DIARY

Book 494

February 9, 1942

Hearings on February 9, 1942, before Subcommittee of House Appropriations Committee on Joint Resolution 278 Providing for a $500,000,000 Loan to China.

The following record is based on notes taken at the meeting and is not to be regarded as a complete record.

Secretary Morgenthau was introduced by the Chairman of the Committee and read a prepared statement, a copy of which he informed the Committee would be made available for its record.

The Chairman asked Secretary Morgenthau whether the proposed loan would be under the jurisdiction of the Treasury. The Secretary replied that it would be, of course, with the approval of the President. The Chairman said that he understood the Secretary could not indicate precisely at this time how the loan would be used. The Secretary said that this was correct. The Chairman then wanted to know what installment schedule might be followed in making the loan available. The Secretary replied that he didn't know. The Chairman pushed the matter further by asking, off the record, what idea the Secretary had about the basis on which the Chinese would want to draw against the credit. The Secretary replied that he did not think the Chinese would demand the $500,000,000 all at once.

The Secretary was then asked what depositary would be used in making the funds available to the Chinese. The Secretary referred the question to Under Secretary Bell who said that he couldn't answer that question until it was known how the loan would be used. He explained that normally funds would be transferred to the Federal Reserve Bank of New York for the account of the Bank of China.

One of the members then asked when the funds would be needed. The Secretary replied that he couldn't say. It might be in the first week, it might be at the end of three months. The questioner said that he understood, however, that the Secretary would not expect that the entire amount would be demanded at once. The Secretary replied that that was correct.

The Secretary was asked what terms he had in mind for security for the loan or repayment of the loan. He replied that terms had not yet been discussed with the Chinese and he read to the Committee the portion of the Lend-Lease Act which states the terms on which Lend-Lease aid may be extended to foreign governments. He suggested that this might be a pattern for the aid now proposed to China. He was then asked if he could say, off the record, what his expectations were as to repayment. He said that we might not get a dollar back. The questioner then said, off the record, that he supposed that even so, we might consider ourselves amply repaid by Chinese participation in the war. The Secretary replied that he agreed. One Committee member then asked why that should not be put in the record since we might have to come pretty close to saying that on the floor of the House. Anyway, he went on, American interests demand that the loan be made. The Secretary answered that he did not want the statement that we might not be repaid placed on the record because, should it come to the attention of the Chinese it would appear that we distrusted the Chinese situation and that this might spoil the effect of the loan on Chinese morale. It was generally agreed that such a statement should not appear on the record or be made on the floor.

The Chairman asked the Secretary what the past record of aid to China had been. The Secretary replied that the Export-Import Bank had outstanding about $130,000,000 on loan in China, none of which was in default. The Chairman broke in with a further question before the Secretary had an opportunity to say any more about the record of past loans to China.

The Secretary was asked if he could say off the record what the political and military reasons were which dictated the necessity for the proposed loan. The Secretary said that he would like to read certain letters as bearing on this aspect of the matter. He then read the President's letter to the Speaker of the House and also Secretary Hull's letter. These two letters, it was decided, might go in the record. The Secretary read letters from Secretaries Knox and Stimson and it was agreed that these letters should not become a part of the record. Another Committee member asked what military aid China was expected to render. The Secretary replied that what he could say on this point should be very much off the record and that he was sorry that Secretary Stimson was not at the meeting, in view of his splendid statement before the House Committee on Foreign Relations. He repeated to the Committee Secretary Stimson's statement that it appeared probable that Chiang Kai Shek's new Chief of Staff would be an American officer, that there were air fields in good condition in China lying in striking distance from Japan, and that China is the only satisfactory jumping-off place from which we may ultimately hope to make an attack against Japan.

The Chairman then asked what political considerations were important in making the proposed loan. Secretary Morgenthau informed the Chairman that Mr. A. M. Fox American member of the Chinese Stabilization Board, had just this morning returned from Chungking and had informed him that there was a strong Japanese Fifth Column movement in China, which is making capital out of our and the British defeats.

asking the Chinese why they did not at this propitious time join Japan. The proposed loan, the Secretary explained, is regarded as a vital offset to this group of appeasers. The Chairman said that in view of this he supposed that the earlier the loan was extended, the better. The Secretary replied that this was unquestionably the case. Another Committee member asked at this point if it was not remarkable that China had fought so long under such difficult conditions. The Secretary agreed that it was and said further that with proper weapons China could "give it" as well as "take it".

The Secretary was asked how the loan would be divided between economic stabilization and actual purchase of weapons of war. The Secretary replied that he did not know but part of the loan could be used as a "backing" for the Chinese money system and in this case might be left in the United States. Another Committee member asked if the Secretary did not believe, in view of China's splendid record on Export-Import loans, it was likely that China would repay some of the proposed loan. The Secretary replied that he had answered this off the record earlier and did not want to say any more.

The Committee member said that it seemed to him that our object was to lick the Japs and he felt that this $500,000,000 might do more in this connection than $5,000,000,000 spent on armament in the United States. The Secretary said that this was unquestionably the case.

A Committee member said that he would approve of the loan if it were for weapons but that he observed that the loan was largely for stabilization of currency and he wondered what confidence could be had in achieving that objective. The Secretary replied that the Generalissimo had asked for the loan and is apparently much pleased that his request was granted. The Secretary was then asked if he could say, off the record, whether there was any evidence that economic stabilization could be achieved. The questioner went on to remark that we were having our own troubles in this connection. The Secretary replied, off the record, that he thought the loan could be effective in this area--that even the mere announcement of the loan has had a good effect. He then asked the Committee whether it would care to hear from Mr. Fox who would be in a position to give the Committee up to date information on the usefulness of the loan to China. Several Committee members expressed the desire to hear Mr. Fox and the Chairman asked him to sit at the table. Mr. Fox told the Committee that the major financial problem in China at present is lack of confidence in the currency and that this has led to large-scale hoarding of goods by people who would rather hold goods than currency. In his judgment the effect of the loan--particularly in view of the promptness with which the Generalissimo's request had been granted--

would be to restore confidence in the currency and thus to provoke a dishoarding of goods. He also expressed the belief that an internal bond issue, based on the loan, would have very good prospects in China. In response to a question, Mr. Fox stated that the outstanding note issue in China is 15 billion yuan or, at an exchange rate of 20 to 1, about $750 million. He said further that this year there was likely to be a further large increase in currency issue of 8 to 12 billion yuan unless something is done about it to make it unnecessary. He was asked whether the proposed loan is large enough to achieve the stabilization objective. He started to reply that it was, because the Chinese had considerable confidence in us, but he was then interrupted by the Chairman who pointed out that one indication of the relative adequacy of the loan might be that the total loan--U. S. and British--amounts to $700 million, which comes close to equaling the entire outstanding issue of currency in China.

A Committee member asked what would happen if China "folds up". The Secretary replied that in that case, we could kiss the money goodbye.

Mr. Fox was again asked whether the proposed loan was adequate. He replied that it was relatively small in view of the needs in China but that it would help materially, especially in view of the promptness with which the loan had been offered.

STATEMENT FOR SECRETARY OF THE TREASURY BEFORE THE HOUSE COMMITTEE ON APPROPRIATIONS IN SUPPORT OF H. J. RES. 278, MAKING AN APPROPRIATION OF $500,000,000 TO PROVIDE FINANCIAL AID TO CHINA.

I am appearing before this committee this morning to recommend favorable consideration of House Joint Resolution Number 278, which would appropriate 500 million dollars to carry out the provisions of the recent law authorizing financial aid to China. As you gentlemen know, this law passed the House by unanimous consent on Wednesday of last week and passed the Senate the next day by a vote of 74 to 0.

This proposal is a war measure. The effective continuance of the Chinese military effort -- so invaluable in our fight against the Axis powers -- depends largely upon the strength of the economic structure of Free China.

The financing of the war effort is a major war task of the Chinese Government and the efficient performance of this task requires that the Chinese financial and monetary system should be made as strong as possible.

In the United Nations Declaration to which China and the United States are signatories, each of the United Nations solemnly pledged itself to use its full resources in the common war. We have large financial resources. China's financial resources are very limited in relation to the tasks which it has undertaken. If any part of our financial resources can be of assistance to China in the war against our common enemy, I am sure that our people will want those resources put to that use.

The Chinese have been fighting against the Japanese for four and one-half years. They have not spared their lives, their homes, their farms, their factories, or their financial resources in this struggle. They have remained free because they were willing to make these sacrifices. The people of China are carrying on unceasing war against the Japanese in front of and behind the Japanese lines. The Chinese Armies are not only holding their lines, but on widely separated fronts they are gathering their men and supplies to intensify their offensive. The Chinese people have demonstrated to the whole world that a people who will not be conquered cannot be conquered.

In waging this war China has performed economic and military miracles. At the beginning of the war the Chinese people were engaged in creating a modern economic, financial and currency system. The Japanese occupation stripped the National Government of the sources which had accounted for 80 per cent of her revenues. To make matters worse the apparatus of the financial and money markets in the coastal cities fell into the hands of the Japanese. Since December 7, the fall of Hong Kong and the complete loss of the International Settlement have still further impaired the financial structure of the Free Government of China.

In these circumstances the Chinese Government had to bear a double financial burden.

It not only had to expand its expenditures, but it also had to create a new financial and banking system in the unoccupied area. It is not easy even in peace-time to carry out such changes. Considering the terrific obstacles with which the Chinese Government has been and still is confronted, it has succeeded amazingly well in continuing its resistance to the enemy.

We must face the fact, however, that the Chinese financial and monetary system has been severely strained in the process. The budget is desperately unbalanced. Prices are rising rapidly and at an accelerated rate. The accompanying economic and social dislocations are serious threats to the Chinese war effort. It would be unwise for the United States to ignore these weaknesses or to withhold any aid within its power.

On several occasions in the past the United States Government has rendered financial assistance to China. In general, that assistance was designed to finance the import of goods and to help stabilize the exchange position of China's currency. In these financial arrangements China has made payments on schedule and even ahead of schedule. Under the most difficult circumstances, China has maintained the export to the United States of commodities vital to our war effort. Indeed, the Government of China has carried out to the letter every obligation to us which it has assumed.

The Chinese Government has now urgently requested that we come to its financial support so as to enable it more effectively to carry on its war effort.

On several occasions in the past the United States Government has rendered financial assistance to China. In general, that assistance was designed to finance the import of goods and to help stabilize the exchange position of China's currency. In these financial arrangements China has made payments on schedule and even ahead of schedule. Under the most difficult circumstances, China has maintained the export to the United States of commodities vital to our war effort. Indeed, the Government of China has carried out to the letter every obligation to us which it has assumed.

The Chinese Government has now urgently requested that we come to its financial support so as to enable it more effectively to carry on its war effort.

We have been constantly informed as to the financial and economic situation within China. That information makes clear that the granting of the financial assistance now being requested would make a substantial contribution toward strengthening the domestic economy of China.

The Chinese Government has informed us that the financial aid which the proposed Joint Resolution would make available could be used by it in a variety of ways to improve the financial and economic situation within China. Without attempting at this time to specify the particular arrangements which would be entered into with China and which would most effectively carry out the common objectives of China and ourselves, we are fully satisfied that arrangements can be worked out which will be of great financial and economic help to the internal economy of China and will enable China more effectively to carry on its war effort.

You will recall that in December 1940, with the approval of the Congressional committees, the Treasury made a $50 million stabilization arrangement with China. A similar arrangement was made with China by the British. Under these arrangements, the Chinese governmental banks put up $20 million, the British Government put up £5 million, and the U. S. Treasury $50 million. So far, the Chinese Stabilization Board has not called on the United States for any portion of the United States participation and has used its own share for the management of its foreign exchange.

I may say here, too, that the joint management of that Fund gives us every hope that future sums made available to them will be used judiciously and effectively.

As you know, this Government is committed to give very substantial Lend-Lease aid to China. I am authorized by Mr. Stettinius to inform you that the Lend-Lease commitment to China is $620 million. Of course, because of the tremendous transportation difficulties, as well as the many-fold demands on American war production, it will take time before the bulk of this Lend-Lease commitment can be delivered to China.

These arrangements are proving in practice to have been well-designed for their specific purposes and to be to the mutual advantage of both countries.

They are designed, however, to meet the specific problems involved in the flow of goods to and from China, the stabilizing of the foreign exchange value of the yuan, and the supplying of war material.

The additional assistance now proposed is much more comprehensive in scope and is designed especially to make possible a strengthening of the internal economic and financial structure of China. Furthermore, this financial aid is of a different character from the stabilization loans referred to. The proposed aid contemplated here should be regarded as the financial counterpart of lend-leasing war materials. It is designed to the same end -- namely, the successful prosecution of the war, and should be evaluated in the same terms.

The proposed financial aid to China, as I have pointed out, is being dictated by political and military considerations. Nonetheless, it can be used in ways which will have beneficial effects on the economic and financial situation in China.

One of China's most pressing economic problems is the existence of a marked inflationary trend which is proceeding at an accelerated rate. The funds it is proposed to make available can be used to help curb this inflationary trend by increasing the volume of real goods available to the public and by decreasing the volume of currency in circulation.

The mere announcement that the American and British Governments have made available to the Chinese Government so large a sum as $700 million should have important psychological effects in increasing confidence in the Chinese currency. In China the lack of confidence in the currency is one of the major factors in the inflationary trend. Businessmen, farmers, merchants and bankers, knowing there is very little backing against the issues of Chinese currency and fearing continued loss of purchasing power, are unwilling to hold currency and therefore attempt, as quickly as possible, to convert the currency holdings into goods. Furthermore, those who have large stocks of food and goods are reluctant to sell them for Chinese currency.

The hoarding of goods in China has become a serious menace. The knowledge that this large sum of dollars and sterling is available to the Chinese Government should make Chinese holders of yuan more willing to keep their currency, more willing to offer their goods for sale and thus slow down the inflationary trend.

With these new and enormous dollar and sterling resources -- which so far as the dollar portion is concerned are equivalent to gold resources -- the Chinese people will be justified in having more confidence in their currency and in the future soundness of their economic system.

In addition to these helpful psychological effects which the mere announcement of the financial assistance may have, the dollar loan could be used in numerous ways to slow down the inflationary trend in China and strengthen China's economic and financial structure.

For example, the Chinese Treasury might decide to sell bonds to the Chinese public against the general security of the dollars made available under the proposed loan. The Chinese have unofficially suggested that such a loan might be called a "victory loan". The dollar security could take the form of a dollar deposit in either the United States Treasury or the Federal Reserve Bank, or gold earmarked for Chinese account in the Federal Reserve Bank.

The issuance of dollar bonds by the Chinese Treasury so secured might substantially reduce the volume of new issues of yuan notes in China. This would, of course, help to slow down the inflationary trend.

Or, the Chinese Government could announce that it intends to hold the 500 million dollars as "backing" against outstanding Chinese currency. Or, it might decide to use all of the sum, or a large part of it, to buy gold here, and keep that gold earmarked here until the war is over, as a reserve against their currency issues.

Or, the Chinese Government may find it wise and feasible to purchase and import silver bars from the United States and sell them to the public, thus providing the Government with funds to help finance the war.

Or, the Chinese Government could sell some of the dollars for yuan now in the hands of individual Chinese. These sales of dollars would make available a large yuan revenue to the Chinese Government, while at the same time providing a reserve of dollar exchange for the post-war period.

Or, it might be found feasible to use some of the dollars to import United States currency of various denominations for use within China to cover some of its expenditures related to the war effort.

Or, the Chinese Government could use the new assets to finance a large number of small enterprises designed to utilize China's man power more effectively in the production of munitions.

These ways and others, you may rest assured, will be carefully studied by the Chinese Government and the Treasury Department with a view to putting the dollars to the best possible use.

How much of the funds will be used, in which way and when, will depend on the results of our joint studies, and on the needs of a changing situation. As I have indicated, it is not improbable that most of the sum that is being proposed will not leave our shores at all, but will be kept here by the Chinese Government until the end of the war as the equivalent of a gold reserve against her currency, or as a potential foreign exchange reserve to be utilized to help reconstruct China after Japan is defeated.

The passage of this appropriation measure will be an outstanding contribution to the common war effort. It will be a demonstration to our friends and a warning to our enemies that the United States stands ready with every weapon at its disposal to assist all who are joined with us in this fight for freedom.

I hope, therefore, that you will give this Joint Resolution your prompt and wholehearted support.

-oOo-

2/9/42 23

When the Secretary went before the House Committee today to testify on the loan to China, he had these tables with him in connection with the Treasury Deficiency Appropriation.

CONSOLIDATED EMERGENCY FUND

(Showing the effect of the House Committee's report and of the Wigglesworth amendment.)

Item.	Budget Estimate.	Committee Report.	Remaining after the Wigglesworth Amendment
Office of Secretary....	47,396	41,396	41,396
Salaries, Chief Clerk..	17,000	15,000	15,000
Contingent Expenses.....	37,500	37,500	37,500
Superintendent Buildings....	40,680	36,680	36,680
Division of Personnel....	21,934	18,934	15,934
(a)REVENUE ITEMS (Miscellaneous) (a) see below.	235,490	200,490	25,490
Total	400,000	350,000	172,000
(a) Detail of the Revenue items included above:-			
Mr. Blough's Division.....	35,000	26,950	10,640
Mr. Tarleau's Division.....	25,070	19,250	14,850
Mr. Gulick's Staff........	80,600	62,890	Disallowed
Mr. Paul's Staff........	8,320	6,400	Disallowed
Mr. Buffington's Staff........	6,500	5,000	Disallowed
Motion Picture	80,000	80,000	Disallowed

EXISTING PERMANENT TAX RESEARCH STAFF

(BLOUGH and TARLEAU)

AND PROPOSED INCREASE (ON AN

ANNUAL BASIS).

	Existing Permanent Force. Number.	Annual Cost.	Additional force requested in pending deficiency estimate. Number.	Annual Cost.
Mr. Blough's Division, ..	36	$ 90,000	25	(a) $ 75,000
Mr. Tarleau's Division, ..	10	40,960	15	(a) 50,140

(a) These amounts also include funds for employment of consultants on a part-time basis.

"Expenses of Loans, 1942"

1. For administration expenses:

including costs of manufacture, issue, registration, redemption, etc.			$19,560,915

2. For Defense Savings Staff:

Salaries:			
D. C.	$697,119		
Field	417,966	$1,115,085	
Supplies and materials		275,000	
Telegraph, Telephone, etc.		100,000	
Travel		200,000	
Freight, express, etc.		60,000	
Printing and binding		4,000,000	
Rent		200,000	
Repairs and alterations		24,000	
Special and miscellaneous		265,000	
Equipment		200,000	6,439,085
Total			$26,000,000

Printing and Binding

Display posters	$ 600,000
Pamphlets	500,000
Order forms	375,000
Allotment cards, etc.	400,000
Stamp albums	1,200,000
Stationery	125,000
Mats, electros, etc.	275,000
Miscellaneous	525,000
Total	$4,000,000

Budget Estimates for fiscal years 1942 and 1943

(In millions)

	Fiscal Year 1943	Fiscal Year 1942
Estimated receipts (Net)	$ 16,487	$ 11,944
Estimated new taxes	7,000	
Total revenue, excluding social security taxes	23,487	11,944
Estimated expenditures	58,928	30,576
Net deficit (Borrowings)	35,441	18,632
Add borrowings for Govt. Corporations	4,368	3,019
Total Treasury borrowings	39,809	21,651
Estimated public debt at end of year	110,421	70,612

Above estimate of receipts do not include

Old-Age Insurance funds (present law)	$1,365	$872
" " " " (new taxes)	2,000	—
Total social security taxes	$3,365	$872

~~MR.~~ ~~THOMPSON'S~~ OFFICE TO 2/19/42.

Standing vote
on Donald Duck
and tax personnel:
82 ayes
125 nays

House vote
by name

---

112 ayes
259 nays

We get our
$26,000,000
Expenses of loans

HM Jr

TREASURY DEPARTMENT

WASHINGTON

February 9, 1942.

MEMORANDUM FOR THE SECRETARY:

Congressman Ludlow has just phoned me that the effort to reduce the appropriation for "Expenses of Loans" was defeated by a very substantial majority.

GRAVES.

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 77th CONGRESS, SECOND SESSION

Vol. 88 WASHINGTON, MONDAY, FEBRUARY 9, 1942 No. 28

Senate

The Chaplain, the Very Reverend ZeBarney T. Phillips, D. D., offered the following prayer:

Almighty God and Heavenly Father, whose love doth ever bear with us, whose purity abides our faithlessness, whose truth forbears our falsity and compromise, whose patience ever standeth ready to forgive our oft-repeated sins: Direct us now that we may forsake our lethargy, our careless unconcern for the higher, nobler things of life, induced by self-indulgence, that we may obey once more the stern commands of conscience, and rededicate ourselves to our common tasks in the spirit of true sacrifice, finding in the face of the Man of Sorrows, the glory of God.

Keep us in these days of visitation under the solemn shadow of the cross, where we, in adoring wonder, may behold the Saviour's triumph and find refuge and strength in every time of need. We ask it in His name and for His sake. Amen.

THE JOURNAL

On request of Mr. Hill, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Thursday, February 5, 1942, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE DURING ADJOURNMENT

Under authority of the order of the 5th instant,

A message from the House of Representatives was received during adjournment of the Senate advising that the House had passed, without amendment, the bill (S. 1935) to amend section 602 (m) of the National Service Life Insurance Act of 1940 (Public, No. 801, 76th Cong.), as amended, to enable a person in active service in the Army, Navy, Marine Corps, or Coast Guard to secure such insurance effective as of date of application by advance of active service pay, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED DURING ADJOURNMENT

Under authority of the order of the 5th instant,

The VICE PRESIDENT announced that on February 6, 1942, he signed the following enrolled bills and a joint resolution, which had been signed previously by the Speaker of the House of Representatives:

S. 381. An act for the relief of Marcel M. Roman, Clara M. Roman, and Rodica E. Roman;

S. 806. An act for the relief of Carmella Ridgewell;

S. 1625. An act for the relief of the Portland Sportswear Manufacturing Co.;

S. 1684. An act for the relief of the Merchants Distilling Corporation;

S. 1771. An act for the relief of R. V. Thurston and Joseph Hardy, a partnership;

S. 1778. An act for the relief of Leslie Truax;

S. 1846. An act for the relief of Dr. Hugh O. Nicholson;

S. 1935. An act to amend section 602 (m) of the National Service Life Insurance Act of 1940 (Public, No. 801, 76th Cong.), as amended, to enable a person in active service in the Army, Navy, Marine Corps, or Coast Guard to secure such insurance effective as of date of application by advance of active service pay, and for other purposes;

S. 1948—An act to authorize the Commissioners of the District of Columbia to acquire, operate, and regulate public off-street parking facilities, and for other purposes;

S. 1974. An act for the relief of Francis Howard Robinson;

S. 2011. An act for the relief of Willard S. Centerwall, formerly superintendent and special disbursing agent at the Tongue River Indian Agency;

H. R. 6496. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1943, and additional appropriations therefor for the fiscal year ending June 30, 1942, and for other purposes; and

H. J. Res. 276. Joint resolution to authorize the President of the United States to render financial aid to China, and for other purposes.

PROPOSED REPEAL OF LAW PROVIDING RETIREMENT FOR MEMBERS OF CONGRESS

Mr. LEE. Mr. President, although I believe that the principle of the law which placed Members of Congress under the Civil Service Retirement Act is right, yet because it and the vote of Congress have been so misunderstood by the people throughout the country at this particular time when self-sacrifice is so necessary, I believe the effect of this act is very damaging to the morale of the country and that it therefore should be repealed immediately.

No matter how just and fair such legislation may be, if it tends to create distrust and lack of confidence at the present time, it is dangerous to our national welfare and should be avoided.

