughout all of our history the lending of money has always been a matter of private enterprise. It has always been so considered. It is true the Government stepped in in the depths of the depression, when private credits were failing, and did lend money under many different circumstances and in all sorts of situations. But what I am getting down to is this: Even though we would like to see the Rural Electrification Administration extended, even though we feel that the intervention of the Government is the proper thing in order for people to have more use of power, does it not occur to you that this might be one of the things adopted by the administration to deal with the depression, that is being held onto in war-boom times? Is it an operation that might well be turned back to private enterprise by the Government, particularly in view of the all-out defense and war effort now being asked of us?

Now, the Disaster Loan Corporation, I think, started in 1937 because of some floods that struck the country. I have an idea that that was started primarily because local credit was breaking down; because times were hard and the depression was upon us. The intervention of Government was called for. But are we to say by the passage of this legislation, coming at this time of great crisis—which I say demands sacrifice and toil and sweat on the part of everybody—are we to say that in this very bill where we extend and increase the powers of the R. F. C. in one direction, we shall not in any manner decrease them in any other direction? That is the thing that finally disturbs me.

When we had the lease-lend bill under consideration some of my friends came to me and spoke about it. I said, "It grants tremendous power to the President and I am concerned about it." They said, "Why?" I said, "One thing is that this administration seems so reluctant to ever give back any power once it takes it." They said, "Why do you not make a deal? Why do you not have the Government give up the power to further devalue the dollar, and some of these other powers that are now likely not needed, in exchange for the granting of this power?" "Of course," I said, "you will never get anything like that done." I say the thing that disturbs me most is that as we go along and grant these additional powers, which I suppose in large measure we must grant, there is no real relinquishment of power. I feel a little hesitant about approving some of these measures when I reflect on the fact that these tremendous powers over the lives of the peo-

ple and these invasions of private enterprise and local government, concentrated here in Washington, either in the hands of the President or in Congress or in bureaus and agencies downtown, are seldom, if ever, relinquished to the people when the need for them has terminated.

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

Mr. HALLECK. Yes; I yield.

Mr. MAGNUSON. Is it not more or less the fault of Congress itself? Much of this power that the President assumed last night comes from old World War No. 1 laws that have never been repealed by this Congress, whereas all the emergency powers that Congress has given to the President, in nearly every bill there has been a time limitation placed.

Mr. HALLECK. I am of course in favor of the time limitation insofar as it makes it possible to have that power run out and requires affirmative action; but I am frank to confess that as we have gone along I have not seen many of these powers terminated. It seems there is always somebody somewhere who wants to have the law put back into effect again. [Applause.]

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I yield 4 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN of Mississippi. Mr. Speaker, I merely wish to reply to the gentleman from Indiana [Mr. HALLECK] on the subject of the Electric Home and Farm Authority.

When this Authority was first created the opposition feared that it intended to sell electrical appliances and put the local dealers out of business.

It has done nothing of the kind. Instead it has financed those dealers, so to speak, and enabled the purchasers to buy electrical appliances without paying the loan sharks the exorbitant interest they had formerly been compelled to pay. It has not lost the Government any money, and by all means it ought to be extended for another 6 years.

Let me call the attention of the gentleman from Indiana to the fact that 8 years ago 19 percent of the people in my town who had electricity in their homes had electric refrigerators, and the figure throughout the country was 29 percent. Today in my home town 90 percent of the electric consumers have electric refrigerators, and the figure for the country at large has gone from 29 percent to 48 percent. In one county in my district 36 percent of the electric power consumers have electric ranges. The Nation-wide increase is continuing all the time.

The first line of defense in America is the American home. Do not forget that. When you do something to build up the American home, to brighten it, if you please, to make it more comfortable and more desirable, and to relieve its drudgery you are doing more than almost any other one thing the American Congress can do to make America strong and great.

I know some of you thought I was wrong on rural electrification and in my contention that the water power of this Nation belongs to all the American peo-

ple and should be developed for their benefit. I have never been selfish or sectional in that contention. I fought to extend rural power to every farm home, and I have supported this Electric Home and Farm Authority and urged it to operate in every nook and corner of the United States where it was necessary to enable the home owners on the farm, in the town, or in the city to purchase those appliances necessary for the enjoyment of modern life.

I have urged the development of all the water power in America that was available and necessary to place electricity in every home and in every business establishment at what it is worth, which would save the American people a billion dollars on their electric-light and power bills every year.

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

Mr. RANKIN of Mississippi. I yield for a question.

Mr. GIFFORD. Such a pretty picture. But it is not all pretty. One I know of bought himself all these appliances. He has not only lost his home but the appliances as well.

Mr. RANKIN of Mississippi. Oh, the gentleman from Massachusetts knows there is not a person in his district who has lost his home because of what he owes to the Electric Home and Farm Authority. He might have lost his home for other reasons, but not because of this beneficent activity that has been carried on for years and which is today giving satisfaction not only to businessmen but to home owners who have to purchase these appliances. [Applause.] [Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from Florida [Mr. GREEN].

Mr. GREEN. Mr. Speaker and Members of the House, I have just learned with deep interest of the signal honor which has been conferred upon a former Member of the House of Representatives, the Honorable Dr. Herbert J. Drane, of Lakeland, Fla. For 16 years he most ably represented the First Congressional District of Florida. A native of the State of Kentucky, his ancestry is traced to early settlers of Maryland and Virginia. He came to Florida when quite a young man and settled in Polk County 57 years ago. He saw not only Polk County develop into one of Florida's most populous counties but saw also the town of Lakeland grow from a small village to a thriving and progressive city.

He represented Polk, his home county, in both branches of the Florida Legislature; judiciously presided as president of the Florida State Senate; and he is remembered here in the Halls of Congress as a most able, fearless, faithful, and wise Representative. For many years it was my fortune to serve with him as a colleague from Florida and to know him not only officially but also to enjoy his full personal friendship. He is a man of noble character, possessed of high and patriotic principles and determined to do his duty at all times.

His higher wisdom and outstanding service for the State of Florida and for the Nation was long ago recognized by one

of Florida's larger institutions of higher learning, which conferred upon him the honorary degree of doctor of laws. No man in Florida has ever so justly enjoyed higher esteem, trust, and confidence in the minds and hearts of Florida people than Dr. Drane.

Upon retiring from Congress in 1933, he rendered an outstanding service for over 4 years as a member of the Federal Power Commission. In this capacity his applied knowledge of the power industry in America and his unflinching stand for justice and equity gave everlasting benefits to the American people. [Applause.]

He was recently honored as Lakeland, Florida's, No. 1 citizen through the naming of the city's new airport, Drane Field. In commenting upon this event, the Lakeland Ledger of Thursday evening, May 22, 1941, said:

AIRPORT NAMED FOR H. J. DRANE—COMMISSIONERS VOTE UNANIMOUSLY TO HONOR FORMER CONGRESSMAN

Lakeland's airport No. 2 has been named Drane Field in honor of Herbert J. Drane, former Congressman, who became a resident here 57 years ago at the age of 20.

A resolution to name the project now under construction in honor of the community's No. 1 citizen was adopted unanimously by members of the city commission at their meeting this morning.

Informed a few minutes later that the honor had been bestowed upon him, he sat in silence at his desk for a few moments as he sought to restrain his emotions.

"This touches me deeply," he said finally. "I appreciate this honor more than I can ever say. The commissioners were extremely kind in doing such a thing."

Questioned for details concerning his early years in Lakeland, he leaned back in his chair and reviewed in fond recollection the experiences which came to him as he rode a pony into this area, set up a tent where the Lakeland Terrace Hotel now stands, and went to work for the H. B. Plant Investment Co., which soon extended the railroad from Kissimmee, through Lakeland, to Tampa.

He is a native of Kentucky, but came here from Georgia. He was ill and was seeking a healthful climate.

Aside from establishing the insurance firm now known as H. J. Drane & Son, Inc., he served in the Florida House of Representatives during the 1903 session, was president of the Florida Senate during the 1913 session, served in the United States House of Representatives from 1917 to 1933, and was a member of the Federal Power Commission 4 years.

"At the end of my 4 years on the Commission, I wanted to come back to Lakeland and spend the remainder of my days among my own people," he said.

RESOLUTION

The resolution adopted by the Commissioners follows:

"Whereas Herbert J. Drane is one of Lakeland's outstanding citizens, having lived here since the municipality's inception, and not only having served his home city in every capacity but having brought great honor and renown to same through his years of service as a Member of Congress; and

"Whereas the city of Lakeland is now constructing a modern airport; and

"Whereas it is the considered opinion of the City Commission of the City of Lakeland, Fla., that it is both fitting and proper to, in a small measure, give recognition to the outstanding services rendered by the dean of its citizens, the Honorable Herbert J. Drane: Now, therefore, be it

"Resolved, by the City Commission of the City of Lakeland, Fla., That Lakeland Airport

No. 2, located and now being constructed on the following described land in Polk County, Fla., to wit:

"All of section 4, township 29 south, range 23 east, Polk County, Fla., be, and it is hereby, designated and to be forever hereafter known as Drane Field."

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein a short statement clipped from the Lakeland Ledger.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein certain tables which I have compiled on the power question.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HALLECK. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana [Mr. WILSON].

Mr. WILSON. Mr. Speaker, I think the President's speech clarified the position in which we as a nation have been for a long time—a nation over which one man holds the power of life and death.

Mr. Speaker, instead of a government "of the people, by the people, and for the people," we shall now see the workings of a government "of a nation, by a man, and for the world."

This spread of the United States obligation to protect and guarantee an ever-widening margin means only that we are edging toward and even asking for a part, a fighting part, in this war—a position which I have opposed from the first.

Our President did not ask or consult before declaring his "I" speech. The American people, and Congress in particular, can consider themselves "told" as of 9:30 p. m. eastern standard time, Tuesday, May 27, 1941.

Mr. Speaker, I am happy that he mentioned "tolerance" and did not lose his temper and call all those who disagree with him unpatriotic names. This is necessary for national unity, which, in my opinion is essential.

Also I think it is well that there is no longer any doubt in the minds of American citizens as to our national policy. We could not continue to stagger and hope either to force our way of life on others or to maintain it at home.

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made on the floor this morning and to include therein a letter from the Governor of Michigan and a resolution passed by the Common Council of Detroit.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SABATH. Mr. Speaker, I yield such time as he may desire, to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein correspondence with General Hershey, Deputy Director of the Selective Service System, and certain newspaper excerpts.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution. The previous question was ordered. The resolution was agreed to.

DISASTER LOAN CORPORATION AND THE ELECTRIC HOME AND FARM AUTHORITY

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 1438, to extend the operations of the Disaster Loan Corporation and the Electric Home and Farm Authority, to provide for increasing the lending authority of the Reconstruction Finance Corporation, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 1438, with Mr. COLE of Maryland in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

The CHAIRMAN. The gentleman from Alabama [Mr. STEAGALL] is recognized for one hour and a half.

Mr. STEAGALL. Mr. Chairman, I desire to say a word in connection with references that were made in the discussion on the rule to the procedure under which this bill was brought to the House. I was not in the city and did not appear before the Rules Committee at any time.

It happened that the House bill was reported by the Committee on Banking and Currency, and after that, but before action by the Rules Committee, the Senate passed a similar bill, which was messaged over to the House and pending at the time of the application for a rule on the House bill. When I found this situation I called a meeting of the members of the Committee on Banking and Currency in order that we might simplify the proceedings from a parliamentary standpoint, and report the Senate bill by title, substituting the House bill after the enacting clause so that our action would be technically on the Senate bill, and in order that the Senate might accept the bill or leave the measure where it could be sent to conference.

When the Committee on Banking and Currency was called together to report this bill to meet the parliamentary situation as I have outlined, attention was called to the fact that suggestion had been made by a member of the Rules Committee that certain members of that committee looked with favor upon amendments that had been adopted by the Senate. The House committee while in session agreed to certain amendments to the House bill and it is the purpose of the Committee on Banking and Currency to offer those amendments when the bill is read for amendment. I was not present in the committee when the amendments were discussed and adopted, but the fact is that the Senate amendments to the bill, with slight amendments, were agreed to by the Banking and Currency

Committee and will accordingly be submitted to the House. I thought it might be well to state the history of this entire procedure on the part of the Banking and Currency Committee. Our action was in the nature of a concession to opponents of the measure and was predicated upon a desire to meet the views of those who were not in full accord with the original House bill.

Mr. GORE. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Tennessee.

Mr. GORE. In the one exception which the gentleman mentioned, in which we did not agree to the Senate amendments, does not the gentleman think the amendment which we did agree to, to be offered in lieu of the Senate amendment, is an improvement over the Senate amendment, in that it accomplishes the same purpose in better form?

Mr. STEAGALL. I may say to the gentleman the question of whether it is an improvement might not be agreed to by everybody, but certainly it is true that the amendment agreed to by the House is an improvement from the standpoint of those who were opposed to the original provision and who desired to amend it.

Under one of the provisions which the Senate incorporated in its amendment, it limited the funds that might be employed by the Reconstruction Finance Corporation to \$300,000,000. This was under the general authorization carried in the bill, to which objection has been lodged, and the committee amendment, which will be submitted later, limits the service to be performed by the R. F. C. under that provision to the amount of \$100,000,000 instead of \$300,000,000. That is why I say the House provision is more liberal from the viewpoint of those who opposed the original measure than the Senate amendment.

Mr. MICHENER. Will the gentleman yield?

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

Mr. MICHENER. I think the gentleman was on the floor when I called attention to an objection to section 3 of the bill, which is an amendment to section 10 of the act, the objection having been made by the Governor of the State of Michigan. Has any committee amendment been improvised to take care of that situation?

Mr. STEAGALL. Mr. Chairman, I wanted briefly to discuss the bill and leave the matter of amendments to come up later. The only reason I made reference to that was because of the discussion in reference to the parliamentary situation. I may say to the gentleman in answer to his question that the House Banking and Currency Committee intends to offer as committee amendments the Senate amendment to the original bill, with slight exceptions, relating to the situation which the gentleman has in mind. I suggest that we reserve discussion until the amendments are offered.

Mr. MICHENER. The Senate amendment is the one to which these municipalities all over the country are objecting.

Mr. STEAGALL. I understand that. I am only stating what the action of our

committee was on that amendment. That is a matter that can be discussed later and the gentleman will have his opportunity.

Mr. SABATH. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Illinois.

Mr. SABATH. They do not object to the provision reducing the amount from \$300,000,000 to \$100,000,000, as agreed to by the House committee. That seems to be approved in general.

Mr. STEAGALL. I did not mean to discuss these amendments. As I understand the provisions of the Senate bill the provisions of existing law are liberalized so as to permit income and profits from income derived from any of the stocks, bonds, and obligations of the Reconstruction Finance Corporation to be placed in the same category as private individuals and to permit taxation in accordance with the tax bill recently passed. That is as far as we have gone.

Mr. WHITE. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Idaho.

Mr. WHITE. My question goes to the effect of taxation. Section 3 reads:

Section 10 of the Reconstruction Finance Corporation Act, as amended, is hereby amended by adding at the end thereof the following new sentences: "The foregoing exemptions with respect to taxation (which shall, for all purposes, be deemed to include sales taxes and use taxes) * * * are hereby extended to apply with respect to Defense Homes Corporation.

I want to ask a question.

Mr. STEAGALL. Let me answer. I understand what your question is.

Mr. WHITE. I do not think the gentleman does. In the event the Defense Homes Corporation goes into a community where one of these defense industries are located and builds a thousand homes for the accommodation of temporarily employed people, as long as the title to that property is in the Defense Homes Corporation, will they be exempt from local taxation?

Mr. STEAGALL. If they come under the Defense Homes Corporation they will be exempted, because the investments made will be from funds supplied by the President in connection with the defense program, but all of the agencies of the Reconstruction Finance Corporation and the Corporation itself will be embraced in the tax law passed this year.

Mr. WHITE. May I remind the gentleman that right now serious problems are arising in connection with the support of schools by reason of the influx of temporarily employed people bringing in large families to be educated, with no school facilities and no taxation available. How are you going to meet that situation if you are going to exempt these houses from taxation?

Mr. STEAGALL. Did I understand the gentleman to indicate that there is any objection in his community or in any community to the location of defense activities in the community?

Mr. WHITE. That is certainly a problem. I may say to the gentleman further that it is a well-recognized prin-

ciple in connection with reclamation projects owned by the Government, transmission lines, and other such projects owned by the Government, that some provision in lieu of taxes is made available to these communities where they are losing taxes on such Government-owned facilities.

Mr. STEAGALL. Insofar as this bill deals with the matter of defense housing constructed from funds allocated by the President, the tax provision does not apply. Otherwise, every activity and agency of the corporation is taxable.

Mr. WHITE. Coming down a little further, to rubber, it is conceivable that this Government-financed rubber corporation can bring in great stocks of rubber for the supply of these industries, receive title to it until it is actually delivered, immediately manufactured, and turned back to the Government, and escape taxation altogether under the provisions of this bill. Is that right?

Mr. STEAGALL. I do not know the practical situation with reference to rubber well enough to say that the conclusion of the gentleman about that is justified, but I can say that the law does not contemplate the taxation of personal property. The personal property of these subsidiary corporations is exempt.

Mr. WHITE. In connection with Boulder Dam, Grand Coulee, and other such facilities, we have established the principle of paying something in lieu of taxes to support the local governments. Why not include such a provision in this legislation, if you are going to exempt so much income-bearing property from taxation?

Mr. STEAGALL. You permit the taxation of incomes in this bill rather than exempt them.

Mr. WHITE. Would the gentleman favor some plan of that kind?

Mr. STEAGALL. I cannot tell about that in advance.

Let me call attention to what is contemplated by this bill. Section 1 provides for extension of authority of the Disaster Loan Corporation to make loans.

This Corporation was created by an act of Congress approved February 11, 1937. It was set up with an authorized capitalization of \$40,000,000 to be provided by the R. F. C. It is managed by the staff of the R. F. C. We provided that the succession of the Disaster Loan Corporation should continue until the Corporation is dissolved by act of Congress. However, the present law authorizes the making of loans in conjunction with catastrophes occurring only during the years 1936, 1937, 1938, 1939, and 1940. Section 1 of this bill brings this provision up to date by authorizing disaster loans in conjunction with catastrophes occurring through January 22, 1947. This date was selected because the powers of the Reconstruction Finance Corporation expire at that time. This section does not extend the life of the Disaster Loan Corporation, but simply permits it to operate effectively until 1947 unless the Congress repeals the act creating it.

The Disaster Loan Corporation has authorized loans aggregating in excess of \$31,000,000, including loans in excess of

\$14,000,000 to the Federal Surplus Commodities Corporation, but not including timber loans in an amount dependent upon the value of the collateral and the costs in connection therewith. The Corporation has disbursed in excess of \$27,000,000, repayments exceed \$8,000,000, and approximately \$19,000,000 is now outstanding. This Corporation has rendered yeoman service in the provision of relief in connection with floods, hurricanes, and other disasters. It has provided prompt relief to disaster victims in a businesslike way.

Section 2 would extend the life of the Electric Farm and Home Authority, which would expire at the end of the present fiscal year.

Section 2 extends the life of Electric Home and Farm Authority from June 30, 1941, to January 22, 1947, also coextensive with the succession of the Reconstruction Finance Corporation. The Authority was set up as a District of Columbia corporation pursuant to Executive order and was continued as an agency of the United States by an act of Congress approved March 31, 1936.

Electric Home and Farm Authority cooperates with the R. E. A., T. V. A., private power and gas companies, and small appliance dealers in financing installment purchases of gas and electrical equipment—stoves, refrigerators, washing machines, and the like. It operates in 37 States, mostly in smaller communities where installment financing is not available except at exorbitant rates.

The Authority is self-supporting. It borrows its funds from private banks at standard commercial rates. It has purchased installment obligations totaling approximately \$40,000,000, has sustained actual losses of only \$40,000, has an earned surplus in excess of \$300,000, and a reserve for possible losses totaling approximately \$330,000. This Corporation is also managed by the staff of the R. F. C.

I think the debate on the rule has made clear to the House what is desired and what will be accomplished by this provision of the bill.

The provisions of section 3 will serve to dispel various uncertainties which have arisen in some States as respects the tax liability of the R. F. C. and the various corporations created by or associated with it.

Under existing law the Reconstruction Finance Corporation, including its franchises, capital, reserves, surplus, and income is exempt from all taxation, Federal, State, and local, except as to its real property which is made subject to non-discriminatory State and local taxes. This section of the bill reaffirms congressional policy with respect to such exemption to the effect that the exemption includes (1) sales, use, and all other taxes except nondiscriminatory real-estate taxes, and (2) the loans and personal property of the Corporation.

This section also removes any doubt as to the position of various corporations of a public nature affiliated with the Reconstruction Finance Corporation by providing that the tax exemptions applicable to the R. F. C. shall be construed as applicable (1) to public corporations organized or created by or at the instance

of the R. F. C., including the Defense Plant Corporation, the Defense Supplies Corporation, the Rubber Reserve Company, the Metals Reserve Company, the RFC Mortgage Company, and the Federal National Mortgage Association, and (2) to public corporations which are wholly financed and managed by the R. F. C., specifically the Disaster Loan Corporation.

The exemption is extended to include the Defense Homes Corporation. This Corporation was incorporated at the instance of the Federal Loan Administrator by members of the R. F. C. staff. It is financed through an allocation from the emergency funds of the President and operated by the Reconstruction Finance Corporation.

Under the provisions of the Reconstruction Finance Corporation Act the obligations of the Corporation, including both principal and interest, are also exempt from all taxation except inheritance, estate, gift, and surtaxes. This exemption was modified by Public Law No. 7, Seventy-seventh Congress, subjecting the interest upon, and the gains from the sale of, obligations of the United States and its agencies to Federal taxes. This exemption as so modified is not affected by the provisions of this bill.

This section does no more, except as to Defense Homes Corporation, than reaffirm the original intention of the Congress, which is necessary to avoid the delay and expense of litigation. This provision is exceedingly urgent to avoid tax questions, particularly as respects the great stocks of strategic and critical materials—rubber, wool, tin, antimony, tungsten, and the like—now being accumulated by the R. F. C.'s defense corporations.

Section 4 of the bill provides for loans to foreign governments or their agencies, but only upon securities held in the United States. The purpose of this provision is to permit the Reconstruction Finance Corporation to make loans upon securities and assets of foreign governments in order to conserve their value and prevent their sacrifice at forced sale. It would permit governments desiring such loans to obtain them upon liberal terms and valuations such as the Reconstruction Finance Corporation could safely make, rather than leaving governments desiring such loans in the hands of private-lending institutions that would require collateral of three or four to one, and charge fees for services, and finally resulting in the sacrifice of assets that might be conserved.

In the case of one foreign government in particular, instances will arise whereby making common-sense, practical, business-like loans on the assets of that nation, loans made not upon a mere promise to pay, but loans secured by assets held in this country, we will enable that nation to conserve its holdings and realize their full value, which in the end will mean substantial saving to the people of the United States because of operations that will be had under the commitments of the lend-lease bill. It will enable that government to pay cash for articles that are to be supplied rather

than lending such articles or selling them at nominal cost.

Existing law authorizes Reconstruction Finance Corporation to create defense corporations to procure strategic and critical materials, to expand, equip, and lease plants for the manufacture of arms, ammunition, and implements of war, and, upon finding of necessity by the President, to engage in the manufacture of armaments. Subsection (c) of this section provides that such corporations may be given additional powers necessary to expedite the defense program.

The defense activities of the Reconstruction Finance Corporation and the defense corporations created by it are undertaken only upon the request or approval of the President, the War Department, the Navy Department, or the Office of Production Management. The requests received from these various persons and agencies are of great variety, both as respects domestic needs and projects, essential to our defense, to be carried out in various parts of the Western Hemisphere. These requests are made whenever it appears that the facilities of the Reconstruction Finance Corporation are best adapted to the execution of a particular project or whenever the project contemplates the extension of financial assistance to an existing agency.

Because it is impossible under present circumstances to anticipate the exact nature of the many undertakings which will be required of the Reconstruction Finance Corporation, an amendment in the nature of that included in the bill seems best adapted to assure the flexibility of operation which has enabled the Corporation effectively and without delay to meet unusual requirements arising from the present emergency. The provision seems necessary to avoid the legal trammels incident to narrower language as new and now unforeseeable requirements develop in the defense program.

The activities of the Reconstruction Finance Corporation in serving to expedite the defense program by providing without delay vitally needed strategic and critical materials and production facilities have been reported in detail in a recent letter from the Federal Loan Administrator, Mr. Jesse Jones, addressed to the President and the Congress.

Under existing law no limitation is imposed upon the period within which such corporations may be created by the Reconstruction Finance Corporation, other than the limitation upon the succession of the Reconstruction Finance Corporation itself, that is, January 22, 1947. This section provides that this power shall expire on June 30, 1943.

The authority of the Reconstruction Finance Corporation to set up these corporations is limited in several respects. First, the authority extends only to corporations established in order to aid the Government in its defense program; second, the authority may be exercised only upon the request of the Federal Loan Administrator and the approval of the President; third, the authority may not be exercised after June 30, 1943; fourth, the activities of these corporations are limited by the restriction upon the general note-issue power of the Reconstruc-

tion Finance Corporation, and fifth, the authority is, of course, limited by the power of Congress to curtail or stop the defense activities of the R. F. C. whenever that seems advisable.

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

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

Mr. DONDERO. Early in the day I made the statement on the floor that we have adopted the policy in this country of taxing the income on all obligations of the Federal Government to be issued in the future, but if this bill passes with section 3, which includes the amendment to section 10 of the Reconstruction Finance Corporation Act, we proceed to exempt from taxation the notes, bonds, mortgages, and other obligations of an agency of the Government. Does not the gentleman believe we are adopting an inconsistent policy when we do that?

Mr. STEAGALL. We put them in the same category as originally, but we do permit them to be taxed under the provisions of the Public Debt Act as I have indicated. All these matters will arise when we consider the committee amendments.

I wanted to discuss another provision of this bill. The Corporation had its lending powers increased \$1,500,000,000 under the act we passed in contemplation of the establishment of subsidiary corporations to purchase materials and supplies and to manufacture equipment necessary in carrying out the defense program.

It so happens that since that time the Corporation has made loans and commitments of \$1,600,000,000. For that reason and in order that the Corporation may keep its lending power up to something like \$1,000,000,000, which has always been regarded as desirable by the officials of the Corporation, this bill provides for increasing the lending power \$1,500,000,000. It seems to me very desirable.