The law itself in principle is right, but it is an inappropriate time for such action. Therefore, I recommend that it be repealed.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

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

On February 6, 1942:

S. 928. An act to increase the period for which leases may be made of public lands granted to the State of Idaho for educational purposes by the act of July 3, 1890;

S. 1880. An act to prohibit payment of money allowance for subsistence and rental to retired officers of the Navy or Marine Corps for any period when not employed on active duty;

S. 2012. An act authorizing the Administrator of Veterans' Affairs to grant an easement in certain lands of the Veterans' Administration Facility, Togus, Maine, to the State of Maine, for road-widening purposes;

S. 2080. An act authorizing the Administrator of Veterans' Affairs to grant an easement in certain lands of the Veterans' Administration Facility, Murfreesboro, Tenn., to Rutherford County, Tenn., for highway purposes; and

S. 2217. An act to authorize the attendance of personnel of the Army of the United States as students at educational institutions and other places.

On February 7, 1942:

S. 1889. An act authorizing the Administrator of Veterans' Affairs to grant an easement for highway purposes to the county of Macon, Ala., in a strip of land located at Veterans' Administration Facility, Tuskegee, Ala.; and

S. 1974. An act for the relief of Francis Howard Robinson.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had passed the bill (S. 2152) to provide for the planting of guayule and other rubber-bearing plants in order to make available a source of crude rubber for emergency and defense uses, with amend-

[illegible] in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 2011) [illegible] the Central Pacific Railway [illegible] 1, 1862, as amended and supplemented.

The message further announced that the House had passed a bill (H. R. [illegible]) [illegible] in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following concurrent resolutions of the Senate: [illegible]

[illegible]

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. [illegible]) authorizing the printing of additional copies of the report (H. Rept. No. [illegible]) of the Committee on Naval Affairs relative to the progress of the national defense program, in which it requested the concurrence of the Senate.

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

To the Congress of the United States:

I recommend that the Neutrality Act of 1939 be amended to provide that Section 7 shall not be operative when the United States is at war.

[illegible]

There is attached a draft resolution designed to accomplish the purpose of this recommendation.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 9, 1942.*

[Enclosure: Draft resolution.]

REPORT OF GOVERNOR OF THE PANAMA CANAL

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

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the annual report of the Governor of the Panama Canal for the fiscal year ended June 30, 1941.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 9, 1942.*

REPORT OF BOARD OF DIRECTORS OF THE PANAMA RAILROAD COMPANY

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

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the Ninety-second Annual Report of the Board of Directors of the Panama Railroad Company for the fiscal year ended June 30, 1941.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 9, 1942.*

REPORT OF JUVENILE COURT, DISTRICT OF COLUMBIA

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

To the Congress of the United States:

I transmit herewith, for the information of the Congress, a communication from the judge of the juvenile court of the District of Columbia, together with a report covering the work of the juvenile court during the fiscal year 1940-41.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 9, 1942.*

[NOTE.—Report accompanied a similar message to the House of Representatives.]

EXECUTIVE COMMUNICATIONS

The VICE PRESIDENT laid before the Senate the following communications, which were referred as indicated:

SUPPLEMENTAL ESTIMATES, TREASURY DEPARTMENT (S. Doc. No. [illegible])

A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Treasury Department, amounting to $[illegible], fiscal year 1942 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES, DEPARTMENT OF THE INTERIOR (S. Doc. No. [illegible])

A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Department of the Interior, fiscal year 1942, amounting to $[illegible] (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

CHANGE IN ESTIMATES, UNITED STATES MARITIME COMMISSION (S. Doc. No. [illegible])

A communication from the President of the United States, transmitting a change, providing for $[illegible] additional cash, in the estimates of appropriations for the United States Maritime Commission, fiscal year 1942 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES FOR THE DISTRICT OF COLUMBIA (S. Doc. No. [illegible])

A communication from the President of the United States, transmitting supplemental estimates of appropriations for the District of Columbia, fiscal year 1942, amounting to $[illegible] (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

CLAIMS ALLOWED BY THE GENERAL ACCOUNTING OFFICE (S. Doc. No. [illegible])

A communication from the President of the United States, transmitting, pursuant to law, an estimate of appropriation for the payment of certain claims allowed by the General Accounting Office, amounting to $[illegible] (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

SCHEDULE OF CLAIMS ALLOWED BY THE GENERAL ACCOUNTING OFFICE (S. Doc. No. [illegible])

A communication from the President of the United States, transmitting, pursuant to law, a schedule of claims allowed by the General Accounting Office, amounting to $[illegible] (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

JUDGMENTS RENDERED BY THE COURT OF CLAIMS (S. Doc. No. [illegible])

A communication from the President of the United States, transmitting, pursuant to law, a list of judgments rendered by the Court of Claims which have been submitted by the Treasury Department, amounting to $[illegible] (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

JUDGMENTS RENDERED BY THE COURT OF CLAIMS (S. Doc. No. [illegible])

A communication from the President of the United States, transmitting, pursuant to law, a list of judgments rendered by the Court of Claims which have been submitted by the Secretary of the Treasury, amounting to $[illegible] (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

PROVISION RELATING TO JUDGMENTS RENDERED BY THE COURT OF CLAIMS (S. Doc. No. [illegible])

A communication from the President of the United States, transmitting a proposed provision relating to judgments rendered by the Court of Claims (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

JUDGMENT RENDERED AGAINST THE GOVERNMENT BY A DISTRICT COURT (S. Doc. No. [illegible])

A communication from the President of the United States, transmitting, pursuant to law, a record of judgment rendered against the Government by a district court, amounting to $[illegible] (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

JUDGMENT RENDERED AGAINST THE GOVERNMENT BY A DISTRICT COURT (S. Doc. No. [illegible])

A communication from the President of the United States, transmitting, pursuant to law, a record of judgment rendered against the Government by a district court, amounting to $[illegible] (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

CLAIMS FOR DAMAGES TO PRIVATELY OWNED PROPERTY (S. Doc. No. [illegible])

A communication from the President of the United States, transmitting estimates of appropriations to pay claims for damages to privately owned property, amounting to $[illegible] (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate or presented and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the South Carolina State Convention of the Baptist Denomination [illegible] Baptist Church, in the State of South Carolina, protesting against the inclusion of ministers of the gospel and employees of denominational and churches under the provisions of the social-security system; to the Committee on Finance.

A resolution adopted by [illegible] Post, No. [illegible], of the American Legion, of Storm Lake, Iowa, protesting against the inclusion of Members of Congress under the provisions of the civil-service retirement system; to the Committee on Civil Service.

A letter in the nature of a petition from [illegible] Marks, of Los Angeles, Calif., praying that criminals who may register under the Selective Service Act be fingerprinted on [illegible] identification cards; to the Committee on the Judiciary.

A resolution of the House of Representatives of the General Court of Massachusetts; to the Committee on Finance:

"Whereas the President and the Congress have declared war upon Japan, Germany, and Italy; and

"Whereas the President and the Congress have called upon all peoples in our Nation to aid and support and contribute to the national war effort; and

"Whereas Massachusetts feels it, as well as all other States of our National Union, has a solemn duty to do its utmost in this great cause; and

"Whereas our National Government is spending billions of dollars of our national resources all over our country in pursuance of this extraordinary war effort; and

[illegible]

"*Resolved*, That the House of Representatives of the General Court of Massachusetts [illegible]

A resolution of the Legislature of the State of Kentucky; to the Committee on Finance:

[illegible]

corrections of such alleged statements, corresponded with the said Federal Security Administrator and was informed by him that there was no secrecy as regards the fact that the possibility of federalization of said program was under consideration; and

"Whereas a rather general impression now prevails that some measure embodying such proposed legislation either has already been presented to the Congress or will be presented at an early date; and

"Whereas the unemployment compensation program since its inception has been based on a State-Federal partnership, under which statutes were enacted by all the States to provide for the payment of unemployment benefits, and a statute was enacted by the United States imposing a Federal tax on employers, against which tax the employers are permitted to credit the tax paid by them to the State unemployment compensation agencies, and out of which Federal tax the United States appropriates to the States the administrative expenses necessary for the operation of the State agencies; and

"Whereas the unemployment compensation program, by reason of its relation to individual lives, should be administered by officials close to and acceptable to the people of the geographical locations of the benefit claimants and their employers, and federalization of the unemployment compensation program would deprive employers, employees, and citizens of a State of any effective voice in the determination of matters vitally affecting their own social and economic standards; and

"Whereas the proposed federalization program would appear necessarily to be based on the idea of a right in the Federal Government to take possession of the benefit fund reserves created by the experience and good management of the State agencies and now credited to their separate trust funds, in order to finance the program following federalization, a claim which it is believed should not in good conscience be asserted; and

"Whereas the efficient administration of the Kentucky unemployment compensation law establishes conclusively that the problems of unemployment compensation are now being successfully met and satisfactorily solved under the State-Federal partnership heretofore established by the act of the Congress of the United States, thus demonstrating that the proposed federalization is unnecessary and undesirable: Now, therefore, be it

"*Resolved by the Senate and the House of Representatives of the General Assembly of the Commonwealth of Kentucky*, now in session, That the Congress of the United States be memorialized, and it is hereby respectfully petitioned, to reject any proposal which is directly or indirectly designed to accomplish federalization of the unemployment compensation program; and be it further

"*Resolved*, That the United States Senators and Congressmen from Kentucky are hereby respectfully requested to exert all diligence in opposing any direct or indirect legislation which comes within the scope of the intent and purpose of this joint resolution."

By Mr. CAPPER:

Petitions, numerously signed, of sundry citizens of Pittsburg, Kans., praying for the enactment of the bill (S. [illegible]) to provide for the common defense in relation to the sale of alcoholic liquors to the members of the land and naval forces of the United States and to provide for the suppression of vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

By Mr. VANDENBERG:

[illegible]

of living; to the Committee on Education and Labor.

A resolution of the City Commission of Grand Rapids, Mich., remonstrating against Federal taxation of State and municipal bonds; to the Committee on Finance.

Resolutions of the City Commission of Bay City and the Board of Supervisors of Ingham County, Mich., protesting against the enactment of legislation to regulate the weights and sizes of commercial vehicles on State highways; to the Committee on Interstate Commerce.

A resolution adopted by the Allied Veterans Council of Livingston County, Mich., pledging full support to the Government in the prosecution of the war; to the Committee on Military Affairs.

Petitions of sundry citizens of the State of Michigan, praying for the enactment of the bill (S. 860) to provide for the common defense in relation to the sale of alcoholic liquors to the members of the land and naval forces of the United States and to provide for the suppression of vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

RESOLUTIONS OF THE COUNCIL OF ST. PAUL AND THE CITY OF DULUTH, MINN.—FEDERAL TAXATION OF STATE AND MUNICIPAL BONDS

Mr. BALL. Mr. President, I present for printing in the RECORD and appropriate reference resolutions adopted by the Council of the City of St. Paul and the city of Duluth, Minn., protesting against the proposed taxation of State and municipal bonds.

There being no objection, the resolutions were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Whereas from time to time there have been proposals before the Congress of the United States wherein it is sought to have Federal income taxes levied on the interest derived from municipal bonds; and

Whereas in the opinion of the Council of the City of St. Paul the adoption of such legislation would be improper, unwise, and unfair, and would cause an additional burden on the finances of said city; and

Whereas such tax on issues of State and municipal bonds would raise practically no revenue whatsoever at this time and yet would substantially increase the cost of municipal borrowing: Therefore be it

Resolved by the Council of the City of St. Paul, That it hereby expresses its determined opposition to the adoption of any such legislation and urges the Senators and Representatives in Congress for the State of Minnesota to oppose the adoption of any such legislation of that nature; and be it further

Resolved, That copies of this resolution be forwarded to the Senators and Representatives from Minnesota in the Congress of the United States and also to the Senators comprising the Senate Finance Committee and to the members of the House Ways and Means Committee of Congress.

CITY OF DULUTH,
DIVISION OF PUBLIC AFFAIRS,
Duluth, Minn., February 3, 1942.

Hon. JOSEPH H. BALL,
Senate Building, Washington, D. C.

GENTLEMEN: We, the undersigned mayor and commissioners, respectively, of the city of Duluth, Minn., respectfully beg leave to advise you that we have always been, and still are, unalterably opposed to any legislation, whether now pending or hereafter to be [illegible]

[illegible]

Respectfully and sincerely yours,

[illegible], *Mayor*.

[illegible], *Commissioner of Public Utilities*.

[illegible], *Commissioner of Public Works*.

[illegible], *Commissioner of Finance*.

[illegible], *Commissioner of Public Safety*.

RESOLUTION OF OXFORD (MAINE) POMONA GRANGE, NO. 3—DEFERMENT OF FARM LABOR UNDER SELECTIVE SERVICE ACT

Mr. WHITE. I present a resolution in the nature of a petition adopted by the Oxford Pomona Grange, No. 3, of Oxford, Maine, asking that there be deferment of farm labor under the Selective Service Act. I ask that the resolution be printed in the RECORD and appropriately referred.

There being no objection, the resolution was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

[illegible]

REPORTS OF COMMITTEES

The following reports of committees were submitted:

[illegible]

ENROLLED BILLS PRESENTED

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

On February 5, 1942:

[illegible]

On February 6, 1942:

[illegible]

BILLS INTRODUCED

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

By Mr. McNARY:

[illegible]

By Mr. NYE:

[illegible]

By Mr. TYDINGS:

[illegible]

By Mr. BANKHEAD (for himself, Mr. [illegible], and Mr. [illegible]):

[illegible]

By Mr. MEAD:

[illegible]

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

[illegible]

By Mr. THOMAS of Oklahoma:

[illegible]

By Mr. BILBO:

[illegible]

MAINTENANCE OF PARITY PRICES FOR AGRICULTURAL COMMODITIES

Mr. NYE. Mr. President, I introduce a joint resolution and ask that it be read and referred to the Committee on Agriculture and Forestry.

The joint resolution (S. J. Res. 132) to prohibit officers and agencies in the executive branch of the Government from seeking to prevent agricultural prices from reaching or remaining at parity or prices determined by the price-control legislation, was read the first time by its title, the second time at length, and referred to the Committee on Agriculture and Forestry, as follows:

[illegible]

HOUSE BILL REFERRED

The bill (H. R. 6483) to regulate the placing of children in family homes, and for other purposes, was read twice by its title and referred to the Committee on the District of Columbia.

INDEFINITE POSTPONEMENT OF A BILL

Mr. SCHWARTZ. Mr. President, I ask unanimous consent that the bill (H. R. 2190) granting an increase of pension to Nellie J. Merryman be taken from the calendar and indefinitely postponed. Mrs. Merryman died on December 10, 1941.

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

ADDITIONAL COPIES OF HOUSE REPORT NO. 1634—PROGRESS OF NATIONAL DEFENSE PROGRAM

The VICE PRESIDENT laid before the Senate House Concurrent Resolution 53, which was read, as follows:

[illegible]

Mr. HAYDEN. I move that the Senate concur in the House concurrent resolution.

The motion was agreed to.

PENSIONS FOR CONGRESSMEN—ADDRESS BY SENATOR CAPPER

[illegible]

EDITORIAL FROM ST. LOUIS POST-DISPATCH ON PENSIONS FOR MEMBERS OF CONGRESS

[illegible]

ADDRESS BY SENATOR DAVIS AT [illegible], PA.

[illegible]

ADDRESS BY HON. BERNARD SAMUEL, MAYOR OF PHILADELPHIA

[illegible]

NATIONAL FREEDOM—ADDRESS BY DR. J. R. CLARK

[illegible]

THE STIMULUS OF A HANDICAP—ADDRESS BY HON. JOSEPHUS DANIELS

[illegible]

EDUCATION OF CIVILIANS FOR NATIONAL SERVICE—ADDRESS BY DR. FRANK W. HART

[illegible]

ADDRESS BY LORD HALIFAX TO CHURCH CLUB OF NEW YORK CITY

[illegible]

GROWTH FACTOR IN BUTTERFAT FOUND—ARTICLE FROM OSHKOSH (WIS.) REGISTER

[illegible]

RETIREMENT PRIVILEGE FOR MEMBERS OF CONGRESS—EDITORIAL FROM ELKO (NEV.) DAILY FREE PRESS

[illegible]

UNION NOW—EDITORIAL FROM DETROIT FREE PRESS

[illegible]

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT—EDITORIAL FROM LABOR

[illegible]

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT—STATEMENT FROM [illegible]

[illegible]

TRUMAN DATA STAND UP—ARTICLE FROM PM

[illegible]

ORDER DISPENSING WITH CALL OF THE CALENDAR

The VICE PRESIDENT. The routine morning business is concluded. The calendar, under rule VIII, is in order.

Mr. HILL. I ask unanimous consent that the call of the calendar be dispensed with.

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

PRODUCTION OF RUBBER FROM GUAYULE

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 2152) to provide for the planting of guayule and other rubber-bearing plants in order to make available a source of crude rubber for emergency and defense uses, which were, on page 1, line 8, to strike out "or by condemnation"; on page 1, line 10, after "operation", to insert ", including but not limited to any such rights owned or controlled by the Intercontinental Rubber Co., or any of its subsidiaries, and all equipment, materials, structures, factories, real property, seed, seedlings, growing shrub, and other facilities, patents, and processes of the Intercontinental Rubber Co. or any of its subsidiaries, located in California, and for such rights, properties, and facilities of the Intercontinental Rubber Co. or any of its subsidiaries, the Secretary is authorized to pay not to exceed $2,000,000"; on page 2, line 3, to strike out "Western Hemisphere" and to insert "United States"; on page 2, lines 9 and 10, to strike out "equipment and" and insert "equipment,"; on page 2, line 10, after "facilities", to insert ", and land for nurseries"; on page 2, line 11, to strike out "purchase,"; on page 2, line 12, to strike out "or by condemnation" and insert "for not exceeding 10 years"; on page 2, lines 14 and 15, to strike out "Western Hemisphere" and insert "United States"; on page 2, line 19, after "guayule", to insert ", and from Chrysothamnus, commonly known as rabbit brush"; on page 2, line 22, after "guayule", to insert "and Chrysothamnus, commonly known as rabbit brush"; on page 3, line 22, immediately following the preceding amendment, to insert ", and to purchase land as sites for processing plants"; on page 3, line 15, to strike out "Western Hemisphere" and insert "United States"; on page 3, lines 20 and 21, to [illegible] in the Western Hemisphere"; on page 3, to strike out lines 2 to 8, inclusive; on page 4, line 8, to strike out "(e)" and insert "(b)"; on page 4, line 13, to strike out "(d)" and insert "(c)"; on page 4, line 18, to strike out "(e)" and insert "(d)"; and to amend the title so as to read: "An act to provide for the planting of guayule and other rubber-bearing plants and to make available a source of crude rubber for emergency and defense uses."

Mr. DOWNEY. Mr. President, I desire to move the concurrence of the Senate in the amendments to this bill as passed by the House of Representatives. I may say that, from my viewpoint at least, the amendments are very satisfactory and not very important. The most important amendment is one, I am sure, to which Senators will agree, namely, the one which fixes a maximum amount in the sum of $2,000,000 that the Government may pay for buildings of the Intercontinental Rubber Co., which now contain the patents and facilities in connection with the production of rubber from guayule.

The second most important amendment restricts the planting of the 75,000 acres to the United States when the bill as passed by the Senate provided the planting could be anywhere in the Western Hemisphere.

Those are the only two important amendments. The others are entirely technical and, in my opinion, entirely unobjectionable.

Unless there is objection, I now move concurrence of the Senate in those amendments.

The VICE PRESIDENT. The question is on the motion of the Senator from California.

Mr. HILL. Mr. President, will the Senator from California yield?

Mr. DOWNEY. Yes; I yield.

Mr. HILL. Am I to understand that these amendments are entirely and fully acceptable to the State Department?

Mr. DOWNEY. Yes. I was called this morning by Mr. Breckinridge Long, who told me that the State Department was somewhat worried because the House of Representatives had changed the provision of our bill allowing the planting of guayule rubber in the Western Hemisphere so as to confine it to the United States. I stated to Mr. Long that this is merely an emergency bill providing only for the planting of 75,000 acres, and necessarily all of the 75,000 acres is to be planted, I think, in California and in the Salinas Valley. I likewise stated to Mr. Long that under the present laws, and particularly under the rubber reserve, the Government of the United States now has the power and the funds to foster the development of a rubber industry anywhere in the world, including South America. As a matter of fact, the Agricultural Department right now is planting the hevea rubber in Central and South America, and if the Government desires, if the Department of Agriculture wants to recommend it and the State Department desires to do so, there is ample power in the Government right now to foster and develop the guayule rubber industry in northern Mexico or any other place.

So this change becomes entirely immaterial; and I may say that I should look with fearful apprehension upon any proposal to send the bill to conference, or back to the House of Representatives, because we have already delayed the bill almost to the danger point, so that if it is not passed almost immediately we might as well throw the project overboard.

Mr. HILL. Mr. President, will the Senator further yield?

Mr. DOWNEY. Yes; I yield.

Mr. HILL. I wonder if Secretary Long agreed with the Senator that the amendments were immaterial; that is, that the bill in its present form, as passed by the House, is entirely acceptable to the State Department.

Mr. DOWNEY. Yes; Mr. Long stated to me that I could state to the Senate that under my statement to him, which I have just repeated on the floor of the Senate, there would be no objection on the part of the State Department to concurrence of the Senate in the amendments of the House.

Mr. HILL. I will say to the Senator from California that I talked with Mr. Long early in the morning, and he stated that the bill was not acceptable to the State Department in the form in which it passed the House. As I understand, the Senator from California talked to Mr. Long after my conversation with him.

Mr. DOWNEY. I did.

Mr. HILL. And Mr. Long has authorized the Senator from California to say to the Senate that the bill as passed by the House is entirely and fully acceptable to the State Department?

Mr. DOWNEY. That is correct; and I suggest to the distinguished Senator that he call Mr. Long and verify what I have had to say.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from California that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

EMPLOYMENT OF MELVYN DOUGLAS IN O. C. D.

Mr. DOWNEY. Mr. President, I desire to make a brief statement which will not long detain the Senate, if this is the appropriate moment for it.

Mr. President, like the great majority of California citizens, I have been amazed and disheartened to observe the emotional energy being wasted over the appointment of Melvyn Douglas to the Office of Civilian Defense. I do not believe that any corresponding amount of intellectual fuel has been consumed; but since the whole tempest in a teapot serves to distract our attention from vital war issues before us, I wish at this time to end it by the introduction of a few facts.

So far, the detractors of Mr. Douglas have relied more on slander than on clarity, more on accusation than on accuracy. They have not understood Mr. Douglas' position because they were not interested in understanding, but only in condemnation. They have characterized him as a Communist, when it has been proved to any California newspaper reader that he has fought the Reds and their policies for many years past. They have insisted that he obtained his post because he was one of Mrs. Roosevelt's protégés—as if he were some waif in need of a job, and he were not ideally suited to the work to which he has been called. Let me tell you why I make that statement.

The Arts Council of the O. C. D. is confronted with this situation: Thousands of artists of every known medium have volunteered their services to this country—writers, radio stars, vaudeville troupers, singers, dancers, cartoonists—[illegible] ment professions. They want to [illegible] want to do [illegible] national defense.

Confronted with this offer of talent, what was the O. C. D. to do? Was it to turn away these volunteers and say that the Nation had no use for their services? I think this would have been wasteful and tragic for the country, and frustrating for the patriotic impulses of the performers themselves. The O. C. D. thought so too; so its officials looked around for someone who could help to formulate a program which would utilize the good will and the great capacities of these volunteers.

They selected Melvyn Douglas. I think it was a natural and, so far as California is concerned, an inevitable choice. Why? Because Mr. Douglas has an extremely valuable and wide range of contacts all through the entertainment world; because the artists all respect him as a member of the board of the Screen Actors' Guild; because he is already experienced in precisely the kind of work which he will be doing. For the past year or two Melvyn Douglas has devoted an increasing share of his time to acting as an unofficial channel for artists of all sorts who wanted to contribute their special talents to national defense. In taking this position in O. C. D., Mr. Douglas will simply be doing on a national, official, and more efficient scale what he was already doing by himself in Hollywood.

Anyone who thinks of Melvyn Douglas as a transient publicity seeker is making an unjustifiable error, for he has been for years an important and constructive force in the social and political life of our State. He is a member of the State Board of Public Welfare, a trustee of Occidental College, and the chairman of the follow-up program on the White House conference on children in a democracy. He has been active on the Committee to Defend America, and, more recently, on the Fight-for-Freedom Committee. His wife, Helen Gahagan, highly respected, popular, and admired throughout our State, is the Democratic national committeewoman from California. Of course, like most liberals in California, Mr. Douglas has been accused from time to time of being a Communist, but the accusation is as foolish in his case as in the case of us.

Mr. Douglas' plans for utilizing the talents of our artistic professions are, it seems, his own, and are doubtless [illegible]

[illegible] of formation, as they should [illegible]. I am aware of his general objective, and to me they seem most wise. He believes that the country's entertainers, over the air and in thousands of theaters and newsreels, can take any given civilian program right back to the great public. The example which the Treasury has provided with its Defense bond program is an indication of what can be done when the resources of the entertainment world are thrown behind a Government drive. But the potentialities of this morale-building force have hardly yet been scratched. If and when Mr. Douglas is permitted to get his vast [illegible] professional talent [illegible] fully mobilized, I think we shall see what a tremendous service they can render in getting across the message of the Government.

Let us explore for a moment the question of Mr. Douglas' compensation. A great deal of malicious nonsense has been spoken, written, or implied about this. One Congressman had the temerity and bad taste to compare invidiously Mr. Douglas' alleged salary of $8,000 to the salary we are paying General MacArthur—heedless of the fact that he thus invited comparison between his own stipend of $10,000 and the general's. I doubt if the Congressman could stand the comparison quite as happily as could Mr. Douglas. Of course, if heroism and hardship are to be reckoned in terms of money, we could pay MacArthur and almost every one of his men a million a year, and yet be cheating them. Conversely we could pay the Congressman somewhat less and still be—well, out of charity, I shall not conclude the sentence.

The fact is that Mr. Douglas is working "without compensation" under the civil-service classification of "expert consultant," P-8. The only remuneration which will be allowed him is the regular governmental allowance for traveling expenses.

Mr. Douglas ran away from home to join our forces in the last World War. He is ready to serve in this one whenever called, and, like others of his age, will be registered on the 16th of this month. In the meantime, he is ready to relinquish a career worth hundreds of thousands of dollars for a small-salaried position where he feels he can be of use. Is there anyone here who can match that sacrifice? If so, let him cast the first aspersion.

Mr. President, I should like to turn away now from this question of one individual in the motion-picture business to the role which the whole industry has played in a nation at war. At a time when the bitter facts have too often compelled us to be critical of men and institutions and agencies we can take, I hope and think, especial pleasure in the record of cooperation which Hollywood has set up.

This spirit of cooperation has been manifested in many ways. For example, the movie industry is making available its full output of films to some 350 theaters at 370 Army posts. These have a daily attendance of about 277,000 men. In addition, the Navy is supplied with the same films for exhibition at its shore stations and aboard its ships. And to the camps and bases of all our armed services go nearly every day Hollywood stars, released by their studios, to entertain our men in uniform.

One of the most valuable contributions by the industry to our war effort has been its experiments in visual education for the Army. The research council of the Academy of Motion Picture Arts and Sciences, a nonprofit corporation, has made a series of training films which have proved exceedingly valuable to the military instruction of our troops. The use of the medium of motion pictures enables the Army not only to standardize its education, but to teach hundreds and even thousands of soldiers at a time efficiently and effectively.

The subjects treated have ranged widely from the technique of operating and firing the 240-millimeter howitzer to personal hygiene, and the basic principles of skiing. Nearly 100 different reels are already in use at Army camps, and 60 more reels—or about 40,000 film feet—are now being produced in Hollywood.

To the making of these films have gone the talents of Hollywood's foremost directors, artists, producers, writers, and technicians—free. These men, whose services usually command imposing salaries, have volunteered to do this job. And they have done it well. The films are produced at no profit whatever to the makers. Equipment and facilities, including the use of studio stages, have been offered without cost. The War Department has been asked to meet only such direct out-of-pocket expenses as those for labor and film.

That the production of these training reels has been immensely appreciated by the War Department is evident from their official statements. The chief signal officer has declared:

> In no industry with which the Signal Corps has extensive dealings has there been shown a more willing spirit or a more definitely demonstrated desire to be of help than has been evinced by the motion-picture industry.

That is high praise. But the Chief of Staff, General Marshall, backs it up. The War Department states that he—

> * * * has personally expressed his appreciation of the great help which the motion-picture industry has been to the War Department in making personnel and facilities available to permit the production of films badly needed to speed up the training of the Army.

But these activities by no means exhaust the list of Hollywood's efforts to assist the Government in its tasks. Another has been the making and the showing of 25 films in over 12,000 theaters—films released by the industry's war-activities committee and dealing with many phases of our defense and victory programs. Among these are "Bomber", describing the production of a great plane; and "Safeguarding Military Information," warning civilians against careless talk. Several more of this type of film are now being prepared in the movie studios.

One particularly happy example of Hollywood's initiative in combining both educational and war-relief aims has been its production and distribution of Land of Liberty, a full-length picture reviewing the whole panorama of American history. Land of Liberty has been shown to some 3,500,000 people in every State of the Union, and its net box-office receipts have brought $56,000 to the American Red Cross, $50,000 for British air-raid victims, $5,000 each to Protestant, Catholic, and Jewish charitable organizations, $15,000 to the Royal Air Force Benevolent Fund, and $10,000 to the United China Relief.

We have spoken of the motion-picture industry's specific contributions to the Nation. Let us now consider the more intangible one it can and does make. Secretary Knox, of the Navy, has said:

> [illegible] the strengthening of national morale are engaged in a national defense effort as vital as any.

Mr. President, morale is a subtle quality. It is not always easy to know what things are essential to it. A nation can often endure appalling sacrifices and give up all accustomed comforts with its morale unimpaired. But I think it is safe to say that a nation which closes off its people's ordinary avenues of entertainment and relaxation will find itself with lower public morale than a nation which keeps them open. And that is because in wartime, even more than in peacetime, we need refreshment of spirit. Our added burdens draw increasingly upon our nervous resources. If we cannot replenish these resources, if we cannot relax and enjoy ourselves, forget the war and its anxieties, then we shall be the weaker for it. We shall be more tense and less resilient. We shall be incapable of the long, hard pull before us.

Motion pictures—good ones—can provide a legitimate escape from the pressure of the day's duties. Modern war, at the front or behind it, has been defined as one-tenth danger and nine-tenths drudgery. In the camps where tired soldiers gather to enjoy the fantasy of the screen, in the towns where hard-worked men and women flock to theaters to forget the hardships of factory or home, hospital or office—there the motion-picture industry can and will play its crucial role in sustaining the morale of a people, sending them back to their several tasks refreshed, unwound, invigorated.

The Treasury Department was thinking of the morale, not of our soldiers and sailors but of the taxpayers, when it sought the influence of Donald Duck to stimulate and encourage tax payments. Poor Donald, too, is now in the doghouse, placed there by a slim majority in the House of Representatives. He had blithely and happily donated his services in the interest of national defense. Oh, yes, had his talented master and creator, Mr. Disney. For only a portion of the out-of-pocket money a film of incalculable propaganda value was given our Government. Publicity experts say that advertising of equal worth could not be secured by the Treasury for many times the $50,000 it cost. I hope Mr. [illegible] and his associates will not believe that the Government of the United States and the people of this Nation are as unmindful and as unappreciative as the vote in the House of Representatives would seem to indicate.

I cannot speak for the rest of my colleagues, but as for me, Mr. President, I am proud of the record which the motion-picture industry and its men have so far made in this war. I cannot help feeling that if every other industry in our Nation had accorded the Government equally unselfish cooperation, we should be a great deal farther along the road to victory.

Mr. President, I think I speak for [illegible] when I [illegible] in saying that we are proud of Melvyn Douglas, happy that his great talents have been drafted by his Government in the interest of national defense, and that we strongly resent and repeat the effort of any Congressional Representative to besmirch him, and indirectly, through him, the great group of artists which he so worthily represents.

COORDINATION OF ADMINISTRATIVE WAR EFFORTS

Mr. WILEY. Mr. President, I am reluctant to trespass on the time of the Senate to discuss what appears at first blush to be a matter resting entirely within administrative discretion. My justification for doing so, however, is that much of the administrative policies which I propose to mention very briefly has resulted from legislative authorization, and I personally would feel remiss in my obligations if I did not endeavor to make at least in a small way a contribution toward what I believe must be the legislative policy with respect to certain phases of the administration of our war effort.

At the outset, let me say that I feel very fervently that, along with all the sacrifices and the distress and the hardship which the war effort will undoubtedly work on our people, there may also emerge a number of constructive forces and results now and in the post-war period. One of these, I hope, will be a return to sanity in our economics.

It is my fervent hope that in this war period when we will be forced to sacrifice to an increasing degree our material wealth we will reevaluate and reorder our personal lives with a different emphasis than we have placed upon them in recent years.

It is my hope that during the war period we will reemphasize the plain, ordinary, time-honored, and time-revered virtues of thrift, diligence, and industry, and the old-fashioned concepts that man's security and man's achievement is directly correlated to his own efforts.

Mr. President, in Britain all class distinctions are wiped out. All [illegible] in their form, old men and women, and all the in-betweens—recognize they are engaged in a cooperative effort to stem the tide that would bring slavery to their Nation. All the old concepts of life as usual, working hours as usual, pay checks as usual, social and economic life as usual, are thrown into the limbo of yesterday. All the superficialities of life are discarded. Only the realities remain.

Yet we are told that never was the nation happier, that never were the people more spiritually minded, that never before in all of England's history was there such a realization that each man and each woman is his brother's keeper.

There are no parasites in Britain. Every citizen has his job. The people in the production plants, in the Navy, in the Army, in the fields, in the homes, in the airplanes, at home and abroad, are fully awake, and are demonstrating their alertness by a return to the ancient virtues I have mentioned.

Mr. President, the corollary of that is simple. The corollary is that government also must during this period of crisis seek to return to fundamentals and to first principles. It means that government likewise must recognize the simple, homely, direct virtues of thrift, industry, and frugality in government, and it means also that every public official must recognize that he is a trustee—a servant and not a master—and that he is particularly called upon to show leadership in this critical period in returning to those ancient virtues and values.

It is not my purpose in the slightest degree to say anything which will divert the attention of our people from their big job in becoming adequately prepared and winning the war. In fact, it is with the thought we can do a better job of winning the war that I direct the attention of this body to a condition which exists today and which I believe detracts from the war effort.

I refer to the fact that in the Office of Civilian Defense and possibly in other phases of our war effort, there are being continually set up new agencies and new instrumentalities of government which duplicate the functions and the personnel of existing agencies. That is neither economic, nor efficient, nor sensible.

In other words, we read a great deal about one portion of the Office of Civilian Defense being created for the purpose of providing recreation for children. That is a commendable objective, and it has for years been the objective of an established and extremely competent agency of government—the Children's Bureau, which, by the way, is headed by a native of my State, the daughter of a former Senator who is now a judge in the Court of Customs and Patent Appeals.

I do not propose to enter upon an involved discussion of how this new agency in the Office of Civilian Defense duplicates in an amateurish way the objectives which have been professionally carried out so admirably through the Children's Bureau. I merely point out that this illustration is a symbol of duplication which may be multiplied elsewhere in our war effort today.

Mr. President, in the last few days we have heard a great deal about the creation of a Special Arts Council in the Office of Civilian Defense. A newspaper article indicates that there are already four agencies doing precisely the type of work which it is proposed to have this Council do. One is a voluntary committee, another a unit of the United Service Organizations, the third, the Office of Facts and Figures, and the fourth the Army Radio Branch.

In other words, if the Office of Civilian Defense is seriously and directly concerned with the problems of civilian defense, rather than with a recreational program for ex-dancers, then it would seem wise that it utilize the services of such organizations as the Children's Bureau, the Public Health Service, the Women's Bureau, and the Federal Fire Council, in addition to cooperating with the War Department's Chemical Warfare Section, the Board of Army Engineers for Rivers and Harbors, and the F. B. I., which has been for years concerned directly with the problem of civilian defense. This is a problem of [illegible], and it is plain "horse sense" that any agency which is set up and which is trying to provide for the coordination of [illegible] services is not only uneconomic, but inefficient. When we need men in the Army and Navy air forces and in the production plants we certainly should not spend our manpower carelessly or prodigally.

Another example of duplication in our war effort is possibly indicated by the Labor Department. I dare say that at no time in the history of the United States has a department of Government created under the Constitution and operating under the direct guidance of a Cabinet officer ever been reduced to so low a figurehead level as has the Department of Labor at the present time.

I present no brief for the Department of Labor or for the Secretary of Labor. I merely point out the fact that virtually all the machinery of the war labor effort has been set up apart and aside from the Department of Labor.

The National War Labor Board is undoubtedly doing a fine job, and this comment is in no way intended as a reflection on the War Labor Board or the Labor Division of the War Production Board. It is merely an observation of the fact that the experience and personnel of existing agencies of Government have been used only to a very slight degree in the creation of new agencies.

I mention these things today for only one purpose, and that purpose is not superficially to criticize what has already been done. I mention these things because I believe it would be well for Congress now and in the future to set up as a yardstick for the creation or authorization of any new agency or instrumentality of government the simple and basic question, Is there any existing agency or department of government which could perform the function which the new agency would undertake to perform? Is there any existing agency or instrumentality of government whose experience should be utilized in the new agency?

I should like also at this time to comment very briefly on a White House announcement to the effect that Cabinet officers and Government agency heads have been requested to submit all [illegible] to the Office of Facts and Figures for approval. I do not wish to be an alarmist, but I think it is reasonable to observe at the outset that the announcement may definitely [illegible]

[illegible] of government and members of the Cabinet from offering any constructive criticism.

In England it is only possible to have [illegible] of the war effort. In England it is still possible for a highly placed Government official to make a report directly to the people on what he believes to be an inherent weakness in the nation's war effort. I hope it will still be possible under the new arrangement. I know that after the last war it was not possible for a general to make a criticism relating to air defense; and apparently that prohibition is now to be extended.

I do not want to be unduly pessimistic and it may be that my interpretation of the new announcement is entirely erroneous. I sincerely hope so; but I cannot refrain from making the observation at this time in the hope that it may stimulate a clarification of policy with respect to the new restriction which may prove to be vastly more important than is at first apparent.

One might feel justified in assuming, particularly if the past had shown that we were efficient, that we have a full grasp on the war situation; but one of the lessons that comes out of "Remember Pearl Harbor" is the fact that we were not alert and on guard. One of the lessons which comes out of our present condition is that we were not cognizant of world conditions and adequately prepared to meet such conditions.

Constructive criticism has always been of great value in every generation; and if men who are aware of shortcomings and who are in positions where they can see how inadequately conditions are being met, are not permitted constructively to give voice to remedial ideas, then indeed has the democratic way come to a bad pass.

One of the things we are fighting for is freedom of speech and expression—not an unbridled freedom which advocates an overthrow of our form of government, but such freedom of expression as fits within our framework of life.

A part of our problem today in winning the war is to demonstrate that it can be won within our framework. A part of our job is to demonstrate that a great free democratic people, cooperating voluntarily without any Gestapo censorship, can accomplish more than can a totalitarian people under the whiplash of rigid restrictions.

Mr. President, recently I spoke on the subject of decentralization and demobilization. What I am now saying is coupled with the thoughts I then expressed. If in this great war effort we permit ourselves to create agency after agency simply to provide jobs, and the agencies are duplications of other agencies, we are not aiding the war effort [illegible]. It is my hope that Congress will not feel that it has fulfilled its obligations merely by making great appropriations. It is for us to carry through and see that the moneys we appropriate are used efficiently, economically, and in the interest of the war effort.

PLIGHT OF AUTOMOBILE DEALERS

Mr. LODGE. Mr. President, we must all support the administration and with united and determined action win the war; but in no manner can or should constructive suggestions be prohibited. It is in this constructive spirit and in the spirit of loyalty to the Commander in Chief that I speak today.

I desire to comment on the following telegram received from former Governor and Representative Alvan T. Fuller from my own State of Massachusetts:

Thank you a thousand times for your cooperative interest. As a matter of fact I have been [illegible] ... Thanks for your help and interest.

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

Mr. LODGE. I yield.

Mr. WILEY. Is it not the Senator's understanding that the Government will take care of such situations? I think Mr. Henderson himself testified before a committee that if the Government should require that sales of motorcars be stopped it would take care of interest charges, storage, and so forth. Has not some such provision been made?

Mr. LODGE. I have heard that such was the intention, and I hope it will be done. The telegram which I have read is from Alvan T. Fuller, who is one of the leading men in my State. He is a leader in the business life of Massachusetts, not by reason of heredity but because of his own energy and initiative. He is prominent in our religious, civic, and philanthropic life; and when he speaks the people and the press give attention. He is well qualified to lead any great national effort. He and I do not object to the aim but to the method.

My recent visit to the great manufacturing centers of New England proves that the facts contained in the telegram are undeniable.

The great business of the automobile and accessory dealers and distributors, built up by years of effort, should not arbitrarily be forced into bankruptcy.

Its thousands of dealers, its labor, and its investments should not be sacrificed unnecessarily at the dictation of the head of any Government agency.

They are all patriotic American institutions, and are entitled to a square deal.

Their [illegible] has proved [illegible] for itself. They constitute an industry which for the past 15 years has been the saving factor of business and employment in this Nation. They feel, and I agree, that they are entitled in equity to dispose of their merchandise and properties by a [illegible] process of legitimate fiscal liquidation, and not to have their assets frozen indefinitely or confiscated without due cause.

The industry in question is now forced to carry a load of real and personal property, and to carry it immovably, with all that implies as to loans and credits.

Salesmen, battery men, electricians, painters, garage men, clerks, mechanics, gasoline attendants, and many other employees of all ages are forced to join the growing ranks of the unemployed. All this is done without notice. Is that fair practice?

Even a man before a court gets better treatment; at least he is given his day in court before sentence.

The present condition results in a vicious cycle, Mr. President, for earning power and investment values are decreased on the one hand, while taxation, debt, and unemployment are increased on the other. The answer and the effect are all too plain. The receipts of the Nation, the States, and their subdivisions are directly and indirectly affected to the extent of millions of dollars by the elimination of gasoline, registration, excise, and personal-property taxes. Without these taxes what becomes of our highways, roads, bridges, and their construction, maintenance, and control, all of which have been financed by such taxes?

We are all compelled and willing to sacrifice, and are proud to do so; but in all our action let us temper the impact by the application of common sense.

I am therefore submitting a resolution which I ask to have read and appropriately referred.

The resolution (S. Res. 221) was read and referred to the Committee on Banking and Currency, as follows:

Resolved, That the Senate hereby requests all Federal agencies responsible for orders freezing stocks of automobile dealers in the United States to [illegible] business procedure.

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

Mr. LODGE. I yield.

Mr. HILL. I think all of us sympathize with the automobile dealers in the plight in which they find themselves. I wonder if the Senator from Massachusetts has contacted Mr. Henderson or anyone in his Department with reference to the contents of Governor Fuller's telegram.

Mr. LODGE. Yes; I have contacted them. I have no complaint to make about their sincerity. I think they are trying to do the very best job they can do; and I think that, like a great many other persons, they are overworked, and are confronted with a great many unforeseen situations. I simply desire to call to their attention the views of a man who is really well qualified to speak.

Mr. HILL. Mr. President, will the Senator yield in that connection?

Mr. LODGE. I yield.

Mr. HILL. I am glad to hear the Senator say what he has said; to wit, that he thinks Mr. Henderson and those in his Department are endeavoring to do the very best job they can do in the face of a very unusual and trying situation. It had been my understanding that they were giving their best thought and their best efforts to doing all they could do to ease the situation and to help, insofar as possible, the automobile dealers and the automobile business.

Mr. LODGE. Yes; I think they want to do the very best job they can do.

TEXAS ACES IN BURMA

Mr. CONNALLY. Mr. President, appearing in the News of today is an article which I desire to have printed in the RECORD. The article, written by Daniel De Luce, is headed "Texas aces grab 3 Japs in Burma as pals bail 'em." It is an account of three Texas fliers, and one or two from other sections of the country, who are volunteer fliers in aiding the Chinese against attacks on Burma. The article reveals a story of great heroism and very effective results, and I should like to have it incorporated in the RECORD.

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

TEXAS ACE [illegible] 3 JAPS IN BURMA AS PALS [illegible]

(By Daniel De Luce)

[illegible], Burma, January [illegible].—[illegible] Texans, the [illegible] American volunteer group, and the Royal Air Force [illegible] and possibly 11 more Japanese [illegible] [illegible] at least 121 [illegible].

After the fight was over [illegible] Japanese [illegible] as far as 15 miles from Rangoon, one having almost [illegible] white [illegible] but no [illegible] plane was lost.

[illegible] Texas day over the [illegible] of the fighting [illegible].

[illegible]

[illegible]

[illegible]

It was his first parachute leap. He remembered a passage in the manual which said a parachute jump gave very little feeling of falling.

"Boys," he said, "I could feel myself falling and it was terrible."

When he finally pulled the ripcord, for the first time in his life, he guessed he'd fallen 10,000 or 12,000 feet.

His chute billowed open and then he said, "I yell right in you [illegible]."

[illegible]

"[illegible] I had taken on [illegible] at about 15,000 feet. I was on a Jap's tail, firing, when my plane flopped over, hit or [illegible], probably from an attack by [illegible] I never saw.

"I yanked back the stick to change my [illegible], and it was no good. I was [illegible] a [illegible].

"[illegible] dropped [illegible] feet, I let go the safety [illegible]. All I [illegible] after that was that the [illegible] last [illegible] and I was dropping like a [illegible].

"One plane came at me after the chute opened. I thought then it was a Jap.

"Then I got a good look and it turned out to be [illegible], just hanging around to convoy me down.

"I barely missed plopping into a [illegible] [illegible] and Tommy (his plane) landed me in his [illegible] about a quarter of a mile away.

"The native farmers were very kind. One of them insisted on [illegible] mouthfuls of water to wash the blood off my forehead. Others stuffed my pockets full of crackers to eat on the way back to town.

"I got back so late the skipper didn't have me down on today's flying schedule. That's how you caught me loafing now," said the young man from Chipley, Ga.

LOAN TO CHINA

Mr. HILL. Mr. President, the House of Representatives is expected soon to pass the joint resolution appropriating $500,000,000 as a loan to China. The Senate will recall that last week the Congress passed legislation authorizing the loan. If the House passes the joint resolution today we hope to take it up in the Senate tomorrow.

In that connection, Mr. President, I ask unanimous consent that the Secretary of the Senate may receive the joint resolution if it comes to this body during the recess of the Senate, and may refer the resolution to the Committee on Appropriations.