In this connection I wish to thank the gentleman from New York [Mr. FISH] for his commendation of the officials of the Reconstruction Finance Corporation. It is certainly one agency of the Government, the management of which has met with universal approval by the people of the United States. I do not think the Government has any man superior to our Federal Loan Administrator, Jesse Jones, in dealing with the matter of loans, investments, and all those things that require rugged common sense, courage, and frankness. I am the more willing to extend these powers in view of the admirable administration we have known in the past and that we have every right to expect to continue under the present management that will be responsible for the conduct of this Corporation.

Mr. TABER. Mr. Chairman, will the gentleman yield?

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

Mr. TABER. I am very much disturbed about section 3 of the proposed amendment submitted by the House committee, exempting from taxation—

Mr. STEAGALL. Let me suggest to the gentleman that he defer further discussion of that until we reach the amendments that will be offered by that committee. He will have ample opportunity to have the House consider his views. I suggest this because I want to save some time for other members of the committee.

Mr. Chairman, I reserve the balance of my time.

Mr. TABER. Mr. Chairman, I make the point of order there is not a quorum present.

The CHAIRMAN (Mr. COLE of Maryland). The gentleman from New York makes the point of order there is not a quorum present. The Chair will count. [After counting.] Eighty Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, when the following Members failed to answer to their names:

[Roll No. 59]

Andresen,	Edmiston	Mitchell
August H.	Gavagan	Mundt
Andrews	Geyer, Calif.	Nichols
Arnold	Grant, Ind.	O'Day
Baldwin	Harness	O'Hara
Bates, Ky.	Harter	Osmers
Bell	Hartley	O'Toole
Boehne	Heidinger	Pearson
Boland	Hendricks	Pfeifer,
Bolles	Hess	Joseph L.
Boren	Hinshaw	Pierce
Boykin	Hoffman	Rizley
Bradley, Mich.	Holbrook	Romjue
Buck	Holmes	Sasscer
Buckley, N. Y.	Izac	Schulte
Byrne	Jacobsen	Scott
Camp	Jarman	Secrest
Cannon, Fla.	Jarrett	Shanley
Cannon, Mo.	Jenkins, Ohio	Short
Carter	Jenks, N. H.	Smith, Pa.
Cartwright	Johnson, Calif.	Smith, W. Va.
Celler	Johnson,	Somers, N. Y.
Clark	Lyndon B.	Starnes, Ala.
Claypool	Johnson, W. Va.	Starnes, N. H.
Colmer	Kee	Sullivan
Connery	Kelley, Pa.	Sweeney
Copeland	Kirwan	Taylor
Crawford	Landis	Thill
Creal	Larrabee	Tolan
Crosser	Ludlow	Traynor
Culkin	McGranery	Treadway
Cullen	McGregor	Vinson, Ga.
Curtis	McLean	Wadsworth
Dies	Maclejewski	Wasielewski
Dirksen	Magnuson	Wickersham
Domengaoux	Marcantonio	Winter
Douglas	Mason	Wolfenden, Pa.
Duncan	May	Wright

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COLE of Maryland, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (S. 1438) and finding itself without a quorum, he had directed the roll to be called, when 320 Members answered to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER. The Committee will resume its session.

The Committee resumed its session.

The CHAIRMAN. The gentleman from Alabama [Mr. STEAGALL] has consumed 21 minutes. The gentleman from Michigan [Mr. WOLCOTT] is recognized for 1 hour and 30 minutes.

Mr. WOLCOTT. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, since I have been in the Congress I do not believe there has ever been presented to the House a bill

of greater importance than this measure. This bill, if enacted as the House Committee on Banking and Currency has recommended, would grant such broad powers to the executive branch of the Government as to make it possible to establish a Fascist state in the United States. It would give the President and the Federal Loan Administrator the power to do anything they saw fit to do so long as it was incidental to the defense program.

I have given a great deal of thought during the last few days to what could not be done under this act, and I do not believe there is anything that could not be done under this act by the creation of a corporation. I say this without fear of successful contradiction. I do not know what others may do in respect of this bill, but if in defending the democracies of Europe I am convinced, as I am, that we are going to destroy democracy in America, then I think it is my duty under my oath of office to the Constitution of the United States, to my people, and to myself to do everything I can to preserve the American form of government, and by no act of mine will I ever vote to give any individual or group of individuals the power to destroy the American form of government, whether they intend ever to use it or not, because if the Congress of the United States so forgets itself and its oath under the Constitution to the people whom it represents that it delegates to any individual the power to destroy the American form of government, by so doing it is doing just as vicious and pernicious a thing and as destructive a thing as if it had created the corporation itself to take over these powers to destroy democracy. [Applause.]

I don't want to criticize anybody for the attitude which he may take, that inasmuch as this bill has the word defense in it, we must delegate all legislative power to the Executive. For a good many years we have fought successfully the attempts of the administration to obtain from Congress certain legislative powers which I say are under the Constitution vested in the Congress—fought successfully, I say, on several occasions, the granting of much less power than is contained in this bill.

Let me get a little confidential with the Committee this afternoon, and tell something of the history of this bill. I might say parenthetically that no action by the House Banking and Currency Committee in respect to any proposed amendment removes the obnoxious feature of the bill to which I referred, and I might also say parenthetically that those of you who think you know what this bill will look like when we get through with it, by reading it now, have another guess coming, because the Committee are proposing 15 amendments, and there are a few of us, a chosen few, who have copies of those amendments. I might say that the information which we had in committee was just as limited as the information which you have before you today with respect to this bill. They were going to pass over this particular item in respect to this power, until matters which transpired last year

were called to their attention, and then we immediately went into executive session, it was so important, and nothing was said about it until questions were asked in respect to the bill, and although in the general statement of the Federal Loan Administrator nothing had been said whatsoever in respect to the bill until the amendment was called to his attention, he then asked that we go into executive session. Many of the things which he said he wanted to do under this power have become public information since that time? I might say that one of them was to set up a corporation to constitute a small-loan agency to loan money to aid flying cadets to help finance the purchase of their uniforms. It did not seem to me that we would have to go into executive session to be told that. And the others they already had the power under existing law to do. They want this power for some reason or other, and I think the Congress of the United States should know what they want the power for before we give it to them.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. THOMAS F. FORD. Is it not true that 14 of those amendments are clarifying amendments, just checked off, as they were read off?

Mr. WOLCOTT. Yes.

Mr. RICH. Was this bill passed out of the Banking and Currency Committee by the full committee?

Mr. WOLCOTT. No. There was no record vote taken, but there was opposition to it.

Mr. RICH. And these 15 amendments they are going to vote for—was the committee in accord with those amendments?

Mr. WOLCOTT. I was not there. We went before the Rules Committee last Wednesday and I expressed my opposition to the bill. I do not claim that because of any opposition that I voiced to the bill that the Rules Committee did so, but the committee indicated strongly that they were not going to grant a rule. While I was in Michigan over the week end the committee was called together on Friday and these 15 amendments were agreed to.

Mr. RICH. Were these 15 amendments offered to clarify the bill after the bill was reported out?

Mr. WOLCOTT. The important amendment is No. 15, which is supposed to be a sop to those of us who oppose the bill, but which I shall point out later on does not restrict the powers any more than the original bill. If gentlemen will recall, last session we had a bill before us to increase the capital of the Export-Import Bank by \$500,000,000. While we had that bill under consideration the Federal Loan Administrator, Mr. Jones, asked me if I would stay after school one day, meaning, would I stay after the committee adjourned and talk with him. Of course, I gladly consented to do so. He told me that they wanted to acquire some excess stocks of strategic and critical materials, and wanted to know if I knew what the attitude of the minority would be in that respect. I thought that was

a very desirable defense activity. I thought that we should acquire excess stocks of critical materials such as rubber, tin, nickel, manganese, and all of the other things which we do not produce, against that day when perhaps because of blockade or because of disruption in the usual transportation facilities, we would not be able to get them.

Then we discussed the methods by which we might acquire them. We decided that if the steel industry, for example, pooled its capital and organized a subsidiary corporation for the purpose it would be in violation of the terms of the antitrust laws of the United States. If each individual corporation took some of its capital and invested it in strategic and critical materials, we would create a situation whereby at the end of the emergency they might demoralize the market with those materials by dumping them on the market in order to liquidate their capital for expansion in peacetime. So I suggested—and I take full responsibility for it—I suggested that a corporation be organized, a subsidiary of the Reconstruction Finance Corporation, financed by the Reconstruction Finance Corporation, to acquire and market excess stocks of strategic and critical materials. One or two days later the President sent down his message or letter asking the Congress to create a corporation for that purpose. Mr. Jones came back to the Committee on Banking and Currency with a proposed amendment and much to my surprise and much to my horror, and much to my humiliation, this amendment provided not for a corporation to acquire and market strategic and critical materials, but provided for the creation of corporations to do anything under God's heaven as long as it was incidental to the defense program. Mr. Jones was very apologetic about it before the Committee on Banking and Currency at that time. He made the statement that he did not want that power; that he did not need that power. But the old steamroller was put to work and it was reported out of the committee in defiance of the agreement, in defiance of the recommendation by Jesse Jones, and came out here on the floor, and you gentlemen had a pass at it. You restricted the operation of these corporations in June of last year, so that they could not create any corporation under that power to manufacture any article excepting arms, munitions, and implements of war, as proclaimed by the President. You put that limitation on yourselves on the floor of this House, along about the 14th of last June.

Mr. CASE of South Dakota. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. CASE of South Dakota. Do these amendments that are supposed to be presented cure the bill from removing this limitation?

Mr. WOLCOTT. Not a bit. I will discuss that later on.

Now, they have come in with this bill. As originally read and as it originally came from the House Committee on Banking and Currency, it says that these corporations may be created and organized when requested by the Federal Loan

Administrator with the approval of the President and that all the powers which they have always had since the bill was enacted last year—

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 10 additional minutes. With such powers as they already have under the act and with such powers as they may deem necessary in order to expedite the defense program, including but not limited to the powers already in existing law; which makes the sky the limit. There is no ceiling now. There is no restriction whatsoever upon the President and the Federal Loan Administrator to organize a corporation to do anything so long as the President finds it to be within the realm of national defense. I have just said I have been giving a great deal of thought to this question during the past few days, and I cannot think of any activity, even to the making of china dolls, that might not be interpreted as coming within the defense program. Even recreational facilities are included in the defense program.

Mr. THOMAS F. FORD. Will the gentleman yield?

Mr. WOLCOTT. I would like to proceed a little further, please.

Mr. THOMAS F. FORD. But you are talking about something that is not in the bill.

Mr. WOLCOTT. I will get to that. I promise you I will. I made it clear that that was the amendment which was reported out. The sky is the limit; no restriction whatsoever. Now, is there anybody who will contradict that?

Mr. THOMAS F. FORD. Yes, I will. If you read that in connection with another section, the sky is not the limit. It was limited to that particular section.

Mr. WOLCOTT. We will read it in connection with the other section. What the gentleman has reference to is that the organization must be in respect to the defense program. Of course, the President has got to find that this corporation is a part of the defense program. If the President finds that the making of doll babies is a part of the defense program, as recreation for soldiers' children, it comes within the purview of the act.

Now, let me go to the proposed committee amendment. The Rules Committee, I think—I cannot speak for them—but they indicated that because of the very broad powers contained in this act, which I say gives the President the power to set up a Fascist state in America, sent it back to the Banking and Currency Committee, or rather the Banking and Currency Committee had a meeting and they reported out this as a substitute. This is supposed to be a liberalizing amendment to the original bill. This is supposed to be a restriction upon the powers of these corporations. So we go ahead and set up these corporations and we provide as in existing law that they may purchase, acquire, and carry strategic and critical materials, and that they may purchase land to expand plants and produce equipment and manufacture anything they want to so long as it is classified as arms, muni-

tions, implements of war, and other articles, equipment, facilities, and supplies necessary to the national defense.

In this connection let me call your attention to the fact that now if this amendment which the Banking and Currency Committee will introduce here is agreed to we no longer restrict the power of these corporations to the manufacture of arms, munitions, and implements of war, but we extend it to the manufacture of all other articles, equipment, facilities, and supplies necessary to the national defense.

Then the amendment goes on to provide:

when requested by the Federal Loan Administrator, with the approval of the President, shall have power to create or organize, at any time prior to July 1, 1943, a corporation to take such other action as the President and the Federal Loan Administrator may deem necessary to expedite the national-defense program.

My heavens, Mr. Chairman, what are we doing here in the name of national defense if we are not delegating the constitutional authority which is invested in this body to set up a Fascist state? Yes; a dictator here that will make Stalin, Hitler, and Mussolini look like pinheads?

Mr. CHIPERFIELD. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. CHIPERFIELD. Would not that language be broad enough to permit completion of the Florida ship canal or anything else of the same nature?

Mr. WOLCOTT. Mr. Chairman, there is no restriction in the House amendment against the construction of the Florida ship canal, against the construction of the Great Lakes-St. Lawrence waterway, against the construction of the Passamaquoddy project, or the Nicaraguan canal. I do not pass upon the merits of any of these projects except I want to be sure that when these projects are constructed it be the result of express authority by this Congress to do it. In the Senate bill there was a restriction against the construction of all these projects which I have mentioned except the Nicaraguan canal.

We should not sit complacently back here and grant this authority, although we shall have our attention called to the fact that they cannot create a corporation capitalized in excess of \$100,000,000 to construct any one of these projects; but you know what is going to happen. If you give them this authority they will come back as they have so often in the past and say, "We have got to have some more money now because we have started this project" and by a simple little joint resolution that would go through this House by unanimous consent 6 months from now you would be asked to extend this amount to \$300,000,000, or probably another \$1,500,000,000. The President, without any express authority from Congress, started the Florida ship canal and we stopped it, but he had already spent several millions of dollars on it. Then he came back and said, "You have already invested in the Florida ship canal several millions of dollars. You must continue the project in order to protect

the Government's investment." And in the matter of these connecting parkways between the Great Smokies and the Shenandoah, and the Natchez Trace. They were started under general authority contained in the old N. R. A.-Public Works Act and were never passed upon directly by Congress. They had already spent two or three million dollars on the projects and the justification for further expenditures since then has been to protect the Government's investment.

So this is just a start, Mr. Chairman. This \$100,000,000 is practically no limitation whatsoever because you know as well as I that if he is given \$100,000,000 to do anything with—that constitutes just the capital of the corporation—and it is doubtful whether there is any limitation on the amount which can be committed.

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

Mr. WOLCOTT. I yield.

Mr. VORYS of Ohio. Would the gentleman explain to some of us who do not understand it, why it is necessary to use this private-corporation method of conducting the Government's business under any circumstance?

Mr. WOLCOTT. There is not any justification for it whatsoever unless the power of the corporation is limited to the power of the creating body. If the R. F. C. under its organic act found itself embarrassed to do something it wanted to do, all they would have to do under this bill would be to set up a corporation, and any limitation in the R. F. C. Act would not pass on to the Corporation. They can do anything so long as the President finds that it is incident to the national defense.

Here is the point I want to make and stress: They can go to industry and bludgeon them into line on any project or in any particular under the threat that the Federal Government will set up a competing enterprise.

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

Mr. WOLCOTT. I yield.

Mr. RICH. In this bill, on page 9, subsection 4, occurs the language, "such powers as they may deem necessary in order to expedite the defense program, including but not limited to." There is where they get their power.

Mr. WOLCOTT. I just discussed that. But they have a committee amendment which is thrown in here apparently as a sop to those of us who do not like that language, but the language of the amendment I believe is equally as broad as that referred to by the gentleman.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield myself 5 additional minutes.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. MONRONEY. The gentleman has criticized this \$100,000,000 fund that has been granted to Jesse Jones in this bill. Does he not know that on almost every defense bill that has gone through this Congress in the last year discretionary funds for national defense have been granted the President alone to carry out the projects that he deems necessary for

national defense, and is not your general opposition to this bill to the \$100,000,000 discretionary fund granted to Jesse Jones, who, in 8 years has spent these funds with wisdom and credit to our Government?

Mr. WOLCOTT. I am not objecting to the \$100,000,000 at all. You gentlemen of the committee reduced the \$300,000,000, which the Senate provided, to \$100,000,000 in the hope you would break down the opposition to the delegation of powers contained in the original draft.

Mr. PLUMLEY. Will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Vermont.

Mr. PLUMLEY. Will the gentleman explain the necessity and the occasion for the creation of a private corporation to undertake to purchase minerals of a strategic nature, inasmuch as the general appropriation act for both the Army and Navy carries a very considerable sum and has repeatedly carried a very considerable sum to be devoted to those explicit purposes?

Mr. WOLCOTT. There is some question as to the advisability of it, but I do not contest the feasibility of creating a corporation for that purpose.

Mr. Chairman, I want to cover another part of this bill which to me is very interesting. This bill repeals certain provisions of the Neutrality Act in respect to the making of loans to belligerent countries.

On page 8 of the bill, subsection 2, section 4, provides that the Federal Loan Administrator can make loans to foreign governments through their central banks, and here is the very interesting part of this thing. Frankly, I do not understand it. They go on under (a) to say that these loans shall be secured by the bonds, debentures, stocks, or other obligations of the Government of the United States or any State, municipality, or political subdivision of any State. That looks pretty good. In other words, according to that, we cannot lend to the British Government or to any other belligerent unless they put up United States bonds, State bonds, or municipal bonds. That is not bad, but what is (b) doing in there? Oh, they may lend on the security of any bonds, debentures, stocks, or other obligations of any private corporation.

Now, think that over a minute. They can create a corporation, if they want to, with a million dollars of capital, subscribed by the Bank of England or by the Reconstruction Finance Corporation, and authorize that corporation to expand that capital ten times by the issuance of stock, and the Reconstruction Finance Corporation can lend with that stock as security. We used to call that watered stock in the old days.

We are creating under this bill the possibility of the issuance of millions of dollars of watered stock, which is not fully guaranteed by the Federal Government as to principal and interest, as are some of the bonds referred to in (a). I have an amendment to that.

Mr. Chairman, the other provision of this bill which I wish you would give some consideration to is whether you

want to deny the States the income by way of taxes or otherwise from the property of these corporations set up as competing enterprises. Let us take a concrete case for example.

If the Government decides it cannot buy furniture in the open market for the offices in the Government incident to national defense, it can go into the city of Grand Rapids or anywhere else where furniture is made and say to the furniture industry, "We will pay you so much. If you do not sell it to us for that much, then we will set up a competing enterprise." That may be done in respect to any other question incident to the manufacture of furniture or any other article. They hold this as a bludgeon over the head of industry to tell industry to do their bidding. If they do set up a competing industry, under the terms of section 3 of this act, that competing industry is exempt from all local taxation.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield myself 4 additional minutes.

Mr. Chairman, even the States have taken this up, and, although they want the defense industries, they do not want competing private industries set up that they cannot tax.

Mr. Chairman, I hope that I have sowed the seed for a great deal of sober consideration in respect to this bill. Personally, I think this bill has potentialities so far reaching that any Member of Congress who has taken the oath to support the American form of government cannot conscientiously vote for this bill which delegates the lawmaking powers of this Congress to the Executive, whether it be in the form of a corporation or otherwise. They want this power for something or they would not ask for it. Now, let the proponents of this bill tell us why they want this power and what they are going to do with it. They have not told us yet.

Mr. SMITH of Ohio. Will the gentleman yield?

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

Mr. SMITH of Ohio. Will the gentleman take a little more time and discuss further section (b)? I think that is extraordinarily important. The gentleman has touched on it. It covers the bonds of any private corporation secured by any corporation organized under the laws of the United States or any State.

Mr. WOLCOTT. Of course, every private corporation must be organized under the laws of some State or the United States. It would not be a corporation unless it were.

Mr. SMITH of Ohio. I would like to have the gentleman discuss that. I think it is very important.

Mr. WOLCOTT. I think there is an ambiguity between (a) and (b). Under (a) they have secured their loans by reasonably good security, Government, State, municipal bonds, or obligations. Under (b) any corporation could be set up and chartered, as many of them are, under the laws of Delaware or Michigan, the District of Columbia, or any other State, with subscribed capital, with authority to expand that capital and the Reconstruction Finance Corporation

might find itself in position where it could lend to the full extent of the capital.

The point I want to make in respect to the whole bill is that the only restriction on what the President and the Federal Loan Administrator can do under this bill is found in the Constitution itself. If they are denied by the Constitution the right to do something, then they cannot use this power, but they can use any power which the Congress has in the exercise of powers incident to these corporations and there is some question that they cannot use some of the judicial powers of the United States.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield myself 1 additional minute.

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

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

Mr. RICH. Under the power conferred in the bill, if they grant \$100,000,000 for setting up these corporations there is no limit on the size of the corporations, is there?

Mr. WOLCOTT. No.

Mr. RICH. They could establish 10,000 corporations if they wanted to under the \$100,000,000 grant, and then they could sell bonds to the value of \$1,500,000,000; and they could go into any field at all, which, as the gentleman said in the first part of his remarks, would certainly make this Government communistic.

Mr. WOLCOTT. They can set up a corporation to construct the Florida ship canal with a capitalization of \$5,000,000. They can issue bonds—call them revenue bonds—to the amount it is going to take to construct that project, on a \$5,000,000 capitalization.

Mr. BEITER. The same thing would apply to the St. Lawrence seaway?

Mr. WOLCOTT. The same would apply to the St. Lawrence seaway and every other such project.

Mr. RICH. They could establish a thousand corporations if they wanted to.

Mr. WOLCOTT. Ten thousand.

[Here the gavel fell.]

Mr. WILLIAMS. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. THOMAS F. FORD].

Mr. THOMAS F. FORD. Mr. Chairman, may I first make this observation. In the 8 years I have been in this body and in the 6 years I have been on the committee, I have noticed that almost every time a major bill comes from this committee certain members of the committee take it upon themselves to present to the House a picture of a bill that has some sinister, undisclosed purpose. The Member who has engaged in that activity all this time reminds me a good deal of the fable of the sheep and the wolf. You recall that the boy always cried, "Wolf, wolf, wolf." Finally one day the wolf did appear and he cried "Wolf," but nobody paid any attention to him. I believe we have a parallel situation in the attack on this measure.

This bill, S. 1438, is a simple measure designed to achieve very important, aye, exceedingly vital objectives. These

objectives are vital to hemispheric defense. If such a measure were being proposed in any other parliamentary body in the world, the objectives would not be openly discussed.

What this bill seeks to do is to authorize the Reconstruction Finance Corporation to engage in activities that have for their purpose the strengthening of our hemispheric defense, to be carried on beyond the borders of continental United States.

The extent to which the Reconstruction Finance Corporation uses the authority granted will depend entirely on circumstances over which we have no control, but which our national safety and welfare demand that we do control and prepare ourselves to successfully and vigorously combat or checkmate, activities that may be carried on that endanger and menace our own national safety and welfare.

Because of the extremely important, critical, and dangerous nature of the situation, I urge every Member of the House to support this bill. What you are doing is granting to the Reconstruction Finance Corporation the means by which, if circumstances over which we have no control arise, it can go into other parts of the world and do things that will be vital to the defense of the United States of America.

Mr. SACKS. Mr. Chairman, will the gentleman yield?

Mr. THOMAS F. FORD. I yield to the gentleman from Pennsylvania.

Mr. SACKS. May I observe that the gentleman from Michigan said that the powers in this bill might be used to create the Florida Canal and other such projects. Is it not true that Mr. Jones and Mr. Hamilton said before the committee that that was furthestmost from their minds and that such projects absolutely would not be considered under this bill?

Mr. THOMAS F. FORD. That is exactly true.

Mr. SACKS. I will take Jesse Jones' word any time.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. THOMAS F. FORD. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. In view of what my colleague from Pennsylvania has said, that Jesse Jones has given the committee his word that such a corporation will not be organized to finance, we will say, the Florida ship canal or the St. Lawrence seaway, will the gentleman deny that it is possible under the language of this bill to form such a corporation for the purpose of constructing the St. Lawrence seaway?

Mr. THOMAS F. FORD. There are clauses in the Reconstruction Finance Corporation law that make it possible to organize almost any kind of a corporation.

Mr. VAN ZANDT. That is right.

Mr. THOMAS F. FORD. The Reconstruction Finance Corporation law was originally passed by the majority on that side.

Mr. VAN ZANDT. Then the gentleman will confess the fact that it is possible to do that?

Mr. THOMAS F. FORD. No. I am telling the gentleman that under the Re-

construction Finance Corporation law as it now stands there is authority to create almost any type of corporation. [Applause.]

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, I should like to ask the gentleman from California [Mr. THOMAS F. FORD] this question. The gentleman says that as long as Jesse Jones is in his present position he will not grant permission to have the Florida ship canal constructed. How do we know that Jesse Jones may not resign from the Reconstruction Finance Corporation or the Department of Commerce to go into some other business, and then the President may appoint Harry Hopkins? In that event the President can do just as he wants, because Harry Hopkins has proven that he will do anything the President wants. Then you can set up and finish the Florida ship canal and you can finish the St. Lawrence seaway, or you can establish a thousand different corporations. If you want to continue what you have been doing, making this a communistic nation, you are certainly on the right road now. Does not the gentleman think you are?

Mr. THOMAS F. FORD. In answer to the gentleman's question, may I say that in the first place the gentleman puts words in my mouth that I did not use. I was asked that question, and said that Mr. Jones had said such a thing.

Mr. RICH. The gentleman from Pennsylvania said that.

Mr. THOMAS F. FORD. The gentleman put that in my mouth. The gentleman did not say it. As far as the Florida ship canal or the St. Lawrence seaway is concerned, what is wrong with them? The gentleman just does not agree with them because they are not Republican measures.

Mr. RICH. No; I do not agree with them because I believe they represent American taxpayers' money wasted in useless projects at this time. I believe this administration has been wasting money for the last 8 years, and we are in the worst hole this Nation has ever been in. You are going from bad to worse every minute. Last night you had the President of the United States all but declare war, and when you get into that state of affairs you are going against the will of 80 percent of the people of this Nation. You, on that side, are responsible because you have given the President all of that power. I am glad I did not give it to him. I voted against such power that has been given to the President. I believe we should assume our responsibility, and my people want me to do so. I did not give Mr. Roosevelt the power he assumes.

Mr. THOMAS F. FORD. You have.

Mr. RICH. I did not; I did not vote for any of it. [Applause.]

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, of what use is it to argue with the majority about these bills? I have read the de-

bate in another body and I presume it may be proper if I refer to remarks already in the CONGRESSIONAL RECORD. There are able men in the other body who are not Republicans, and one of them in particular said, to my great surprise, "I doubt whether Members of the Congress or the public at large are aware of what is going on. We are absolutely destroying the system of free private enterprise. Such destruction does not come primarily from what is proposed here." But he goes on to complain of these corporations portrayed here claiming that they are not now competing with private business, but which really are, and will continue to compete. There is a limitation of their activities, set for 1947, but while they supposedly would not be given any more nutrition after that date they can remain active to wind up the corporations' affairs.

You saw yesterday a remarkable vote. Anyone would think that this was Parliament and that if the party in power should be defeated or if a vote of confidence were lacking, we would have to go to the people and therefore must be loyal to the leader without respect to the actual merits of the legislation. There was a real exhibition yesterday of this procedure. The minority could, and did, vote its convictions. Some may assert that it was politics on the minority side, but the real politics is displayed in following a leader lest otherwise it be interpreted as a vote of lack of confidence.

All the House is now asked to do, lest you be confused, is to accept amendments to be offered by this committee which will make the bill conform to the bill as reported in the other body, except for the limitation of \$300,000,000. This committee has now placed a limitation of \$100,000,000. Look at the letter (g) in section 3, saying that they can form numerous corporations to do almost anything, so long as they can be colored by national defense. Of course the smell of gunpowder is in about every act we pass these days. Under this bill the sky is the limit, except that they must stop operations in 1947. We have said year after year that we will end such operations, but under the lash of the administration we grant renewals with little regard for the real necessity for any continuance of such activities. Powers once delegated seemingly cannot be recovered.

Now, why this particular bill? The R. F. C. has great authority already. What really is the one thing in this bill that is highly important? That is what we should seek to discover. There is something back of this besides extensions of power. This is tacked on, as this is an opportune time to get such extensions. Already power is given to form corporations for all sorts of purposes, such as purchases of strategic materials and even the manufacture, if you please, of many articles, if labeled "for defense." That is already the law, but there is something in this measure new and highly important. What is it? I am not suggesting that there is something in a woodpile. It is all aboveboard, but it is rather confusing. They want the R. F. C., because of the Johnson Act, in order to lend to, and on the securities or, other

governments. The R. F. C. can do this if we pass this bill and grant further borrowing power. We are trying to help the British Government cash in on its securities without having to go to Wall Street. Wall Street is a very unhappy word, but it is one many love to use, even though it is made to apply to all decent citizens who are in the banking business.

They say that Wall Street is squeezing them for premiums; that it is costing too much money to have private bankers liquidate securities for them. The R. F. C. will do it for the British Government under this act and will do it cheaply. Shortly afterward they will sell those securities right back to Wall Street at presumably even a fair profit. Great is the R. F. C. They will not hold the securities. They seldom do. But under this bill we have \$1,500,000,000 more added to the amount they can borrow. I much doubt if they need it even for this ambitious program. We recall the early case of the Chicago securities. I remember that in the first instance the R. F. C. took that questionable security; but afterward, somehow, Jesse Jones made the public believe it was good and unloaded it and got his money back probably with some profit.

In this revolving fund they are gradually getting more and more, and now they have a very large amount. Probably they now have nearly \$3,000,000,000 for future use. Our good friends are worrying about that feature of the law, which will allow the formation of any kind of a corporation they see fit. Of course, it is very disturbing to private capital. We speak of Jesse Jones, and, as much as I appreciate him, he has now too much responsibility for any one man to assume. But, Mr. Chairman, he may not be there tomorrow, but there will be this responsibility for some other to assume. How contemptible we must appear in the eyes of our Chief Executive. He wants to have all these powers renewed. He does not wish to risk coming back to us with reasons for their reissue. He wants all these things directly in his own hands for the moment when the impulse to use them seizes him.

It is true that in another body they did specifically restrict the use of funds to build a dam on the Tombigbee River, the Florida Canal, the St. Lawrence and Passamaquoddy. I voted in the committee to strike that out, and it may seem strange that one on the minority side so voted. It seemed ridiculous to me to name especially these four things. I thought it was highly dangerous to name only these, and thereby suggest that any other venture could be entered upon. It was also written in that any project Congress had previously refused to approve could be started. I don't think you will find that in the amendments to be offered, but then you don't know what the amendments there are to be suggested. I have a copy of the proposed amendments. Most of them are unimportant, mostly renumbering. Two are very important. I sympathize with the gentleman from Michigan [Mr. Wolcott] in the use of strong language. What did he say—that they could do

anything under "God's heaven." It is all right to say that if you say it only for emphasis. He is greatly disturbed about the future of our Government. So am I. So are some of the Democratic Senators on the other side of the Capitol, but they thought they could not vote against the whole bill, although they disliked it in principle. Principle! Where is there any principle left? Nowadays we vote to support leadership and for personalities. We follow the expediciencies of the moment.

I desire the attention of the gentleman from Missouri [Mr. Williams], the acting chairman. My brain must be very clouded, as I am confused by the language in the bill. The R. F. C. will form a corporation to buy British or Chinese securities—or loan to any person, government, bank, or person. The paragraph ends by saying that the loans can be made only on securities of the United States, a subdivision, division thereof, or securities of a corporation formed under the laws of the United States. There seems to be a complication there. I want my chairman on this side to consider this language. It seems that they may loan to any agent of the British Government on foreign securities, and immediately it reads that these loans can be made only on the securities of the United States, its subdivisions or United States corporations.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman 1 minute more.

Mr. GIFFORD. If there is a complication there I would like to see it amended. I regret that the House has no copies of the hearings. You might get a little enlightenment from the debate in the other body. I have read that very carefully. We have had but an executive session, and so you will be voting rather blindly. We are supposed to just vote to give extraordinary powers to the President of the United States and to the Loan Administrator. My good friend the Honorable Robert Luce in about his last utterance in this Chamber said that "that law is best which is administered best." As long as Jesse Jones was to administer he had great confidence. Personalities do not so much interest and assure me. Others, less able, usually are selected for their places. Shall we abandon principle today, and just vote for expediency?

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman 1 minute more.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Miss SUMNER of Illinois. I do not think it is friendly to a man who is administrator of a big loan agency like this to give him so much responsibility and praise in this way, for this reason: We all know that right now things are going on in this agency that may be uncovered. We ought to acknowledge right here at the outset that Jesse Jones has so much responsibility and so many duties that he cannot know all the things that are go-

ing on. He cannot know on what basis some of these loans are being made.

Mr. GIFFORD. When he selects the best men he can find, men that he must necessarily know, they will say he is putting his personal friends into office. They are already saying such things. I want to remind you that my reputation is simply what they say behind my back. [Laughter and applause.]

[Here the gavel fell.]

Mr. WILLIAMS. Mr. Chairman, I yield 5 minutes to the gentleman from Montana [Mr. O'Connor].

Mr. O'CONNOR. Mr. Chairman, I ask unanimous consent to speak on a matter that is not connected with the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. O'CONNOR. Mr. Chairman, only a few weeks ago, we hailed with hope the creation of the National Defense Mediation Board, seeing in it the possibility that the democratic process of mediation might help maintain industrial peace in our Nation in these critical days.

Surely it is not too much to expect that any upstanding, righteous, and patriotic American citizen should abstain from intervening in any situation so serious as to have been laid before this last-stage board of mediation for amicable settlement. Surely we should recognize the justice in the position of the Mediation Board authorities that when a case is finally certified to them for adjustment, they should be permitted a full and unhampered opportunity to go into the problems involved and attempt to bring about a satisfactory conclusion that will result in industrial peace.

On the floor of the House recently a Member of Congress unfortunately made an attack upon one side of a controversy which has been in the hands of the Mediation Board since April 23. The long period of deliberation of this case by the Board should have been ample indication to the gentleman that the issues to be decided, if a permanent solution to the situation were to be found, were difficult of solution. Into such a difficult situation, the attack made on the floor might add fuel to the flames, making the task of this new agency of our Government, entrusted with this assignment, doubly difficult.

I have called attention to this attack because I happen to have first-hand knowledge of one of the people involved. Mr. Reid Robinson, president of the International Union of Mine, Mill, and Smelter Workers and also a vice president of the Congress of Industrial Organizations, happens to be one of Montana's best sons. Mr. Robinson comes from Butte. He worked in the mines and went to school at night. He became a leader of the men in my State. He was thought good enough by men in other States to become president of the organization nationally—an organization covering all miners except those in coal, as well as workers in smelters, refineries, and metal-fabricating plants throughout our Nation. He has helped build this union in a short 5 years into one of

the most powerful in our country. It has a record of accomplishment and responsibility.

We in Montana know Reid Robinson and are proud of his record. If, as has been criticized on this floor, he has been active in keeping our Nation at peace, in Montana at least that is still no crime.

I might say that organized labor has learned through sad experience that it is never attacked unless it is really doing an effective job. So in this case—the 2-month-old strike of the International Union of Mine, Mill, and Smelter Workers against American Potash & Chemical Corporation at Trona, Calif.—we find the workers and the union suffering patiently through 5 long years of Labor Board procedure, circuit courts, and, finally, the Supreme Court itself, a long but successful fight to win the right to join a union of their own choosing without discrimination by the company and to bargain collectively through their union to better their conditions. But even after this long case history the company apparently was unwilling to accept the inevitable and to deal with its workers in the American way—around the conference table.

Thus after fruitless weeks of attempted negotiations—a long, long cooling-off period, if you please—the workers finally struck. A month and one-half later the company finally was able to maneuver the strike into Washington before the Mediation Board. Since April 23 even the Board has been unable to make the company come to terms.

And suddenly the company discovers a "red" plot against the defense program. The gentleman who attacked the union on this floor referred to a Mr. Stuart Neary as an informant. Be it noted that Mr. Neary is the attorney representing the company in negotiations and before the Mediation Board. It may well be questioned whether this attorney might not be more effectively helping settle this strike around the conference table—or if he doubts his value there, by removing himself from this controversy—rather than by helping to create still more antagonism in this situation.

The union and its leaders have been charged with sabotaging national defense by tying up production of vital raw materials. I am happy to call to the attention of this body the fact that the union representatives, indeed the very union representatives that were attacked on this floor, pledged to the National Defense Mediation Board weeks ago that the strikers would be happy to move any products which the Mediation Board could show were needed in specific Government defense contracts. The Board has had this pledge for weeks; no such list of contracts has yet been compiled for the Board by either the War Department or the O. P. M.; so that the union and its representatives cannot in the slightest honest way be accused of sabotaging national defense.

It is true that the United States Conciliation Service, the O. P. M., and the Mediation Board have tried to settle this strike; I am informed that it is equally true that the union has been willing at every stage to negotiate a settlement and

that such a settlement has been prevented by the open-shop interests of southern California.

We can question the actions of a company which has had so unsavory a record of relationship with its employees for so many years. We may seriously ponder what influence is exerted upon this company—American Potash & Chemical Corporation—by its joint Dutch-British owners—especially when we realize that the Nazis have taken over Dutch interests.

The history of this case shows clearly that the fundamental issues of working conditions, of wages, of union security must be faced squarely once and for all.

No name-calling can becloud those issues, or solve them. Only true collective bargaining will do that.

This case is but typical of the scores that have come, and will yet come, before the National Defense Mediation Board. If we are truly concerned with the welfare of our Nation, if we would help the Board in its difficult mission, it is our duty to let the Board handle its affairs without ourselves arousing the ill-will and passions that must be erased. To persist in meddling with the Board's affairs would indeed be a major cause of prolonging differences; in my opinion, to persist in meddling with the Board's affairs would in fact be in itself a campaign of sabotage which would endanger our security and give aid and comfort to our enemies.

I want to say with reference to this union that it has been in existence for about 5 years and I am informed that never once has it been on strike. Robinson is at the head of that union and was characterized as a Communist on the floor of this House. I know the gentleman who called him that did not intend to do the man an injustice but was misinformed as to the character of Mr. Robinson.

I know that it is easy to call a man a Communist. It is easy to charge and accuse, and hard to defend. I recall 25 years ago that when we found somebody who disagreed with us we called him a pro-German or something similar. Today, when we find somebody who does not agree with us on many points, we are prone to call him a pro-Nazi or something like that. Now, we are going to go through times in this Chamber when debate will be heated; when men may temporarily lose their poise. Therefore, I want to say now that we ought to know whereof we speak before we call a man pro-German, pro-Nazi, Communist, or anything else but American.

I hope that perhaps these few words will lay the foundation for more circumspection to be used in relation to charges that are preferred against men, regardless of their position in life.

Strikes are not always justified. Perhaps they are seldom justified. I do not know. I have studied many of them. I have always found that there were two sides and sometimes three sides to the questions involved. So I hope that, simply because we cannot have everything as we would like, simply because one of us does not agree with the other, that we are not going to accuse each other

of being pro-something, other than being American. [Applause.]

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. DEWEY].

Mr. DEWEY. Mr. Chairman, last evening, in company with millions of my fellow citizens, I listened to the President's radio address in which he declared an unlimited national emergency.

Regardless whether we agree or disagree as to whether the situation today justifies such a drastic step, the President has stated his position and his are the responsibilities for what may transpire.

As a minority Member of the House, I also have responsibilities to the men and women who sent me here, to my party, and, above all, to the well-being of my country. In consideration of all these factors, I shall not yield my rights as a member of what I hope will always be a constructive minority; but, at the same time, I shall do all in my power, without thought of partisanship, to implement and push forward all legislation that will bring our country to the highest point of defense fitness in all its branches—military, economic, and social.

The National Defense Act of June 1916, as amended, empowers the President under certain conditions, which I believe his proclamation of last evening covers, even to take over and operate industries engaged in the manufacture of national-defense items.

Amendments of the R. F. C. Act, as contained in Public, No. 66, Seventy-sixth Congress, implements such procedure if found necessary, by providing the means by which capital can be supplied by the R. F. C. for the operation or assistance to any plant operating independently or under Government supervision. Making capital available will aid industry to proceed rapidly in mobilizing its efforts for national-defense production.

The pending bill, S. 1438, is an extension of the purposes as mentioned and provides for certain new purposes in connection with the defense program. It enlarges the R. F. C. lending powers and authorizes an increase in the obligations of the R. F. C. that may be outstanding by \$1,500,000,000.

In view of the national emergency I recommend the passage of the pending bill as amended by my Committee on Banking and Currency.

I wish to state that in making my recommendation I definitely have in mind that these enormous powers, many of which are a surrender of the functions of Congress to which surrenders I am generally opposed, are a surrender solely in the interest of national defense and only during the period of the emergency and shall terminate by operation of law on January 22, 1947. [Applause.]

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. SMITH of Ohio. Mr. Chairman, I intend to discuss only a few points in this bill and only in a general way.

First, I want to say something about the argument that is being put forward that this power should be granted because Mr. Jesse Jones is a good administrator and has proven himself very efficient, and that he can be trusted to not abuse this power if it is granted. Of course, that is an argument for personal government and nothing else. It is, to be sure, in line with the general sentiment of the Congress that has been exhibited in the last 8 or 10 years.

We are discussing now one of the programs which originally was supposed to be of an emergency nature. Like many of the other programs which were set up to meet an emergency, it promises to become permanent. Like most of these agencies, it appears also to be getting out of control.

The Reconstruction Finance Corporation has been praised very highly as one of the splendid Government agencies and is acclaimed as a success. When the Reconstruction Finance Corporation was established, it likely was not foreseen what it might eventually lead into; but it is leading into exactly what might have been anticipated. That it should tend to continually grow and expand could have been expected. When you open the Treasury door to the public as the Reconstruction Finance Corporation did, there is no telling where such an act may lead.

We have been from time to time increasing the lending power of the Reconstruction Finance Corporation. I do not know what the total lending power of the R. F. C. is at the present time, but I know that since I have been a member of the Committee on Banking and Currency the amount has been increased. Let us, however, reflect a little on what is taking place with respect to these lending agencies.

Up to the present time the thirty-odd lending agencies have made loans in the amount of about \$27,000,000,000. They have, roundly, something like \$8,000,000,000 or \$10,000,000,000 outstanding. The Government is investing about \$5,000,000,000 in plant expansion for the manufacture of defense articles.

Mr. Chairman, I hold in my hand a book written by Mr. L. E. Hubbard, the expert on Russia for the Bank of England. This book is entitled "Soviet Money and Finance." I should like to have anyone read this book carefully and examine the lending program of Soviet Russia and then compare it with the Government lending program we now have in the United States. After making this comparison see if he will not come to the conclusion that the lending methods of the two countries are very similar.

Russia has no private industry. She has, of course, no standard unit of value. Our standard unit of value has been destroyed, which is progressively destroying our private industry. The money loaned by the banks at the present time is about what it was in 1932. Also, the old capital, so to speak, is becoming dissipated and is disappearing.

From 1929 to 1937 there was a shrinkage in the net capital invested in manufacturing industries in this country of about \$14,000,000,000.

I should like to know this: What is going to stop further rapid growth of these lending agencies as long as private industry is in the condition we find it today, blocked, kept altogether from advancing? Is it not likely that the Reconstruction Finance Corporation will continue to grow? That we shall from time to time continue to increase its lending powers? Is it not likely the same thing is going to take place with respect to the other lending agencies? I see nothing to stop this growth and development. Where is it all leading?

Another feature about the Reconstruction Finance Corporation which I feel should be mentioned is the practice of setting up other corporations under the Reconstruction Finance Corporation. Why these subsidiary corporations? Why not have all of the functions carried on with Reconstruction Corporation funds performed by the Reconstruction Finance Corporation, and make it responsible for all the activities? As nearly as I can tell the purpose of setting up these subsidiary corporations under the Reconstruction Finance Corporation is to relieve the R. F. C. from having any losses shown on its books.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. PLOESER].

Mr. PLOESER. Mr. Chairman, I requested time from the minority side of the committee for the express purpose of reading to the House a press release from the Department of Agriculture. This release roused my curiosity. I ask the majority Members if what I am about to read is one of the many things that might be done under the privileges of various lending agencies, and whether or not our Government is more interested in expending our money for the benefit of foreign nations than for our own people?

Under date of May 26—that is the day before yesterday—the Agricultural Department released this statement for the press:

GROUP OF CENTRAL AND SOUTH AMERICAN ENGINEERS TO SPEND YEAR WITH R. E. A.

The Department of Agriculture today announced that a group of outstanding young Central and South American engineers will spend a year studying the methods and techniques of the Rural Electrification Administration. One of these engineers, Manuel Lopez-Jimenez, of Peru, is on his way by sea to the United States, and another, Luis Adolfo Cagno Rossi, of Uruguay, is due to sail from Montevideo on May 30. Both engineers are expected to reach Washington around the middle of June. About half a dozen others are expected to leave their respective countries within the next few weeks.

The plan of having a group of engineers from the other American republics spend a year as student members of the Rural Electrification Administration staff is a cooperative effort by the various American governments concerned, to facilitate and expand mutual understanding of technical electrification problems.

The Rural Electrification Administration has been assisted in arranging this program for receiving Latin-American students by the

Office of Foreign Agricultural Relations of the Department of Agriculture, the Division of Cultural Relations of the State Department, and the Office of the Coordinator for Commercial and Cultural Relations between the American republics.

The last-named office has made available funds to pay the traveling expenses of the engineers from the southern republics and to provide each of them a monthly allowance of \$135 for the training period with the Rural Electrification Administration. That allowance is equal to the amount paid to the United States engineering trainees whom the Rural Electrification Administration takes in each year.

When these details had been worked out, the Department of State conveyed invitations to several other American republics. Each government was asked to select a candidate. It was requested that the candidates be between 20 and 30 years old, preferably single, and graduates of a high-ranking engineering school with some work in electrical engineering. The trainees so far selected have a working knowledge of English, and many R. E. A. employees are learning Spanish.

In addition to Uruguay and Peru, Argentina and Mexico have already suggested candidates, both highly skilled engineers.

During the early part of their stay in Washington, the Central and South American engineers will work with the trainees from United States engineering schools.

After a short period of orientation, the Central and South Americans will be given training and practical duties in keeping with their experience and ability.

During their year in North America, the R. E. A. will make arrangements for their housing, for their training, and for inspection trips which they will take. These will include assignments with leading manufacturers of electrical supplies and equipment. Toward the close of their stay, they will be assigned to visit R. E. A. systems throughout the United States in company with R. E. A. construction and operations engineers.

Each of the two engineers named has won considerable distinction in his own country. Senor Lopez-Jimenez, who is 30 years old, was graduated from the Peruvian National School of Engineers in 1937. After graduation, he went to Ayacucho to start an electric power system. Upon his return to Peru after his year with the R. E. A., he expects to engage in rural electrification engineering in the central Andean region on a rather ambitious scale.

Senor Rossi, who is 29 years old, was graduated in 1937 from the faculty of engineering of the University of the Republic at Montevideo, Uruguay. He has had 8 years of practical experience, including 3 years, subsequent to obtaining his degree, in the Government-owned power station at Montevideo.

The question I ask of the committee is, Is it the intention of this administration to provide funds for the education of seemingly every other nation in the Western Hemisphere besides our own?

Apparently it is the practice.

Mr. Chairman, I yield back the balance of my time.

Mr. SACKS. Mr. Chairman, will the gentleman yield?

Mr. PLOESER. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Missouri yields back 1 minute.

Mr. WILLIAMS. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE. Mr. Chairman, this legislation raises some very serious prob-

lems. On page 7, line 4, section 3 of the bill, I find the following language:

SEC. 3. Section 10 of the Reconstruction Finance Corporation Act, as amended, is hereby amended by adding at the end thereof the following new sentences: "The foregoing exemptions with respect to taxation (which shall, for all purposes, be deemed to include sales taxes and use taxes), whether now, heretofore, or hereafter imposed, levied, or assessed, and whether for a past, present, or future taxing period, are hereby extended to apply with respect to Defense Homes Corporation, and shall be construed to be applicable not only with respect to the Reconstruction Finance Corporation but also with respect to (1) the Defense Plant Corporation, the Defense Supplies Corporation, the Metals Reserve Company, the Rubber Reserve Company, and any other corporation heretofore or hereafter organized or created by the Reconstruction Finance Corporation to aid the Government of the United States in its national-defense program, (2) the RFC Mortgage Company, the Federal National Mortgage Association, and any other public corporation heretofore or hereafter organized by or at the instance of the Reconstruction Finance Corporation, (3) the Disaster Loan Corporation, and any other public corporation which is now or which may be hereafter wholly financed and wholly managed by the Reconstruction Finance Corporation. The loans made, and personal property owned, by the Reconstruction Finance Corporation or by any such corporation shall be construed as included within such exemptions."

It is a pretty well-established policy of the Federal Government that these agencies and particularly revenue-producing agencies should pay a part of the cost of maintaining the local communities. In this bill, however, we have a provision with reference to the Defense Homes Corporation. In the first place this Corporation can go into a community and construct any number of homes, bring in these transient temporary workers employed by the Government, domicile them and their families in these homes and the property will escape taxation.

Mr. SACKS. Will the gentleman yield?

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

Mr. SACKS. May I inform the gentleman that the provision covering the Defense Homes Corporation will be stricken out of the bill by committee amendment to be presented later.

Mr. WHITE. I am taking the bill on its face and the language it contains. I may say to the gentleman that time after time here when we consider legislation we accept the interpretation or the construction of a Member of the House as to what the language means, but when the court comes to construe the language of the legislation the man who devised it or who put the language in the bill is not in court. The court takes what is contained in the language of the bill and that is what it is governed by. I am glad to have the information which the gentleman has furnished.

Mr. Chairman, I want to call the attention of the Members of the House to a very serious problem that is being raised by this plan of exempting from taxation these big units that will bring hundreds of people into communities, thereby over-

loading the schools, also receiving fire and police protection, and not paying a dollar toward the support of that community. That is a pretty well established policy of the Government to assist in meeting these expenses by making payments in lieu of taxes.

As chairman of the Irrigation and Reclamation Committee, I have had charge of the handling of the revision of the Boulder Dam bill, and we provided in that bill that the States of Arizona and Nevada would each get \$300,000 a year in lieu of taxes to support the schools of the States. Down here in the Tennessee Valley Authority we provided that 10 percent of the money that comes from its revenue be divided between the States and the local taxing communities in order to support the schools, police and fire protection, and to do all of the things that taxation does.

Here we are financing with tax-exempt bonds. We are going out and overloading these communities and schools with an influx of population and then exempt them from taxation. I want the Congress to do something to take care of this situation.

Mr. MONRONEY. Will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. The gentleman knows, does he not, that the R. F. C. real estate and the improvements to that real estate are subject under section 10 of the R. F. C. Act to the local ad valorem taxes and that is just exactly what the gentleman is talking about.

Mr. WHITE. What does the language mean when it says it is exempt from taxation?

Mr. MONRONEY. It is exempt from sales taxes, occupational taxes, and other taxes of that nature, but, if the gentleman will read this bill he will find that the R. F. C. real property is still subject to all the ad valorem taxes.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, I conceive, in view of the very broad implications that are contained in the pending legislation, that what I shall say may be of extreme collateral interest to the Members of this House. I think we are all aware by now, if we were not aware heretofore, of the critical position the Government finds itself in growing out of our international affairs. The Nation's emotions and sympathies have been whipped up during the last few months on the ground that Britain's shipping was being sunk and that it is necessary to expand our aid in order to keep her lifeline open. That fact was reiterated again and again by the President last evening.

Mr. Chairman, I am beginning to wonder if all of the published facts relative to Britain's sea losses and the destruction of her cities by bombs have not been colored to some degree for the purpose of stimulating and encouraging the hysteria and emotions of the American people.

As justification for this statement, and in very apparent contradiction of much of the propaganda being fed to the American people, I direct your attention to a publication which I hold in my hand entitled "The Times Trade and Engineering, Special Export Number," published on April 2, 1941, by the Times Publishing Co. in Printing House Square in the city of London.

In this special export number appears a statement by F. D'Arcy Cooper, chairman of the executive committee of the Export Council created by the British Government in February 1940. This article bears the heading "Need for Selected Exports"—"Value of United States Market." The statement is exceedingly illuminating in view of the current discussion involving freedom of the seas and the necessity for all-cut aid to England as announced by the President in the speech delivered to the world last night.