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

EXECUTIVE SESSION

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

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

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

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

POSTMASTER EAST STROUDSBURG PA.—WITHDRAWAL OF NOMINATION

The VICE PRESIDENT laid before the Senate the following messages from the President of the United States, which were ordered to lie on the table:

To the Senate:

In compliance with the request of the Senate of February 5, I am returning herewith its resolution of February [illegible] 1942, advising and consenting to the appointment of Myron L. Wyckoff to be postmaster at East Stroudsburg, Pa.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, February 9, 1942.

THE WHITE HOUSE,
Washington, February 9, 1942.

To the Senate of the United States:

I withdraw the nomination sent to the Senate on January 14, 1942, of Myron L. Wyckoff to be postmaster at East Stroudsburg, in the State of Pennsylvania.

FRANKLIN D. ROOSEVELT.

NOMINATION OF CARL L. SACKETT

The VICE PRESIDENT. The Chair lays before the Senate a message from the President of the United States, which will be read.

The legislative clerk read as follows:

To the Senate of the United States:

I nominate Carl L. Sackett, of Wyoming, to be United States attorney for the district of Wyoming. He is now serving in this office under an appointment which expired December 7, 1941.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
Washington, February 9, 1942.

THE WHITE HOUSE,
Washington, February 9, 1942.

The VICE PRESIDENT:

There is attached a nomination in favor of Carl L. Sackett, of Wyoming, to be United States attorney for the district of Wyoming. This nomination is submitted to correct an error in the name as submitted to the Senate on January 14, 1942.

FRANKLIN D. ROOSEVELT.

Mr. VAN NUYS. Mr. President, as stated in the message, the purpose of this new nomination is to correct a clerical error. The nomination of Carl A. Sackett to be United States attorney for the district of Wyoming was sent to the Senate by the President. It appears the correct name is Carl L. Sackett. In view of the circumstances, I ask that the nomination be confirmed without reference to the committee, and that the President be notified.

The VICE PRESIDENT. Without objection, the nomination is confirmed, and the President will be notified.

WILLIAM A. EKWALL

Mr. AUSTIN. From the Committee on the Judiciary, I report favorably the nomination of Hon. William A. Ekwall, of Portland, Oreg., to be judge of the United States Customs Court. I ask unanimous consent for the immediate consideration of the nomination.

The VICE PRESIDENT. Is there objection to the immediate consideration of the nomination? The Chair hears none, and the clerk will read the nomination.

The legislative clerk read the nomination of Hon. William A. Ekwall, of Portland, Oreg., to be judge of the United States Customs Court, vice Hon. [illegible] H. Evans, retired.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. AUSTIN. I ask that the President be notified of the confirmation of the nomination.

The VICE PRESIDENT. Without objection, the President will be notified.

JOHN W. DELEHANT

Mr. HUGHES. From the Committee on the Judiciary I report favorably the nomination of John W. Delehant, of Nebraska, to be United States district judge for the district of Nebraska, vice Thomas C. Munger, retired.

Mr. CONNALLY. Mr. President, I ask unanimous consent for the present consideration of the nomination of Judge Delehant.

The VICE PRESIDENT. Is there objection to the immediate consideration of the nomination? The Chair hears none, and the clerk will read the nomination.

The legislative clerk read the nomination of John W. Delehant, of Nebraska, to be United States district judge for the district of Nebraska, vice Thomas C. Munger, retired.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. HILL. I ask that the President be notified of the confirmation of the nomination.

The VICE PRESIDENT. Without objection, the President will be notified.

Mr. NORRIS. Mr. President, I wish to make a remark about the nomination which has just been confirmed.

Prior to the nomination of Mr. Delehant to be Federal judge of the district of Nebraska I received a great many letters. Many of them assumed that I would be permitted to select this nominee. After the nomination was submitted I received quite a number of letters from Nebraska criticizing me for the nomination and about an equal number of letters commending me for the nomination.

Mr. President, I am not subject to the criticism; neither am I entitled to the praise. Mr. Delehant is a very able lawyer and a finely educated gentleman. I think he will be an excellent judge; but, as a matter of fact, I was not permitted to select him and am not responsible for his nomination. Without any reflection upon him directly or indirectly or any reflection upon his honesty or competence, I think under the circumstances I ought to state in all fairness that had I been permitted to select the nominee I would not have selected Mr. Delehant.

The VICE PRESIDENT. If there be no further report of committees, the nominations on the calendar will be stated.

PRICE ADMINISTRATOR

The legislative clerk read the nomination of Leon Henderson, of New Jersey, to be Price Administrator.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. WAGNER. I ask unanimous consent that the President be immediately notified of the confirmation of Mr. Henderson's nomination.

The VICE PRESIDENT. Without objection, the President will be notified.

DEPARTMENT OF LABOR

The legislative clerk read the nomination of Isador Lubin, of the District of Columbia, to be Commissioner of Labor Statistics.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

That completes the calendar.

Mr. HILL. Mr. President, I ask that the President be notified of all nominations confirmed today.

The VICE PRESIDENT. Without objection, the President will be immediately notified of all nominations confirmed today.

RECESS

Mr. HILL. As in legislative session, I move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 1 o'clock and 5 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, February 10, 1942, at 12 o'clock noon.

NOMINATIONS

Executive nominations received by the Senate February 9, 1942:

DIPLOMATIC AND FOREIGN SERVICE

William H. Standley, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Union of Soviet Socialist Republics.

The following-named persons to be Foreign Service officers, unclassified, vice consuls of career, and secretaries in the Diplomatic Service of the United States of America:

Clifton P. English, of Tennessee.
Sidney E. Lafoon, of Virginia.

OFFICE OF GOVERNMENT REPORTS

The following-named persons to be State directors for the Office of Government Reports:

William A. Sheehan for Connecticut.
Don M. Lechner for Florida.
Harold B. Harding for Kansas.
Scott F. Kittredge for Maine.
Thomas H. Green for Massachusetts.
M. E. McCristian for Nevada.
H. Russell Phillips for New Jersey.
R. F. Deacon Arledge for New Mexico.
A. Ray Martin for Oregon.
Edward N. Jones for Pennsylvania.
Vernon C. Norton for Rhode Island.
R. L. Olson for Utah.
Martin L. Riley for Mississippi.
Harley O. Staggers for West Virginia.
Fred W. Keller for [illegible].
H. D. Waltenpaugh for Wyoming.

COLLECTOR OF CUSTOMS

Henry V. Schwalbach, of Milwaukee, Wis., to be collector of customs for customs collection district No. 37, with headquarters at Milwaukee, Wis. (Reappointment.)

COAST AND GEODETIC SURVEY

Leo H. Rawley to be Assistant Director of the Coast and Geodetic Survey with rank of rear admiral.

APPOINTMENTS IN THE REGULAR ARMY

TO BE FIRST LIEUTENANTS, MEDICAL CORPS, WITH RANK FROM DATE OF APPOINTMENT

Capt. William Stanley Bagnall, Medical Corps Reserve.
Capt. James Edmund Vickers, Medical Corps Reserve.
First Lt. William Richard Conover, Medical Corps Reserve.
First Lt. Jack Robert Hughes, Medical Corps Reserve.
First Lt. Theodore [illegible], Medical Corps Reserve.
First Lt. [illegible], Medical Corps Reserve.

TO BE FIRST LIEUTENANT, VETERINARY CORPS, WITH RANK FROM DATE OF APPOINTMENT

First Lt. [illegible] James Watson, Veterinary Corps Reserve.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY OF THE UNITED STATES

TO ADJUTANT GENERAL'S DEPARTMENT

Maj. Robert Edward Clifton, Infantry (temporary lieutenant colonel, Army of the United States), with rank from June 12, 1941.

TO QUARTERMASTER CORPS

Capt. Ralph Finch, Infantry (temporary major, Army of the United States), with rank from August 1, 1935.

First Lt. Robert [illegible], Infantry (temporary captain, Army of the United States), with rank from June 13, 1937.

TO CORPS OF ENGINEERS

Lt. Col. Carl Hugo Jark[illegible], Quartermaster Corps, with rank from August 7, 1940.

Maj. Robert Stanley [illegible], Quartermaster Corps (temporary lieutenant colonel, Army of the United States), with rank from July 1, 1940.

Capt. Elmer Ellsworth Kirkpatrick, Jr., Quartermaster Corps (temporary major, Army of the United States), with rank from June 13, 1939.

Capt. Clarence [illegible], Quartermaster Corps (temporary major, Army of the United States), with rank from June 13, 1939.

Capt. Howard Hart Reed, Quartermaster Corps, with rank from June 11, 1941.

TO ORDNANCE DEPARTMENT

First Lt. Stanley Warren Connelly, Infantry (temporary captain, Army of the United States), with rank from June 12, 1940.

TO SIGNAL CORPS

Capt. Eugene Anthony Kenny, Infantry, with rank from June 12, 1940.

TO INFANTRY

First Lt. Irwin Miles Parry, Corps of Engineers, with rank from June 14, 1941.

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

TO BE COLONEL, WITH RANK FROM JANUARY 31, 1942

Lt. Col. David McLean Crawford, Signal Corps (temporary colonel, Army of the United States).

TO BE COLONELS WITH RANK FROM FEBRUARY 1, 1942

Lt. Col. John [illegible], Field Artillery (temporary colonel, Army of the United States).

Lt. Col. Thomas Jay Hayes, Ordnance Department (temporary brigadier general, Army of the United States).

Lt. Col. William [illegible], Infantry (temporary colonel, Army of the United States).

Lt. Col. Sidney Parker Spalding, Ordnance Department (temporary brigadier general, Army of the United States).

Lt. Col. Byron Quincy Jones, Cavalry (temporary colonel, Army of the United States).

Lt. Col. Stephen Barrows MacGregor, Ordnance Department (temporary colonel, Army of the United States).

Lt. Col. Davenport Johnson, Air Corps (temporary major general, Army of the United States).

Lt. Col. James Kirk, Ordnance Department (temporary colonel, Army of the United States).

Lt. Col. Robert McGowan Littlejohn, Quartermaster Corps (temporary colonel, Army of the United States).

Lt. Col. [illegible], Infantry (temporary brigadier general, Army of the United States).

Lt. Col. Robert [illegible], Ordnance Department (temporary colonel, Army of the United States).

Lt. Col. [illegible] Johnson, Quartermaster Corps (temporary colonel, Army of the United States).

APPOINTMENTS, BY TEMPORARY RANK IN THE AIR CORPS IN THE REGULAR ARMY OF THE UNITED STATES

TO BE COLONELS

Maj. [illegible] Fitzgerald, Air Corps (temporary lieutenant colonel, Air Corps; temporary lieutenant colonel, Army of the United States).

Maj. Austin Walrath Marriner, Air Corps (temporary lieutenant colonel, Air Corps; temporary lieutenant colonel, Army of the United States).

Maj. [illegible], Air Corps (temporary lieutenant colonel, Air Corps; temporary lieutenant colonel, Army of the United States).

Maj. John D. Corkille, Air Corps (temporary lieutenant colonel, Air Corps; temporary lieutenant colonel, Army of the United States).

Maj. [illegible], Air Corps (temporary lieutenant colonel, Air Corps; temporary lieutenant colonel, Army of the United States).

TO BE LIEUTENANT COLONELS

First Lt. James Van [illegible] Wilson, Air Corps (temporary captain, Army of the United States; temporary major, Air Corps).

First Lt. John Kimball Brown, Jr., Air Corps (temporary captain, Army of the United States; temporary major, Air Corps).

First Lt. [illegible], Air Corps (temporary captain, Army of the United States; temporary major, Air Corps).

First Lt. Richard Elmer Ellsworth, Air Corps (temporary captain, Army of the United States; temporary major, Air Corps).

First Lt. Joseph [illegible], Air Corps (temporary captain, Army of the United States; temporary major, Air Corps).

First Lt. Kenneth Paul Bergquist, Air Corps (temporary captain, Army of the United States; temporary major, Air Corps).

NOTE.—The dates of rank are omitted as the death or other unforeseen change in status of a senior officer might require a change in the dates of rank and necessitate the resubmission of these officers.

APPOINTMENTS AND PROMOTIONS IN THE NAVY

MARINE CORPS

Maj. Gen. (temporary) Charles F. B. Price to be a major general in the Marine Corps from the 1st day of February 1942.

Brig. Gen. (temporary) Joseph C. Fegan to be a brigadier general in the Marine Corps from the 1st day of February 1942.

Col. (temporary) Thomas E. [illegible] to be a colonel in the Marine Corps from the 1st day of February 1942.

[illegible] (temporary) [illegible] Harris to be a colonel in the Marine Corps from the 1st day of February 1942.

Lt. Col. (temporary) Stanley E. [illegible] to be a lieutenant colonel in the Marine Corps from the 1st day of February 1942.

Lt. Col. (temporary) [illegible] to be a lieutenant colonel in the Marine Corps from the 1st day of February 1942.

Maj. (temporary) Karl K. Louther to be a major in the Marine Corps from the 1st day of February 1942.

Maj. (temporary) Paul Drake to be a major in the Marine Corps from the 1st day of February 1942.

Capt. (temporary) Donald M. [illegible] to be a captain in the Marine Corps from the 1st day of February 1942.

Capt. (temporary) Frederick [illegible], Jr., to be a captain in the Marine Corps from the 1st day of February 1942.

[illegible] to be a second lieutenant in the Marine Corps from the [illegible] day of August 1941.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Otis L. Stewart, Russellville, Ala., in place of W. E. P. [illegible], resigned.

Martha Dale True, [illegible], Ala., in place of M. D. True. Incumbent's commission expired August 29, 1941.

ALASKA

Herbert Edmunds Brown, Anchorage, Alaska, in place of [illegible], resigned.

ARKANSAS

Mary H. Ott, Huntington, Ark., in place of M. H. Ott. Incumbent's commission expired August 29, 1941.

Robert H. Willis, Watson, Ark., in place of R. H. Willis. Incumbent's commission expired August 26, 1941.

CALIFORNIA

Orio F. Murry, Angels Camp, Calif., in place of O. F. Murry. Incumbent's commission expired June 19, 1940.

William D. Tracy, [illegible], Calif., in place of W. D. Tracy. Incumbent's commission expired November 30, 1941.

Agnes M. Falck, Del Paso Heights, Calif., in place of A. M. Falck. Incumbent's commission expired November 30, 1941.

Ray Brackett, [illegible], Calif., in place of Ray Brackett. Incumbent's commission expired August 2, 1941.

Charles W. Deming, Universal City, Calif., in place of C. W. Deming. Incumbent's commission expired February 14, 1940.

COLORADO

Margaret E. McCrone, Creede, Colo., in place of E. B. McCrone, deceased.

Herman W. [illegible], Windsor, Colo., in place of H. W. [illegible]. Incumbent's commission expired December 1, 1941.

CONNECTICUT

Evangeline M. Cassidy, Southbury, Conn., in place of E. M. Cassidy. Incumbent's commission expired July [illegible], 1941.

FLORIDA

Harry P. [illegible], Jupiter, Fla., in place of H. P. [illegible]. Incumbent's commission expired August 25, 1941.

Flora A. [illegible], Laurel Hill, Fla., in place of F. A. [illegible]. Incumbent's commission expired December 7, 1941.

Bonnie S. Strickland, [illegible], Fla. Office became Presidential July 1, 1941.

GEORGIA

Herbert H. Meacham, Austell, Ga., in place of H. H. Meacham. Incumbent's commission expired November 30, 1941.

Zack L. Strange, [illegible], Ga., in place of Z. L. Strange. Incumbent's commission expired July 17, 1939.

William Wayne Pate, Davisboro, Ga., in place of O. W. [illegible], deceased.

[illegible] in place of [illegible]. Incumbent's commission expired November 30, 1941.

[illegible], [illegible] Springs, Ga., in place of [illegible]. Incumbent's commission expired November 30, 1941.

[illegible], Ga., in place of [illegible]. Incumbent's commission expired December 30, 1941.

[illegible], Ga., in place of [illegible]. Incumbent's commission expired December 30, 1941.

IDAHO

[illegible], Avery, Idaho, in place of [illegible]. Incumbent's commission expired November 30, 1941.

[illegible], Idaho, in place of [illegible]. Incumbent's commission expired November 30, 1941.

[illegible], Idaho, in place of [illegible]. Incumbent's commission expired December 30, 1941.

[illegible] B. Todd, Malta, Idaho, in place of B. B. Todd. Incumbent's commission expired November 30, 1941.

Logan M. Bowman, [illegible], Idaho, in place of L. M. Bowman. Incumbent's commission expired November 30, 1941.

ILLINOIS

Ernest J. [illegible], Chicago, Ill., in place of E. J. [illegible]. Incumbent's commission expired February 3, 1942.

[illegible], Evergreen Park, Ill., in place of [illegible]. Incumbent's commission expired June 18, 1941.

[illegible], Hartford, Ill., in place of [illegible]. Incumbent's commission expired December 2, 1941.

Ernest O. [illegible], Ill., in place of R. J. Wilson, deceased.

[illegible] Vernon McNabney, [illegible], Ill., in place of F. V. McNabney. Incumbent's commission expired May 20, 1940.

[illegible] E. Bower, Richmond, Ill., in place of E. E. Bower. Incumbent's commission expired August 5, 1941.

James Higgins, St. David, Ill., in place of James Higgins. Incumbent's commission expired December 22, 1941.

Herman E. Stoksma, South Holland, Ill., in place of H. E. Stoksma. Incumbent's commission expired December 29, 1941.

INDIANA

Mildred Robertson, Cromwell, Ind., in place of [illegible], transferred.

[illegible] Harris, [illegible] City, Ind., in place of [illegible] Harris. Incumbent's commission expired December 6, 1941.

[illegible] L. Smith, Middlebury, Ind., in place of B. E. Wise, declined.

[illegible] L. Philipps, Santa Claus, Ind., in place of O. L. Philipps. Incumbent's commission expired December [illegible], 1941.

KANSAS

William [illegible] Hanna, [illegible], Kans., in place of D. O. Slaughter, transferred.

[illegible] B. Cantrill, [illegible], Kans., in place of O. B. Cantrill. Incumbent's commission expired December 7, 1941.

Harry Meyer, [illegible], Kans., in place of R. M. Collins, removed.

KENTUCKY

Mary E. Chandler, [illegible], Ky., in place of M. E. Chandler. Incumbent's commission expired November 27, 1941.

[illegible] B. Grimes, [illegible], Ky., in place of J. R. Grimes, resigned.

Dora Mae Miller, Magnolia, Ky., in place of D. M. Miller. Incumbent's commission expired November 27, 1941.

LOUISIANA

Thomas N. Stovall, [illegible], La., in place of T. N. Stovall. Incumbent's commission expired December 7, 1941.

Laverne O. Ramsey, [illegible] Hill, La., in place of L. O. Ramsey. Incumbent's commission expired August 3, 1941.

MARYLAND

Elizabeth [illegible], Aberdeen Proving Ground, Md., in place of [illegible]. Incumbent's commission expired June [illegible], 1940.

Margaret G. King, Edgewood Arsenal, Md., in place of M. G. King. Incumbent's commission expired June 23, 1940.

[illegible] L. Donaldson, [illegible], Md., in place of W. L. Donaldson. Incumbent's commission expired November 30, 1941.

Jennings B. Richards, [illegible], Md., in place of J. B. Richards. Incumbent's commission expired November 30, 1941.

MASSACHUSETTS

Joseph P. Bartley, [illegible], Mass., in place of J. P. Bartley. Incumbent's commission expired December 7, 1941.

Joseph E. [illegible], Mass., in place of J. E. [illegible]. Incumbent's commission expired December 7, 1941.

Joseph F. Tolman, Norwell, Mass., in place of J. F. Tolman. Incumbent's commission expired December 7, 1941.

George J. [illegible], [illegible], Mass., in place of G. J. [illegible]. Incumbent's commission expired July 28, 1941.

Mary M. Hill, West Groton, Mass., in place of M. M. Hill. Incumbent's commission expired December 7, 1941.

[illegible] M. West, Wianno, Mass., in place of B. M. West. Incumbent's commission expired May 23, 1940.

MICHIGAN

Gabriel J. Clapp, Ahmeek, Mich., in place of G. J. Clapp. Incumbent's commission expired November 26, 1941.

[illegible], Brice, [illegible], Mich., in place of [illegible]. Incumbent's commission expired February 19, 1941.

Edward [illegible], Mich., in place of A. O. D. Wright. Incumbent's commission expired June 12, 1939.

Ferdinand F. [illegible], New Buffalo, Mich., in place of F. F. [illegible]. Incumbent's commission expired November 30, 1941.

Elizabeth Treiber, Norway, Mich., in place of Elizabeth Treiber. Incumbent's commission expired December 29, 1941.

August V. [illegible], Waterford, Mich., in place of A. V. [illegible]. Incumbent's commission expired November 30, 1941.

MISSISSIPPI

William E. Potts, Crawford, Miss., in place of W. E. Potts. Incumbent's commission expired November 27, 1941.

Ida Koen, [illegible], Miss., in place of Ida Koen. Incumbent's commission expired November 27, 1941.

Lee E. [illegible], Miss., in place of L. E. [illegible]. Incumbent's commission expired November 27, 1941.

MISSOURI

Villa D. Harris, [illegible], Mo., in place of V. D. Harris. Incumbent's commission expired December 3, 1941.

Elmer W. Brown, Farmington, Mo., in place of [illegible], resigned.

MONTANA

[illegible] J. Walsh, Polytechnic, Mont., in place of C. J. Walsh. Incumbent's commission expired December [illegible], 1941.

NEBRASKA

[illegible] D. Hubbard, [illegible], Nebr., in place of J. D. Hubbard. Incumbent's commission expired June 4, 1939.

Bernard M. [illegible], [illegible], Nebr., in place of B. M. [illegible]. Incumbent's commission expired July 31, 1941.

George D. Thomas, [illegible], Nebr., in place of G. D. Thomas. Incumbent's commission expired February 4, 1941.

NEW JERSEY

Charles Leon Ware, Glassboro, N. J., in place of C. L. Ware. Incumbent's commission expired December 29, 1941.

NEW YORK

Melvin L. McNees, North Chili, N. Y. Office became Presidential July 1, 1941.

Richard J. Longtin, Paul Smiths, N. Y., in place of R. J. Longtin. Incumbent's commission expired August 3, 1941.

Mary M. [illegible], Victory Mills, N. Y. Office became Presidential July 1, 1941.

NORTH CAROLINA

[illegible] A. Brickhouse, Columbia, N. C., in place of R. A. Brickhouse. Incumbent's commission expired December 29, 1941.

[illegible] P. Bird, Grover, N. C., in place of B. P. Bird. Incumbent's commission expired December 29, 1941.

[illegible] P. [illegible], Marion, N. C., in place of [illegible]. Incumbent's commission expired December [illegible], 1941.

OHIO

Ethel A. Compton, [illegible], Ohio, in place of E. A. Compton. Incumbent's commission expired November 24, 1941.

Martin M. [illegible], Bolivar, Ohio, in place of M. M. [illegible]. Incumbent's commission expired November 27, 1941.

Alva C. Frank, Jr., Circle [illegible], Ohio, in place of [illegible], resigned.

Robert L. [illegible], Gahanna, Ohio, in place of R. L. [illegible]. Incumbent's commission expired November 27, 1941.

Harry O. Benjamin, Mount Blanchard, Ohio, in place of H. O. Benjamin. Incumbent's commission expired November 27, 1941.

[illegible] M. Collins, Fredericktown, Ohio, in place of L. M. Collins. Incumbent's commission expired November 27, 1941.

[illegible] L. [illegible], [illegible], Ohio, in place of M. L. [illegible]. Incumbent's commission expired November 27, 1941.

Evelyn M. Barber, Bardis, Ohio, in place of G. M. Tomb, deceased.

OKLAHOMA

Harry B. Lyne, Bayard, Okla., in place of W. J. Allen, deceased.