I quote from this statement made by the chairman of the executive committee of the Export Council of the British Government:

In time of war, the export trade is necessarily upset because for war purposes so much of the means of production, whether raw materials, labor, or factory plant, especially those connected with the iron and steel industry, are required to meet the huge requirements of war industry. Appreciating this, the Government, in February 1940, formed an export council, whose main duty was to increase the export trade and to retain the markets on which the country is so dependent in times of peace. During the first few months after the export council was formed, our exports increased. Then, in May 1940, came the unexpected fall of France and the occupation of practically the whole of the European Continent by the German Army, with the result that many of our markets were cut off. It was now evident that the export trade which was of greatest value was that which went to the countries using dollar currencies. Of these, of course, the United States of America is the most important, and there one of our immediate difficulties was that in assessing ad valorem import duties, the United States authorities considered they were bound, under their own legislation, to include the amount of British purchase tax in the value of the goods. Efforts are being made which, it is hoped, will be successful to get Congress under a bill which is known as the Cullen bill to say that the purchase tax need not be added to the value of the goods imported into the United States. In the United States of America today we are faced with a favorable combination of circumstances that may never arise again and it is our duty to see that we take every advantage of them.

Here we find official expression of the British Government indicating their intervention into the purely domestic legislative affairs of the United States in hopes to obtain additional benefits through a reduction of import duties that will permit further competition with American industry.

It is also to be noted that the writer of this article clearly indicates the intent of Britain to take advantage of the emotional sentiment of the American people in order to increase the volume of British exports to this country.

The writer further says, and I quote:

Perhaps the most important fact is that sympathy for Great Britain and the desire to

help her is greater than it has ever been in the history of the United States.

It is easy to see from the statements in this article that Britain is translating that sentiment into commercial trade as a result of her efforts to increase her exports to this country even in the face of the dire situation in which she finds herself at home.

Many people in America have been led to believe that Britain's shipping losses have been so great and the bombing of her manufacturing enterprises so extensive that she is unable to carry on her industrial economy. I quote from Mr. Cooper on this important subject, when he says:

If Britain has goods to sell, provided, of course, that the price is not altogether unreasonable, there seems to be no difficulty whatever in selling. The only uncertainty in the mind of the buyer—and it is a very natural one—is whether, if he orders the goods, they will be delivered. It is useless to say to him, which is true, that until now the delivery of goods from Great Britain has been extremely regular and that letters have been received from many of the big purchasing houses expressing wonder and admiration at the regularity with which British goods have been received.

Mr. Cooper very clearly reflects the sentiment of great British manufacturers, whom I shall hereafter refer to, that Britain can and will deliver the goods. Mr. Cooper further states:

It seems to me that we want some research as to what demand there is for British goods and what prices the public are prepared to pay for them. There are in America many organizations which are prepared to undertake this job and I believe the cost of it would not be very heavy and could be financed by the generosity of local people either of British or American nationality in the States themselves so that there could not be any waste of our Treasury's valuable dollars.

He indicates clearly in this statement the drive that is under way to extend British markets and exports into the countries using dollar currencies and indicates a different attitude toward the so-called sterling bloc. I quote him when he says:

When we leave the dollar countries and turn to the sterling bloc, the position is different. Except for South Africa, whose gold production puts her into the dollar class, there is no great purpose to be served, except for preserving markets in peacetime (and I do not think we shall lose them in the long run), to export to any countries in the sterling bloc unless they are to serve our needs and to save dollar expenditures.

Not only are the people of America called upon to extend every aid to Britain under the terms of the lend-lease bill, but manufacturers are being subjected to an extensive drive of British-made goods that will have a tremendous effect upon our post-war economy.

Permit me to state that it has come under my observation recently that a number of concerns engaged heretofore in the export field with plants in the district I am honored to represent are seeing their export business curtailed due to the exigencies of national defense and aid to Britain, and the demand has been made of them that they forego any thought of "business as usual," and yet

Britain is apparently able to deliver her goods into the markets of the world, and is pushing out a plan to extend her world markets upon specific assurance that she can produce and deliver the goods.

I believe these facts are worthy of the careful and cool consideration of the people of America.

I direct your attention to the attitude expressed by the great British manufacturing concerns who carry large ads in this export edition. Among many of similar character, I note one from the F. & C. Nonferrous Foundry, Ltd., in which they clearly state:

These works have now been considerably extended and we are therefore in the position to execute additional orders for all kinds of nonferrous, die, and sand castings.

C. A. Parsons & Co. Ltd., with large manufacturing facilities located at Newcastle on Tyne, state:

C. A. Parsons & Co., Ltd., are maintaining their overseas offices and have over one-quarter million kilowatts of turbogenerating plant under construction for the export market.

Mather & Platt, Ltd., of Manchester, make this rather startling announcement:

We take this opportunity of thanking our customers in all parts of the world for their continued confidence and for the orders they have sent us for our various products, including bleaching, dyeing, printing, and finishing machinery for textiles, electric motors, and generators, centrifugal pumps, etc.

They further state:

Export orders are being executed with regularity. In spite of the war, shipments have been made every month, with only moderately extended periods for delivery, and we remain at the service of our world-wide friends and customers for all our standard products.

Pilkington Bros., Ltd., manufacturers of glass products, state to their customers throughout the world that "Britain delivers the goods."

The General Electric Co., Ltd., of England, the largest British electric-manufacturing organization in the Empire, announces through the columns of this export number that—

G. E. C. continues and will continue to supply existing markets and new markets.

Time will not permit further reference, but I think it is only pertinent to say that the references quoted clearly indicate that Britain still maintains not only the manufacturing facilities to compete in the world markets for world trade but also has the facilities with which to guarantee delivery.

My attention has been called recently to the cancelation of orders by concerns in South America for machine tools manufactured in my district due to the price competition of British machine-tool manufacturers.

It seems, in the consideration of the problems arising out of our critical international situation, that we should be guided in our judgment by cold, hard facts rather than by emotional sentiment and in the face of the statements which I have referred to, coming directly from official sources and from manufacturing

organizations doing world-wide business in England, we may well consider whether or not in our attitude we are permitting our emotions to dictate our judgment.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Arkansas.

Mr. SHORT. The gentleman has made a very splendid statement, and I think a very accurate one. Immediately before this present war in Europe broke out, everywhere one went in England he read the sign, "Buy only British. Buy only British." Yesterday, as I walked up and down the streets of New York City, it seemed to me that in every other store I saw British badges and banners and British flags. I saw very few American flags, but I did read this slogan, "Britain delivers the goods. Buy British in order to help America."

Mr. KEEFE. I am not calling this to your attention to disparage the efforts to sell British merchandise. I am simply relating facts.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 2 additional minutes to the gentleman from Wisconsin.

Mr. KEEFE. I am simply bringing to the attention of the Congress and the people some facts. You can place your own interpretation on them.

It stands to reason that if Britain can continue to maintain these essential trade routes into South America and into the Western Hemisphere, and can deliver her "business as usual, goods, and commodities" manufactured in Great Britain, it is a little unfair to ask an American manufacturer to give up his export market and refrain under priority rulings from selling machine tools into an export market that is now being furnished by Great Britain, under the assumption, as we have been told, that her manufacturing enterprises have been blown off the face of the earth.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Arkansas.

Mr. SHORT. May I say to the gentleman that I was not disparaging British goods or their quality, because they make very fine goods, and I even confess that I have purchased some myself. However, the gentleman will recognize, and I believe he has already admitted, that Britain is producing these goods in direct competition with our own American laborers and manufacturers. If Britain can ship to this country clothing and china ware and silverware and all kinds of commercial products, as well as ship commercial airplanes to South America, without the United States conveying them, then certainly she should be able to take war materials from this country over to England. If she can bring, she can take.

Mr. KEEFE. I thank the gentleman for his contribution. [Applause.]

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield the balance of the time to the gentleman from Wisconsin [Mr. JOHNS].

Mr. JOHNS. Mr. Chairman, during the last few years we have started out not

only to police the world and tell them what to do, but we are now trying to wind up by financing the world and becoming the banker for all the world.

I just want to quote from subsection (2) of section 4 of this act, which reads as follows:

When requested by the Federal Loan Administrator, with the approval of the President, and subject to such conditions and limitations as may be set forth in such request, to make loans, notwithstanding the provisions of any other law, to any foreign governments, to their central banks, or to any person, commission, association, corporation, or bank acting for or on behalf of such government. Such loans may be made only upon the security of bonds, debentures, stocks, or other such obligations of (a) the Government of the United States or any State, municipality, or political subdivision of any State, or (b) any private corporation organized under the laws of the United States or any State.

Now, if you will notice, we can make loans to any government on the face of the earth. This is in the discretion of the President of the United States.

Last night, in his address to the American people, he said we were going to defend the democracies of the world. I do not think he said anything unusual last night because I think according to reports we are doing everything now that he said we were going to do in the future. He was only notifying the American people of what is going on. We started out here with a neutrality law. We started out by taking in the National Guard and having conscription, with the understanding we were going to train them and that they would be kept here on American soil, but today they have been scattered throughout the world. You will find them everywhere and we are now defending the democracies of the world and it is proposed now to put up \$1,500,000,000 more to lend these foreign countries.

I would be derelict in my duty if I did not get up here as a Representative of the people of my district and of the country at large and say to you that we now owe forty-seven-billion-six-hundred-and-some-odd-million dollars, that we are paying over \$1,100,000,000 a year in interest on these obligations. In 1914, prior to the time we entered the World War, we were running this country for about \$750,000,000. The interest on our obligations next year will be probably a billion and a half dollars. The best prosperity we have ever enjoyed in this country was between 1922 and 1932, and the best we could do at that time, with one of the greatest financiers this country has ever produced, was to pay off about \$1,000,000,000 a year and pay the interest on our obligations.

We are going to be asked in a few days to appropriate \$3,318,000,000 more for airplanes in this country. We are now asked here today to increase the lending power of the Reconstruction Finance Corporation \$1,500,000,000. We have the Import-Export Bank which we have empowered to make loans to foreign countries and we have many of those loans already made and are making more constantly.

I call attention to the fact that these loans are to be made to everybody, and

that a few years ago we had a commission which checked up on some of these countries we have already made loans to through private individuals and that commission found that 70 percent of these loans were in default. I am thinking of America, and in terms of America today, and if we are going to continue this constantly asking people to pay more money and more taxes, there is going to be an end to it. We have reached that point now. We have been borrowing money for the past 8 years and issuing obligations of the Government for it, and the people have been taking that as a matter of course, but the time has arrived now when the day of reckoning is here. [Applause.]

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. WILLIAMS rose.

The CHAIRMAN. The gentleman from Missouri is recognized for 53 minutes.

Mr. WILLIAMS. Mr. Chairman, it is needless for me to say that I am in favor of this legislation and the amendments offered by the committee. I ask unanimous consent to extend my remarks at this point.

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

PROVISIONS OF THE BILL

Mr. WILLIAMS. Mr. Chairman, this bill extends the activity of the Disaster Loan Corporation, which is owned and operated by the Reconstruction Finance Corporation, and makes loans in distressed areas caused by some great calamity, such as floods, earthquakes, and cyclones. It extends the life of the Electric Home and Farm Authority, which is a Government agency, owned by the United States Treasury and operated by a board of trustees, and helps in financing the purchase of electric and gas appliances. This act specifically exempts the personal property of the Reconstruction Finance Corporation and its created corporations from taxation and also grants all the tax exemptions now enjoyed by the Reconstruction Finance Corporation to all the corporations which it may organize. There is perhaps nothing at all new in the tax-exemption provisions of the bill, but it clarifies and definitely states the exemptions as applied to the Reconstruction Finance Corporation and its subsidiaries. This means that their notes, franchise, capital, surplus reserve, and personal property shall be exempt from taxes. This leaves the interest upon and the gains from sales of their obligations subject to Federal taxes and the real estate owned by them subject to a nondiscriminatory local tax.

It must be borne in mind that all the powers and authority granted by this act to the Reconstruction Finance Corporation are to aid the United States in its national-defense program, and such powers can only be exercised or used when requested by the Federal Loan Administrator and approved by the President.

There is really only one new power given by this act to the Reconstruction Finance Corporation. The others are modifications or enlargements of existing

authority. The provision which is entirely new gives the Corporation the authority to make loans to foreign governments or their representative upon the security of American obligations, governmental or private. This is designed to permit the British Government to borrow upon its American securities and not be compelled to dump them upon the market at a great sacrifice, and perhaps by so doing to some extent affect the American market. The British Government can requisition the American securities held by its subjects and then present them to the Reconstruction Finance Corporation as security for a loan and thereby secure dollar exchange with which to purchase war supplies. This provision does not change the Johnson Act, as that act does not prohibit loans by an agency of this Government, such as the Reconstruction Finance Corporation, to a nation that is in default in the payment of its obligations to the United States. This bill does modify the Neutrality Act in that respect. In the consideration of the Export-Import Bank Act last year the committee, by a big majority, adopted a provision permitting the bank to make loans to Canada. This was stricken out in conference because not considered important at that time. In view of the action of this Government under the Lease Lend Act and conditions prevailing, there seems no good reason why a loan may not be made and in some measure help England conserve her resources.

The Reconstruction Finance Corporation, under legislation passed last year, now has authority in aid of the national-defense program to make loans to corporations for the purpose of producing or procuring strategic materials or to acquire plants and equipment for the manufacture of supplies necessary for national defense and also to create corporations with power to purchase or produce strategic materials and to acquire or lease plants and equipment and materials for use in the manufacture of arms, munitions, and implements of war. These plants and equipment may be leased to others to engage in such manufacture or may be operated by the United States through an agency. This act gives the created Corporation the additional right to use the facilities acquired to manufacture any articles, supplies, or materials necessary to national defense. It is also given the power to acquire railroad equipment, commercial aircraft and facilities for the training of aviators, and to sell or lease such equipment and facilities. Finally, the creature Corporation may take such action as the President and Federal Loan Administrator may deem necessary to expedite the national-defense program, but not to exceed \$100,000,000 shall be used under this blanket authority. Many billions of dollars have been appropriated, and the expenditure of this vast sum has been left to the judgment and discretion of executive and administrative officers. No one can foresee what emergencies and necessities may arise. It is impossible to spell out in advance every detail or predict with exactness what may be required to make the national defense effective. It is hardly conceivable that there should

be quibbling and faltering and hesitating about giving some leeway to two of the world's leading men, President Roosevelt and Jesse Jones, in the expenditure of \$100,000,000 in our national defense. That looks petty. It seems trivial. We are going to give them that authority, with the full assurance and complete confidence that it will be wisely and effectively used in the interest of our common defense and general welfare.

The question may well be asked why the note-issuing authority of the Corporation should be expanded \$1,500,000,000. Under the powers now granted to the Corporation, it has created four corporations and made commitments as of April 30 of over \$1,634,000,000 and which by now has been very materially increased. To meet this ever-increasing demand and provide current funds for the Corporation, it must have authority to issue additional notes. The four corporations which have already been created are: Rubber Reserve Company, Metals Reserve Company, Defense Plant Corporation, and Defense Supplies Corporation. The Rubber Company has contracted for some 450,000 tons of rubber. The Metals Company has commitments to purchase various quantities of strategic metals, manganese, tungsten, tin, and so forth, in an amount of over \$600,000,000. The Supplies Corporation has bargained for large quantities of wool, nitrate, and diamond dies, and so forth, to the amount of \$120,000,000. The Plant Corporation has contracts with some 100 companies in 21 States from Massachusetts to California providing for the construction of plants and the purchase of equipment to build aircraft and all its parts, trucks, tanks, munitions, guns, machine tools, and for the construction and equipment of docks and ways for building naval vessels. The contracts involve production in the entire category of arms, munitions, and implements of war. In addition, the Reconstruction Finance Corporation has commitments to make loans for national defense to some 300 companies scattered throughout the entire country in the sum of about \$200,000,000. They include the whole field of national-defense activity, and these commitments are increasing every day. If this work is to go on, the Reconstruction Finance Corporation must have additional funds.

The Reconstruction Finance Corporation was created as a result of a decade of economic folly. During that time the little businessman, the farmer, and laborer had suffered. When at last the big banks, the railroads, and insurance companies were at the end of the road; when they were faced with bankruptcy and ruin, in desperation, they turned to the Government for help. They came pleading on bended knees and uplifted hands begging the Government to save them. The Reconstruction Finance Corporation was born in the desperation and despair of 1932. It was opposed by many, some of whom said that loans made by it under conditions existing at that time would result in a 90-percent loss; that not more than 10 percent of the loans would be repaid. The outlook was dark, conditions were deplorable, and help to private in-

dustry seemed absolutely necessary. The Corporation has become the greatest financial institution on earth, whose loans have reached many billion dollars. Instead of a 90-percent loss as predicted by some, it has accumulated a surplus of over \$300,000,000 and has helped to restore industrial and financial stability as no other organization has. Almost from its inception, it has had at its head not only one of America's greatest and most successful businessmen but one who has a keen insight into the commercial transactions and financial conditions of the entire world. A man who is calm, conservative, and cool but who is sympathetic, considerate, and fair. A man whose judgment is sound, whose purpose is always clear, whose motives are not questioned, and who has the implicit confidence of all. He is not only one of America's great citizens, he is one of the outstanding men in today's troubled world. We all admire, honor, and love Jesse Jones. The Reconstruction Finance Corporation has been and will continue to be one of the most powerful and useful agencies in the national-defense program. It should not be crippled in its work by unfounded suspicions and fears for which there is no justification in view of its past record and its faithful promises of future action.

In order for the Reconstruction Finance Corporation to carry out any of the authority granted by this legislation, three things are necessary:

First. Any action taken must be to aid the United States in its national-defense program.

Second. The action must be requested by the Federal Loan Administrator.

Third. The proposed action must be approved by the President.

The purpose of any action undertaken must be to aid the national-defense program. The action must be requested by Mr. Jones and it must be approved by the President. It would appear reasonable that the Chief Executive of the Nation, who is Commander in Chief of the Army and Navy, and upon whom ultimately falls the responsibility for an effective and an efficient national defense, should be consulted. He not only occupies the unique position and distinction of having been elected President of the United States for the third time by an overwhelming majority of the people, showing their abiding faith and confidence in him, but he is today the symbol and ideal of democracy throughout the world, to whom the subjected and depressed peoples of the earth are looking with confidence and hope for delivery and freedom. Yet there seem to be those in this country who do not trust these two outstanding men to carry out this small part of our defense program.

Some who are opposed to this program are away down in damp and musty cellars or high up in dark and dusty attics with a very dim candle intently searching for minute insects and bugs. There are others who are looking behind doors and under beds for spooks and sprites, and there are still others who are out breathlessly chasing fairies and phantoms. They are exclaiming with every breath "The goblins will get you if you don't

watch out." They may pursue their course, but, as for me, I shall take my stand out in the bright sunlight of reality beside our President and Jesse Jones and clasp hands with them in a sincere and an earnest effort to perfect a national-defense program which will bring safety and security to the American people and encouragement and hope to all of the oppressed people of a war-torn world.

Mr. Chairman, I ask that the Clerk read.

The Clerk read as follows:

Be it enacted, etc., That the act approved February 11, 1937 (U. S. C., 1934 ed., Supp. V, title 15, sec. 605k-1), as amended, is hereby amended by striking out "in the years 1936, 1937, 1938, 1939, or 1940" and inserting in lieu thereof "occurring during the period between January 1, 1936, and January 22, 1947."

SEC. 2. Section 1 of the act approved March 31, 1936 (49 Stat. 1186), as amended, is hereby amended by striking out "June 30, 1941" and inserting in lieu thereof "January 22, 1947."

SEC. 3. Section 10 of the Reconstruction Finance Corporation Act, as amended, is hereby amended by adding at the end thereof the following new sentences: "The foregoing exemptions with respect to taxation (which shall, for all purposes, be deemed to include sales taxes and use taxes), whether now, heretofore, or hereafter imposed, levied, or assessed, and whether for a past, present, or future taxing period, are hereby extended to apply with respect to Defense Homes Corporation, and shall be construed to be applicable not only with respect to the Reconstruction Finance Corporation but also with respect to (1) the Defense Plant Corporation, the Defense Supplies Corporation, the Metals Reserve Co., the Rubber Reserve Co., and any other corporation heretofore or hereafter organized or created by the Reconstruction Finance Corporation to aid the Government of the United States in its national-defense program, (2) the RFC Mortgage Co., the Federal National Mortgage Association, and any other public corporation heretofore or hereafter organized by or at the instance of the Reconstruction Finance Corporation, (3) the Disaster Loan Corporation, and any other public corporation which is now or which may be hereafter wholly financed and wholly managed by the Reconstruction Finance Corporation. The loans made, and personal property owned, by the Reconstruction Finance Corporation or by any such corporation shall be construed as included within such exemptions."

Mr. WILLIAMS. Mr. Chairman, I offer the following committee amendment to section 3:

The Clerk read as follows:

Committee amendments to section 3: Insert before the word "Section", in line 4, page 7, the following:

"(a) The first sentence of section 10 of the Reconstruction Finance Corporation Act, as amended, is hereby amended by inserting before the period at the end thereof the following: 'except as provided in section 4 (a) of the Public Debt Act of 1941.'

"(b) "

Strike out the word "hereby" in line 5, page 7, and insert in lieu thereof the word "further."

Strike out the word "foregoing" in line 6, page 7.

Insert after the word "exemptions" in line 7, page 7, the words, "provided for in the preceding sentence."

Strike out the word "sales" in line 8, page 7, and all words and punctuation therein after through and including the word "and"

in line 12, page 7, and insert in lieu thereof the following: "sales, use, storage, and purchase taxes)".

Insert after the word "Corporation", in line 18, page 7, the following: "under section 5d of this act, as amended."

Strike out the word "The" in line 2, page 8, and insert in lieu thereof the following words: "Such exemptions shall also be construed to be applicable to the."

Strike out "such" in line 3, page 8, and all of lines 4 and 5 thereof, and insert in lieu thereof the following: "corporation referred to in clause (1), (2), or (3) of the preceding sentence."

Mr. WOLCOTT. Mr. Chairman, I offer the following substitute for the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT as a substitute for the committee amendment offered by Mr. WILLIAMS: Page 7, line 4, strike out all of section 3.

The CHAIRMAN. The Chair is of the opinion that the amendment is hardly a substitute for the amendment offered by the gentleman from Missouri. The amendment offered by the gentleman from Missouri is a perfecting amendment to the Committee amendment.

Mr. WOLCOTT. Then Mr. Chairman, I ask unanimous consent to withdraw my amendment and rise in opposition to the Committee amendment.

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

Mr. WOLCOTT. Mr. Chairman, before beginning my address, I propound a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. Whether if the amendment offered by the gentleman from Missouri as a Committee amendment should be adopted, will it then be in order to offer to strike out the whole of section 3 as amended?

The CHAIRMAN. Inasmuch as the amendment offered by the gentleman from Missouri is a perfecting amendment, the Chair holds that an amendment offered as a substitute to strike out the entire section is in order.

Mr. WOLCOTT. Mr. Chairman, I rise now in opposition to the amendment. This is the controversial section of the bill, and is one of the three amendments which perhaps will be controversial. It will be noticed in line 8, on page 5, as committee No. 5, they include a sales tax, use, storage, and purchase taxes, in addition to all other taxation. It is my understanding that if that amendment is read in connection with the sixth amendment, offered to line 18 on page 7, which brings under the terms of this act section 5 (d) of the R. F. C. Act, which is the section authorizing the creation of these corporations about which there has been some dispute, that the property of these corporations set up under 5 (d) and under this bill as amended, if passed, will be exempt from local taxation. At a time when we are trying to raise every cent we can to carry on the Federal establishment in the time of so-called great emergency, it does not seem to me consistent with our activities in raising revenue to make tax-exempt a corporation which is set up for profit for the purpose of competing with private enterprise. If

this is consistent with that program, and if we are going to embark upon a price-fixing program, which has been suggested on other occasions on this floor, then of course all private enterprise which is manufacturing defense articles have the same right to be exempt from State and municipal taxation as these corporations set up by the Reconstruction Finance Corporation.

At the proper time I expect to offer an amendment to strike out this whole section. But surely this amendment, offered by the committee, extending these exemptions to the corporations set up under this bill and under the former bill known as 5 (d) should not be agreed to. These corporations should not be exempted from taxation by States and municipalities. Our States and municipalities are having a terrible time today maintaining the facilities incident to the change in population centers. In my district alone an increase of population in one locality has so crowded the schools and is such a burden upon the fire and police departments that those people are finding it rather difficult to maintain those facilities, to the extent that the Federal Government has already passed remedial legislation to help that locality and others, so long as they are classified as defense areas.

It seems rather inconsistent for the Congress to be appropriating hundreds of millions of dollars to relieve these situations and then making it worse by exempting this property from taxation. We are merely taking it out of one pocket and putting it into another; robbing Peter to pay Paul—call it whatever you please; but it seems to me inconsistent to aggravate this situation that the States find themselves in, by exempting all of this property of these private competing enterprises merely because they are set up by the Federal Government. If it is logical and practical that we exempt these Government-created corporations from taxation, then it is just as consistent and logical that we should exempt all private industries which have defense orders.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I ask unanimous consent that the gentleman may have 2 additional minutes.

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

Mr. WOLCOTT. I yield to the gentleman.

Mr. TABER. Would this provision, according to the gentleman's understanding, exempt from taxation the Reynolds Metal Co., organized by that gentleman from Louisville who not so long ago was under investigation by the New York authorities as to the type of securities he was selling?

Mr. WOLCOTT. If that corporation was set up by this act, which authorizes the Reconstruction Finance Corporation to set up a corporation for the manufacture of arms, munitions, and implements of war, it would be exempt from local taxation under this bill, if it is enacted.

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

Mr. WOLCOTT. Yes.

Mr. RICH. Suppose private industry was going ahead and doing the same thing for national defense that the Government wants to do with these corporations which they are setting up, is it not just as logical to think that the private corporation should be exempt from taxation as these Government corporations?

Mr. WOLCOTT. I have just made that statement. It should also be applied, if we are logical and consistent, to those concerns to which the Reconstruction Finance Corporation has loaned money for plant expansion, although they do not control the operation of the plant. There is Federal money involved the same as in this, and if it is to be our policy to exempt plants because they are created by the Federal Government, then, of course, we should exempt proportionately plants to which the Reconstruction Finance Corporation has loaned money.

Mr. RICH. Certainly the Government now has to invest money, and the Government takes the chance of losses made by the Corporation, whereas in the private corporation they do not take that chance.

Mr. WOLCOTT. It is not consistent with our announced policy to exempt these properties from taxation. The amendment should be defeated, and the amendment which I will offer later on to strike out the whole section should prevail.

[Here the gavel fell.]