Ruth T. Corbin, Delaware, Okla., in place of R. I. Corbin. Incumbent's commission expired December 10, 1941.

Harry R. Torbett, Okmulgee, Okla., in place of E. C. Creek, deceased.

OREGON

Loris V. Farleigh, [illegible], Oreg., in place of L. V. Farleigh. Incumbent's commission expired December 29, 1941.

Mayrie Gregory, Westport, Oreg., in place of Mayrie Gregory. Incumbent's commission expired December 10, 1941.

PENNSYLVANIA

Harry L. Verner, East Brady, Pa., in place of J. F. May, deceased.

Leonard E. Devilling, [illegible], Pa., in place of L. E. Devilling. Incumbent's commission expired December 6, 1941.

Joseph J. Myers, Irvine, Pa., in place of J. J. Myers. Incumbent's commission expired December 6, 1941.

William Hilton, Irvona, Pa., in place of William Hilton. Incumbent's commission expired December 6, 1941.

Lottie Tuerke, New Eagle, Pa., in place of Lottie Tuerke. Incumbent's commission expired December 6, 1941.

Maurice F. MacDonald, [illegible], Pa., in place of W. C. [illegible], removed.

Robert H. Barnes, Rydal, Pa., in place of J. E. Fennel. Incumbent's commission expired August 14, 1941.

Harry O. [illegible], Sheffield, Pa., in place of J. F. [illegible], Sr. Incumbent's commission expired March 6, 1940.

Chauncey D. Everard, Wapwallopen, Pa. Office became Presidential July 1, 1941.

PUERTO RICO

Vicente Prieto, Bayamon, P. R., in place of J. C. McGuire, removed.

RHODE ISLAND

Samuel H. Pease, Wallum Lake, R. I., in place of S. H. Pease. Incumbent's commission expired June 22, 1940.

SOUTH CAROLINA

Fred L. Armstrong, [illegible], S. C., in place of F. L. Armstrong. Incumbent's commission expired December 7, 1941.

Edward M. Kennedy, Blackstock, S. C., in place of E. M. Kennedy. Incumbent's commission expired December 7, 1941.

Gordon S. Beard, Myrtle Beach, S. C., in place of G. S. Beard. Incumbent's commission expired December 7, 1941.

SOUTH DAKOTA

[illegible] E. [illegible], [illegible], S. Dak., in place of [illegible]. Incumbent's commission expired April 6, 1941.

TENNESSEE

Charles L. Wells, [illegible], Tenn., in place of C. L. Wells. Incumbent's commission expired December 6, 1941.

Leonard P. [illegible], [illegible], Tenn., in place of L. P. [illegible]. Incumbent's commission expired December 6, 1941.

John C. Pope, Springfield, Tenn., in place of J. C. Pope. Incumbent's commission expired December 6, 1941.

L. [illegible] Ross, Tazewell, Tenn., in place of L. I. Ross. Incumbent's commission expired December 22, 1941.

TEXAS

Mary L. Alexander, Alleyton, Tex. Office became Presidential July 1, 1941.

[illegible] C. Milburn, Bryson, Tex., in place of R. C. Milburn. Incumbent's commission expired November 27, 1941.

Jesse U. Bullock, [illegible], Tex., in place of F. W. Taylor, deceased.

[illegible] B. Cochran, [illegible], Tex., in place of J. B. Cochran. Incumbent's commission expired November 27, 1941.

Aubrey I. Chapman, [illegible], Tex., in place of A. P. Hinson, deceased.

Virgil E. Wootton, Hunt, Tex., in place of V. E. Wootton. Incumbent's commission expired December 22, 1941.

Harley Arnold, Maud, Tex., in place of Harley Arnold. Incumbent's commission expired November 27, 1941.

William C. Abernathy, Palo Pinto, Tex., in place of C. V. Whatley. Incumbent's commission expired May 19, 1940.

Cora Anderson, South Houston, Tex., in place of Cora Anderson. Incumbent's commission expired November 27, 1941.

Simon D. Ray, Sudan, Tex., in place of S. D. Ray. Incumbent's commission expired November 27, 1941.

James E. Oliver, Weir, Tex., in place of J. E. Oliver. Incumbent's commission expired November 27, 1941.

UTAH

Fred L. Cook, Nephi, Utah, in place of Oswald Casler, removed.

VIRGINIA

Edward L. Willis, Belle Haven, Va., in place of E. L. Willis. Incumbent's commission expired December 1, 1941.

Daniel V. Richmond, Ewing, Va., in place of D. V. Richmond. Incumbent's commission expired December 1, 1941.

Edward G. Newell, Kenbridge, Va., in place of E. G. Newell. Incumbent's commission expired January 29, 1940.

Catherine L. Timms, Lorton, Va., in place of A. D. Davis, deceased.

Marion B. Harvey, Roseland, Va., in place of M. B. Harvey. Incumbent's commission expired December 1, 1941.

Fred P. Brown, Rural Retreat, Va., in place of C. W. Kyle, deceased.

WASHINGTON

Oscar N. Dalstead, Anacortes, Wash., in place of O. N. Dalstead. Incumbent's commission expired August 23, 1941.

Dorothy M. Hanson, Port Stanley, Wash., in place of D. M. Hanson. Incumbent's commission expired July 27, 1939.

WEST VIRGINIA

William E. Hilbern, Beverly, W. Va., in place of W. E. Hilbern. Incumbent's commission expired December 15, 1941.

Nell [illegible] Wolford, Pickens, W. Va., in place of N. B. Wolford. Incumbent's commission expired December 15, 1941.

Merle O. Haas, Triadelphia, W. Va., in place of M. O. Haas. Incumbent's commission expired December 15, 1941.

Thomas P. Forbes, West Liberty, W. Va., in place of T. P. Forbes. Incumbent's commission expired December 15, 1941.

WISCONSIN

Naylor O. Kosciuskowski, Amherst Junction, Wis., in place of H. O. Kosciuskowski. Incumbent's commission expired December 20, 1941.

William F. Mulligan, Portage, Wis., in place of L. C. Mueller, deceased.

John C. Westermann, Sturgeon Bay, Wis., in place of H. B. Jones. Incumbent's commission expired July 27, 1938.

WYOMING

Ira E. Gentry, Lance Creek, Wyo., in place of I. E. Gentry. Incumbent's commission expired December 7, 1941.

ASSISTANT SOLICITOR GENERAL OF THE UNITED STATES

Oscar S. Cox, of Maine, to be Assistant Solicitor General of the United States, vice Hon. Charles Fahy, resigned.

UNITED STATES ATTORNEY

Carl L. Sackett, of Wyoming, to be United States attorney for the district of Wyoming. (He is now serving in this office under an appointment which expired December 7, 1941.)

WITHDRAWAL

Executive nomination withdrawn from the Senate July 23, 1941:

POSTMASTER

Myron L. Wyckoff to be postmaster at East Stroudsburg, in the State of Pennsylvania.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 9, 1942:

OFFICE OF PRICE ADMINISTRATION

Leon Henderson to be Price Administrator, Office of Price Administration.

DEPARTMENT OF LABOR

Isador Lubin to be Commissioner of Labor Statistics (reappointment), Department of Labor.

UNITED STATES CUSTOMS COURT

William A. Ekwall to be judge of the United States Customs Court.

UNITED STATES DISTRICT JUDGE

John W. Delehant to be United States district judge for the district of Nebraska.

UNITED STATES ATTORNEY

Carl L. Sackett to be United States attorney for the district of Wyoming.

House of Representatives

MONDAY, FEBRUARY 9, 1942

The House met at 12 o'clock noon.

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

We praise Thee, O God, that Thy will is the way of love and mercy. Beneath Thy hand we would humble ourselves and say: "Holy, holy, holy." Thou art unto us a wise influence which lifts us beyond the clutch of weakness and indecision; bless us with a deep sense of Thy overwhelming presence. Take out of our hearts all bitterness and drive into the land of forgetfulness all resentment and evil, and blessed shall be the memories of the Bethels where Thou didst meet us.

We renew our prayer, dear Lord, for our sons who have left their homes with their happiness and opportunities and joined the ranks of our country's defenders; wilt Thou watch as temptations beset them. Grant that the virtues of godly parents may be emulated by them and their voice of prayer go up between the rising and the setting sun. Comfort with great peace all vacant firesides, trusting in Thee when they are afraid; bless and guide them even to the brink where time ceases to be. In our Saviour's name. Amen.

THE JOURNAL

The Journal of the proceedings of Friday, February 6, 1942, was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On February 6, 1942:

H. R. 5490. An act to provide pay for officers in accordance with the rank and grade in which they were inducted and served in the land forces;

H. R. 6292. An act to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes;

H. R. 6253. An act to provide for the adjustment of tobacco, wheat, and cotton-marketing quotas and acreage allotments in certain cases where farm land is acquired by the United States for defense purposes;

H. R. 6262. An act to authorize the construction of certain naval vessels, and for other purposes; and

H. J. Res. 257. Joint resolution to amend section 124 of the Internal Revenue Code to simplify the procedure in connection with amortization of certain facilities.

On February 7, 1942:

H. R. 5349. An act to amend section 7 of the Natural Gas Act;

H. R. 6460. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1943, and additional appropriations therefor for the fiscal year ending June 30, 1942, and for other purposes; and

H. J. Res. 276. Joint resolution to authorize the President of the United States to render financial aid to China, and for other purposes.

THE LATE HONORABLE CLYDE HOWARD TAVENNER

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

The SPEAKER. Is there objection?

There was no objection.

Mr. SABATH. Mr. Speaker, I rise to announce with profound regret and sorrow the passing on last Friday, February 6, of Hon. Clyde Howard Tavenner, who was a Member of this House during the sixty-third and sixty-fourth Congresses, from the Fourteenth District of Illinois. I first met Mr. Tavenner 42 years ago when I was a judge in Chicago and he was beginning his journalistic career in Cook County. That meeting developed into a close and abiding friendship and association that persisted to his end.

Of the Members of this House with whom Mr. Tavenner served only Mr. DOUGHTON, Mr. Speaker RAYBURN, Mr. SUMNERS of Texas, Mr. TREADWAY, Mr. VINSON of Georgia, Mr. STEAGALL, Mr. TINKHAM, Mr. BLAND, Mr. CROSSER, and Mr. SABATH are still Members.

Mr. Tavenner was one of the leaders of the House against the entrance of the country into the first World War. In 1916, he made two speeches in Congress, The World-wide War Trust and The Navy League Unmasked, for the distribution of which Henry Ford contributed considerable money.

As I understand Mr. Tavenner was born in Illinois, February 4, 1882, and at an early age began writing for a country newspaper, later becoming a writer for city dailies in Illinois, the District of Columbia, and California. Before his election to this House he, in 1908, began to write a daily article, and for several years he syndicated a daily Washington letter to 100 daily papers and a weekly letter to 2,600 weeklies. This profitable activity was necessarily discontinued when our friend entered Congress.

He was made director of publicity for the Democratic National Committee in 1910 and 1912 under Secretary of State Hull.

As a Member of the House, Mr. Tavenner was one of the original and persistent advocates of Philippine independence, and after his retirement from Congress he entered the employ of the Philippine Government as an adviser and director of publicity.

In 1919 he visited Siberia, Japan, and the Philippines and wrote a series of articles on Philippine independence. In 1922 he left the service of the Philippine Government to found the magazine, the Philippine Republic, published in Washington, and served as editor.

In 1931–32, Mr. Tavenner, as a member of a mission from the Philippine Islands, visited Europe, the Near East, and the Far East.

As a very active Member he was a confidant of then Speaker Clark, the late Speaker Rainey, and the late Senator La Follette.

During the last several years this deceased was in ill health and led a sheltered life. His last official connection with the House was 2 years ago, when I was glad to avail myself, as chairman of the Committee on Rules, of his services as a legislative analyst.

Mr. Tavenner made a splendid and enduring record during his short term of 4 years in this House. He was a scholarly gentleman, a worthy author, a fluent, convincing writer on broad and penetrating governmental affairs.

I do very much regret the passing of this good and close friend. The funeral services were held in Washington this morning and I, therefore, felt constrained to postpone a scheduled meeting of the Committee on Rules to enable some of the members and members of the clerical staff of that committee, including myself, to attend these impressive services.

I ask unanimous consent that I may be permitted to extend my remarks on the life and activities of this splendid former public servant and benefactor.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial from the Great Falls Tribune and also include a statement I made before the Committee on Reciprocity Information with reference to tungsten.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. MANSFIELD] may be permitted to extend his own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on two subjects, the recent Retirement Act passed by the Congress and commerce through the Soo Locks at Soo, Mich.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

RETIREMENT OF ELECTED OFFICIALS

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

The SPEAKER. Is there objection?

There was no objection.

Mr. DONDERO. Mr. Speaker, the press of the country has leveled a great deal of criticism with reference to the recent action of this Congress in passing the Retirement Act to include elected officials within the provisions of the act. I mean pensions for Members of Congress and even the President of the United States. I join in that criticism. I think it is justified. I believe it was a serious mistake to present legislation of that character at this time when we are asking the people of the country to conserve, to save, to buy Defense bonds, to practice self-denial and sacrifice in order that we may provide the armed forces of the United States with the sinews of war. Bills have been introduced to repeal that provision of the law in both Houses of the Congress. I hope it will be presented soon for action. If it is, I want to be one of the first to vote to repeal that section of the law.

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

Mr. DONDERO. Yes; I yield.

Mr. THOMAS F. FORD. I notice that most of the criticism of that law has been given since the bill was signed.

Mr. DONDERO. Because the American people were shocked to learn that the Congress would pass it and the President sign it.

(Here the gavel fell.)

FIRST DEFICIENCY APPROPRIATION BILL, 1942

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. RICH. Mr. Speaker, I received this telegram dated February 7, which reads:

Hon. ROBERT F. RICH:
Important for you to be here Monday to vote on first deficiency appropriation bill.
Speaker RAYBURN,
Majority Leader MCCORMACK, and
Majority Whip RAMSPECK.

I want to say, Mr. Speaker, that I was glad to receive your telegram as this is the first telegram I have ever received from you, and I realize it is very important that we be here today. I am going to do everything I can to stop this boondoggling that is going on. I am going to do everything I can to prohibit the expenditure of $80,000 for a Donald Duck picture to try to make the people of this country think it is a pleasure to spend their money for Donald Duck pictures when they pay their taxes when they need so badly airplanes and tanks for General MacArthur to defend the Philippines. Stop this foolishness and get a little real sense. Stop waste and get more airplanes, if we are to win the war. [illegible]

Mr. Speaker, I promise you that I will [illegible] right down the line, as I have in the past, to stop a lot of this [illegible] spending. Oh, Mr. Speaker, you and the majority party should stop the waste and extravagance that is going on, stop the fool defense propaganda with high-salaried employees, the enormous profits made by shipbuilders and great commissions by those who give out Government contracts. A penny saved is a penny earned; 10 pennies make a dime; 10 dimes make a dollar. Let us save a few dollars in this bill. Let us try to create some confidence in your spending. Where are you going to get the money? How will you pay this enormous debt you are building? I say it is time to stop squandering.

(Here the gavel fell.)

THE A. V. G. IN BURMA

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

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FLAUCHÉ. Mr. Speaker, with the possible exception of the brave and heroic fight of Gen. Douglas MacArthur and his men, nothing has thrilled the American people more than the exploits of that brave little band of American flyers known as the A. V. G., who are defending the Burma Road and keeping the China lifeline open under the able leadership of Gen. Claire L. Chennault, a native of the State of Louisiana.

These men are demonstrating that our American flyers are not only the equal of but superior to any flyers in the world.

Even though these men form no part of the United States Army they are, nevertheless, fighting for America and I propose that our Government recognize their valuable and heroic service by extending to these men, their families and dependents all benefits received by our armed forces under existing laws. At the proper time, I shall introduce a bill to carry out this suggestion.

THE LATE HONORABLE WILLIAM H. BOYCE

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

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. TRAYNOR. Mr. Speaker, it is with deep regret that I report the death of a former Member of the House of Representatives, Justice William H. Boyce, of Dover, Del., at the age of 86. He served with honor and distinction one term in this House from 1923 to 1925. Judge Boyce lived an illustrious career, serving as a public official, an attorney, State judge, and finally a United States Congressman, serving on the Committee on Rivers and Harbors. With the passing of Judge Boyce the Nation has lost a noted jurist and the State of Delaware a highly honored citizen.

(By unanimous consent, Mr. TRAYNOR asked and was given permission to revise and extend his remarks.)

EXTENSION OF REMARKS

Mr. HILL of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an article from the [illegible] Era entitled "Grand Coulee Dam."

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an article from the [illegible] of Madison, Wis., written by the senior Senator from Wisconsin [Mr. LA FOLLETTE].

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

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

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. WILLIAM T. PHEIFFER. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include an editorial from the New York Herald Tribune entitled "Who's Who Among Parasites."

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

ANOTHER SOO LOCK NECESSARY

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

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. YOUNG. Mr. Speaker, I wish to take the floor to assert that the House of Representatives has no business of greater importance nor urgency before it than to take up and pass by unanimous consent the bill (H. R. 2192) authorizing immediate construction of a new lock at St. Marys Falls Canal, Mich., commonly called the Soo. Last January I urged the necessity of passing this authorization bill, which has already passed in the other body without opposition. The present Soo locks are the busiest in the world. Eighty million gross tons of iron ore were shipped from the Lake Superior area last year. Were a bomb to destroy or seriously damage the present locks at the Soo, this Nation would have suffered a catastrophe—a major disaster. Our railroads do not have the rolling stock to carry this ore. Immediate construction of another lock at the Soo is a necessary measure in the winning of the war, and I violently disagree with some members of the Rivers and Harbors Committee [illegible] for placing this meritorious measure in an omnibus bill containing measures of questionable merit. I consider it reprehensible that this bill, which is so necessary and which involves an expenditure of about $[illegible]

000, should be delayed and then included in an omnibus bill along with such proposals as the Florida ship canal, which, in my judgment, is an unjustified, unnecessary, and unwarranted proposal involving a tremendous expenditure of taxpayers' money.

This is a war of production. We must "keep 'em rolling." The iron ore which will pass through the Soo locks this year will be turned into tanks, rifles, submarines, guns, shell cases, and munitions sorely needed by our armed forces. Delay is dangerous.

(Mr. YOUNG asked and was given permission to revise and extend his remarks.)

EXTENSION OF REMARKS

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a brief article from the Chicago Journal of Commerce on Government publicity; also further to extend my remarks and include certain excerpts from the press in reference to the O. C. D.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an article by Mr. Erwin D. Canham which appeared in the Christian Science Monitor of February 6, 1942.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. THOMASON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include an address delivered by the Honorable Antonio J. Bermudez, mayor of Juarez, Mexico, at the recent annual conference of the United States Conference of Mayors; likewise a resolution passed by that same organization regarding the friendly relations between the United States and Mexico.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. CASEY of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an editorial from the Worcester Daily Telegram.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

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

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin [Mr. STEVENSON]?

There was no objection.

[Mr. STEVENSON addressed the House. His remarks appear in the Appendix of today's RECORD.]

Mr. SMITH of Ohio. 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 Ohio [Mr. SMITH]?

There was no objection.

Mr. SMITH of Ohio. Mr. Speaker, as all of you know, after the President failed to veto the recently enacted Ramspeck bill, H. R. 3487, providing pensions to Congressmen, Cabinet officers, and other elective and appointive officials, no less than 250,000 political officeholders in all, I introduced a bill, H. R. 6513, calling for the repeal of this provision.

I now wish to inform the membership of this House that each of you will be given an opportunity to make public record of your position on this provision granting pensions to Congressmen and the other groups mentioned.

I am respectfully urging that the Civil Service Committee to as promptly as possible report to the House for consideration my bill, H. R. 6513, which I have introduced, or a similar measure, which provides for the repeal of the clause in question.

If the Civil Service Committee fails to do this I shall at the proper time place on the Clerk's desk a discharge petition and seek by this method to have my bill brought before the House for consideration.

This will also give the House full opportunity to express its disapproval of the clandestine manner by which the Ramspeck bill was sneaked through the House, and to vindicate the membership from all charges of being a party to this political trickery.

I want it distinctly understood by every Member of the House that I shall strive not only to repeal the congressional pensions, but also the pensions of other elected officials, Cabinet officers, and other political officeholders as provided for in the Ramspeck bill, H. R. 3487.

We are at war and Congress should set the example of economy and sacrifice.

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. LELAND M. FORD]?

There was no objection.

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

Mr. BRADLEY of Michigan. Mr. Speaker, at the conclusion of all previous special orders heretofore entered for today and the regular business, I ask unanimous consent to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. BRADLEY]?

There was no objection.

Mr. THOMAS F. FORD. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. THOMAS F. FORD]?

There was no objection.

[Mr. THOMAS F. FORD addressed the House. His remarks appear in the Appendix of today's RECORD.]

EXTENSION OF REMARKS

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a statement on farm operations by Mr. [illegible].

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. CRAWFORD]?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

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

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. HINSHAW]?

There was no objection.

USE OF GAS FOR SPACE HEATING

Mr. HINSHAW. Mr. Speaker, I understand that an agency of the War Production Board, probably called the Power Allocation Board, is contemplating issuing orders that gas will not be furnished for space heating in homes that are to be built after March 1 in some 20 to 25 States of the United States. I can understand that order in relation to those States where gas is a substance which is not found in the earth or not easily prepared and in which there might be a shortage due to defense needs, but certainly in those States and those portions of States, such as southern California, where there can be no question but what there is plenty of gas available such an order can hardly be justified. People do not use anything else but gas, or scarcely anything else, for home heating in those localities. I hope the Power Board or the War Production Board will consider these matters in relation to southern California, Texas, Oklahoma, and other portions of the United States where natural gas is plentiful and commonly used for heating. To make it necessary to use any other kind of house-heating fuel in southern California would be a mistake of the first magnitude.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. D'ALESANDRO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an article which appeared in the Baltimore Sun.

The SPEAKER. Is there objection to the request of the gentleman from Maryland (Mr. D'Alesandro)?

There was no objection.

[The matter referred to appears in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

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

The SPEAKER. Is there objection to the request of the gentleman from West Virginia (Mr. Randolph)?

There was no objection.

CONTEMPLATED TRIP TO WASHINGTON BY HIGH SCHOOL STUDENTS

Mr. RANDOLPH. Mr. Speaker, while visiting in my State over the week end I was told by the principal of [illegible] High School that it has been the custom to bring [illegible] class to Washington to visit the National Capital each spring. This year, rather than the trip to Washington, the senior class has purchased a [illegible] bond or bonds.

I think the example of this high school and its seniors will serve as an example to others throughout the country. This is especially true when we view the congestion in Washington at this time and know of the many Government departments that are necessarily closed to the public.

I trust the Members of the House will, if they agree with this plan, advise their high school groups it might be much better to buy Defense bonds than to make a journey to the Capital this year.

TO PRINT A REVISED EDITION OF THE PAMPHLET "OUR AMERICAN GOVERNMENT, ETC."

Mr. BULWINKLE. Mr. Speaker, from the Committee on Printing I report (Rept. No. [illegible]) back favorably, without amendment, a privileged resolution (H. Res. [illegible]) authorizing the printing of a revised edition of House Document No. [illegible], current Congress, entitled "Our National Government: What Is It? How Does It Function?" as a public document.

The Clerk read the resolution, as follows:

Resolved, That a revised edition of House Document No. [illegible], current Congress, entitled "Our National Government: What Is It? How Does It Function?" compiled by Representative Wright Patman of Texas, be printed as a public document, and that [illegible] additional copies be printed for the use of the House of Representatives.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina (Mr. Bulwinkle)?

There was no objection.