Mr. WILLIAMS. Mr. Chairman, it seems to me there has been a great deal of misunderstanding about this tax provision. The fact is there are very few, if any, changes from the present law with reference to the taxation feature of this bill. To begin with, as everyone knows, the capital stock, the reserves, the surplus, income, franchise, notes and debentures of the Reconstruction Finance Corporation are now and have been from the very beginning, exempt from taxation. There is not a thing new in this legislation in that respect. It does not change one word of that. That has always been true.

The reason for it is very evident, because it is a governmental instrumentality. It could not be taxed, under the law, by local authorities if they wanted to tax it. The only change that is made here, and that after all is not a change but it is simply a clarification and a positive statement of existing law, that is, that the personal property of the Reconstruction Finance Corporation and these creature corporations which it may establish shall not be subject to local taxation. That is all there is in this, and I say again if the local authorities wanted to tax them they could not do it, under the Constitution. They cannot do that. There have been a number of suits against the Reconstruction Finance Corporation attempting to tax their property in the different localities of the country, and without exception they have been held to be not taxable. This is simply a statement of a condition that now exists with reference to that one thing.

Mr. TABER. Will the gentleman yield?

Mr. WILLIAMS. Yes; I yield.

Mr. TABER. Why would the committee bring in a bill carrying this tax-exemption feature if the property were already exempt under the law?

Mr. WILLIAMS. This is an attempt simply to state the existing situation, to clarify the present law and to settle for all time, if we may, the annoyance the Reconstruction Finance Corporation has had with lawsuits from one end of the country to the other involving the question of R. F. C. taxation. The courts have already decided that the property of R. F. C., except its real estate, was not subject to taxation. It is an attempt to clarify the situation and avoid any further controversy over that matter. There is no change, I say again, in present existing law.

Under the Public Debt Act which we passed this year, the income on the securities of the R. F. C. is made subject to taxation and also the gains which may be made by reason of the sale by private individuals of those securities. Those are specifically subject to taxation, and that is the only change. It simply leaves the situation as it now exists.

There has been a great deal of talk here about these plants built in different places being free from taxation. The original R. F. C. Act provided that the real estate owned by the Corporation was not exempt from taxation. That is now and always has been subject to local taxation.

If the Congress wants to permit this stock of strategic materials which the R. F. C. and its allied corporations are buying to be taxed, if it is the policy of Government to permit its own products, its own supplies, and its own strategic materials to be subject to perhaps an unreasonable tax in every city, county, and State in the Nation, we have the right and the privilege of doing it, but that is what this provision prohibits, and they should not be subject to the taxing whim of every local authority in the United States.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, if I am not correct in what I am suggesting, I should like to have gentlemen upon the committee call my attention to it. Subsection 3 of section 3 of the committee amendment, on page 7, reads:

The Disaster Loan Corporation, and any other public corporation which is now or which may be hereafter wholly financed and wholly managed by the Reconstruction Finance Corporation.

What is the picture of corporations that are organized like the Reynolds Metals outfit, wholly financed by the R. F. C.? That is one step. They are required as a condition of the loans made to them to give to the R. F. C. proxies from their stockholders to vote at the regular and special meetings. They are required also to submit a list of their directors and officers to the R. F. C. for approval before election. If this does not vest the management of the corporation in the R. F. C., I miss my guess.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. WILLIAMS. I do not happen to be familiar with the corporation of which the gentleman speaks. Is this a corporation owned by the R. F. C.?

Mr. TABER. It is a corporation wholly financed by the R. F. C., and my information is that in the case of this company the R. F. C. requires proxies from stockholders and the right to approve the officers and directors.

Mr. WILLIAMS. Who owns the corporation?

Mr. TABER. The stock is in another name, but the definition in the bill is "wholly financed or wholly managed." How can it be any other than wholly managed when all these things have to be submitted to and done under the direction of the R. F. C., the R. F. C. having the proxy in its agent to vote the stock?

Mr. MILLS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. MILLS of Arkansas. The officials of the R. F. C., the general counsel for one, have informed me that the Reynolds Metals Corporation would not come within the meaning of this language for the reason that they interpret the expression "wholly financed and wholly managed" to mean a corporation of the type such as the rubber reserve company, where the capital stock is owned outright by the Reconstruction Finance Corporation and where officials of the Reconstruction Finance Corporation form the membership of the Board completely, where people employed by the R. F. C. are in charge of this new corporation that is being set up, where they form the board of directors not by proxy but actually where they are retained as members.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Miss SUMNER of Illinois. I asked the counsel for the Reconstruction Finance Corporation myself in that regard. I have had complaints that when the R. F. C. made loans to some of these large corporations they immediately put some of their friends in the directorate and management, so I thought I would ferret out some of the facts. I asked as to whether they had any directors and management officers in these corporations where they had loans, and I asked him also to give me a list. He explicitly and expressly denied that they had more than one director among all the loans they had made to corporations. If this be true it puts the R. F. C. entirely out of the bracket of having managers in such corporations as the gentleman has indicated.

Mr. TABER. Not if they receive a proxy of the stock and require the right to approve the directorate and the officers. With these powers they have the opportunity to dictate the whole thing.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 2 additional minutes.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

Mr. STEAGALL. I think I can clear up this matter. I have the information definitely. I thought I had the facts, but I have verified them by inquiry. The Reynolds Metals Co. is not a public corporation.

Mr. TABER. Well, it is wholly financed by the R. F. C.

Mr. STEAGALL. This amendment refers to public corporations. It has nothing to do with private corporations and the Reynolds Metals Co. is a private corporation. All the R. F. C. has ever had to do with the Reynolds Co. is to make a loan to them just as they would to a bank in the gentleman's district or to a railroad or to some industry or other private business. That is all there is to the Reynolds Metals Co. matter.

Mr. TABER. It is wholly financed by the R. F. C.?

Mr. STEAGALL. Oh, no. It is financed in part in the form of a loan, if you want to say it is financed. It is purely a loan. They have not anything more to do with the Reynolds Metals Co. than they have with any private business institution to which a loan is made.

Mr. TABER. But they do require these outfits to submit their list of directors and they require a proxy on the stock, which is voted by their agents?

Mr. STEAGALL. There is no universal requirement like that. I cannot tell the gentleman every detail that entered into the transaction between the Reynolds Metals Co. and the Reconstruction Finance Corporation in arranging this loan, but I can assure the gentleman that the Reconstruction Finance Corporation has nothing on earth to do with this private institution except it made it a loan.

Mr. RICH. Will the gentleman yield?

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

Mr. RICH. As I understand this Reynolds Metals Co., it is a corporation that was set up with a small capitalization. It was set up by a gentleman in the Attorney General's office who was prosecuting the Aluminum Co. of America. For several years he had been prosecuting the Aluminum Co. of America, and he got so much information from them that he thought it would be a fine thing to start a small company, set up an organization to compete with the Aluminum Co. of America. He put up a small capitalization, but he has borrowed 25 times as much money from the R. F. C. as the capital he put up. That company is getting large sums out of the R. F. C. for the establishment of the Reynolds Metals Co. and it was set up by men who got their information by prosecution of the Aluminum Co. of America.

[Here the gavel fell.]

Mr. RICH. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I want to get this across to the gentleman from New York and those Members who want to know something about the Reynolds Metals Co. The Government started a prosecution of the Aluminum Co. of America. The administration then had one of the men prosecute the Aluminum Co. of America after which he went into the Reynolds Metals Co. After investigation of the

Aluminum Co. of America they found it was a lucrative business which this gentleman was attracted to. What did he do? He went out and got a little bit of extra capitalization, so he could manufacture aluminum, then he went to the R. F. C., and the R. F. C. lends them 20 or 30 million dollars. I do not have the exact figures but I know it was a great, large sum. Maybe it is more than that. I wish the gentleman from Alabama would get this information and check on me if I am not correct. The idea of men in this administration in public office prosecuting the Aluminum Co. of America and taking advantage of the information they get to start in the same business, manufacturing aluminum, it seems to me is a pretty low-down trick. It is pretty mean for an administration employee to go out as an attorney, get this information necessary to manufacture aluminum, then try to take advantage of the Aluminum Co. of America. Now, I do not know anything about the Aluminum Co. and I am not trying to defend them, but I do not think the Federal Government should start in the same business that they are condemning a concern for being in. When they loan great sums to do business I claim they are in the business.

It is just like the hurricane-relief proposition down in Puerto Rico. They established a corporation down there having a capitalization of \$1,800. They sold stock at \$5 a share and had a pretty hard time selling it. What did they do? They lent this corporation down there about \$3,000,000 on a capitalization of about \$1,800. They have a rum plant down there which the Government operates, and they also have a rum plant in the Virgin Islands, which is owned by every individual American citizen. That is the kind of business this administration is getting this Government into in competition with its citizens. That is the kind of business they are doing. We talk about trickery and underhanded work of hoodwinking the American public. Why, I never saw so much of it in my life, the Government in all kinds of business. Whoever heard of such a thing? It is communism pure and simple.

Mr. SHEPPARD. Will the gentleman yield?

Mr. RICH. I yield to the gentleman, who serves on a committee with me, and he knows that the statements that I am making are true about this Puerto Rican situation; that they started off with a capitalization of \$1,800 and then went into the rum business and many other kinds of business, and handed the corporations upward of millions of dollars.

Mr. SHEPPARD. I would like to take the gentleman's mind for a moment from Puerto Rico to the present bill. The gentleman states that the Federal Government started an investigation and as a result of that investigation it is taking unfair advantage of the Aluminum Co. Is that what I understood him to say?

Mr. RICH. No. I say if you are prosecuting a corporation under the antitrust laws because it is a monopoly, you should not take advantage of your position to set others up in competition. It would be better to let other people in this country go into the business of their own

free will—the Government says it has not enough aluminum at this time—and encourage private enterprises. It seems to me that the Government should give the people of this country an opportunity to go into that kind of business instead of the Government sticking the nose of the camel into all kinds of business, instead of the Federal Government making this a communistic Nation, instead of the Federal Government doing everything that is going to tend to put us in the same category as Russia by the Government operating all kinds of business. God forbid that this Nation ever gets to that point. If you gentlemen do not look out, that is what is going to happen by what you are doing. Let us stop it before it is too late. Do not Russianize America.

Mr. SHEPPARD. I would like to ask the gentleman who is conversant with our laws having control over corporations if it is not a fact that information is available upon which anyone can exercise the prerogative of business investment without any investigation of the Federal Government?

Mr. RICH. Yes; but whenever the Federal Government goes into that kind of business there is no opportunity for the private individual to compete with the Government. There is nobody in this country who wants to go into business any more, just because you are making this a communistic Nation. None of you want to go into any business. You would not put a nickel into a business today under the National Labor Relations Board and the Wagner Act. You would not do anything. But you sit here and put the Government into business. You are going to break this country down because you discourage private enterprise instead of encouraging it.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I wish to reiterate the statement that the Reconstruction Finance Corporation has had no transaction with the Reynolds Metals Co. except to make it a loan. I do not know the details of that transaction. It is customary in the operations of the Reconstruction Finance Corporation sometimes to require very exact information as to details and management of an institution seeking a loan. In some instances the Reconstruction Finance Corporation for the protection of the Government requires the borrowing institution to permit the Corporation to be represented in its management.

With reference to the Aluminum Co. I am not going to abuse the patience of the House by any discussion of its history, although some time might very well be employed in that way, I will say to the gentleman who just preceded me that instead of undertaking by this action of the Reconstruction Finance Corporation to destroy a private business institution, the loan made to the Reynolds Metals Co. was for the purpose of assisting an established business institution, one that has been engaged in this business for many years, with plants scattered in several places throughout the country, to aid in our national defense. This loan was made at the instance of the officials of the

Office of Production Management. A request was made to the loan administrator to make this loan in order that this private institution might be equipped to enlarge its facilities, to increase its operations and its output of supplies, which was regarded by those in charge of our national-defense program as necessary to supply aluminum indispensable to national defense.

I had the honor of offering the original Reconstruction Finance Corporation bill in this House under President Hoover. If we had adopted the reasoning disclosed in the gentleman's argument this afternoon, there was not a provision in the bill that was sent to our committee that could have been written into law, because every institution that would have been made eligible for a loan under the Reconstruction Finance Corporation would have been operating in competition with some other existing private institution.

It seems to me to be far more preferable to have the Reconstruction Finance Corporation make loans to private institutions to supply the products we need in the defense program, as was done in the case of the Reynolds Metals Co., than to have the Government through the Reconstruction Finance Corporation organize a corporation and supply the entire fund and have the Government engage in business directly, which, if it were not for purposes of national defense, would justify the contention made by the gentleman who just preceded me.

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

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

Mr. RICH. My contention is that whenever you establish a capitalization of say \$1,800 for a Government agency and then lend it \$3,000,000, that is an excessive loan for a corporation with a capitalization of that kind, and the Government is in business because it has taken the chance of losing it all. The same thing applies to the Reynolds Metals Co. You have loaned the Reynolds Metals Co. three or four times more than should have been loaned to it, and the Federal Government is taking the chance of loss and not the stockholders of that company.

Suppose you are in the banking business. You would advise your bank directors to know the condition of a corporation when it made a loan. In any bank in which you were chairman of the loan committee you would not recommend that a loan as exorbitant as has been made to the Reynolds Metals Co. be made on the capitalization which exists in that company.

Mr. STEAGALL. I would prefer a loan to a private institution with any reasonable promise of repayment in preference to having the Government go into the business outright with the losses that are necessarily incident to Government operation.

Mr. RICH. I will applaud that statement. That is a fine one.

[Here the gavel fell.]

Mr. SPARKMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would not interpose myself in this discussion at all if I had not heard a few minutes ago some of the most remarkable misstatements of fact that I have ever heard on this floor. I happen to know a little something about the Reynolds Metals Co. They are operating a very large plant in my district. I was amazed to hear the gentleman from Pennsylvania [Mr. RICH] say that it is a new company, that it was just jumped up with a very small capitalization. The Reynolds Metals Co. has been operating for a great many years, I do not know how many years, but I know it has been operating for 15 or 20 years, anyhow.

Mr. HAINES. Mr. Chairman, will the gentleman yield?

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

Mr. HAINES. May I say for the benefit of the gentleman that I did business with that company more than 20 years ago.

Mr. SPARKMAN. I am glad the gentleman has made that statement.

This company has twenty-some-odd plants located in 13 different States of the United States. They have a large rolling mill, I believe, over in Louisville. They are building a large rolling mill now down in my district.

The Reynolds Metals Co. was not organized for the purpose of going into the aluminum business. They have been manufacturing aluminum products for more than 20 years, as stated by the gentleman from Pennsylvania [Mr. HAINES]. They have been manufacturing various aluminum products that we use every day of our lives. They have a large business built up.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. SPARKMAN. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. I am informed by Mr. Hamilton, the attorney for the R. F. C., that the Reynolds Metals Co. has assets of \$19,000,000 and borrowed \$20,000,000 from the R. F. C.

Mr. SPARKMAN. It is also my understanding that Mr. Reynolds did not want particularly to go into this business. He saw the great need that was coming on, and if it had not been for this defense program of ours and the threatened shortage of aluminum, which was becoming very acute, he would never have gone into the business of processing aluminum, but would have contented himself with continuing in the fabricating business, buying the aluminum from the Aluminum Co. of America, as he had been doing.

I do not believe anybody can deny the fact that the Aluminum Co. of America is the outstanding monopoly in this country, or had been until this man manifested great courage in daring to put up all the earnings of his life and all of the assets he had developed over the years in a successful business in order to secure this loan for the purpose of making badly needed aluminum.

I read the statement he made over in the Senate the other day before the Truman committee, and, if I recall correctly, he stated there that the very day

the loan was announced from the R. F. C., the Aluminum Co. of America cut him off from his purchases and did not leave him with enough aluminum to run his fabricating plants. I say to you that if a condition such as that exists in America, it is argument enough for every encouragement on the part of the Government to bring about some means to break down any industry or any business that has such a strangle hold on our country, and especially with regard to such an important element in our national defense as aluminum.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield at this point?

Mr. SPARKMAN. I yield.

Mr. SHEPPARD. Does the gentleman, by any stretch of the imagination, know where Mr. Reynolds might have gone to be financed other than to the R. F. C.?

Mr. SPARKMAN. The R. F. C. was set up for that very purpose, and he did right in turning to it, and I may say to you that he is going to prove of great help to this country in this defense program of ours. I think he is to be praised and I think the R. F. C. is to be commended highly for helping him go into this business. It was my pleasure to go down there last week and see the first aluminum ever made in this country in opposition to this great monopolistic trust we have had. Reynolds Metals Co. is doing this in order to furnish aluminum for many of the bombers being built in our defense program.

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

Mr. SPARKMAN. I yield.

Mr. RICH. If this company has been as strong as the gentleman says it is and with the banks of this country having millions of dollars and not knowing what to invest in, does the gentleman think the banks of the country would refuse such a good loan?

Mr. SPARKMAN. The R. F. C., as a matter of fact, has made many, many greater loans than this particular loan, and I have never heard gentlemen get up here and criticize the R. F. C. for lending to the railroads of the country or lending to the great insurance companies or other great financial institutions. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on agreeing to the Committee amendment.

The Committee amendment was agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 7, beginning in line 4, strike out all of section 3.

Mr. WOLCOTT. Mr. Chairman, it seems to me there has been ample discussion on the amendments offered by the committee to justify the position which we take that section 3 should be eliminated and existing law allowed to stand as it is.

We have to constantly give consideration to State and local revenues. We have all had letters, perhaps not all of us but many of us have had letters, from the Governors of States, the mayors of cities, boards of supervisors of counties,

urging us to provide the means of continuing the facilities incident to these movements of population from the suburban to the urban centers. As has been pointed out, we have had to help finance a defense-housing program. We are setting aside \$100,000,000 for that purpose. We are called upon to supplement that by helping the States and the municipalities to maintain schools and service departments, such as fire, police, sewer and waterworks, and now we inconsistently take away from them in this bill the revenue by which those facilities and those services are going to operate. If you take the taxing power away from the States and the municipalities, you leave them in a very embarrassing position. It has been said that along with the power to tax goes the power to destroy, and if we exercise the power to deny the States revenue from taxation, proportionately, we destroy sovereign government.

This might seem somewhat farfetched as a statement and, probably, this bill will not be used for that purpose, but we know that we cannot operate our States and municipalities without tax money, and if the Federal Government establishes a competing enterprise of a private nature, that enterprise, especially if it is organized for profit, should pay local taxes into the State, county, and municipal treasuries. Surely, this language can be drawn in such a manner as to protect public corporations which are not competing with private enterprise, but we have included in the exemptions corporations set up under section 5 (d) as amended, and as it will be amended. Let me call attention again to the fact that if this Congress passes the House amendment, then we can set up any corporation for any purpose, private or otherwise, and that private corporation under the terms of section 3 will be exempt from State and municipal taxation of all kinds. It seems to be rather an inconsistent, perhaps an incongruous situation, and I believe that we should be as consistent as possible, or at least try to be. I believe my amendment to strike out section 3 should prevail.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment. If this amendment prevails, the localities will still be permitted to tax the real property. The only thing that will be exempt will be, first, the loans made, and next, the personal property. Under our present tax system, loans are not taxable anyway. I believe if you will investigate the laws of the different States, you will discover that 14 States have made an attempt to tax loans or what is commonly referred to as intangible property, and that all of these 14 States failed in their efforts to tax this intangible property. In exempting the R. F. C. and the agencies organized in pursuance of the law creating the R. F. C., you are not exempting anything that is not already exempt if local individuals or private corporations locally owned should make this loan. So you are not giving away a thing.

The next is personal property, and about the same situation prevails. It occurs to me that since we are amending the law in this particular bill to make

the Public Debt Act apply to the securities that are sold by the R. F. C., and that we will receive taxes in compliance with that Public Debt Act, that that is as far as we should attempt to go in taxing securities or properties created by the R. F. C., and certainly this is going too far to ask that the property that is created by the R. F. C., which the local communities, towns, cities, and States would not have were it not for the creation of the R. F. C. Act to tax loans and personal property that would not be taxed by private corporations, that is going too far, and I hope the amendment is voted down.

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent to proceed for 1 minute, to read an amendment which has been proposed by the gentleman from Michigan [Mr. RABAUT] and which will be offered by him, and which is intended to meet the situation in Michigan. The committee will accept the Rabaut amendment. We have been told—and it seems to be true—that under certain circumstances real estate held under these contracts is treated as personal property in that State. The Rabaut amendment provides that where real estate, buildings, or structures are considered by the law of a State as personal property, they shall not be included in the provisions of this bill which excepts personal property from taxation. The amendment will clarify the situation so far as Michigan is concerned.

Mr. WOLCOTT. But the law in Michigan is no different in that respect from the law of any other State. It is all a question of intent. It does not apply to only Michigan, but it applies to all of the common-law States. It applies to all except the code States.

Mr. STEAGALL. If that is true, it is only an additional reason why the amendment is desirable.

Mr. WOLCOTT. I might say to the gentleman that that improvement is not taxed in Michigan as personal property. That is a wrong statement. That improvement is taxed as part of the realty, unless there is a clear declaration of intention, filed with the taxing officer, that it is the intention of the owner that this particular building be not treated as a part of the realty, and I do not know of any such statement having been filed in any tax office.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. RABAUT. I have in my hand the Michigan Statutes, Annotated, under the caption "Property and buildings on public land" and the language applicable to this particular case is as follows.

All buildings situated and being upon the lands of the United States * * * where the owner of such building or personal property is not the owner of the fee in such lands, and where such lessor or owner of such building or property has not bound himself to pay taxes on the real estate, shall be deemed personal property for the purposes of taxation and assessment.

Accordingly I have brought to the attention of the chairman this condition and have prepared the amendment which he has accepted. In the name of the

people of Michigan I desire to thank the distinguished gentleman from Alabama and the members of his committee for their acceptance of the amendment, and I know that the House will approve this proposal.

Mr. WOLCOTT. I may say to the gentleman that that does not change the basic common law at all, because under the decisions of the Supreme Court of Michigan, if a building is built upon land it is presumed to be a part of the realty until the contrary is shown.

[Here the gavel fell.]

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were ayes 35 and noes 77.

So the amendment was rejected.

Mr. STEAGALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Committee amendment offered by Mr. STEAGALL: On page 8, line 5, after the word "exemptions", insert: "but such exemptions shall not be construed to be applicable in any State to any buildings or structures which are considered by the laws of such State to be personal property for taxation purposes."

The amendment was agreed to.

The Clerk read as follows:

SEC. 4. (a) The fourth paragraph of section 5d of the Reconstruction Finance Corporation Act, as amended, is hereby amended by renumbering subsections "(2)" and "(3)" thereof as "(3)" and "(4)", respectively.

(b) Such paragraph is further amended by inserting after subsection (1) thereof the following new subsection:

"(2) When requested by the Federal Loan Administrator, with the approval of the President, and subject to such conditions and limitations as may be set forth in such request, to make loans, notwithstanding the provisions of any other law, to any foreign governments, to their central banks, or to any person, commission, association, corporation, or bank acting for or on behalf of such government. Such loans may be made only upon the security of bonds, debentures, stocks, or other such obligations of (a) the Government of the United States or any State, municipality, or political subdivision of any State, or (b) any private corporation organized under the laws of the United States or any State;"

(c) Subsection (4) of such paragraph (as herein renumbered) is hereby amended by inserting after the word "organize" where it first appears therein the following: ", at any time prior to July 1, 1943," and by inserting before the word "power" where it first appears therein the following: "such powers as they may deem necessary in order to expedite the defense program, including, but not limited to,".

Mr. WILLIAMS. Mr. Chairman, I offer two committee amendments, which I send to the desk.

The Clerk read as follows:

Committee amendments offered by Mr. WILLIAMS to section 4: Strike out all of the following beginning with the word "renumbering", in line 8, page 8, down to and including the word "by" in line 10.

Strike out the numbers "1" appearing in line 11, page 8, and "2" appearing in line 12 and insert in lieu thereof the numbers "3" and "4", respectively.

After the word "Government" in line 18, page 8, strike out the period and insert the following: ", for the purpose of achieving the

maximum dollar exchange value in the United States for the securities or property of any such government, central bank, person, commission, association, corporation, or bank."

The committee amendments were agreed to.

Mr. WILLIAMS. Mr. Chairman, I offer a further committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. WILLIAMS: Strike out all of line 25, page 3, and all of lines 1 through 6 on page 4 and insert in lieu thereof the following:

"(b) The first sentence of subsection (3) of such fourth paragraph is hereby amended to comprise four sentences to read as follows:"

Mr. WILLIAMS (interrupting the reading of the amendment). Mr. Chairman, I think the pages and lines in that amendment are wrong.

Mr. WOLCOTT. Mr. Chairman, that is an amendment, as I understand it, to subsection (c). I have prepared an amendment to subsection (b). I wonder if the gentleman from Missouri would not withhold this amendment until my amendment to subsection (b) is disposed of.

Mr. WILLIAMS. I do not know what the gentleman's amendment is. I think the reference is wrong. However, it is spelled out in the amendment, and that can be explained later.

Mr. WOLCOTT. I have an amendment in line 22 under "(b)." Will the gentleman withhold his amendment until my perfecting amendment is disposed of?

Mr. WILLIAMS. Mr. Chairman, the amendment which I offered is set out in full. The reference to it by page and line is in error and will now be corrected. The amendment, however, has not been changed.

The CHAIRMAN. The Clerk will report the committee amendment offered by the gentleman from Missouri as it has been corrected.