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

EXTENSION OF REMARKS

Mr. SABATH asked and was given permission to extend his own remarks in the Record.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to extend the remarks I will make today and to include therein certain statements from the New York Times of this date.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota (Mr. August H. Andresen)?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and include therein two editorials.

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

There was no objection.

[The matter referred to appears in the Appendix.]

HOUSING IN THE DISTRICT OF COLUMBIA

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

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

There was no objection.

Mr. WILSON. Mr. Speaker, due to previous arrangements for speaking engagements out in my district this week, I shall be unable to be present on the floor of the House tomorrow when the bill concerning housing for the District of Columbia is considered. I am, of course, in favor of the passage of this bill as one of the [illegible] points for relieving congestion in the District of Columbia.

As the Members of the House may know, I have introduced a resolution authorizing the Speaker of the House to appoint a select committee to investigate the efficiency of employees in Washington. Last Saturday I made an inspection tour of some of the offices in the District. I visited the pool and interviewed about [illegible] people. One of the boys had been here 4 weeks and 4 days, having been brought here for messenger-boy service, and he has not yet been assigned.

[Here the gavel fell.]

PERMISSION TO ADDRESS THE HOUSE

Mr. HEALEY. Mr. Speaker, I ask unanimous consent that on tomorrow, at the conclusion of the legislative program of the day, and following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

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

There was no objection.

RETIREMENT BENEFITS FOR GOVERNMENT EMPLOYEES

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include therein a couple of letters.

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 today's Record.]

FINANCIAL AID TO CHINA

Mr. CANNON of Missouri. Mr. Speaker, by direction of the Committee on Appropriations, I ask unanimous consent for the immediate consideration of the joint resolution (H. J. Res. [illegible]) making an appropriation to provide financial aid to China.

The Clerk read the title of the joint resolution.

The Clerk read the joint resolution, as follows:

Resolved, etc., That the sum of $500,000,000 is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to enable the Secretary of the Treasury to carry out the provisions of the joint resolution entitled "Joint resolution to authorize the President of the United States to render financial aid to China, and for other purposes," approved February —, 1942: Provided, That this appropriation shall not be available for obligation until the date of enactment into law of House Joint Resolution [illegible] of the Seventy-seventh Congress, and shall after that remain available until [illegible].

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

Mr. TABER. Reserving the right to object, Mr. Speaker, I rise simply to call attention to the fact that this is an appropriation resolution designed to carry into effect the legislation passed last week authorizing a $500,000,000 loan to China. I do not believe the situation calls for any more statement than just the fact. This joint resolution provides money which can be loaned under the authorizing resolution which was passed last week.

I withdraw my reservation of objection, Mr. Speaker.

Mr. CANNON of Missouri. Mr. Speaker, on February [illegible] House Joint Resolution [illegible] was agreed to unanimously by the House authorizing the appropriation of $500,000,000 for financial aid to China. On the following day the Senate also unanimously agreed to the joint resolution and the President has approved it. Under this authorization the Committee on Appropriations today submits a House joint resolution providing the appropriation of the full amount of $500,000,000 to provide financial aid to China. The financial and military history of China under present war conditions borders on the miraculous. Cut off from all ports of entry, from which she formerly derived her largest revenues, she has maintained her financial status and her national credit in a remarkable way. Driven back into the interior through lack of equipment and munitions, she has defended her inland capital, maintained her government and repelled the attacks of one of the greatest military nations of all time, fully equipped with every device of modern warfare.

It is interesting to note that, recently when she was able for the first time to put more adequately equipped troops in the field she has more than held her own against one of the great military powers of the day, provided with every instrument of modern warfare.

This loan is designed to further support her financial and military status. It is predicated not only on purely [illegible] and financial considerations, but [illegible] appreciation of the service which China has rendered and is rendering and will continue to render toward the preservation of democratic government.

Considerations advanced for this loan at the consideration, which govern it were exhaustively discussed when the authorizing resolution was under consideration in both the House and the Senate last week.

I take for granted the House is fully informed on the subject, and unless there is a demand for time on some question, I shall ask for a vote on the joint resolution as reported by the committee.

This question was thoroughly discussed in the House and the Senate last week, when the authorizing legislation was before the House. It therefore needs no further consideration, and I ask for a vote.

Mr. LUTHER A. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Texas.

Mr. LUTHER A. JOHNSON. In addition to what the gentleman has so well said about China, may I call attention to the friendship that has always existed between China and the United States. They have always been our friends and we have always been their friends in both peace and war.

Mr. CANNON of Missouri. We have not only enjoyed a long and gratifying diplomatic friendship with the Chinese Government and the Chinese people, but we have maintained mutually beneficial commercial relations with the Celestial Kingdom from the earliest days of the Republic.

Mr. CASEY of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Massachusetts.

Mr. CASEY of Massachusetts. The gentleman's talk reminds me that, for a long time we Americans, and I do not except myself, have looked upon ourselves as playing the role of the Good Samaritan. This bill is an instance and proof of the fact that we are not playing that role in this instance, but to a great extent we are waging this war through mercenaries and to a great extent we are on the receiving end in waging a war for self-protection.

Mr. CANNON of Missouri. All the evidence adduced before the committee indicates that we are receiving in the present conflict invaluable cooperation and assistance from the Chinese troops and the Chinese Government.

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

Mr. CANNON of Missouri. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. I would like to have incorporated in the gentleman's remarks the fact that we are not the only nation giving recognition to China. Will the gentleman tell us how much Great Britain is also lending China at the moment?

Mr. CANNON of Missouri. I am glad to have the gentleman call attention to that important phase of the situation. As the gentleman says, Great Britain is simultaneously making the Chinese Government a loan of [illegible] which, with the amount contained in this bill, [illegible] of China at this time.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I merely wish to say that I am pleased to see this bill brought up here and adopted. This is in line with remarks I made on the last supplemental defense appropriation bill. I feel it is important that we maintain China and that as soon as possible we construct bases in China from which we may make direct attacks on the Japanese.

Mr. CANNON of Missouri. The gentleman foresaw with prophetic vision the importance of collaborating financially with our Allies and especially with the Chinese Government. I congratulate him on the vindication of his judgment in the provisions of this measure. And at the same time I am convinced this resolution meets with the approval and expresses the sentiment and wishes of the House and of the American people. Mr. Speaker, I ask for a vote.

The joint resolution was ordered to be engrossed and read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

PROMOTION TO COMMISSIONED RANK IN THE NAVY

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6496) to authorize the appointment as commissioned warrant and warrant officers with commissioned rank in the line and staff corps of the Navy and Marine Corps, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MICHENER. Mr. Speaker, I reserve the right to object.

Mr. VINSON of Georgia. Mr. Speaker, under the reservation of objection made by the distinguished gentleman from Michigan, I will briefly state what the purpose is of this bill.

The measure is presented to the House by our distinguished colleague the gentleman from New York [Mr. Cole]. Behind this bill is a former bill introduced by the distinguished gentleman from Pennsylvania [Mr. Boland], and as a result of a long hearing the Navy Department has recommended the enactment of the bill H. R. 6496.

This bill for the first time in the history of the Navy opens the door of opportunity to every enlisted man ultimately to become a commissioned officer of the Navy. While it directly applies to warrant officers and commissioned warrant officers, in future years any enlisted seaman, if he proves satisfactory and can qualify, may ultimately become a commissioned officer. In other words, for the first time we are making the Navy more democratic. As everyone knows, the Navy is officered mainly by officers graduated from the Naval Academy. There are only some [illegible] officers of the line in the staff of the Navy who came up through the enlisted force. Under the law today, only 12 are permitted to have this opportunity. This measure grants such opportunity to all warrant officers and commissioned warrant officers and every enlisted man ultimately to demonstrate his qualifications for a commission.

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

Mr. VINSON of Georgia. I yield to the gentleman from New York.

Mr. COLE of New York. The gentleman has referred to the fact that some 12 officers are taken into the regular commissioned line of the Navy. Do I understand that there are 12 coming from the noncommissioned rank or are they 12 who got into the Naval Academy?

Mr. VINSON of Georgia. Under the law today only 12 warrant officers or chief warrant officers, under the limitation of 12, can ultimately be given an examination for a commission.

Mr. COLE of New York. So this bill expands the policy of the practice that has been in use for some years.

Mr. VINSON of Georgia. It does. It is the most constructive and beneficial bill along this line that the Naval Affairs Committee has submitted to the House in many years.

Mr. MICHENER. Mr. Speaker, further reserving the right to object, I am pleased that the gentleman has made that assertion.

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

Mr. VINSON of Georgia. Yes.

Mr. SABATH. In what way does this bill differ from the bill originally introduced by the gentleman from Pennsylvania [Mr. Boland]?

Mr. VINSON of Georgia. In a great deal, in that particular group that Mr. Boland's bill deals with were those warrant officers and commissioned warrant officers, who wanted a greater latitude than this bill gives, but this is as far as the Committee on Naval Affairs thought we could go, and we are deeply grateful to the gentleman from Pennsylvania [Mr. Boland] for opening the opportunity for these men as well as to the men he had in mind.

Mr. SABATH. And the gentleman thinks that reserve men will receive benefits?

Mr. VINSON of Georgia. They will have the opportunity.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That the President, by and with the advice and consent of the Senate, is authorized to appoint annually to the commissioned grade or rank for which they make application and for which they are found qualified, not above that of lieutenant in the line and staff corps of the Navy, as many commissioned warrant and warrant officers of the Regular Navy as he may deem necessary and the authorized number of commissioned officers of the line and of each staff corps to which such appointments may be made is increased accordingly.

SEC. 2. Candidates shall, on June 30 of the calendar year in which they are to be appointed, have completed not less than [illegible] years of service as a warrant officer and shall, on the same date, to be eligible for appointment to the rank of [illegible]

[illegible] Sec. 5. Any commissioned officer of the Navy, Marine Corps, or Coast Guard [illegible] ... shall be examined for promotion ... by a board of medical examiners and a naval examining board: *Provided*, That any candidate who shall have twice failed to establish his qualifications for an appointment pursuant to this act shall thereafter be ineligible for further consideration for such appointment [illegible]

Sec. 6. [illegible]

Sec. 8. Each officer appointed pursuant to this act [illegible] ... in that grade only and while in such grade shall become eligible for consideration for promotion to the next higher grade by a selection board [illegible]

Sec. 8. The Secretary of the Navy, under such regulations as he may prescribe, may revoke the commission of any officer [illegible] ... service in the Navy, including service as a commissioned officer [illegible] ... shall be discharged from the naval service.

Sec. 7. Except as herein otherwise provided, officers appointed under the authority of this act shall be governed by the provisions of existing laws [illegible] ... to line and staff officers of the Navy, as may be appropriate.

Sec. 8. The provisions of this act, except as may be necessary to adapt the same thereto, shall apply to the Marine Corps [illegible] ... for the Regular Navy.

Sec. 9. All existing laws or parts of existing laws [illegible] ... or the Regular Navy [illegible] ... and all other laws or parts of laws insofar as they are inconsistent with or in conflict with the provisions of this act, are hereby repealed.

With the following committee amendments:

[illegible]

The SPEAKER. The question is on agreeing to the amendments.

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT TO NEUTRALITY ACT OF 1939 (H. DOC. NO. 617)

The SPEAKER laid before the House the following message from the President of the United States, which was read, with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

I recommend that the Neutrality Act of 1939 be amended to provide that section 7 shall not be operative when the United States is at war.

Section 7 now in effect prevents essential financial transactions between persons within the United States and our cobelligerents. In our opinion there was never any intention that this section should operate during our belligerency. I hope that the Congress will act promptly in this matter to legalize transactions essential to the effective prosecution of the war.

There is attached a draft resolution designed to accomplish the purpose of this recommendation.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 9, 1942.*

JOINT RESOLUTION

Resolved, etc., That section 7 of the Neutrality Act of 1939 (Public Res. No. 54, 76th Cong.) is amended by adding at the end thereof the following new paragraph:

"(e) This section shall not be operative when the United States is at war."

REPORT OF GOVERNOR OF PANAMA CANAL

The SPEAKER also laid before the House the following message from the President of the United States which was read, and with the accompanying papers referred to the Committee on the Merchant Marine and Fisheries:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the Annual Report of the Governor of the Panama Canal for the fiscal year ended June 30, 1941.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 9, 1942.*

REPORT OF BOARD OF DIRECTORS, PANAMA RAILROAD COMPANY

The SPEAKER also laid before the House the following message from the President of the United States, which was read and, with the accompanying papers, referred to the Committee on the Merchant Marine and Fisheries:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the Ninety-second Annual Report of the Board of Directors of the Panama Railroad Company for the fiscal year ended June 30, 1941.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 9, 1942.*

JUVENILE COURT, DISTRICT OF COLUMBIA (H. DOC. NO. 619)

The SPEAKER also laid before the House the following message from the President of the United States, which was read and, with the accompanying papers, referred to the Committee on the District of Columbia and ordered to be printed:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, a communication from the judge of the juvenile court of the District of Columbia, together with a report covering the work of the juvenile court during the fiscal year 1941.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 9, 1942.*

VETO MESSAGE—REGISTRATION OF FOREIGN PROPAGANDA AGENCIES (H. DOC. NO. [illegible])

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

To the House of Representatives:

I return, herewith, without my approval, H. R. [illegible], "To amend the act entitled 'An act to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes,' approved June 8, 1938, as amended."

This bill was drafted in peacetime to protect a nation at peace. It was properly designed to force the disclosure of the activities of foreign agents who might abuse the hospitality of our country and weaken our national unity by fomenting discord and distrust.

The bill, however, obviously was not drafted with a view to the situation created by the Axis assault upon our country and our entry into the war in fighting partnership with 25 united nations and in active cooperation with other nations whose defense we deem vital to our own defense.

To achieve victory we must be certain that there is a minimum of interference with the strengthening and perfecting of joint action. Active collaboration of a military or economic nature with friendly countries requires the fullest and most constant exchange of representatives between us.

Just as we are anxious to see nothing interfere with the functioning of our representatives in friendly countries, so we must do everything we can to facilitate their functioning with us in this country. It is far from clear that the requirements of this legislation would not in many instances be unnecessary, inappropriate, and onerous in respect to the representatives of friendly nations who are constantly coming to and from the United States to cooperate with us.

I recommend that this bill be adjusted to meet these changed conditions resulting from our entry into the war. Such adjustment might be achieved by granting broad discretionary powers to the Attorney General during the emergency, to enable him to administer the bill so as to meet these new conditions.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 9, 1942.*

The SPEAKER. The objection of the President will be spread at length upon the Journal.

Mr. SUMNERS of Texas. Mr. Speaker, I move that the President's message be referred to the Committee on the Judiciary and ordered to be printed.

The motion was agreed to.

EXTENSION OF REMARKS

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record on the subject of the [illegible]

with the legislatures of the various States, and also to insert two newspaper articles.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

FIRST DEFICIENCY APPROPRIATION BILL, FISCAL YEAR 1942

Mr. CANNON of Missouri. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 6548) the first deficiency appropriation bill, fiscal year 1942.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 6548, with Mr. BEITER of Virginia in the chair.

The Clerk read the title of the bill.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that the pending amendment be again read for the information of the Committee.

The CHAIRMAN. Without objection, the Clerk will again report the amendment offered by the gentleman from Pennsylvania [Mr. DITTER] before the Committee rose.

There being no objection, the Clerk read as follows:

Amendment offered by Mr. DITTER: On page 31, line 13, strike out "$20,000,000" and insert in lieu thereof "$10,000,000."

The CHAIRMAN. The gentleman is recognized for 5 minutes in support of his amendment.

Mr. DITTER. Mr. Chairman, the amendment now before the Committee is the amendment that was offered immediately preceding the motion of the chairman, on Friday, that the Committee rise. So that we may reorient ourselves, you will remember that the Committee adopted two amendments. The first amendment adopted was the amendment offered by the gentleman from California [Mr. LELAND M. FORD], with reference to certain activities that since then have had considerable display advertising in the press of the country. Then you will remember the next amendment that was adopted was an amendment offered by the gentleman from Massachusetts [Mr. WIGGLESWORTH], which, too, has had a considerable amount of attention by the press of the country. Both amendments were offered for the purpose of eliminating needless expenditures and to bring the efforts of the Treasury Department within the realm of reason.

The amendment now before the Committee has the same purpose in mind. That is, that the $20,000,000 is to be reduced to $10,000,000 for promotional purposes. It is my understanding that the Secretary of the Treasury appeared before the committee in connection with the China relief appropriations today, and that during the course of the hearing some effort was made to try to justify the $20,000,000 that had previously been presented. I want to refer to the figures as they were submitted today by the Secretary of the Treasury with reference to promotional expenses for the sale of bonds.

According to the statement of the Secretary we have been able to market, thus far, $3,597,756,000 in bonds this year. When the question was asked the Secretary what the costs were for promoting that program he was unable to tell us. I understand that they hope during the next few months, during the rest of the calendar year, these sales will be brought up to $5,000,000,000.

We must bear in mind that since the 7th of December a promotional appeal, greater than any effort which might be made by either moving pictures or the radio or any other effort on the part of the Treasury Department, was set in motion. Pearl Harbor was the spark which fired the devotion of America. Pearl Harbor provided the best possible incentive to the American people to buy bonds. I submit to the Committee today that if they were able to market what the Secretary of the Treasury says has been marketed and what they contemplate marketing during the next few months of the year, then certainly this additional promotional expense, on the basis that they are presently requesting it, can be reduced without injury. Bravery rather than ballyhoo will be the appeal.

Mr. WOODRUM of Virginia. Mr. Chairman, will the gentleman yield?

Mr. DITTER. I hope the gentleman will not press me. I only have a few minutes.

Mr. WOODRUM of Virginia. The gentleman can get some additional time.

Mr. DITTER. I cannot refrain from yielding to the gentleman.

Mr. WOODRUM of Virginia. I am sorry the gentleman did not hear the statement of the Secretary this morning, because I think he would have been impressed by the statement he made, and I would like to correct the gentleman if he has inadvertently made an incorrect statement. The bond sales through January were $3,000,000,000 plus.

Mr. DITTER. That is right.

Mr. WOODRUM of Virginia. Then he hoped to have an additional four or five billion by June.

Mr. DITTER. That is right. Now, if I have not made that clear—I thought that is what I had definitely stated to the Committee; that the sales up through January were $3,597,756,000 and that during the rest of the calendar year they hoped to do it on a $5,000,000,000 basis.

Mr. SNYDER. An additional $5,000,000,000?

Mr. WOODRUM of Virginia. An additional $5,000,000,000.

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I am going to ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. DITTER. Yes; $5,000,000,000 additional. I want that word "additional" in there. But the point I make is that $5,000,000,000 additional does not justify the increase in cost such as is presently requested. It amounts, in round figures, to $4,000,000 a month for promotional expenses—for a part of the promotional expenses.

Mr. WOODRUM of Virginia. Will the gentleman yield again?

Mr. DITTER. I hope the gentleman will use his own time.

Mr. WOODRUM of Virginia. Mr. Chairman, I ask unanimous consent that the gentleman have an additional 3 minutes, because we can develop the facts here.

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

There was no objection.

Mr. WOODRUM of Virginia. I know the gentleman in his traditional desire to be fair wants to give the House all the facts.

Mr. DITTER. I want to give all the facts, certainly.

Mr. WOODRUM of Virginia. I know the gentleman wants to do that. Will not the gentleman point out that in this $20,000,000, from which he now tries to cut $10,000,000, $13,000,000 is for the actual printing and registering of the bonds that are to be sold; and, further, if the gentleman will permit, not 1 penny of these funds is paid for radio or for newspaper advertisements or for speeches, or for any of that type high-pressure advertising which went on during the Liberty bond sales?

Mr. DITTER. Again, Mr. Chairman, the gentleman took the words out of my mouth. I intended to develop during the few minutes still remaining to me the very things he has given to the House. Far be it from me to attempt either to conceal or withhold from the House any information at hand, but in answer to the gentleman I should like to point out that with the method that is presently being pursued in accounting it is difficult to determine how these funds are to be used. Maybe there will not be any for radio, maybe there will not be any for the motion pictures. Dear knows, you have got enough in here now for them. But this fund will provide for additional jobs—eight-hundred-and-eighty-odd new positions.

The point I make is that with the incentive that comes from the patriotism, the great devotion, the loyalty of the American people I question very much whether we need the artificial means on the scale that are presently being resorted to.

My challenge to the leadership is that they put on a program which will take out the Walt Disney appeals, take out the Donald Ducks, and create in the hearts of the American people a real confidence. I believe the promotional program can be carried on as it was carried on during the first World War. I believe there will be volunteers who will come forward and do the work. I believe the campaign for the bonds that must be sold for the financing of the war can be carried on more successfully without an overdose of artificial stimulation.

All of us are eager that the Government needs—the needs to win the war—shall be provided for by the wholesouled support of our people. I repeat what I have said on other occasions, every dollar that is necessary to immequickly and successfully the war in which we are engaged should be [illegible] by the Congress. I believe that is the spirit of the American people.

I believe the American people are ready to respond to the requests which have been made to invest in the bonds—to show their devotion to and to evidence their faith in the future of America. I believe ample provision can be made for [illegible] by the amendment now before you. To appropriate more than is necessary would hinder rather than help the program. To appropriate a greater sum than is required, [illegible] extravagant or wasteful, would tend to discourage rather than encourage the support which we seek. We would be defeating our own purposes.

I believe we must appeal to the people by the sincerity of our motives, on a substantial, matter-of-fact basis, with facts and figures, by the presentation of a crystal-clear picture of the serious, sobering task which confronts us. I have a faith in the practical common sense of our people—their ability to think through things—and as I have a faith in their loyalty and devotion. If a stimulant is necessary, let it be the stimulant which would be provided by a complete confidence—a confidence created by competence—a confidence that the ghost of a W. P. A. will not attempt to take into their the flesh and blood of a defense program—a confidence that the only measure of [illegible] those who are to direct our efforts will be the measure of their ability—that favoritism will have no place, that the energy and resourcefulness of America will be given the opportunity to do the job which they are capable of doing. That stimulant and the results of it would not be forgotten.

I ask favorable action on the pending amendment.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto do close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Mr. Chairman, let me consider, first, the purpose of this appropriation. This appropriation is to pay all the expenses of printing and [illegible] these bonds and accounting for them, in order that we may put them on the market. [illegible] million dollars is provided in the bill, and out of this $10,000,000 the gentleman proposes to cut $[illegible]. As the Secretary of the Treasury testified before the committee this morning, we cannot print the bonds, [illegible] have bonds ready for sale if we do not have the money. The additional money is essential.

I think the gentleman fails to consider the effect of his amendment. The original appropriation for this purpose was $[illegible]. It was thought at the time [illegible] was ample as it provided for 15,000,[illegible] pieces of bonds and stamps for the fiscal year 1942. But a great deal has happened since then. [illegible] We are now at war. The demand for Federal addi-tional revenue has increased. The sale of bonds must be expanded proportionately. The number of pieces now estimated for the fiscal year 1942 is 189,000,000.

Mr. WOODRUM of Virginia. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Virginia.

Mr. WOODRUM of Virginia. Will the gentleman also point out the fact that the Secretary of the Treasury made mention of the fact this morning in our committee meeting that it was very desirable that these bonds be sold as largely as possible to the average American citizen; that he would have no difficulty in taking these bonds and putting them in the banks if they wanted them, but that was not desirable, and the effort was being made to advertise them and to put them before the average American citizen in order to spread this loan out among all the people and not concentrate it in the banks?

Mr. CANNON of Missouri. The gentleman mentions a phase of the feature of the sales campaign which the Secretary particularly emphasized.

Mr. CASEY of Massachusetts. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Massachusetts.

Mr. CASEY of Massachusetts. Does the gentleman know of any individual, with few exceptions, in this country that is better known and better able to bring the message home to the average American citizen than is Donald Duck?

Mr. CANNON of Missouri. That does not enter into this particular item, but it is one of the important items of the bill and is expected by the Department to be accelerating the sale of the bonds throughout the country.

Mr. DITTER. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Pennsylvania.

Mr. DITTER. I think the gentleman wants to be fair, and I think as he talks about the matter of the bonds he certainly wants to point out to the House that this provision will enable the employment of some eight-hundred-and-eighty-odd new men; is that correct?

Mr. CANNON of Missouri. Mr. Chairman, the committee cut $1,250,000 for that purpose out of this appropriation and [illegible] below the Budget estimate, [illegible] below the amount the Treasury thought necessary. We have already [illegible] $10,[illegible] to the end of January and that is $[illegible] over the present fiscal.

Furthermore, we figured that by the end of the fiscal year, June, we will have to spend $20,[illegible], whereas even if this $10,000,000 additional is appropriated we will have only $20,000,000—a sum which may not be enough. This is the most economical amount that can possibly be provided for this purpose.

Mr. DITTER. Will the gentleman answer the question?

Mr. CANNON of Missouri. The thing which the Secretary emphasized particularly before the committee this morning was that whereas in the last war we sold bonds largely through the banks, thereby inducing excessive inflation, we now propose to sell them direct to the people in order to ward off disastrous inflation. He made the statement this morning that Mr. Leon Henderson, Price Administrator, had told him that [illegible] for the $1,000,000,000 of these bonds sold last January to the people he would have been unable to have controlled a [illegible] upsurge of inflation.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent for 1 additional minute in which the gentleman from Pennsylvania [Mr. DITTER] may ask his question.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

There was no objection.

Mr. CANNON of Missouri. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. My only purpose in requesting the gentleman to yield further was to have him answer the question I asked before. In other words, the gentleman disabled the inquiry I addressed to him as to whether or not this did not provide for 880 new jobs and 20 professional specialists. I am wondering whether the gentleman would inform the House. I know he wants to be fair.

Mr. CANNON of Missouri. In answer to that may I say that when we cut the amount in the committee we made it impossible to add all of the proposed personnel.

Mr. DITTER. The gentleman means we will not have them?

Mr. CANNON of Missouri. The committee reduced the estimate by $1,250,000, thereby rendering it impossible to add all of the 880 new personnel. May I say further it was testified this morning that 95 percent of this sale force is voluntary? Their services are given gratis. It would be impossible to conceive of a more economical set-up for the distribution of these bonds to the American public.

Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. DITTER].

The question was taken; and on a division (demanded by Mr. DITTER) there were—ayes 71, noes 83.

Mr. TABER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. DITTER and Mr. CANNON of Missouri.

The Committee again divided; and the tellers reported that there were—ayes 80, noes 110.

So the amendment was rejected.

The Clerk read as follows:

[illegible]

[illegible]

Mr. O'CONNOR. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not going to speak on this bill. Of course, I am supporting it. I am going to speak on a resolution I introduced this morning to investigate the alleged sugar shortage.

The purpose of this resolution is an objective inquiry.

It is not aimed to get anybody or [illegible] anybody or blame anybody.

It is aimed to get at the truth about the so-called sugar shortage.

Charges have been leveled by responsible individuals that dollar-a-year men in the Chemical Division of the War Production Board are delaying, and otherwise hamstringing, the production of industrial alcohol from corn and other grains of which we have a tremendous surplus. Certain facts have been brought out which bear the closest examination.

Leon Henderson, the Price Administrator, states that as much as possible of our industrial alcohol production should be from our surplus wheat and corn instead of from sugar.

Obviously the more alcohol we can get from corn and wheat the less we will have to get from sugar, and the less we get from sugar the less of a sugar shortage we will have. And it is highly important that we in the United States do not have any shortages that are not honest-to-God shortages. We had a supposed oil shortage and it is important that we—the richest nation in the world—do not encourage hoarding of any commodity by shouting "Wolf! Wolf!" once too often.

The distillers of the country have offered to meet the war needs for industrial alcohol by making it from corn, wheat, and other surplus products.

The Alcohol Section of the Chemical Division of the War Production Board—and that section is headed by two former officials of private industrial alcohol corporations equipped to make alcohol from sugar—have been very reluctant to encourage the making of 190-proof alcohol from corn and other surplus grains.

They claim that they issued an order on January 10 instructing all liquor distillers—that is, all large liquor distillers—to cease all production of whiskey and produce only 190-proof alcohol in the future. They offer this as evidence that they are trying to produce and are producing alcohol for industrial purposes, from corn and other surplus products.

But I would call the attention of the House to the fact that their acts speak louder than their words. This order was to have taken effect on January 15. But the date of its effectiveness was postponed to February 1, and only the other day it was again postponed.

Why? Why this monkeying around when the Nation needs sugar and the big distillers are offering their facilities.

Oh, yes; it has been said—and correctly—that we are making alcohol from corn and wheat now, but that is neither here nor there. The amount we are making from corn and wheat now—and estimates on this vary—is but a small percentage of what we could make if certain powerful interests in and out of the Government were in favor of doing just that thing.

I am seeking this investigation to clarify this whole situation. The Nation and the people who consume sugar, and who may have difficulty getting sugar, are entitled to it. They are entitled to the truth. The industrial alcohol distillers—those who make it from sugar—appear to be in the saddle. It is time that the farmers and the vast agricultural interests, with their vast surpluses, had a look-in on this alcohol situation.

We need from 250,000,000 to 300,000,000 gallons for the making of smokeless powder.

Now it so happens that a vast surplus of grain is filling up storehouses all over and all granaries on farms, and these storehouses will be needed for the new crop which will begin to come in this spring.

The Commodity Credit Corporation reports that there is a surplus of 5,000,000 bushels of corn and wheat, belonging to the Government, on the west coast alone; and that in the Western States there are 150,000,000 bushels of additional wheat on which the Government holds a mortgage. We know that the Government owns staggering surplus supplies of wheat and corn.

Now, 150,000,000 bushels of wheat, according to Government scientists, will make about 325,000,000 gallons of 190-proof alcohol. Now, that is more than the whole complete needs of the Government.

The basis of the alleged sugar shortage is that the Government needs high-test alcohol for making smokeless powder. That alcohol can be made from surplus wheat and corn. The total wheat and corn surplus in the United States is about 1,500,000,000 bushels.

But the Chemical Division of the War Production Board has many claimed reasons why it is impractical to use that surplus to the maximum.

Meanwhile, the so-called sugar shortage is made more pronounced by the fact that 1,300,000 tons of sugar is being commandeered for the making of alcohol for the making, in turn, of smokeless powder.

It is said that liquor-distilling industries are ready and willing to make high-proof alcohol from corn and wheat and other surplus grains.

The farmers are praying this will be done. The people who consume sugar, and who are having their supply rationed, hope it will be done.

But the fact remains that, except in a small way, it is not being done. And it is precisely the thing that should be done, whether the makers-of-alcohol-from-sugar boys like it or not.

The facts should be told. Only in that manner can we aid the war effort. Only in that manner can we prevent certain forms of selfishness from serving their private interests.

We have large distilling facilities. In addition to the big liquor distillers, we have the wine industry of California. They have been operating only about 2 months a year. That is the situation they are on now. And, what is more important, most of them are Government-controlled distilleries, because they are farm cooperatives and the Government holds the mortgage on them.

I understand the California distilleries have offered to make alcohol from surplus grains. Has that offer been accepted by the Chemical Division of the War Production Board?

No.

Here is a letter—and I quote a paragraph—from one of the [illegible] to the Chemical Division, turning these down [illegible]:

At the moment it is not [illegible] the fruit distilleries in California to produce 190-proof grain alcohol [illegible]. It may be that later we will have to change our conclusions.

Now it so happens there are fine and up-to-date wine distilleries out there. They claim to have a capacity of 73,000,000 gallons a year. Some of their officials claim their total capacity would be higher than that. But that 73,000,000 gallons is worth considering. That capacity should be used to the maximum.

Now, add this to the fact that the liquor-distilling industry claims to be able to produce 90,000,000 gallons of high-test alcohol beginning now—immediately. In addition to that, they report that their thousands of small distilleries all over the country can produce 110,000,000 more gallons of high-test alcohol. That makes a total of 200,000,000 gallons which, added to the 73,000,000 gallons from the wine industry, would meet the Government's total needs.

Now, these thousands of little distilleries would not be able to make over 160-proof alcohol, and we cannot give them the copper to raise the proof to the required 190. But we can do this: That 160-proof alcohol can be redistilled in short order by the big industrial-alcohol plants of the country, the ones that are now tying up 1,300,000 tons of sugar, and this process would not require any change in equipment of the little distillers and it would release a vast supply of sugar.

Above that the synthetic-alcohol industry is now producing 50,000,000 gallons of alcohol every year from petroleum. That will continue and should continue.

Now, there are all sorts of objections to the practicality of running the liquor distilling and wine industries at full capacity to make industrial alcohol. But the truth is it can be done; and if the farmers of America are ever to be able to dispose of even a part of the one and one-half billion bushels of surplus grains, we must bring the situation out into the open. The facts should be made available to the Nation as a whole.

We have nothing to lose. We have everything to gain. The investigation I propose would be of benefit to everybody—to the farmers, to the consumers of sugar, to those who are seeking to make the maximum quantity of smokeless powder—in fact, to everybody except those selfish and powerful interests which would like to continue the status [illegible] of [illegible] to sugar the making of 190-proof ethyl alcohol.

Mr. CASEY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from Massachusetts.

Mr. CASEY of Massachusetts. Just for information, can the distillers, with their present set-up, use wheat and corn to distill alcohol?

Mr. O'CONNOR. Many of these distillers, the large and the small distillers, [illegible] plants are fitted for the use of sugar only. These could easily be converted into plants that use cereal and corn. The small distillers may distill industrial alcohol up to a content of 140 proof, but they can turn this product over to the distillers who are equipped to make this industrial alcohol, and then the latter can redistill up to 190 proof.

Mr. CASEY of Massachusetts. My question was pointed to the inquiry as to why the distillers opposed making alcohol from these products.

Mr. O'CONNOR. I tried to point that out in my earlier remarks here. Apparently there is some kind of a hold on this business by the distillers using sugar—that is, those distillers who use sugar as a means of producing industrial alcohol. I want to say right now, because I have talked to Mr. Henderson about this very subject, that he wants to use corn and wheat to produce industrial alcohol. He realizes the tremendous surplus of grain that there is and he wants to use it, yet the fact is we are producing from all the corn and wheat, although we have 1,000,000,000 bushels, less than 10 percent of the actual production of industrial alcohol from grain. The balance is made from sugar, where later on there may be an actual shortage.

(Mr. O'CONNOR asked and was given permission to revise and extend his remarks in the Record.)

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, for many months the farmers of this country, who have been called upon to produce additional quantities of dairy, pork, beef, and poultry products, have requested the Selective Service Board at Washington to issue specific instructions to the local draft boards so that farm labor may be given deferment in connection with the draft. Up to the present time those in charge of our defense program have refused to consider agriculture as an essential industry. Thousands of boys who are needed on the farms to help in providing the additional production of agricultural products are being taken into the Army. Calls have repeatedly been made on General Hershey to give the local boards specific instructions to the effect that agriculture is an essential industry and that the farm boys should be given deferment so that they may continue in the operation of the farms to produce additional supplies for essential defense.

If you have read the New York Times of this morning, you will have noted that General Hershey has acted in the case of the movie industry. He has sent specific instructions to the draft boards in California to grant deferment to actors, directors, writers, producers, sound engineers, and other technicians because, he states, these activities are essential in many instances to the national health, safety, and interest.

It seems to me it is going rather far afield when General Hershey declares the movie industry to be an essential industry and gives specific instructions to the local draft boards in California to give deferment to these professional people but then refuses to give specific instructions in the agricultural areas so that the young men needed on the farms to produce food for the Nation and for the world may not be given deferment. It is time that we here in Congress take some notice of all these extraneous activities that are going on in the name of national defense.

General Hershey issued his ruling at the request of Mr. Lowell Mellett, who is the coordinator of Government films and the liaison officer between the Federal Government and the motion-picture industry. He is a Government official. He made the request for this action to General Hershey on February 4 and the order came out so that it was in time to be published in the morning paper. It shows that it took him only 4 days to get results for the actors and others in the movie industry, whereas millions of farmers in this country are asking for action for the farmers and have been waiting for such action from General Hershey for the past 6 months without any results.

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

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from New York.

Mr. CULKIN. Does the gentleman think it is another case of glamour?

Mr. AUGUST H. ANDRESEN. Undoubtedly. There may not be as much glamour in milking a cow as seeing a fan dancer, or some of these others who are engaged in movie activities, but when it comes to the safety and the welfare of the Nation and the success of the war, there is nothing that will compare with the need for an abundance of products from the farms.

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

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Tennessee.

Mr. JENNINGS. The gentleman is a well-informed Member of this Congress and a student of affairs and of people. Can the gentleman think of anything that a fan dancer and a night-club entertainer could bring to a child that would be of benefit to the child?

Mr. AUGUST H. ANDRESEN. No. The best thing a child can get, I will say to my friend, is good, wholesome dairy cows' milk and no synthetic product.

[Here the gavel fell.]

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. AUGUST H. ANDRESEN. I call upon General Hershey to immediately issue instructions to all draft boards to give deferment to farm labor as an essential occupation in the conduct of the war and for the safety and the health of the Nation.

Mr. Chairman, the farm-labor situation is becoming desperate in farming areas. Farm boys are being drafted into the Army. Regular farm labor is going into defense production work due to the attraction of high wages. In many instances farmers are unable to get labor at any price to carry on their farm work. The result for many engaged in dairy, pork, beef, and poultry production will be to go out of the farming business, and that is what they are doing now. An abundance of agricultural products is necessary to win this war, and General Hershey and others in charge of the defense program should take immediate action to aid in providing an adequate supply of farm labor.

Mr. Chairman, under permission granted in the House, I am including with my remarks the article which appeared today in the New York Times, which gives in detail the instructions sent by General Hershey to the draft boards in California to give deferments from the draft to actors and others in the movie industry. The article follows:

[From the New York Times]

DRAFT DEFERMENT FOR ESSENTIAL MEN IN MOVIES GRANTED—HERSHEY FINDS INDUSTRY AID TO MORALE OF CIVILIANS AND WAR PRODUCTION—"REASONABLE DELAYS" FOR DIRECTORS, ACTORS, WRITERS, PRODUCERS, CAMERAMEN, AND OTHERS

The motion-picture industry is "an activity essential in certain instances to the national health, safety, and interest, and in other instances to war production," according to a ruling by Brig. Gen. Lewis B. Hershey, Director of Selective Service, which was revealed yesterday through the [illegible] committee of the industry.

In accordance with this ruling, instructions have been sent to selective service officials in California to grant "reasonable delays" to "actors, directors, writers, producers, cameramen, sound engineers, and other technicians who cannot be replaced because of the shortage of persons of their qualifications and skill" and whose removal "would cause a serious loss of effectiveness."

NO BLANKET DEFERMENT

George J. Schaefer, chairman of the war activities committee, declared that the industry "would not think of asking for blanket deferments" but that the ruling would give it the right to "apply for the [illegible] of indispensable individuals from time to time."

"In my opinion," he added, "deferment [illegible] be sought only for a negligible number of persons engaged in motion-picture production."

William A. Brady, veteran theatrical producer, who at one time [illegible] General Hershey's ruling, Mr. Brady said:

"I don't think either actors [illegible] theater people can be termed 'essential.' They weren't in the first World War, and they were in England during the [illegible] of this war."

General Hershey's ruling was made in response to a written request by Lowell Mellett, coordinator of Government films and the liaison officer between the Federal Government and the motion-picture industry. Mr. Mellett declared that the motion-picture industry was "essential to the national [illegible]" and should be given the same consideration through the ruling of selective service from the armed services.

General Hershey, in a reply to Mr. Mellett, dated February 4, asserted to the [illegible] that [illegible] of the motion-picture production is in [illegible] essential to the national health, safety, and interest and in other [illegible] essential to war production.

Concurring with this determination of Lt. Col. C. S. Dargusch, Deputy Director of Selective Service, wrote to the California State director of selective service as follows:

"Mr. Lowell Mellett, coordinator of Government films, has certified to the Director of Selective Service that the motion-picture industry is an activity among which the provisions of [illegible], inclusive, Selective Service regulations. Mr. Mellett states:

"'As a civilian activity, I believe this industry is essential to the national health, safety, and interest through the maintenance of the national morale. As a war activity, I believe the industry is essential to the production of training and instructional films for the armed services as well as educational and informational films for the civilian population.

"'In performing these functions the industry requires the services of actors, directors, writers, producers, cameramen, sound engineers, and other technicians. In each category there are, or will be from time to time, men who cannot be replaced because of the shortage of persons of their qualifications and skill and whose removal would cause a serious loss of effectiveness (Selective Training and Service Act of 1940, as amended).'

"In view of such certification, the Director of Selective Service finds that the motion-picture industry is an activity essential in certain instances to the national health, safety, and interest, and in other instances to war production. The responsibility of making and presenting claims for deferment is upon the motion-picture industry, and the determination of necessary men is one for the local boards and appeals agencies."

Mr. SASSCER. Mr. Chairman, I move to strike out the last three words.

The Office of Civilian Defense was created for the purpose of cooperating with the local authorities to protect the civilian population against enemy action and to organize and help train civilian volunteers for this purpose. I am opposed, and have so expressed myself, to the diversion of any money appropriated for this purpose to other purposes, particularly such items as entertainment of the civilian population, which the recent debate in the House of Representatives disclosed is contemplated by the Office of Civilian Defense.

The United Service Organizations, which is separate and apart from civilian defense, is doing a fine, necessary, and commendable job in providing recreational facilities and entertainment for the men in our armed forces. Many patriotic citizens, including a number of screen stars, are contributing of their time and talent to that worthy cause.

Encouragement and support of the recreational facilities for service men, as carried on by the United Service Organizations, is one thing. The effort to have the Office of Civilian Defense go beyond the field for which it was created and attempt to afford recreational and amusement facilities for the civilian population is another thing. It is not necessary, and may be harmful, to have an organization charged with the responsibility of organizing the civilian population for defense purposes attempt to administer the details of any department or organization created by it, and if any such unit is to effectively function, it must be given some administrative and discretionary authority. When, however, any agency or bureau created or supported by congressional appropriation appears to be going beyond the authority for which it was created or abuses the authority delegated to it, Congress should not hesitate to pass some limitations on the authority previously granted or exercised.

I hope the amendment to this appropriation bill, limiting the use of the money appropriated for civilian defense to that purpose, will not be stricken from the bill.

Mr. D'ALESANDRO. Mr. Chairman, will the gentleman yield?

Mr. SASSCER. I yield to the gentleman from Maryland.

Mr. D'ALESANDRO. Mr. Chairman, I wish to congratulate my distinguished colleague from Maryland, Congressman Sasscer, on the views expressed by him. I agree with him because I am against taking money raised by the sale of defense bonds, for anything but giving defense protection, either through the armed forces or through civilian defense, when the sons of America, fathers and mothers are giving their life's blood for the Nation.

We cannot, at this crucial time in our history, ask parents who are sacrificing their sons, and men and women who are skimping for defense, to buy defense bonds when the money will go to some nonessential program. It is a crime to devote that money to anything else or for any purpose other than defense, and so-called social services are not defense these days. The time has come to concentrate on the war and place all our resources and efforts behind our armed forces. I do not favor giving the care of our children to actresses. This thing is absolutely ridiculous.

And while I am on the subject of money, I wish to state that I am against pensions for Congressmen. I did not vote for it and I am ready to vote for its repeal.

Mr. SASSCER. I am glad my able colleague from Maryland approves of my remarks. I, too, am in complete accord with the remarks he recently made in opposition to the provision included in the last retirement bill extending its provisions to include Senators and Members of the House within its scope.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto be limited to 12 minutes.

Mr. WILLIAM T. PHEIFFER. Mr. Chairman, reserving the right to object, does the gentleman anticipate that every man now on his feet will be recognized for 5 minutes, except the gentleman from Massachusetts [Mr. GIFFORD], who desires 2 minutes?

The CHAIRMAN. The Chair has a list of the Members who desire recognition.

Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. NICHOLS. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, show people do not go around telling their troubles like some other folks that I know. Sometimes they have most of their liquid wealth invested in their wardrobe, but still they smile and give a good performance. Sometimes their relatives or friends are in ill health or have hit upon hard times, and it is up to the performer to take care of them, but they still smile and give a good performance.

Show people often have a keener and more penetrating insight into political matters than they publicly talk about. I think that they can see through much of the burlesque performance which has been put on in this House in recent days, and know that the people appreciate their efforts to help in this emergency.

I want Mr. Douglas and the other actors who have heeded the call of their Government for help to know that their personal sacrifices do not go unremembered. When the score is finally totaled I am sure that as great a percentage of show people will have died for our country as any other class of people, and those who do not join the armed forces will, I am sure, make just as liberal a contribution to the general cause by keeping civilian morale high and investing their time and money for the benefit of everyone.

I am somewhat amazed by some of the statements made during the last few days concerning actors and actresses who are assisting in the work of the Office of Civilian Defense and other national defense activities. I do not know Mr. Douglas or the other people who have been named, but think that some of the statements made may reflect unfairly upon people in show business as a whole.

I want the people in the amusement world to know that they have many friends in the House who appreciate what they are doing in this time of emergency to help us all.

Show people are kind-hearted and generous in their contribution of time, effort, and money. They should be encouraged to continue their efforts to keep our national morale high.

When I was younger I had a short whirl at show business. My talents were not such that there was any large demand that I remain before the footlights, but when I retired to other fields of activity I retained my liking for the people who devote their lives to entertainment.

I have met thousands of actors and actresses and believe that there are no more unselfish people in the Nation. They are always ready to give of their time and talents to help any worthy cause, and I defy any Member of this House to show me another class of people who have boosted our war effort more unselfishly.

Mr. CELLER. Mr. Chairman, I was very much interested in the excellent statement made by the gentleman from Montana [Mr. O'CONNOR], concerning the situation with reference to sugar. His remarks are well taken and spring from a great degree of research and keen knowledge. There are a great many sugar refineries in Brooklyn, from which I come. I believe the sugar interests of this country have combined together to do all in their power to prevent the [illegible] of the supply of [illegible] and our [illegible] to produce sugar. And do [illegible] for their own selfish interests. We need [illegible] [illegible]

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

Mr. CELLER. Yes.

Mr. O'CONNOR. [illegible]

Mr. CELLER. [illegible]

not have been made, and I say advisedly that they affect the interests of the refineries of sugar in this country. There is plenty of sugar in the Caribbean Islands, and we could obtain those quotas readily and easily, even if there was a shortage, but there is no actual shortage, and it is only because these statements that have been made that caused an inefficient and uneconomical use of sugar. When you have hoarding, then you are bound to have an uneconomical use of sugar.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield again?

Mr. CELLER. Yes.

Mr. O'CONNOR. Would not the gentleman be in favor of the Speaker of the House appointing a committee of five to impartially investigate this so-called claimed shortage and the added use of corn, wheat, and other grains of which there is a surplus from which to make industrial alcohol?

Mr. CELLER. I would be only too happy to do so, and I would vote as often as I possibly could for a remedy of that sort.

I asked the Bureau of Agricultural Economics, United States Department of Agriculture, to give me the present data on sugar, and it informs me as follows:

[illegible]

[illegible]

Rico, Virgin Islands, Dominican Republic, and Cuba so as to give us more [illegible]

I believe rationing and the issuance of sugar cards should be postponed until we can definitely know all the facts concerning our own capacity to produce and our available importations.