The Clerk read as follows:

Committee amendment to section 4 offered by Mr. WILLIAMS: Strike out all of line 25, page 8, and all of lines 1 through 6 on page 9, and insert in lieu thereof the following:

"(b) The first sentence of subsection (3) of such fourth paragraph is hereby amended to comprise four sentences to read as follows:

"(3) When requested by the Federal Loan Administrator, with the approval of the President, to create or organize, at any time prior to July 1, 1943, a corporation or corporations, with power (a) to produce, acquire, carry, sell, or otherwise deal in strategic and critical materials as defined by the President; (b) to purchase and lease land, purchase, lease, build, and expand plants, and purchase and produce equipment, facilities, machinery, materials, and supplies for the manufacture of strategic and critical materials, arms, ammunition, and implements of war, any other articles, equipment, facilities, and supplies necessary to the national defense, and such other articles, equipment, supplies, and materials as may be required in the manufacture or use of any of the foregoing or otherwise necessary in connection therewith; (c) to lease, sell, or otherwise dispose of such land, plants, facilities, and machinery to others to engage in such manufacture; (d) to engage in such manufacture itself, if the President finds that it is necessary for a Government agency to engage in such manufacture; (e) to produce, lease, pur-

chase, or otherwise acquire railroad equipment (including rolling stock), and commercial aircraft, and parts, equipment, facilities, and supplies necessary in connection with such railroad equipment and aircraft, and to lease, sell, or otherwise dispose of the same; (f) to purchase, lease, build, expand, or otherwise acquire facilities for the training of aviators and to operate or lease, sell, or otherwise dispose of such facilities to others to engage in such training; and (g) to take such other action as the President and the Federal Loan Administrator may deem necessary to expedite the national-defense program, but the aggregate amount of funds of the Reconstruction Finance Corporation which may be outstanding at any one time for carrying out this clause (g) shall not exceed \$100,000,000. The powers of every corporation hereafter created under this subsection shall be set out in a charter which shall be valid only when certified copies thereof are filed with the Secretary of the Senate and the Clerk of the House of Representatives and published in the Federal Register, and all amendments to such charters shall be valid only when similarly filed and published. The charters of corporations heretofore created shall be so filed and published before July 1, 1941, and amendments thereto shall be valid only when hereafter so filed and published. No corporation heretofore or hereafter created or organized by the Corporation pursuant to this subsection shall have succession beyond January 22, 1947, except for purposes of liquidation, unless the life of such corporation is extended beyond such date pursuant to an act of Congress."

Mr. WILLIAMS. Mr. Chairman, there is not a great deal of new matter in this amendment. Under the law which we passed last year the Reconstruction Finance Corporation was authorized to establish these corporations; but as has already been pointed out this afternoon it was somewhat limited. This simply enumerates those same powers again and in addition creates what might be called a blanket power upon the recommendation of the Federal Loan Administrator with the approval of the President to use \$100,000,000 of the funds herein provided for the purpose of acquiring industries and plants for the manufacture or the production of materials and articles, machinery and equipment necessary for national defense. The amount under that authority is limited to \$100,000,000.

The authority to do all these other things about which there has been so much talk is already in the law. There is nothing new about that. It does, in all frankness, establish the power in the Federal Loan Administrator and the President to use the \$100,000,000 provided for in this act to acquire and produce materials, machinery, and equipment of any kind or character necessary for the national defense. That is all there is in this amendment in addition to existing law.

Mr. STEAGALL. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield.

Mr. STEAGALL. Just a word about this amendment. With two exceptions it is the same amendment that was adopted by the Senate, and the exceptions were made in an effort to make the bill more agreeable to some who were not entirely in accord with it. We reduced from \$300,000,000 to \$100,000,000 the amount that might be used under the joint authorization to do certain things.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to correct some misunderstandings in respect to this amendment. In the first place, this \$100,000,000 has very little relationship to the manufacture of arms, munitions, and implements of war. This \$100,000,000, if you read the amendment, is the restriction upon clause (g) and is the only restriction upon clause (g) which authorizes the President to take such other action as the President and the Federal Loan Administrator may deem necessary to expedite the national-defense program. That is the activity the \$100,000,000 refers to, and there is no limitation in this bill upon the amount which can be used for the powers which already exist in law. So the \$100,000,000 limitation applies only to these extra and additional powers which we are giving the President under this bill. I will read the rest of it:

(g) To take such other action as the President and the Federal Loan Administrator may deem necessary to expedite the national-defense program, but the aggregate amount of the funds of the Reconstruction Finance Corporation which may be outstanding at any one time for carrying out this clause (g) shall not exceed \$100,000,000.

There is also a slight change in this amendment from the Senate amendment.

Mr. PATMAN. Mr. Chairman, will the gentleman yield before he goes to this other matter?

Mr. WOLCOTT. I am sorry, the gentleman possibly can get some time for himself.

On page 5 of the bill we find the Senate provisions and the limitation upon the use to which these corporations may be put: Page 5, line 16, the language of the Senate bill reads:

Provided, That, except to the extent expressly authorized by clause (c) of this subsection, nothing in this subsection shall be construed to authorize the Corporation to take any action, directly or indirectly, with respect to any project, authority for which (by treaty or otherwise), or expenditures for which, have heretofore been considered and rejected by the Congress since January 1, 1926.

The amendment as it was presented to the Committee on Banking and Currency, following the \$100,000,000, read:

Provided, That nothing in section 3 shall be construed to authorize the Corporation to take any action directly or indirectly with respect to the proposals heretofore considered by the Congress and known as the Great Lakes-St. Lawrence seaway, Passamaquoddy, Florida ship canal, and Tombigbee River project.

The Committee on Banking and Currency of the House in its discretion struck out the limitations which I have just read, so that now any corporation can be organized for any purpose including the construction of the above-named projects, and the \$100,000,000 can be used for this or any other purpose so long as the President finds it is an incident to the national-defense program.

I should think the Members of Congress would realize their responsibility

sufficiently to want to keep their hands on these public works and determine whether we shall embark upon any of the projects.

Some of these projects have inspired very bitter debate on this floor; yet here with the passing of the hand, with a handful of Members on the floor, we are about to undo all that we have done in years gone by. You do it on your own responsibility. So far as I am concerned, I do not think that anybody can charge that I have said anything in favor of the granting of congressional powers to the Executive. I am glad to be able to stand up before my constituents tomorrow and say that I have done everything I could under my interpretation of my oath to protect the American form of government. [Applause.]

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from Missouri [Mr. WILLIAMS].

The question was taken; and on a division (demanded by Mr. WOLCOTT), there were—ayes 88, noes 50.

So the committee amendment was agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 8, beginning in line 25, strike out subsection (c).

Mr. WOLCOTT. Mr. Chairman, if this amendment is agreed to it will strike out the language originally proposed by the House Banking and Currency Committee and also the language that has just been adopted as a perfecting amendment to that language.

Mr. Chairman, I still do not think the Congress wants to delegate such broad and unusual powers to the President. I still do not think, and I cannot believe that Members of this Congress want to delegate to the President and to the Federal Loan Administrator powers broad enough virtually to create a Fascist State in America. I have never made a statement any more sincerely than I do the following: If this amendment is not adopted, and if this bill is passed as it has been amended, it gives to the President the power to create a Fascist state in America. Whether we have confidence or not in the President, whether we have confidence and faith in Jesse Jones, is beside the question. It is a question of our constitutional duty to do nothing to destroy this Republican democracy or to make it possible for any one else to destroy it.

We in voting away our powers, giving the power to the President of the United States to set up a corporation to do anything, to do everything, to do the things which under the Constitution the Congress would otherwise have to pass upon, are not keeping faith with the American people; our action will not be in keeping with the spirit of the American form of government.

I ask you to think about this seriously and not be a party to the possibility of any further criticism that the Congress has abdicated and has run out on the

people, because if you pass this bill with the billions of dollars you have given to the President under the lend-lease bill, with the billion and a half you are going to give him further to play with under this bill, and it is supplemental to the lend-lease bill—bear in mind this billion and a half supplements the \$7,000,000,000 authorized on the lend-lease bill—you have not only delegated the appropriating power to the Chief Executive but you have delegated to the Chief Executive the power to set up a corporation to do everything which he otherwise could not do under the Constitution.

You do it on your responsibility. I will not be a party to it.

Mr. PATMAN. Will the gentleman yield?

Mr. WOLCOTT. No; I am sorry I cannot yield at this time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. Wolcott].

The question was taken; and on a division (demanded by Mr. Wolcott) there were—ayes 60, noes 83.

So the amendment was rejected.

Mr. WOLCOTT. Mr. Chairman, I offer another amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. Wolcott: Page 8, line 22, after the letter (B), strike out the remainder of said section and insert in lieu thereof the following: "any corporation organized under the laws of the United States or any State whose bonds, debentures, stocks, or other such obligations are fully guaranteed as to principal and interest by the Government of the United States."

Mr. WOLCOTT. Mr. Chairman, in certain remarks I made this afternoon I called attention to the fact that we appeared to secure loans made by the Reconstruction Finance Corporation to these foreign governments by providing that these loans may be made only upon the security of bonds, debentures, stocks, and other obligations of the Government of the United States, or of any State, municipality, or political subdivision of any State. Then we do the very inconsistent thing by providing in (B) that these loans may be made to any corporation without such protection.

If it is a private corporation, the Reconstruction Finance Corporation can take the stocks and bonds and debentures of the private corporation organized under the laws of the United States or otherwise, and, of course, they would not be obligations of the Government of the United States or of any State, municipality, or political subdivision of any State. It seems to me that what we intended to do there was to protect the taxpayers of the United States from being put in a position indirectly of financing another European war without their knowing about it. Whether we should finance this European war is beside the issue. The question is, if we want to finance the European war as a matter of policy, we should have courage enough to bring that issue onto the floor and vote it up or down. We should not by subterfuge authorize the Reconstruction Finance Corporation, the President of the United States, or Mr. Jones, to or-

ganize a corporation through which the Reconstruction Finance Corporation could finance partly, at least, this present world war. Why do we say that these loans in one case must be secured by Government, State, or municipal obligations, and in the next case say the loans may be made to any private corporation without that safeguard.

Mr. WILLIAMS. Will the gentleman yield?

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

Mr. WILLIAMS. Is it the contention of the gentleman that this provision permits a loan to private corporations?

Mr. WOLCOTT. Certainly.

Mr. WILLIAMS. Where is that language?

Mr. WOLCOTT. You have to read this language in connection with the amendment which was just adopted. In that connection, the Federal Government can set up these corporations and lease them to private individuals. What do you mean here? Why do you have language like this:

Such loans may be made only upon the security of bonds, debentures, stocks, or other such obligations of (a) the Government of the United States or any State, municipality, or political subdivision of any State, or (b) any private corporation organized under the laws of the United States or any State.

It means, of course, that you are granting the authority here to raise the money to create these corporations under this amendment which you have just adopted. If you want to create a corporation here with a capital of \$10,000 and authorize that corporation to expand that capital a hundred times and take that watered stock as security for loans from the Reconstruction Finance Corporation, you are just playing havoc with your own conscience; that is what you are doing. Go ahead and do it. [Applause.]

[Here the gavel fell.]

Mr. WILLIAMS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I believe the gentleman is just as wrong as he possibly can be. This refers to loans, of course, made to foreign governments, and such a loan can be made not to a corporation, it can be made only to a foreign government or its representatives, which may, of course, be in the form of a corporation organized for that purpose.

The security which must be put up to secure such a loan must be American securities, either governmental or private. The corporation to which the gentleman refers, the private corporation which may be organized, puts up its securities, but it is the representative of the English, I will say, Government, or whatever foreign government seeks the loan. It must be organized under the laws of the United States and the securities put up must be American securities, and the loan is made not to any private corporation that comes along, but to the foreign government. That is what this provision is. Of course, that amendment should be voted down.

Mr. STEAGALL. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Alabama.

Mr. STEAGALL. The authority exists in law already, and it has for a long time, that would permit the loan to a private corporation without the enactment of this bill. This simply provides that the security must be that of the government, or its subdivision or agent, or a private corporation in this country.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. Yes.

Mr. WOLCOTT. Of course, the gentleman knows that he is not correct in stating that the Reconstruction Finance Corporation can loan to the Government of Great Britain or any other belligerent nation today. By this section you are repealing that provision of the Neutrality Act which forbids the Reconstruction Finance Corporation to make loans. You do not have an existing law which authorizes you to make such loans.

Mr. WILLIAMS. Of course, that is true, but the statement of the gentleman from Alabama was that the Reconstruction Finance Corporation now could make a loan to any private corporation on adequate security, which of course, is the law and has been from the very first. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was rejected.

The Clerk read as follows:

SEC. 5. The amount of notes, bonds, debentures, and other such obligations which the Reconstruction Finance Corporation is authorized to issue and have outstanding at any one time under existing law is hereby increased by \$1,500,000,000.

Mr. JOHNS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNS: On page 9, line 11, strike out "\$1,500,000,000" and insert "\$500,000,000."

Mr. JOHNS. Mr. Chairman, the President of the United States has stated that we were to cut down on all items except those for national defense. Here is an opportunity this afternoon to put into practice exactly what the President of the United States has requested be done. The Secretary of the Treasury of the United States, after he had an appropriation for his own Department, himself suggested that we do the same thing.

This \$1,500,000,000 is not for any defense item of any kind at all. There is not a word in this bill that says anything about national defense. The whole subject of the bill, as far as the finances are concerned, is to loan money to foreign governments.

It seems to me that with the amount of money we are owing in this country today and the trouble we are having in selling the obligations of the Government, and in view of the amount of advertising that is necessary today in order to sell these securities, it is about time we cut down \$1,000,000,000 on this bill and use it to prepare for national defense in this country by making more airplanes.

I want to see just how sincere the Members are this afternoon in wanting to cut down the expenses of this Govern-

ment. I have given you an opportunity here to vote to cut them down by \$1,000,000,000, and not affect the national defense of this country one dollar.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. JOHNS. I yield to the gentleman from Tennessee.

Mr. GORE. Is the gentleman opposed to the Reconstruction Finance Corporation?

Mr. JOHNS. No; I am not opposed to it, but I am opposed to its having \$1,500,000,000.

Mr. GORE. Does not the gentleman know that his amendment would in effect annihilate the Reconstruction Finance Corporation? Further, does not the gentleman know that the Reconstruction Finance Corporation instead of losing money for the Government has been the money-making agency of the Government?

Mr. JOHNS. I am saying that this Government at the present time has no business going into private lending to anybody. What we need is to prepare our national defense.

Mr. GORE. Can the gentleman give any good reason why this Government, when we are in an emergency, threatened on all sides, should not have the authority to guarantee the production of the instrumentalities of defense, if they cannot be secured through private enterprise?

Mr. JOHNS. There is not a thing in this bill that says anything about anybody building anything for the Government of the United States. This bill says it is to loan money to foreign governments. That is what it says. If we are going to go into the lending business, let us create a lending organization outside of the Reconstruction Finance Corporation and go ahead and guarantee the obligations of all the foreign governments, as we are doing with our own country, in order to get some credit. The private individuals of this country and the banks have about \$6,680,000,000 in reserves to loan to somebody if they had any confidence in anyone who wanted to borrow it.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. JOHNS. I yield.

Mr. DINGELL. I just want to make the observation that if the provisions of the bill mean a supply of buckshot for the hides of the Nazis, I am for the bill.

Mr. JOHNS. Yes; that is your idea about this, but there is nothing in the bill that says that.

Mr. DINGELL. I am taking your word for it.

Mr. JOHNS. You are not taking my word for anything—that is your own idea. [Laughter.]

Mr. DINGELL. It is a good one.

Mr. JOHNS. That is your own idea, too. [Laughter.]

Mr. DINGELL. And I will stay with it. Mr. JOHNS. Now, Mr. Chairman, I am going to see this afternoon how many are going to stand up here in order that we may see whether you are economy minded or not. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. JOHNS].

The question was taken; and on a division (demanded by Mr. JOHNS) there were—ayes 56, noes 94.

Mr. JOHNS. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

The CHAIRMAN. The question is on the substitute Committee amendment as amended.

The substitute committee amendment, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COLE of Maryland, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee having had under consideration the bill S. 1438, he reported the same back to the House with an amendment adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment is as follows:

Strike out all after the enacting clause and insert: "That the act approved February 11, 1937 (U. S. C., 1934 edition, Supplement V, title 15, sec. 605k-1), as amended, is hereby amended by striking out 'in the years 1936, 1937, 1938, 1939, or 1940' and inserting in lieu thereof 'occurring during the period between January 1, 1936, and January 22, 1947.'

"Sec. 2. Section 1 of the act approved March 31, 1936 (49 Stat. 1186), as amended, is hereby amended by striking out 'June 30, 1941' and inserting in lieu thereof 'January 22, 1947.'

"Sec. 3. (a) The first sentence of section 10 of the Reconstruction Finance Corporation Act, as amended, is hereby amended by inserting before the period at the end thereof the following: 'except as provided in section 4 (a) of the Public Debt Act of 1941.'

"(b) Section 10 of the Reconstruction Finance Corporation Act, as amended, is further amended by adding at the end thereof the following new sentences: 'The exemptions provided for in the preceding sentence with respect to taxation (which shall, for all purposes, be deemed to include sales, use, storage, and purchase taxes) shall be construed to be applicable not only with respect to the Reconstruction Finance Corporation but also with respect to (1) the Defense Plant Corporation, the Defense Supplies Corporation, the Metals Reserve Company, the Rubber Reserve Company, and any other corporation heretofore or hereafter organized or created by the Reconstruction Finance Corporation under section 5d of this act, as amended, to aid the Government of the United States in its national-defense program; (2) The RFC Mortgage Company, the Federal National Mortgage Association, and any other public corporation heretofore or hereafter organized by or at the instance of the Reconstruction Finance Corporation; (3) the Disaster Loan Corporation, and any other public corporation which is now or which may be hereafter wholly financed and wholly managed by the Reconstruction Finance Corporation. Such exemptions shall also be construed to be applicable to the loans made, and personal property owned, by the Reconstruction Finance Corporation or by any corporation referred to in clause (1), (2), or (3) of the preceding sentence, but such exemptions shall not be construed to be applicable in any State to any buildings or structures which are considered by the laws of such State to be personal property for taxation purposes.'

"Sec. 4. (a) The fourth paragraph of section 5d of the Reconstruction Finance Corporation Act, as amended, is hereby amended by inserting after subsection (3) thereof the following new subsection:

"(4) When requested by the Federal Loan Administrator, with the approval of the President, and subject to such conditions and limitations as may be set forth in such request, to make loans, notwithstanding the provisions of any other law, to any foreign governments, to their central banks, or to any person, commission, association, corporation, or bank acting for or on behalf of such government, for the purpose of achieving the maximum dollar exchange value in the United States for the securities or property of any such government, central bank, person, commission, association, corporation, or bank. Such loans may be made only upon the security of bonds, debentures, stocks, or other such obligations of (a) the Government of the United States or any State, municipality, or political subdivision of any State, or (b) any private corporation organized under the laws of the United States or any State;'

"(b) The first sentence of subsection (3) of such fourth paragraph is hereby amended to comprise four sentences to read as follows:

"(3) When requested by the Federal Loan Administrator, with the approval of the President, to create or organize, at any time prior to July 1, 1943, a corporation or corporations, with power (a) to produce, acquire, carry, sell, or otherwise deal in strategic and critical materials as defined by the President; (b) to purchase and lease land, purchase, lease, build, and expand plants, and purchase and produce equipment, facilities, machinery, materials, and supplies for the manufacture of strategic and critical materials, arms, ammunition, and implements of war, any other articles, equipment, facilities, and supplies necessary to the national defense, and such other articles, equipment, supplies, and materials as may be required in the manufacture or use of any of the foregoing or otherwise necessary in connection therewith; (c) to lease, sell, or otherwise dispose of such land, plants, facilities, and machinery to others to engage in such manufacture; (d) to engage in such manufacture itself, if the President finds that it is necessary for a Government agency to engage in such manufacture; (e) to produce, lease, purchase, or otherwise acquire railroad equipment (including rolling stock), and commercial aircraft, and parts, equipment, facilities, and supplies necessary in connection with such railroad equipment and aircraft, and to lease, sell, or otherwise dispose of the same; (f) to purchase, lease, build, expand, or otherwise acquire facilities for the training of aviators and to operate or lease, sell, or otherwise dispose of such facilities to others to engage in such training; and (g) to take such other action as the President and the Federal Loan Administrator may deem necessary to expedite the national-defense program, but the aggregate amount of funds of the Reconstruction Finance Corporation which may be outstanding at any one time for carrying out this clause (g) shall not exceed \$100,000,000. The powers of every corporation hereafter created under this subsection shall be set out in a charter which shall be valid only when certified copies thereof are filed with the Secretary of the Senate and the Clerk of the House of Representatives and published in the Federal Register, and all amendments to such charters shall be valid only when similarly filed and published. The charters of corporations heretofore created shall be so filed and published before July 1, 1941, and amendments thereto shall be valid only when hereafter so filed and published. No corporation heretofore or hereafter created or organized by the Corporation pursuant to this subsection shall have succession beyond January 22, 1947,

except for purposes of liquidation, unless the life of such corporation is extended beyond such date pursuant to an act of Congress."

"Sec. 5. The amount of notes, bonds, debentures, and other such obligations which the Reconstruction Finance Corporation is authorized to issue and have outstanding at any one time under existing law is hereby increased by \$1,500,000,000."

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

The SPEAKER. The question is on the passage of the bill.

Mr. STEAGALL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 218, nays 116, answered "present" 1, not voting 96, as follows:

[Roll No. 60]

YEAS—218

Allen, La.	Gilchrist	Patman
Anderson, Calif.	Gore	Patrick
Anderson, N. Mex.	Gossett	Patton
Baldwin	Granger	Peterson, Fla.
Barden	Grant, Ala.	Peterson, Ga.
Barnes	Green	Pierce
Barry	Gregory	Plauché
Beam	Haines	Poage
Beckworth	Hare	Priest
Beiter	Harrington	Rabaut
Bell	Harris, Ark.	Ramsay
Bland	Harris, Va.	Ramspeck
Bloom	Hart	Randolph
Boehne	Healey	Rankin, Miss.
Boggs	Heffernan	Richards
Bonner	Hobbs	Rivers
Bradley, Pa.	Hook	Robertson Va.
Brooks	Houston	Robinson, Utah
Brown, Ga.	Hull	Rolph
Bryson	Hunter	Russell
Buck	Imhoff	Sabath
Bucker, Minn.	Jackson	Sacks
Bulwinkle	Johnson,	Sanders
Burch	Luther A.	Sasser
Eurgin	Johnson, Okla.	Satterfield
Byrne	Kean	Sauthoff
Camp	Kefauver	Scanlon
Canfield	Kelley, Pa.	Schaefer, Ill.
Cannon, Mo.	Kelly, Ill.	Schuetz
Capozzoli	Kennedy	Schulte
Casey, Mass.	Martin J.	Scrugham
Chapman	Kennedy	Shanley
Cuchran	Michael J.	Sheppard
Coffee, Nebr.	Keogh	Sheridan
Coffee, Wash.	Kerr	Sikes
Cole, Md.	Kilday	Smith, Conn.
Collins	Kleberg	Smith, Va.
Coolley	Kocialkowski	Smith Wash.
Cooper	Kramer	Snyder
Costello	Lanham	South
Cox	Lea	Sparkman
Creal	Leavy	Spence
D'Alesandro	Lesinski	Starnes, Ala.
Davis, Ohio	Lewis	Steagall
Davis, Tenn.	Ludlow	Sullivan
Delaney	Lynch	Sumners, Tex.
Dewey	McArdle	Sutphin
Dickstein	McCormack	Tarver
Dingell	McIntyre	Taylor
Domengeaux	McKeough	Tenerowicz
Doughton	McLaughlin	Terry
Doxey	McMillan	Thom
Drewry	Maclora	Thomas, N. J.
Durham	Magnuson	Thomas, Tex.
Eberharter	Mahon	Thomason
Edelstein	Mansfield	Vincent, Ky.
Elliott, Mass.	Merritt	Voorhis, Calif.
Elliott, Calif.	Meyer, Md.	Wadsworth
Ellis	Mills, Ark.	Walter
Engelbright	Mills, La.	Ward
Fitzgerald	Mitchell	Wasielewski
Fitzpatrick	Monroney	Weaver
Flaherty	Moser	Weiss
Flannagan	Murdoch	Welch
Flannery	Myers, Pa.	Wene
Fogarty	Nelson	West
Forand	Norrell	Whichel
Ford, Miss.	Norton	Whittington
Ford, Thomas F.	O'Brien, Mich.	Williams
Fulmer	O'Connor	Wolverton, N. J.
Gathings	O'Leary	Worley
Gehrmann	O'Neal	Wright
Gibson	Osmers	Young
	Pace	Zimmerman

NAYS—116

Allen, Ill.	Gifford	Ploeser
Andersen,	Gillie	Plumley
H. Carl	Graham	Powers
Angell	Guyer, Kans.	Rankin, Mont.
Arends	Gwynne	Reece, Tenn.
Bates, Mass.	Hall,	Reed, Ill.
Baumhart	Edwin Arthur	Reed, N. Y.
Bender	Hall,	Rees, Kans.
Bennett	Leonard W.	Rich
Bishop	Halleck	Robertson,
Blackney	Hancock	N. Dak.
Bolton	Hill, Colo.	Robison, Ky.
Brown, Ohio	Hope	Rodgers, Pa.
Burdick	Howell	Rogers, Mass.
Butler	Jennings	Rutherford
Carlson	Jensen	Shafer, Mich.
Carter	Johns	Short
Case, S. Dak.	Johnson, Calif.	Smith, Maine
Chenoweth	Johnson, Ill.	Smith, Ohio
Chipperfield	Johnson, Ind.	Springer
Clason	Jones	Stearns, N. H.
Cleaver	Jonkman	Stevenson
Cluett	Keefe	Sumner, Ill.
Cole, N. Y.	Kilburn	Taber
Cope, and	Kinzer	Talle
Crowther	Knutson	Tibbott
Cunningham	Kunkel	Tinkham
Curtis	Lambertson	Van Zandt
Day	Lands	Vorys, Ohio
Ditter	LeCompte	Vreeland
Dondero	Maas	Wheat
Dworshak	Martin, Mass.	Wigglesworth
Eaton	Mason	Wilson
Elston	Michener	Wolcott
Engel	Mott	Wolfenden, Pa.
Fellows	Murray	Woodruff, Mich.
Fenton	O'Brien, N. Y.	Youngdahl
Ford, Leland M.	Oliver	
Gale	Paddock	
Gamble	Pheiffer,	
Gearhart	William T.	
Gerlach	Pittenger	

ANSWERED "PRESENT"—1

Stefan

NOT VOTING—96

Andresen,	Gavagan	Marcantonio
August H.	Geyer, Calif.	Martin, Iowa
Andrews	Grant, Ind.	May
Arnold	Harness	Mundt
Bates, Ky.	Harter	Nichols
Boland	Hartley	O'Day
Bolles	Hébert	O'Hara
Boren	Heidinger	O'Toole
Boykin	Hendricks	Pearson
Bradley, Mich.	Hess	Pfeifer,
Buckley, N. Y.	Hill, Wash.	Joseph L.
Cannon, Fla.	Hinshaw	Rizley
Cartwright	Hoffman	Rockefeller
Celler	Holbrook	Rogers, Okla.
Clark	Holmes	Romjue
Claypool	Izac	Scott
Colmer	Jacobsen	Secret
Connery	Jarman	Shannon
Courtney	Jarrett	Simpson
Cravens	Jenkins, Ohio	Smith, Pa.
Crawford	Jenks, N. H.	Smith, W. Va.
Crosser	Johnson,	Somers, N. Y.
Culkin	Lyndon B.	Stratton
Cullen	Johnson, W. Va.	Sweeney
Dies	Kee	Thill
Dirksen	Kirwan	Tolan
Disney	Kopplemann	Traynor
Douglas	Larrabee	Treadway
Downs	McGehee	Vinson, Ga.
Duncan	McGranery	White
Edmiston	McGregor	Wickersham
Faddis	McLean	Winter
Fish	Maclejewski	Woodrum, Va.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Smith of West Virginia for, with Mr. Stefan against.

Mr. Joseph L. Pfeifer for, with Mr. Thill against.

Mr. Claypool for, with Mr. Treadway against.

Mr. Holbrook for, with Mr. Jenkins of Ohio against.

Mr. Cravens for, with Mr. Hoffman against.

Mr. Izac for, with Mr. Grant of Indiana against.

Mr. Pearson for with Mr. Harness against.

Mr. Kopplemann for, with Mr. Jarrett against.

Mr. Cannon of Florida for, with Mr. Winter against.

Mr. Courtney for, with Mr. Andrews against. Mr. Hill of Washington for, with Mr. Rockefeller against.

Mr. Colmer for, with Mr. Douglas against. Mr. Clark for, with Mr. Bolles against.

Mr. Johnson of West Virginia for, with Mr. Hartley against.

Mr. Downs for, with Mr. Simpson against. Mr. Secret for with Mr. Culkin against.

Mr. Smith of Pennsylvania for, with Mr. Hess against.

General pairs:

Mr. Cullen with Mr. Crawford.

Mr. Arnold with Mr. Heidinger.

Mr. Boland with Mr. Dirksen.

Mr. Cartwright with Mr. McLean.

Mr. May with Mr. O'Hara.

Mr. Woodrum of Virginia with Mr. Stratton.

Mr. Vinson of Georgia with Mr. Fish.

Mr. McGehee with Mr. Hinshaw.

Mr. Traynor with Mr. August H. Andresen.

Mr. Kirwan with Mr. Martin of Iowa.

Mr. Larrabee with Mr. Holmes.

Mr. Romjue with Mr. Scott.

Mr. Gavagan with Mr. Mundt.

Mr. Jarman with Mr. Bradley of Michigan.

Mr. Duncan with Mr. Jenks of New Hampshire.

Mr. Nichols with Mr. Rizley.

Mr. Hendricks with Mr. Marcantonio.

Mr. Harter with Mr. O'Toole.

Mr. Sweeney with Mr. Dies.

Mr. McGranery with Mr. Tolan.

Mr. Wickersham with Mr. Celler.

Mr. Kee with Mr. Boren.

Mr. Bates of Kentucky with Mr. Jacobsen.

Mr. Somers of New York with Mr. Edmiston.

Mr. Hébert with Mr. Faddis.

Mr. Boykin with Mr. Connery.

Mr. Shannon with Mrs. O'Day.

Mr. Buckley of New York with Mr. Crosser.

Mr. Lyndon B. Johnson with Mr. Geyer of California.

Mr. STEFAN. Mr. Speaker, I have a pair with the gentleman from West Virginia, Mr. SMITH. I therefore withdraw my vote of "no" and answer "present."

The result of the vote was announced as above recorded.

A motion to reconsider the vote by which the bill was passed was laid on the table.

The bill H. R. 4674 was laid on the table.

RESOLUTION OF VIRGINIA DELEGATION

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

The SPEAKER. Is that agreeable to the gentleman from Vermont?

Mr. PLUMLEY. It is.

The SPEAKER. The Chair recognizes the gentleman from Virginia [Mr. BLAND] for 1 minute.

Mr. BLAND. Mr. Speaker, I shall take pleasure in reading the following resolution adopted unanimously by the Virginia delegation of the House of Representatives:

Whereas the President of the United States last night made an address to the people of the Nation in which he asked for the united and cooperative efforts of all citizens to aid and assist him in protecting our country in the great emergency confronting us;

Now, therefore, we the Members of the House of Representatives from the State of Virginia, do hereby respond to the appeal of the Chief Executive by endorsing his clear and resounding call to the patriotic people

of America and by giving our wholehearted and vigorous approval to his program for national defense and pledge ourselves to support his policies in defense of our traditional principles of freedom and liberty as reaffirmed by him in his address.

S. O. BLAND.
P. H. DREWRY.
C. A. WOODRUM.
THOMAS G. BURCH.
HOWARD W. SMITH.
J. W. FLANNAGAN, JR.
A. WILLIS ROBERTSON.
DAVE E. SATTERFIELD, JR.
WINDER R. HARRIS.

GENERAL LEAVE TO PRINT

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to extend their remarks upon the bill just passed.

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

LEAVE TO FILE CONFERENCE REPORT, AGRICULTURAL APPROPRIATION BILL

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CANNON] have until midnight tonight to file a conference report upon the agricultural appropriation bill.

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

LEAVE TO ADDRESS THE HOUSE

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent that tomorrow, after the disposition of matters on the Speaker's table, and the disposition of the legislative program, I be permitted to address the House for 10 minutes.

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

EXTENSION OF REMARKS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. KEEFE] be permitted to extend his remarks by including some additional quotations from the British Trade Journal referred to this afternoon.

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

EXPENDITURES FOR OFFICE OF GOVERNMENT REPORTS—CONFERENCE REPORT

Mr. COCHRAN. Mr. Speaker, I submit a conference report upon the bill H. R. 3368, authorizing expenditures for the Office of Government Reports in the Executive Office of the President, for printing under the rule.

EXTENSION OF REMARKS

Mr. DOXEY. Mr. Speaker, I ask unanimous consent that my colleague [Mr. McGEHEE] be permitted to extend his remarks in the Appendix.

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

Mr. TINKHAM. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD by the insertion of an article from the Saturday Evening Post. It is more than 2 pages, and I have an estimate of the cost.

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

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent that my colleague [Mr. HOLMES] may extend his own remarks and include an address to be made by him this evening in the city of Worcester.

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

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a resolution passed by the Central Railway Club of Buffalo, N. Y.

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

PERMISSION TO ADDRESS THE HOUSE

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent that on tomorrow, after disposition of business on the Speaker's desk and any other special orders, I may be permitted to address the House for 10 minutes.

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

EXTENSION OF REMARKS

(By unanimous consent Mr. SHAFER of Michigan was granted permission to extend his own remarks in the RECORD.)

The SPEAKER. Under previous order of the House, the gentleman from Vermont [Mr. PLUMLEY] is recognized for 20 minutes.

MEMORIAL DAY

Mr. PLUMLEY. Mr. Speaker, in view of the fact that the House will not be in session on Friday, May 30, I would like to say now that in my opinion Memorial Day this year should not be observed complacently and as a matter of course, but should be celebrated seriously as the day on which every one of us counts his blessings while we all thank God that we are Americans.

We should not be forgetful of the awful price in blood and sacrifice and treasure that those whose memory we honor and revere have paid in days gone by to make possible for us all the opportunities of free men and women which we now enjoy in this last fortress of the free.

There is no question about it. As Americans, we are unappreciative of our liberties. We forever take too much for granted, and perhaps only by comparing our good fortune with the terrible misfortune and lost liberties of our blood brothers across the sea can we be brought to a realizing sense of the magnitude of the blessings that are ours and which we enjoy.

I have just finished reading *The White Cliffs*, by Alice Duer Miller. Read it if you have not done so. Read it again.

The bell has rung,
The curtain rises, and the stage is set
For tragedy—

she says, as she tells the story of the American girl who married an Englishman who later was killed in the World War. She bore him a son, whom yesterday she sent to the front to die for England, for, she says:

I am American bred

I have seen much to hate here; much to forgive,
But in a world where England is finished and dead

I do not wish to live.

The White Cliffs is a realistic picture of England and the English spirit as seen through American eyes. Mrs. Miller does not overstate the eternal courage and endurance of the English. To her England still does, above all nations, represent and exemplify the ideals and beliefs, which all Americans hold so dear.

So far as I am concerned she could not overpaint or overstate the story of transcendent bravery, of superb faith, of stubborn, quiet heroism, or of the nonchalant fortitude of the common people, those stalwart English who contend with fate under the very shadow of the twisted, battered, blackened cross of St. Paul's.

They are fighting to have a chance to put their cross back in its place in the sky where it belongs and where, God willing, it will again shine golden in the morning sun.

This they will have; this they will do. They will raise that cross again. A day will come—perhaps long distant—when the hum of Hitler's bombers and the story of the ruthlessness of the Hun will not be even a memory.

They are made of stern stuff, these Anglo-Saxon brothers of ours. Tragedy and suffering today are their common lot and fare. But out of the welter of all they are now enduring, out of the agony of their misery and suffering, they will emerge one day freemen to enjoy once more that freedom for which they have so gallantly fought. Then, and not until then, will civilization again take up its forward march.

Such stuff—and I use that word deliberately and advisedly—of which the English are made and which they exemplify cannot be denied. It endures and will continue to defy terror and death and to avoid destruction, in order to maintain and to defend and to reestablish the principle found in their Magna Carta, that man is born to be free.

Courageous without question, stubborn and steadfast to the tenets of the faith for which they fight, they must and will triumph in the end. If this be not so, my friends, we are all lost in a bondage, in a serfdom, in a Hitler-dominated world that will be worse than death, for nobody will have a right to be or will be free.

That does not necessarily mean I favor intervention. It does mean that I am for all-out aid to England, short of intervention. We will fight it out here if we have to do so, and we will have to do so if England loses.

Of course, nobody in his right mind wants war. There are, however, some things for the American people to consider, for there are some things worse than war. If life and liberty and the pursuit of happiness, and conscience, and humanity, and morality, and common, ordinary decency, not to say our standards of life and the right to enjoy them,

mean a thing, we might as well understand that the loss of all of them is involved, because of our complacency.

The battle in Europe is more than a war. It is a revolution. It is a fight between forces as old as man.

But let us not talk about war. Yet, my friends, terrible as war is and may be, the battle to save civilization is fought not alone on fields drenched with the blood of victims sacrificed on the field and at the feet of Moloch.

We read so much and see so much and hear so much about the bloody conflict across the seas that we are deaf to the warnings that even he who runs may read with respect to what is happening here. We lose sight of the fact that our own safety is definitely involved in our own internal situation. We should not.

The declaration and the proclamation of the President last night served only, so far as I am concerned, to focus my attention on and to bring home to me again and more emphatically the unsolved internal problems which involve our pitiful lack of military and naval preparedness and our internal economic situation, as we undertake to speak for the democracies and to make and keep our place in the sun, and some things he omitted to say made me wonder what he meant by what he said.

We might as well face facts, as Americans. In my opinion our greatest peril is found in the financial and economic situation this country faces now as it undertakes to fight for its own existence, and as it endeavors to cooperate and to contribute to the saving of civilization against a rising debt of ninety billions, and uncontrolled strikes in defense industries which are putting this country on crutches.

Under the "unlimited emergency" proclamation the full and complete responsibility for stopping these strikes is in the lap of the President. He has assumed it. We expect strikes in defense industries to be stopped, and now.

The picture is not a pretty one; yet it should be given pitiless publicity and stripped of propaganda. As the President said, we are entitled to know just where we stand, but who knows. The dust of war's alarms should not be permitted to blind our eyes into a failure to recognize our own critical state. Strikes in defense industries should be stopped. Needless expenditures should not be made.

Peace, order, security, and liberty are safe as long as love of country burns in the hearts of the people, but patriotism depends on the pursuit of common interests, the defense of a common independence, and the love of a common liberty. It involves sacrifice, duties, privileges, responsibilities, and opportunities. No man has a right to demand a better government unless he is willing to sacrifice in order to bring it about.

However, no man knows just what an "unlimited emergency" may mean. It will mean a lot of things to a lot of people that they do not expect, I venture to assert.

It behooves every one of us to take most anxious thought as to how we may, as citizens here, if possible prevent the

decline and decay of our form of government, such decline as has been the fate of our civilization in Europe and in the Near and Middle East throughout the ages.

The call to good citizenship and patriotism, as reduced to its lowest common denominator, is as loud and strong, if not louder and stronger, today than ever before. Never before have we come to a crossroad such as that at which we as Americans have now arrived.

We should not be misled or misinformed nor should we be lulled into a false sense of security. Our goal—make no mistake—is the preservation of the American way of life, our civil and religious liberty, and our spiritual and economic freedom. Nothing could be more worth while.

We should have learned by bitter experience that we cannot go to Europe and control her destiny, even if we would, any more than we could have controlled the history that has produced this crisis. On the other hand, and do not forget or minimize the fact, we cannot isolate ourselves in this foreshortened world. It must be our task to insulate ourselves against this scourge. That is our job.

As Americans, of course, we are not mollycoddles. We have demonstrated that we do not lack intestinal fortitude. We have not conquered territory to surrender. We need no foreign territory. Let the world know, however, that we do not propose to squander either our economic or our material resources except to defend ourselves against the world. This we will do always in order to make America safe for Americans in America. This is our primary national obligation as citizens. What we purpose that we achieve.

However, it is well for us to remember that the fate of civilization has always hung in the balance. Through the ages we have fought and striven onward and upward to maintain justice, mercy, and liberty under the law, and we will ever fight to maintain them. That is the stuff of which we are made.

War is awful, but the passive disintegration of a citizenry and country and the attendant disgrace are worse.

As for me, I would prefer to see this country of mine plunged into a righteous war, in a fight in defense of principle and to preserve liberty, maintain justice, and equality of opportunity for all men, rather than to see it sink out of sight and into innocuous desuetude, or to watch it go the way of so many countries which, because of the spinelessness, indifference, and supineness of their citizens, have ceased to exist.

One way there is honor, the other way dishonor, which covers and buries those contributing to the cause with the ashes of their own dead selves and the disgrace of their own indifference.

Today America stands at the crossroads. The danger that confronts us is absolute. We must face it today. Tomorrow may be too late. Make no mistake about that.

We have our choice, we must take it. Either we go forward and make our democracy the strong living force it can be or we lose all.

It is our task to finish the job, or else to go down with all that has been accomplished blotted out in a black-out. What a picture!

We must go forward. We must turn our faces to the future, come what may. There must be no retreat.

True it is that—

Our knowledge is a torch of smoky pine
That lights the pathway but one step ahead
Across a void of mystery and dread—

but there must be no turning back. Everything we have, everything we have been and hope to be, depends upon the course we choose to follow. Our path leads onward.

We might as well, each and all of us, invoke the spirit of Tennyson's Ulysses, who said:

Come, my friends,
'Tis not too late to seek a newer world.
Push off, and sitting well in order smite
The sounding furrows: for my purpose holds
To sail beyond the sunset, and the baths
Of all the western stars until I die.

To strive, to seek, to find—and not to yield.

There are certain ideas and ideals of the civilization for which we stand, the destruction and obliteration of which we as Americans will not tolerate wherever that road of determination may lead us.

There is little use in trying to fool ourselves, and less in getting scared. But, my friends, the future is ominous and the present should give us pause.

To many difficulties and problems at home have been added the confusion and destruction and threat of the war.

It is a war that touches us very closely, for the basic principles at stake are those on which this Nation was founded and for which our forebears and men in all ages have fought and died in order to be free. Our heritage of democratic idealism is criticized and challenged today by totalitarian and authoritarian forces whose theories, ages old, are and have always been repugnant to us. They cannot coexist with our democratic theories and with our way of life.

The totalitarian countries do not want our kind of government, and experience teaches that democracy cannot be imposed by force.

The proposition reduces itself to the axiom that eventually it is we or they. Some say, Why not now?

No man knows what lies ahead of us as a nation or as individuals. We are pledged by all that is good and honorable and holy to maintain the ideals of democracy. We are committed to something more than keeping possible invaders from our shores.

National defense means something more than helping friendly nations to keep their liberty. We must save ourselves.

We are bound by our love of life and are on our sacred honor to keep alive in this Nation those ideals which have made America great. We should dedicate ourselves anew to an unending determination to make this country one in which all men shall have equal rights to life, liberty, and the pursuit of happiness. We should consecrate ourselves to the end that this Government of ours

shall continue to establish justice and make secure the blessings of liberty. We should highly resolve that this Government of ours shall not perish from the earth.

To what new fates, my country, far
And unforeseen of foe or friend,
Beneath what unexpected star
Compelled to what unchosen end?
Across the sea that knows no beach
The Admiral of Nations guides
Thy blind obedient keels to reach
The harbor where thy future rides!

I do not know beneath what sky
Nor on what seas shall be thy fate;
I only know it shall be high:
I only know it shall be great.

[Applause.]

WOMEN'S ARMY AUXILIARY CORPS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks and to include therein a copy of a bill that I introduced today to establish a women's army auxiliary corps for service with the Army of the United States.

The SPEAKER pro tempore (Mr. PARMAN). Is there objection to the request of the gentlewoman from Massachusetts? There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am introducing this because I feel there is a great need today for voluntary enrollment in a women's auxiliary of the Army.

Overseas during the World War I had a chance to observe the work that women did with our own forces, the women of England, the W. A. A. C., as they were called, who served with our forces; I had a chance afterward in this country to observe the work of physiotherapists and our dietitians and many others in our hospitals. I had a chance to observe the work that the hostesses performed and many others in connection with our Army overseas camps. I had a chance to observe the splendid work that Miss Anita Phipps did in the United States in starting hostesses' schools.

The SPEAKER pro tempore. The time of the gentlewoman has expired.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentlewoman's time be extended 2 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I had a chance to observe the very fine survey that Miss Phipps made of women's work that might be performed, to release the men of our Army in case of emergency. I have recently made a study of work being done by the women in England. I have had numerous conferences with men and women who have had experience in national defense and experience in serving with the Army in an effort to have this a very constructive and needed measure. The measure is the result of weeks of study by all these persons and of myself.

This bill is an entirely voluntary measure. It gives the women a chance to volunteer to serve their country in a patriotic way. It gives opportunity to

many fine women to enroll who cannot afford to give their time for nothing because it provides pay at the rate of \$1 per day, subsistence, quarters, and uniforms. It confers rank as high as colonel to the directors, assistant directors and others who serve in this Women's Auxiliary Corps.

I believe the Army will welcome the assistance of women. Today men are performing duties they should not be performing because they are needed for other services. There are many things I think women can perhaps perform more easily than men—I will not say better, but it has been thought they could.

The proposed legislation is for the purpose of establishing a volunteer corps of women for service with the Army, the need for which was demonstrated during the World War. A similar force is being used in England at the present time with great success.

It is proposed to employ the Women's Army Auxiliary Corps in noncombatant service in positions for which women are better qualified than men, and on such other duties to assist in the national defense as may be prescribed by the Secretary of War. This will result in an extension of the fields in which intelligent women can be used to release intelligent men for more intensive work in the simplification of the control and care of women serving with the Army, in providing a means to the women of the country to demonstrate their patriotism, in steadying and stabilizing the social and political structure, and in providing a base for the rapid and controlled expansion of this force in case of emergency.

The proposed legislation inaugurates the Women's Army Auxiliary Corps by the appointment by the Secretary of War of a director and such assistant directors as may be necessary, by the establishment of schools to train officer candidates, and by the voluntary enrollment of not to exceed 25,000 women of excellent character, in good physical health, between the ages of 21 and 45 years of age, and citizens of the United States.

The Women's Army Auxiliary Corps will be organized into companies of 250 women, or into smaller detachments for use in zone of the interior installations. A few examples of positions it is planned to have women of the corps fill are:

First. Professional positions such as: (a) Pharmacists, (b) dietitians, (c) physiotherapists, (d) occupational therapists, (e) hygienists, (f) hospital and laboratory technicians, and so forth.

Second. Welfare positions such as: (a) Hostesses, (b) librarians, (c) theater employees, (d) welfare workers, and so forth.

Third. Clerical positions such as: (a) Clerks, (b) typists, (c) stenographers, (d) machine operators, (e) bookkeepers, and so forth.

Fourth. Domestic positions such as: (a) Cooks, (b) bakers, (c) maids, (d) charwomen, (e) stewardesses, (f) mess attendants, and so forth.

Fifth. Mechanical positions such as: (a) Telephone and telegraph operators and supervisors, (b) chauffeurs, (c) in-

strument repairers, (d) repairers and renovators of clothing, (e) various positions in arsenals and depots, and so forth.

Sixth. Miscellaneous positions such as: (a) Post exchange employees, (b) messengers, (c) laundry workers, (d) gardeners, and so forth.

Members of this organization will be used to fill positions now filled by enlisted personnel of the Army and, in addition, such other positions as may occur in the future for which no funds are available for the employment of civil-service personnel.

The monthly pay of officers, leaders, and auxiliaries of the Women's Army Auxiliary Corps and the grade of officers and enlisted men of the Army drawing similar pay is shown in the following table:

Women's Army Auxiliary Corps	Base pay	Army grade receiving similar pay
Director.....	\$250.00	Lieutenant colonel (less than 20 years).
Assistant Director...	200.00	Major (less than 14 years).
First officer.....	166.67	Captain (less than 7 years).
Second officer.....	131.25	Second lieutenant (over 3 years).
Third officer.....	125.00	Second lieutenant (less than 3 years).
First leader.....	72.00	Staff sergeant (less than 4 years).
Leader.....	54.00	Corporal (less than 4 years).
Junior leader.....	42.00	Private, first class (specialist, fifth class).
Auxiliary.....	30.00	Private.

¹\$21 per month for the first 4 months of service and \$30 per month thereafter.

Additional monthly pay for specialists of the W. A. A. C.:

Specialist, first class.....	\$15
Specialist, second class.....	10
Specialist, third class.....	5

Monetary allowances for rental, subsistence, and travel for members of the Women's Army Auxiliary Corps when these are not furnished in kind will be provided in accordance with the rates prescribed for officers and enlisted men in the Army of corresponding grade. Suitable uniforms shall be provided to members of the W. A. A. C. and responsibility and accountability of the various individuals and officers shall conform as far as is practical to the laws and regulations pertaining to the Army in like cases.

The Secretary of War shall provide medical and dental services and hospitalization for each member of the corps during the time such member is actually serving her enrollment or appointment, and such services shall conform as nearly as practical to similar services rendered the personnel of the Army. Facilities and personnel of the Army may be used for such services. Members of the corps who are physically injured while on active duty, or any member who dies as the result of such injury, shall be entitled to all the benefits prescribed by law for civilian employees of the United States and the United States Employees' Compensation Commission shall have jurisdiction in such cases.

The corps shall not be a part of the Army but it shall be the only women's organization authorized to serve with the Army exclusive of the Army Nurse Corps.

Nurses shall not be enrolled in the corps and nothing in this act shall affect or change the Army Nurse Corps as now established by law.

The corps shall be administered by the Secretary of War through the channels of command of the Army pursuant to such regulations as the Secretary may promulgate, and the Secretary is authorized to employ any and all of the facilities of the War Department and of the Army of the United States to carry into effect the provisions of the proposed legislation. The Secretary is further authorized to utilize the services of the United States Employment Service to determine the qualifications of applicants for admission in the corps.

The Secretary of War is authorized to constitute and establish and Air Craft Warning Section of the Women's Army Auxiliary Corps and is authorized to enroll in this section for service in their local communities women citizens of the United States who volunteer for such service. This section will be for part-time duty only, and will serve on an active status only when so ordered by the Secretary of War.

The Secretary is authorized to constitute and establish additional sections of the Women's Army Auxiliary Corps if and when he considers the requirements of national defense make such action desirable. In establishing such additional sections, the Secretary shall prescribe under what circumstances the members thereof shall be provided with quarters subsistence, and travel or payment of allowances in lieu thereof.

The proposed legislation authorizes that there be appropriated out of any money in the Treasury not otherwise appropriated the sum of \$14,000,000, for carrying out the provisions of this act. This sum will cover the expenses of establishing and operating the corps during the fiscal year 1942. The estimated continuing yearly cost will be \$25,000,000.

The complete bill I have introduced reads as follows:

A bill to establish a Women's Army Auxiliary Corps for service with the Army of the United States

Be it enacted, etc., That the President is hereby authorized to establish a Women's Army Auxiliary Corps for noncombatant service with the Army of the United States for the purpose of making available to the national defense the knowledge, skill, and special training of the women of this Nation.

SEC. 2. From women citizens of the United States, the Secretary of War is authorized to appoint the Director and such assistant directors as he from time to time may deem necessary or advisable, all of such appointees to serve during the pleasure of the Secretary. The Director shall receive a salary of \$3,000 per annum, together with such other allowances as may be provided for hereinafter. The Director, under the direction of the Chief of Staff of the Army of the United States, shall advise the War Department on matters pertaining to the establishment of the Women's Army Auxiliary Corps; shall operate and administer the corps in accordance with normal military procedure of command and administration and such regulations as may be prescribed by the Secretary of War; shall make recommendations as to plans and policies concerning the employment, training, supply, welfare, and discipline of the corps;

and shall perform such other duties as may be prescribed by the Secretary. Each assistant director appointed pursuant to this act shall receive a salary of \$2,400 per annum together with such other allowances as may be provided for hereinafter. Each assistant director shall perform such duties as may be prescribed by regulations published by the Secretary of War.

SEC. 3. The Secretary is authorized to establish and maintain such number of schools as he may consider necessary for the purpose of training candidates for officers of the corps. The Secretary may establish by regulation the qualifications for entry into such schools, the course of study to be pursued, and the requirements for graduation therefrom. Candidates for such schools may be selected from women volunteers who are citizens of the United States and during their attendance at such schools shall be furnished living quarters, uniforms as hereinafter provided, medical and dental service, medicines, medical and hospital supplies, hospitalization, subsistence, texts, necessary school supplies, and pay at the rate of \$50 per month. The Secretary may appoint officers in such numbers as he may deem necessary for the proper administration of the corps in the grades of first officer, second officer, and third officer, and with such responsibilities as he may direct: *Provided*, That the whole number of officers so appointed initially shall not exceed 750 together with the Director and assistant directors; but the Secretary is authorized to increase this number when he deems such action necessary. The pay of officers so appointed shall be \$2,000 per annum for each first officer, \$1,575 per annum for each second officer, and \$1,500 per annum for each third officer, together with such allowances as may be hereinafter provided.

SEC. 4. The Director, each Assistant Director, and each officer of the Corps shall receive allowances in lieu of rations at the rate of \$0.60 per day and adequate quarters: *Provided*, That when adequate quarters are not furnished, the Director shall receive in lieu thereof the sum of \$100 per month, an Assistant Director shall receive in lieu thereof the sum of \$80 per month, and all other officers shall receive the sum of \$40 per month. The adequacy of quarters furnished shall be conclusively determined in accordance with such regulations as may be issued by the Secretary.

SEC. 5. The Secretary is authorized to have enrolled initially in the Corps, in addition to the Director, Assistant Directors, and officers hereinabove provided for, by voluntary enrollment, not to exceed 25,000 women of excellent character in good physical health, between the ages of 21 and 45 years and citizens of the United States: *Provided*, That the Secretary may enroll additional women and increase the size of the Corps to such extent as he deems necessary. From the personnel of the Corps so enrolled there shall be selected pursuant to regulations issued by the Secretary, 100 first leaders, 1,000 leaders, and 2,500 junior leaders. From the remainder of the Corps there may be appointed not more than 1,200 auxiliaries, specialist first class, not more than 2,400 auxiliaries, specialist second class, and not more than 3,600 auxiliaries, specialist third class, subject to regulations of the Secretary, who shall have complete authority to define the qualifications for all such leaders and specialists: *Provided*, That the number of leaders of each grade and the auxiliary specialists of each class may be increased by the Secretary. The pay of first leaders shall be \$864 per annum, of leaders \$720 per annum, of junior leaders \$648 per annum, and for auxiliaries not otherwise classified \$21 per month for the first 4 months of service and \$30 per month thereafter. Specialists of the first class shall be paid, in addition to their base pay, the sum of \$15 per month, specialists of the second

class shall similarly be paid \$10 per month, and specialists of the third class shall similarly be paid \$5 per month.

The Secretary shall provide quarters for the members of the Corps so enrolled either on established Army posts, camps, or stations, or on those to be established, or in such other places as he may direct, and may use any of the facilities of the Army for such purpose: *Provided*, That when quarters are not available the Secretary may provide by regulation to pay allowances in lieu thereof to members other than the Director, the Assistant Directors, and the officers at the rate of \$1.15 per day.

SEC. 6. The Secretary shall procure and furnish subsistence to all members of the corps, exclusive of the director, assistant directors, and officers, which shall conform so far as is practicable to the subsistence of the Army: *Provided*, That when subsistence in kind is not furnished, the Secretary, by regulation, shall provide payment of allowances in lieu thereof.

SEC. 7. The Secretary shall prescribe the form of oath which shall be required of all the members of the corps and shall by regulation provide for the induction, including fingerprinting, of all members of the corps. The term of service for all members of the corps shall be 1 year: *Provided*, That the Secretary may discharge any member for cause or for the convenience of the Government: *And provided further*, That in time of war, or of national emergency declared by Congress or the President, the Secretary may, by order, extend the term of service to include the period of the war or national emergency plus not to exceed 6 months, and each contract of enrollment or certificate of appointment shall contain a statement to that effect.

SEC. 8. The Secretary shall prescribe uniforms, insignia, accessories, and equipment for the corps and shall procure and furnish to all members thereof, including the director, assistant directors, and officers, such uniforms, headpieces, shoes, ornaments, insignia of rank, and accessories, as well as such organization equipment and supplies as may be required. The responsibility and accountability of the various individuals and officers for individual clothing and equipment, and for organization equipment and supplies, shall conform so far as is practicable, to the laws and regulations pertaining to the Army in like cases.

SEC. 9. The Secretary shall prescribe regulations for travel and for the payment of travel allowances, including travel allowances from the place of discharge to the place of acceptance for enrollment or appointment, and such regulations and allowances shall be similar to those for travel of the Army.

SEC. 10. The Secretary shall provide medical and dental services, hospitalization, medicines, and medical and hospital supplies for each member of the corps for injuries, sickness, and disease during the time such member is actually serving her enrollment or appointment, such services to conform as nearly as practicable to similar services rendered to the personnel of the Army; and the facilities and personnel of the Army may be used for such services.

SEC. 11. If any member of the corps is physically injured in line of duty while on active duty or when engaged in authorized travel, with or without pay, or if any member dies as the result of such physical injury, she or her beneficiary shall be entitled to all the benefits prescribed by law for civilian employees of the United States who are physically injured in line of duty or who die as a result thereof, and the United States Employees' Compensation Commission shall have jurisdiction in such cases and shall perform the same duties with reference thereto as in the cases of other civilian employees of the United States so in-

jured: *Provided*, That the benefits shall accrue to any such member or her beneficiary whether the disability or death is the result of sickness or disease contracted in line of duty while on active duty, when such sickness or disease is proximately caused by service on active duty: *Provided further*, That employee's compensation under this act shall not be paid concurrently with active duty pay or pension based upon active service: *And provided further*, That for the purpose of determining the benefits to which they are entitled under the provisions of this act, members of the corps physically injured when engaged in authorized training without pay will be held and considered as receiving the pay and allowances they would have received if in a pay status.

The Secretary, under such regulations as he may prescribe, may authorize and require the hospitalization, medical and surgical treatment, and domiciliary care so long as any or all are necessary of members of the corps injured as hereinabove set out, and the Secretary is authorized to incur obligations with respect thereto without reference to their line-of-duty status: *Provided*, That this shall not apply to members of the corps who are treated in private hospitals or by civilian physicians while on furloughs or leaves of absence in excess of 24 hours. Members of the corps who suffer injury or contract disease in line of duty while on active duty or while engaged in authorized training without pay shall, under such regulations as the Secretary may prescribe, be entitled at Government expense to such hospitalization, rehospitalization, medical and surgical care in hospital and at their homes as is necessary for the appropriate treatment of such injury or disease until the disability resulting from such injury or disease cannot be materially improved by further hospitalization or treatment, and during the period of such hospitalization or rehospitalization, but not for more than an aggregate of 6 months after the termination of the prescribed tour of active duty or training in any case, to the pay and allowances, whether in money or in kind, that they were entitled to receive at the time such injury was suffered or disease contracted and to the necessary transportation incident to such hospitalization, rehospitalization, and return to their homes when discharged from hospital, and for any period of hospitalization or rehospitalization when they are not entitled to pay and allowances under the preceding provision they shall be entitled to subsistence at Government expenses. In the event any member of the corps dies during her period of enlistment or appointment, the necessary expense for the recovery of the body, its preparation for burial, including the use of such of the uniform and articles of clothing issued to her as may be required, interment or cremation, and transportation of remains, including round-trip transportation and subsistence of an escort to her home or the place where she received orders or enrolled or was appointed, or to such other place as her relatives may designate, provided the distance to such other place be not greater than the distance to her home, shall be paid by the United States.

SEC. 12. The corps shall not be a part of the Army but it shall be the only women's organization authorized to serve with the Army, exclusive of the Army Nurse Corps. Nurses shall not be enrolled in the corps, and nothing in this act shall be construed to affect or change the Army Nurse Corps as now established by law.

SEC. 13. The corps shall be administered by the Secretary through the channels of command of the Army, pursuant to such regulations as the Secretary may promulgate. The Secretary is hereby authorized to prepare and issue any and all regulations, rules, or orders and to employ any and all of

the facilities of the War Department and of the Army of the United States to carry into effect the provisions of this act. The Secretary is further authorized to utilize the services of the United States Employment Service to determine the qualifications of applicants for admission into the corps.

SEC. 14. The members of the corps shall be subject to such disciplinary regulations as the Secretary may prescribe, including provisions for the punishment of major infractions by summary discharge from the corps, and shall be subject to the Articles of War pursuant to the second article thereof when applicable.

SEC. 15. The Secretary is authorized to constitute and establish an aircraft warning section of the Women's Army Auxiliary Corps and is authorized to enroll in this section for service in their local communities, women residing therein and being citizens of the United States, who volunteer for such service. A member of the Aircraft Warning Section of the Corps shall perform active duty, as directed by the Secretary, only when ordered to such active status and for such periods as may be prescribed by the Secretary from time to time. During the time such women perform duties assigned to them while on active service, all the provisions of this act relating to the corps shall be applicable to the Aircraft Warning Section, except that they shall be provided with quarters, subsistence, and travel or payment of allowances in lieu thereof only when authorized by the Secretary.

SEC. 16. The Secretary is authorized to constitute and establish additional sections of the Women's Army Auxiliary Corps to be used in connection with the national defense, to enroll women members therein in such numbers as he may consider necessary and to prescribe regulations for the administration, government, and operation of such sections. In establishing such additional sections the Secretary shall further prescribe under what circumstances the members thereof shall be provided with quarters, subsistence, and travel or payment of allowances in lieu thereof.

SEC. 17. Provisions for leave now applicable to the Army of the United States shall also apply to members of the corps. In the case of any person who has left or leaves a position in the employ of the United States, its territories or possessions, or the District of Columbia, to join the corps, such person shall, upon the termination of her period of service in the corps, be restored to such position or to a position of like seniority, status, and pay, such restoration to be without loss of seniority; she shall further be entitled to participate in all benefits pursuant to established rules and practices relating to employees on furlough or leave of absence.

SEC. 18. Promotion in all grades of officers who have established or may hereafter establish their qualifications for such promotion shall be made under such regulations as may be prescribed by the Secretary.

SEC. 19. Members of the corps while not on active duty shall not by reason solely of their appointments, oaths, commissions, enlistments, or status as such, or any duties or functions performed, or pay or allowances received as such, be held or deemed to be officers or employees of the United States, or persons holding any office of trust or profit, or discharging any official function under or in connection with any department of the Government of the United States.

SEC. 20. The first sentence of section 125 of the National Defense Act, as amended, down to the first proviso thereof is further amended to read as follows:

"It shall be unlawful for any person not an officer or enlisted man of the United States Army, Navy, or Marine Corps to wear the duly prescribed uniform of the United States

Army, Navy, or Marine Corps, or any distinctive part of such uniform or a uniform any part of which is similar to a distinctive part of the duly prescribed uniform of the United States Army, Navy, or Marine Corps; and it shall likewise be unlawful for any person not a member of the Women's Army Auxiliary Corps to wear its duly prescribed uniform or any distinctive part thereof, or a uniform any part of which is similar to a distinctive part thereof."

SEC. 21. Section 101 (1) of the Soldiers' and Sailors' Civil Relief Act of 1940 (Pub., No. 861, 76th Cong.), is hereby amended to read as follows:

"The term 'persons in military service' and the term 'persons in the military service of the United States,' as used in this act shall include the following persons and no others: All members of the Army of the United States, the United States Navy, the Marine Corps, the Coast Guard, the Women's Army Auxiliary Corps, and all officers of the Public Health Service detailed by proper authority for duty either with the Army or the Navy. The term 'military service,' as used in this act, shall signify Federal service on active duty with any branch of service heretofore referred to or mentioned, as well as training or education under the supervision of the United States preliminary to induction into the military service. The terms 'active service' or 'active duty' shall include the period during which a person in military service is absent from duty on account of sickness, wounds, leave, or other lawful cause."

SEC. 22. There is hereby authorized to be appropriated out of any money in the Treasury, not otherwise appropriated, the sum of \$25,000,000 for the purpose of carrying out the provisions of this act.

EXTENSION OF REMARKS

Mr. HOOK. Mr. Speaker, at the special request of Mrs. Anna M. Jarvis, the originator of Mother's Day, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address delivered by Thomas J. Culhane at the Mother's Day breakfast on Sunday, May 11, 1941, at the Mayflower Hotel, Washington, D. C.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ENROLLED BILLS SIGNED

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

H. R. 179. An act for the relief of Frank E. Nichols;

H. R. 250. An act for the relief of Otto Meyer and Leigh Kelly;

H. R. 713. An act for the relief of Elizabeth Hessman;

H. R. 816. An act to provide for the reimbursement of certain members or former members of the United States Coast Guard (formerly the Bureau of Lighthouses) for the value of personal effects lost in the hurricane of September 21, 1938, at several light stations on the coast of Massachusetts, Rhode Island, Connecticut, and New York;

H. R. 926. An act for the relief of Hazen G. Chamberlain, M. D., and Cuba Memorial Hospital;

H. R. 1684. An act for the relief of Charles E. Allison;

H. R. 1688. An act for the relief of Herman E. Schorr;

H. R. 1731. An act for the relief of Beulah Bell Nolte and George C. Nolte;

H. R. 1732. An act for the relief of Floyd Wilday, Vera Wilday, and James M. Wells;
H. R. 1771. An act to authorize the Secretary of the Interior to convey certain property to Washington County, Utah, and for other purposes;

H. R. 1801. An act amending the act of February 27, 1936 (49 Stat. 1144);

H. R. 2054. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of Ben White, Arch Robinson, Lee Wells, W. S. Wells, A. J. McLaren, A. D. Barkelew, Oscar Clayton, R. L. Culpepper, W. B. Edwards, the estate of John McLaren, the estate of C. E. Wells, and the estate of Theodore Bowen;

H. R. 2107. An act to authorize the Secretary of the Navy to sell equipment and supplies to and perform work for the Commonwealth of the Philippine Islands;

H. R. 2426. An act for the relief of H. B. Wilson.

H. R. 2569. An act for the relief of Charles R. Woods;

H. R. 2628. An act to extend the times for commencing and completing the construction of a bridge across the Susquehanna River at or near the city of Millersburg, Pa., and to authorize its construction by the Dauphin County, Pa., authority;

H. R. 3084. An act for the relief of Hugh C. Russell;

H. R. 3205. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1942, and for other purposes;

H. R. 3309. An act for the relief of Louis J. Banderet;

H. R. 3629. An act for the relief of Irene Trauernicht;

H. R. 4073. An act for the relief of Marijo McMillan Williams;

H. R. 4105. An act to authorize the Secretary of the Navy and the Secretary of the Treasury to exchange certain equipment in part payment for new equipment of the same or similar character;

H. R. 4305. An act to authorize the attendance of the Marine Band at the diamond anniversary convention of the Grand Army of the Republic to be held at Columbus, Ohio, September 14 to 19, inclusive, 1941;

H. R. 4368. An act authorizing a reduction in the course of instruction at the Naval Academy;

H. R. 4534. An act to amend the act approved June 28, 1940, entitled "An act to expedite the national defense, and for other purposes," in order to extend the power to establish priorities and allocate material; and

H. R. 4632. An act authorizing vessels of Canadian registry to transport iron ore on the Great Lakes during 1941.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 27 minutes p. m.), the House adjourned until tomorrow, Thursday, May 29, 1941, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE JUDICIARY

The Committee on the Judiciary will hold public hearings on H. R. 4394, to amend the Bankruptcy Act (respecting referees), on Monday, June 2, 1941, at 10 a. m., in room 346, House Office Building, before the Special Subcommittee on Bankruptcy and Reorganization.

COMMITTEE ON THE CIVIL SERVICE

The Committee on the Civil Service will hold public hearings on H. R. 3487,

entitled "A bill to amend further the Civil Service Retirement Act, approved May 29, 1930" and other retirement bills pending before the committee. Hearings will be held Tuesday, June 3, 1941, at 10 a. m., in Room 246, House Office Building.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Tuesday, June 3, 1941. Business to be considered: Hearings on H. R. 4454, H. R. 106, and H. R. 3366, regarding engineering experiment stations and physical-science research.

COMMITTEE ON PATENTS

The Committee on Patents of the House of Representatives will hold a further public hearing on the subject of Royalty Payments, covered in House Joint Resolutions 32, 73, and 123, on Tuesday, June 10, 1941, at 10 a. m., in the Committee Room, 1015 House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

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

574. A letter from the Acting Secretary of the Interior, transmitting a draft of a proposed bill for the relief of the Neal Storage Co.; to the Committee on Claims.

575. A communication from the President of the United States, transmitting a draft of a proposed provision pertaining to an existing appropriation for the Department of Commerce for the fiscal year 1941 (H. Doc. No. 232); to the Committee on Appropriations and ordered to be printed.

576. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of State, for the fiscal years 1941 and 1942, amounting to \$6,000 (H. Doc. No. 233); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

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

Mr. McINTYRE: Committee on Irrigation and Reclamation. S. 879. An act relating to certain Casey Act lands in Wyoming; without amendment (Rept. No. 642). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. H. R. 3936. A bill in aid of the construction of the Hulah Dam and Reservoir project, Oklahoma; with amendment (Rept. No. 643). Referred to the Committee of the Whole House on the state of the Union.

Mr. COCHRAN: Committee of conference on the disagreeing votes of the two Houses. H. R. 3368. A bill authorizing expenditures for the Office of Government Reports in the Executive Office of the President; without amendment (Rept. No. 644). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. BOGGS:

H. R. 4900. A bill to determine the feasibility of, and the best available route or routes for, a ship canal from New Orleans, La., to the Gulf of Mexico; to the Committee on Rivers and Harbors.

By Mr. KEOGH:

H. R. 4901. A bill to amend the act of March 2, 1929 (ch. 586, 45 Stat. 1542); to the Committee on Accounts.

By Mr. RANDOLPH:

H. R. 4902. A bill to provide for the emergency regulation of rents in the District of Columbia; to the Committee on the District of Columbia.

By Mr. BLAND:

H. R. 4903. A bill to authorize the Secretary of the Treasury to exchange certain land owned by the United States for a site for a road right-of-way needed for access to the Coast Guard Light Station Reservation, Au Sable, Mich.; to the Committee on the Merchant Marine and Fisheries.

By Mr. DIMOND:

H. R. 4904. A bill to authorize transportation of employees of the Alaska Railroad on vessels of the Army Transport Service; to the Committee on the Territories.

By Mr. VOORHIS of California:

H. R. 4905. A bill to facilitate standardization and uniformity of procedure relating to determination of service connection of injuries or diseases alleged to have been incurred in or aggravated by active service in a war, campaign, or expedition; to the Committee on World War Veterans' Legislation.

By Mrs. ROGERS of Massachusetts:

H. R. 4906. A bill to establish a Women's Army Auxiliary Corps for service with the Army of the United States; to the Committee on Military Affairs.

By Mr. HILL of Washington:

H. R. 4907. A bill to provide for the acquisition and toll-free operation by the United States of the interstate bridges at Cascade Locks and Hood River, Oreg.; to the Committee on Rivers and Harbors.

By Mr. DELANEY:

H. Res. 219. Resolution to provide for a prayer at the termination of each day's session of the House; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Michigan, memorializing the President and the Congress of the United States to consider their Senate Resolution No. 47, with reference to safeguarding the copper mines in Michigan; to the Committee on Military Affairs.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to consider their Assembly Joint Resolution No. 41, with reference to the feasibility of growing of guayule rubber in California; to the Committee on Rules.

Also, memorial of the Legislature of the State of Texas, memorializing the President and the Congress of the United States to consider their Senate Resolution No. 143, with reference to the Great Lakes-St. Lawrence seaway; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. COFFEE of Washington:

H. R. 4908. A bill for the relief of Berney Earnest Foote, ex-seaman, United States Navy; to the Committee on Naval Affairs.

By Mr. O'BRIEN of Michigan:

H. R. 4909. A bill conferring jurisdiction upon the United States District Court for

the Eastern District of Michigan to hear, determine, and render judgment upon the claim of Ferd W. Meile; to the Committee on Claims.

By Miss RANKIN of Montana:

H. R. 4910. A bill authorizing the Secretary of the Interior to issue to William Murray, Jr., a patent to certain land; to the Committee on Indian Affairs.

PETITIONS, ETC.

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

1215. By Mr. BOLLES: Resolution of the Association of Lithuanian Workers, Inc., district No. 7, opposing passage of the Hobbs and Russell concentration camps bill; to the Committee on Military Affairs.

1216. Also, resolution of the Association of Lithuanian Workers, Inc., district 7, opposing United States involvement in war; to the Committee on Foreign Affairs.

1217. Also, resolution of the Association of Lithuanian Workers, Inc., district No. 7, opposing the Vinson Bill as antilabor; to the Committee on Military Affairs.

1218. By Mr. FENTON: Petition of Fred C. Williams, of Pottsville, Pa., and other citizens, protesting against the passage of House bill 3852, which would authorize the District of Columbia Board of Barber Examiners to establish opening and closing hours, and a day on which barber shops shall remain closed after an investigation as to the preference of a majority of the licensed barbers; to the Committee on the District of Columbia.

1219. By Mr. FORAND: Petition of the emergency committee of Rhode Island to the President and the Congress of the United States, urging full utilization of the industrial, economic, and moral power in this country for production of war materials, including some method of preventing strikes and lock-outs in defense industries and use of naval forces for police, convoy, or whatever way is most effective to insure delivery of these materials to Great Britain; to the Committee on Foreign Affairs.

1220. By Mr. FULMER: Resolution by the Sumter (S. C.) Chamber of Commerce, requesting that consideration of the St. Lawrence-Great Lakes navigation and power project be deferred for the time being, or at least until such time as peacetime economy is once more restored and the program can then be calmly studied from the standpoint of its actual advantages and disadvantages; to the Committee on Foreign Affairs.

1221. By Mr. HART: Petition of the National Council of State Liquor Dealers' Associations, Camden, N. J., opposing Senate bill 860; to the Committee on Military Affairs.

1222. By Mr. HILL of Washington: Petition of the American Temperance Society of Seventh-Day Adventists of Richland, Wash., urging the passage of House bill 4000, a bill to stop the sale of alcoholic beverages in or near Army and Navy camps; to the Committee on Military Affairs.

1223. By Mr. HOUSTON: Petition of 71 residents of Potwin, Kans., objecting to the United States of America convoying ships to or through the war zones; to American soldiers fighting on foreign soil; and to American soldiers delivering or convoying materials to nations at war; to the Committee on Foreign Affairs.

1224. By Mr. JOHNSON of Illinois: Petition protesting against House bill 3821, a bill to repeal the Tydings-Miller National Trade Enabling Act; to the Committee on the Judiciary.

1225. By Mr. MARTIN J. KENNEDY: Petition of the American Museum of Natural History opposing House bill 2675; to the Committee on the Public Lands.

1226. By Mr. KRAMER: Petition of the Assembly and the Senate of the State of

California, memorializing the Congress of the United States to authorize an investigation of the feasibility of growing guayule rubber in California, and if such investigation discloses that it is feasible, that Congress provide a subsidy to the farmers of California to enable them to grow the product at a fair profit for their work; to the Committee on Agriculture.

1227. By Mr. McLAUGHLIN: Petition memorializing the United States Price Control Administrator Leon Henderson, head of purchasing department for the Army, Colonel Logan, and Secretary of Agriculture Claude R. Wickard, all of Washington, D. C., to require purchasing departments of Army, Navy, and other Federal agencies to purchase more weighty steers and fewer handy-weight steers; to the Committee on Agriculture.

1228. By Mr. MACIEJEWSKI: Petition of the Polish Army Veterans Association of America; to the Committee on Foreign Affairs.

1229. By Mrs. ROGERS of Massachusetts: Petition of sundry residents of the Fifth Massachusetts Congressional District, protesting against the enactment of Senate bill 983 or House bill 3852; to the Committee on Agriculture.

1230. By Mr. ROLPH: Petition of the California Highway Commission, asking consideration of its resolution relative to highway construction; to the Committee on Roads.

1231. By Mr. WHEAT: Resolution of the Kiwanis Club of Shelbyville, Ill., relative to reservoir project No. 33 of the Illinois State Planning Commission; to the Committee on Flood Control.

1232. By Mr. YOUNGDAHL: Petition of sundry citizens of the city of Minneapolis and various surrounding towns, protesting against the enactment of House bill 3852; to the Committee on the District of Columbia.

1233. By the SPEAKER: Petition of the Rayon Textile Workers Union, Local 202, Covington, Va., petitioning consideration of their resolution with reference to House bill 4139, the Vinson bill; to the Committee on Naval Affairs.

SENATE

THURSDAY, MAY 29, 1941

(Legislative day of Monday, May 26, 1941)

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:

Blessed art Thou, O Lord, God of our Fathers, praised and exalted above all forever; early in the morning do we seek Thee and direct our prayers unto Thee, as we wait for Thy blessing at the threshold of Thy sanctuary. Send us, O Lord, help from above and quicken us with Thy free spirit, that we may be enabled to respond to each opportunity for service as we strive to prepare ourselves in body, soul, and spirit, for the work of the exacting days that lie ahead.

Bless, in superabundant measure, our President. Give him insight to discern, wisdom to know, courage to fulfill Thy will for America; and we pray Thee so to unify the hearts, minds and wills of our people that they may strive with one holy purpose to keep our beloved country true to the ideals of our fathers—devotion to duty, to honor, and to the leadership of a divine beneficent Providence.

Bless especially those members of the Senate, who, by reason of sickness, are absent from its deliberations, and at this hour we ask that Thou wilt touch with Thy hands of healing the beloved leader of this body. Restore him speedily to health and strength, and to an ever-increasing sense of devotion to duty and to the service of his country.

We ask these blessings not because we are worthy to ask them, but for the sake of Him, the glorious Leader and Companion of our way, Jesus Christ, Thy Son our Lord. Amen.

THE JOURNAL

On request of Mr. GEORGE, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day of Monday, May 26, 1941, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

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 on May 28, 1941, the President had approved and signed the following acts and joint resolution:

S. 994. An act to appropriate the proceeds of sales or other dispositions of strategic and critical materials acquired under the act of June 7, 1939 (53 Stat. 811), in order to prevent depletion of the stocks of such materials available for national-defense purposes;

S. 1089. An act to extend the time limit for cooperation between the Bureau of Reclamation and the Farm Security Administration in the development of farm units on public lands under Federal reclamation projects;

S. 1296. An act to amend an act entitled "An act authorizing annual appropriations for the maintenance of that portion of Gallup-Durango Highway across the Navajo Indian Reservation, and providing reimbursement therefor"; and

S. J. Res. 76. Joint resolution extending the application of section 6 of the act entitled "An act to expedite the strengthening of the national defense," approved July 2, 1940 (54 Stat. 714), to all territories, dependencies, and possessions of the United States, including the Philippine Islands, the Canal Zone and the District of Columbia.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. McGill, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4466) to authorize the acquisition by the United States of title to or the use of domestic or foreign merchant vessels for urgent needs of commerce and national defense, and for other purposes.

The message also announced that the House had passed the bill (S. 1438) to extend the operations of the Disaster Loan Corporation and the Electric Home and Farm Authority, to provide for increasing the lending authority of the Reconstruction Finance Corporation, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.