Furthermore, vast quantities of cane and molasses now used for the manufacture of industrial alcohol could be diverted for household use. Alcohol can be readily made from surplus corn, wheat, oats, and other cereals. I am informed that there are far more than [illegible] bushels of such surplus corn and wheat and other cereals which could be diverted for the manufacture of alcohol for defense purposes. Substitution of that grain and cereal for sugar would tremendously ease the sugar strain. Furthermore, vast quantities of raisins and grapes in California and other western States could easily be used in the manufacture of alcohol and thus further alleviate the sugar shortage.

Beet-sugar producers could easily expand their acreage so as to produce more sugar. What is the Commodity Credit Corporation going to do with its [illegible] 000,000 bushels of surplus wheat and its 100,000,000 bushels of surplus corn? That corn and wheat should be utilized by the Commodity Credit Corporation in the manufacture of alcohol to alleviate still further the alleged sugar shortage.

According to the reports, the War Production Board is preparing a sugar-rationing order for wholesalers, and they may slash to the extent of 50 percent the supply of sugar to producers of soft drinks, candy, and confectionery items, this 50-percent reduction to candy and soft drink manufacturers to be based on the 1941 sales by the producers.

To my mind, it seems outrageous to go through all this rationing with sugar cards and reduction of supplies to manufacturers of candy and soft drinks in the teeth of our huge capacity to produce and the vast stores open for us in this country, in South America, Central America, and the Caribbean islands. There is much bungling in this matter and it is well for us in Congress to point out the ineptitude and the [illegible] of certain people who contributed their improvident utterances to the so-called sugar shortage.

There is talk of sending sugar to Russia and even to the British Empire. Russia may be denied access to the sugar-producing regions of the Ukraine occupied by the Germans, and the British Empire might lose some of its shipments from Java, but with our [illegible] of supply we can still ship sugar to Russia and Great Britain and have enough for ourselves.

I do not mind rationing and [illegible] if it is necessary; but it [illegible] hard when such rationing and [illegible] could have been and still [illegible] avoided.

Mr. WILLIAM T. PHEIFFER. Mr. Chairman, the debate of last Friday and again today on this appropriation bill is made important not so much from the standpoint of the amount of money that we are trying to take out of this [illegible] padded bill for the building up [illegible]

[illegible] morale, but because it is symptomatic of a great evil. One of the greatest evils of the present day, if you please, and I measure my words when I say it, is the impression that has gotten abroad among the people of the United States that the servants of the Government are spending money like drunken sailors for all sorts of frills and furbelows imaginable, and that the Congress of the United States is being blindly submissive to such shameful extravagance. It just happens that today we are talking about actors and dancers. Of course we want their services. I say to the gentleman from Oklahoma [Mr. Nichols], and their services are appreciated, but the vicious feature of it is that we are being asked to pay them large salaries for their services. Not only that but we are being asked to pay the expenses of a great organization which will be set up as a vehicle for the display of their artistic talents. With all of the earnestness and sincerity of which I am capable I say to you that the greatest morale builder available to the Congress today is to cut out all the appropriations for the whipped cream, for the frills, for the furbelows. Let us make sure that every dollar appropriated by this bill is used to provide tools and equipment for safeguarding the lives and the property of our fellow citizens against the hazards and the perils of enemy action.

The tendency of spending the taxpayers' hard-earned money on useless, and sometimes absurd, projects is increasing all along the line. I have previously called the attention of the House to ridiculous projects, such as had the approval of the administration before we were plunged into the cauldron of this great war. There was a project on September 11, 1941, approved by the President, in my home city of New York, at a cost of $1,216,631. It was to initiate, supervise, and conduct art activities. Well, I thought, now that we had gotten into the war, such extraneous activities would be curbed. But I say to you with a tinge of sadness and deep regret that instead of these loans and useless projects being curbed they are increasing.

Let me illustrate my point by directing your attention to the fact that on last Wednesday, February 4, the President of the United States approved this project at a cost of $174,634, which would buy approximately three medium tanks:

> Complete a comprehensive review of the literature pertaining to the cooperative movement in form of a series of abstracts of current publications; and prepare a cooperative encyclopedia covering the theory, history, and practice of cooperation in the form of an encyclopedia, consisting of abstracts and digests of selected publications collected and prepared for the review of literature.

Now, that project is limited to the metropolitan area of the city of New York. That amount and that project might well be multiplied by 100 to give us a picture for the country over.

I submit to you that we are confronted by an ever-increasing spirit of resentment, justifiable resentment, on the part of the people we represent in the Congress against the squandering of their hard-earned money for projects which are not essential. If we will be honest and frank with ourselves we can survey the appropriations that come before this House, and the appropriations that are for projects of this sort can and must be eliminated. They are the sort of things that would be scandalous, would be shameful, would be amusing even in the lush days of peace. But in these crucial days when we must husband our resources, when our people are being called upon to invest their savings in Defense bonds and stamps and in every other way to take a hitch in their belts in order that our all-out war effort may go full speed ahead, I maintain that we are charged with the positive duty and responsibility of decisively voting down all appropriations for frills, furbelows, and high jinks.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I move to strike out the last word.

I asked for these 5 minutes only because it is understood that a full House has been summoned in session today to undo that which was done last Friday. I think we should not fail to recognize that there has been a most favorable response from the Nation relating to the action taken last Friday.

Civilian defense is important to every citizen and they do not want to see this money wasted in the manner portrayed in that debate. I should feel very sorry indeed if the amendment offered by the gentleman from California [Mr. Leland M. Ford] fails to remain in the bill. This was a perfected amendment offered by the gentleman from New York [Mr. Taber]. That amendment should have been approved by the American people through the press. It is not an indictment against the moving-picture people who were so ably defended by the gentleman from Oklahoma [Mr. Nichols]. They are important, as has been recognized by the deferment recently granted them. But the Nation has responded favorably to the sentiment expressed last Friday. Editorials in many important newspapers—and I read many of them yesterday—approved the vote in no uncertain language. A prominent banker in my district writes me this morning that people coming into his bank are expressing their disgust of these boondoggling activities in the O. C. D. They declare they will buy no more Defense bonds until assured such foolishness ceases. We must now be especially watchful of our expenditures.

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

Mr. GIFFORD. In just a moment. I hope they will not defeat the amendment which the gentleman from Massachusetts [Mr. Wigglesworth] offered. The moving picture by Walt Disney may be satisfactory, but we must not use these methods. They ordered that picture without authority and now ask permit to make payment.

Mr. WIGGLESWORTH. Will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. WIGGLESWORTH. I have a letter this morning from the [illegible] of Maryland which suggests as a slogan, "[illegible] the defense bill and not one mark for Donald Duck." I think we should all act on that slogan.

Mr. GIFFORD. Other departments of our Government have greatly overdone the moving-picture racket. It has been used, in my opinion, to greatly deceive the public by greatly overdrawn results of some Government activities. I have no time to refer to many of them as I would like to, but we should curtail this method of misleading the public as is done in many cases.

I regretted to read from the remarks of a member of this committee that the Treasury accounts are so scrambled that there is no way to tell what it costs to sell these savings bonds. However, I can well understand that. Many other departments could probably have been called upon to act if we had cut that appropriation as offered by the gentleman from Pennsylvania [Mr. Ditter]. They would probably have found a way around it. The methods are probably so scrambled that it would be useless to investigate. We could never find the actual cost. Do not let us undo what we did last Friday. If we do, we make a mistake. The public approves and needs reassurance.

[Here the gavel fell.]

Mr. MEYER of Maryland. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, much has been said pro and con recently about our beloved President's wife. I am sure I speak for all the citizens of America and particularly for all the Members of the House when I say that we love both the President and his wife from the bottom of our hearts. Yet I am constrained to say this to the President's wife, just as did Lucasta, going to the Wars, when he took leave of his lady love:

> I could not love thee, Dear, so much,
> Loved I not Honor more.

I rose with reluctance to discuss the pending deficiency appropriation measure because what I must say is not pleasant, but good conscience compels me to speak.

It is unfortunate that we, the Members of Congress, are placed on the horns of an unpleasant dilemma. We must either vote for this measure or face the unhappy prospect of being recalcitrant in our duty to our country. I realize that probably there are included in some of the items presented certain allocations which are, strictly speaking, not essential. However, they are so interwoven into the warp and woof of the major and essential items that any disturbance may cause dangerous delay and disruption. I, for one, believe that any delay, no matter how slight, may be disastrous, if not fatal, to the very existence of our Nation.

We can hope, however, that what we have to say here may shock some people in high places out of their complacency. Gentlemen, business as usual in this country is but a memory for the duration of our life and death struggle with the enemies of all we hold near and dear. Government as usual must also be forgotten from now until victory—complete and final—is achieved.

It is only fair to say to those who are administering Government agencies, bureaus, and departments that first things must come first. The [illegible]

[illegible] The [illegible] are operating in echelons off of our coasts. His planes have established an ability to attack our territory. I do not wish to appear unduly pessimistic but I predict that by [illegible] his planes will attack our continental cities. We must ship ourselves for action. Our peacetime pursuits must be relegated to the background. We must go all out for war. With every dollar, every resource, and every fiber we must assist in our country's desperate crises. These our nation is desperate. We must [illegible] in a [illegible] [illegible]. And while [illegible] our [illegible] [illegible] we must renew our [illegible] upon. We must return with faith. We must return to our faith in God and his infinite wisdom.

Every penny we spend for civilian defense is a penny well spent. We must protect the lives and property of our civilians. We must spend for physical defense of our vulnerable coastal cities and our great industrial areas where the materials and goods of war must be forged. For this reason, I am constrained at this time to cast my vote for the pending amendment prohibiting the use of these funds for [illegible] [illegible]. One [illegible] must be stressed before we give attention to boondoggling. I understand that our need for gas masks is acute. Great Britain has been well ahead of us in production of her gas masks. We have been informed that she has supplied them to every man, woman, and child. Cannot England supply the United States—our ally—with gas masks even as we have supplied England with planes and tanks? It would indeed lessen the [illegible] of our people to the people of England were American citizens to carry such an important protective aid—stamped with the legend "Made in England."

I conclude with the admonition to those responsible for administering expenditure of public funds and responsible for restraining appropriation of public funds: "Millions for defense but not one cent for frivolity."

The CHAIRMAN. The time of the gentleman from Maryland has expired; all time has expired. The Clerk will read.

The Clerk read as follows:

[illegible] and expenses: For an additional amount for [illegible] the [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] Defense Appropriation Act, 1942, [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] $95,000 to $100,000.

Mr. COX. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it seems difficult for some people to realize that there exists such a thing as a sound public sentiment which does not like [illegible] [illegible] [illegible] [illegible] to be outraged by the [illegible] that goes on in the Government, much of it written into the pending bill. For the [illegible] of the [illegible], political [illegible] for that matter all [illegible] should be disregarded. No party group has a monopoly on patriotism. We all want to render good service to our Government, and [illegible] the time being the boondogglers and the fancy uplifters should stand aside.

This is still the country of the people who are at least supposed to enjoy the right of dictating their own measures, and the people are unable to understand why the business of saving the country should be put into the hands of those who heretofore have been concerned in [illegible] and [illegible] it. If we are not [illegible] and [illegible] then why this [illegible] [illegible] of the Reds and the [illegible] officials? If the actor whose [illegible] [illegible] [illegible] [illegible] [illegible] wishes to fight the Germans and the Japs then let him grab a gun and go to it; and as for instructing children how to behave in moments of stress, I will take the good, [illegible] country or town housewife in preference to the night club fan dancer.

We are engaged in the serious business of war. For years we have run along under a split or double program, recovery and reform. Recovery, of course, has been displaced by defense, but reform still clings like a leech. Those who have heretofore been active in the effort to make over this country are taking advantage of the stress we now are in to promote and advance their scheme of collectivism. We ought to get down to serious business. This House ought to bring to an end this driftwood existence. Resistance ought to be offered where the individual sense of decency and right is outraged, and this Congress ought to rise to the urgency of the moment and it ought to strike out of the pending bill many of the appropriations that when expended will result in nothing more than gigantic waste.

My colleagues, the complaint goes up from many sections that there is a distressing lethargy evidenced on the part of the people. How can you expect other than that the war impulse should be depressed when you come to the realization of the fact that the officer of this Government in charge of the draft movement has given the boondoggle-[illegible] entertainers and the fan dancers preferment and deferment.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent to address the Committee for 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Mr. Chairman, I had hoped it would not be necessary to make this speech. It is a matter of regret that it is necessary. But there is so absurd and unwarranted statements of the gentleman who has just relinquished the floor leaves the committee no option but to speak plainly, and especially in view of the fact that this astonishing misrepresentation of the bill and its provisions is but the culmination of many similar speeches made on the floor here today in which the imputations and insinuation and now downright statements seek to misinterpret and misrepresent the bill and inflict and malign the committee and the administration.

I have served on this floor with the gentleman for a fifth of a century. I love him as a brother, but when the statement is made that there is in this bill any provision to turn the Government of the country over to those who would undermine it, or any provision under which funds could be used for the making war of America, I must tell the attention of the committee and the country to the fact that such statements are utterly and obviously without foundation. There is not a line or a word in the text before us which could by the widest stretch of the imagination be twisted to carry any such meaning or significance. If there is let them point it out.

On the contrary, all such claims and insinuations—and the criticism of this measure throughout the debate has been largely by innuendo—on the contrary the critics of the bill have refused to discuss the bill itself, and most of the tirades to which we have listened here today have been on matters totally foreign to the bill, and acknowledged by them to be foreign to the bill. They have steadfastly refused to discuss the most important provisions of the bill and its report, although they provide the means we must adopt to carry the war to a successful conclusion.

The committee had taken for granted that the debate would be confined to the bill, and the gentleman from New York, in requesting time for general debate, emphasized that his requests for time were for debate on the bill itself; at least, we expected the bill would be discussed in a practical way and as a business proposition. But what has occupied most of the time allotted for the debate during the 2 days the bill has been under consideration? Fan dancers, toe dancers, ballet dancers, although no one to whom such terms could be allied has been employed or will be employed, even under the former bill referred to, and there is not a dollar in the bill as reported from the committee which could have been used for any such purpose. What kind of statesmanship can condone the taking of a large part of 2 days' debate ranting about the employment of two individuals—not in the bill—and making no reference at all to vital items in the bill providing for the safety of millions along our eastern and western seaboards and making provisions for the money necessary to carry on the war?

Let us consider some of the vital items presented by this bill. Those who have assailed the bill and spent their time talking about dancers and other matters totally extraneous to the bill make loud professions of economy. Now, let us see if they really want to economize. We have here a proposition to return to the 48-hour week in the Government departments during the war. Have those who so blatantly demanded economy discussed that proposition? No; not a whisper. And yet here in the city of Washington alone there are 200,000 Government employees receiving the largest salaries for such services ever paid by any government who by merely working 8 hours on Saturday would add 180,000 additional working days or 18,000 working weeks every week without cost to the Government. The War Department and the Navy Department

[illegible] against the proper administration of the defense program.

It is not necessary in order to persuade people to pay their taxes that we have a moving picture telling them how to do it and charge the people admission to see it. It is not necessary in order to persuade people to pay their taxes to paddle out a lot of songs. It is not necessary in order to get the people to do their jobs to do that sort of thing.

In the Office of Civilian Defense there are thousands and thousands of volunteer workers who do not receive any money, like the fishermen near the coasts, who are acting as fire wardens and performing magnificent patriotic services without pay. Should we pay actors and dancers $4,600 a year and pay these other folk nothing? I do not know; I cannot follow that kind of business.

I am willing to give whatever I can of myself. I think these men are willing to give whatever they can of themselves. But we should not do ridiculous things when we ought to be doing just one thing—going all out for defense. I hope the Congress will go all out for defense and set an example to the American people that they will be glad and delighted to follow.

Mr. SHAFER of Michigan. Mr. Chairman, will the gentleman yield?

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

Mr. SHAFER of Michigan. I wonder if the gentleman has noticed from the various newspaper columns that about the only columnist who has taken issue in support of the salaries to be paid these dancers and others in this boondoggling in the O. C. D. has been Ernest K. Lindley, whose wife is on the pay roll as a secretary or in some other position at $5,600 a year?

Mr. TABER. I had not noticed it, but the gentleman says it and I assume it is so.

Mr. SHAFER of Michigan. That is true. His is the only column I have seen where issue has been taken with the attempt to do away with this boondoggling.

Mr. TABER. I hope the Congress will do away with the boondoggling.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I move to strike out the last two words and ask unanimous consent to proceed for 5 additional minutes.

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

Mr. LELAND M. FORD. Reserving the right to object, Mr. Chairman, if the same privilege may be extended to others of us, I do not see any reason for objection, but let us have an understanding that we may have 10 minutes instead of 5, so that we may be protected.

Mr. HOFFMAN. Reserving the right to object, I have no objection and do not intend to make any objection, but how about the rest of us who want to speak on this matter? Is there going to be any time for that?

Mr. WOODRUM of Virginia. I have no objection. I have never objected to the gentleman every day he has spoken.

Mr. HOFFMAN. I know that.

Mr. WOODRUM of Virginia. I always look forward each day to hearing the gentleman.

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

There was no objection.

[Mr. WOODRUM of Virginia addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. JONES. Mr. Chairman, I move to strike out the last word.

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. CANNON of Missouri. I wonder if we cannot agree upon some time for debate. I ask unanimous consent that all debate upon this paragraph and all amendments thereto close in 35 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. JONES. Mr. Chairman, I think the views of the minority can well be summarized if I recall for you again an excerpt from a speech delivered by the gentleman from Pennsylvania [Mr. Ditter], and I quote:

> We have been urged repeatedly to do nothing which will undermine the confidence of the people in their Government or which might be construed by the enemy as an evidence of disunity. I am just as zealous as anyone in preserving confidence and in giving no comfort to the enemy. But I contend that the greatest contribution to confidence can be made by the executive branch of the Government itself by putting its own house in order, by removing the false face of defense from nonessential activities, by cutting to the bone the costs of government, by imposing on itself the same sense of sacrifice and privation which it has sought to impose upon the people, and by the adoption of policies which will inspire all of us with faith and courage and devotion.

In connection with putting the executive branch of Government in order, I call attention to the growth of the publicity propaganda uses of the Federal Government, in direct violation of the law. So great have these propaganda agencies grown in the last 10 years that I can show you an expenditure for duplicating paper alone of over thirteen and a half million dollars. During the fiscal year 1941 the cost of duplicating paper was $2,515,657. This is no inconsiderable item. The manpower that is used to spill ink on this amount of paper is tremendous. If you read the propaganda that comes from the several social agencies of the New Deal, you will find words that go into those pages that will make you shudder—words of hatred, words setting class against class, words that tend to dissuade the people more than any fifth column. Ever since the first bomb dropped in Hawaii there has been no need, no necessity for one drop of ink to be spilled on the pages of this duplicating paper.

There has been no need for the fine, glazed expensive paper used.

Now is the time for the executive branch of the Government to put its house in order. In response to the enormous growth of these propaganda agencies, disclosed by the gentleman from Massachusetts [Mr. Wiggles-worth], I wrote the following letter on the 20th of January to Mr. Lessing Rosenwald:

JANUARY 20, 1942.

Mr. LESSING ROSENWALD,
Administrator, Office of Price Administration, Washington, D. C.

DEAR MR. ROSENWALD: I have followed with considerable interest your [illegible] [illegible] to conserve the use of paper in the [illegible] of the war program. [illegible] [illegible] [illegible] to suggestions made [illegible] by [illegible] [illegible] the use of the newspapers, magazines, and other publications of private [illegible] have been materially cut. Many people writing letters have adopted the practice of using both sides of the page instead of one side.

However, there is a more vitally and extensive violation of the spirit of this conservation of paper program by the many bureaus of the Federal Government itself that should be the first to drop themselves for the benefit of the war effort. I refer to the propaganda agencies of the Federal Government.

Day after day tons of paper are delivered to the newspapermen, columnists, and radio stations, as well as newspapers throughout the land, and the public generally by the several bureaus of the Government, each maintaining a separate press agency, with the exception of the General Accounting Office. I have examined releases issued from time to time by these Government departments and found numerous instances of two or more agencies carrying the same information. I am advised by members of the press that a great quantity of this material is not newsworthy and merely reaches the wastebasket.

I have confidence that you will want to let the chips fall where they may in looking into this problem, and feel sure that you will see the advisability of enforcing conservation of paper among the several bureaus of the Government, so that the Government may be held up as an example of the kind of conservation that you will call upon the people to make to conserve the use of paper.

At the present time our Government spends $27,500,000 for information and propaganda agencies each year.

In order to acquaint you with the extent of the bond paper purchased by the several bureaus of the Government from the Government Printing Office, I enclose the figures of cost for each year to 1940 and the estimated cost to 1941.

I hope that I may receive a reply to this request within the next 5 days.

Yours sincerely,

ROBERT F. JONES,
Member of Congress.

Tabulation of the amount of bond paper ordered by all the Government departments and agencies, including Congress, for the fiscal years 1932 to 1941, both inclusive, being duplicating

Fiscal year	
1932	[illegible]
1933	412,313.74
1934	549,350.91
1935	148,971.39
1936	1,735,956.36
1937	1,553,809.98
1938	1,465,799.70
1939	1,568,798.38
1940	1,931,414.91
1941 (estimated)	2,515,657.91
Total	13,397,[illegible]

Charged to departments, bureaus, etc., for black paper during the fiscal year 1941:
Agriculture [illegible]
American Battle Monuments [illegible]

the Bureau of Federal Investigation have already adopted the 48-hour week, and I have yet to hear a single complaint from any employee of these Departments. It is a high tribute to their American citizenship that they are glad to do what they can to help win the war. Why cannot the gentlemen who have been giving all their time during this debate to talking about something not in the bill devote a little attention and encouragement to a proposal in adding 100,000 working days every week to the Government now in such dire need of workers?

For if this is not done, additional personnel will have to be employed and already the other departments which have not adopted the 48-hour week are coming to the committee with requests for additional funds for more employees.

But the important phase of the proposition is that the adoption of the 48-hour week will to that extent relieve the congestion in housing and accommodations in Washington. There is not room enough now for employees needed in the prosecution of the war. But if the gentlemen who have been putting in all their time here talking about 1 dancer will give a little attention to saving 4 hours weekly for 300,000 employees, we cannot only save the hundreds of thousands of dollars for additional employees but we can prevent further congestion in the city and the necessity of further decentralizing the Government by moving agencies to cities outside of Washington. Where are the professional advocates of economy? Not a one of them has so much as mentioned in the 2 days' debate this important feature of the bill. When the German Army marched into Paris the civil-service employees of the French Government were still taking off 2 hours for lunch. If we left it to the critics of this bill, we would be to that extent following in the footsteps of the French Government before the German occupation.

In the limited time left me, let us take one more [illegible] feature of this bill. It provides the money to handle the sale of the bonds with which we must finance the war. War costs money. The preservation of our Government depends on raising sufficient money to pay for this vast defense program, the costliest the world has ever seen.

We are spending in the next fiscal year $[illegible]. That is the amount the Members sitting on this floor have voted to spend. You have voted to spend it and now you must make some provision to raise it, and there are provisions to raise it right here in this bill. But have these statesmen who are so vociferous about one dancer who is not in the bill [illegible] about raising this $[illegible]? Evidently not, for they have not discussed it in the entire 2 days. We must have $[illegible]. We figure on getting twenty-three and one-half billion dollars from taxes. That leaves thirty-five and one-half billion dollars that must be borrowed. But you cannot just walk out and casually borrow thirty-five and one-half billion dollars. It takes work and planning and machinery. And we provide that machinery in this bill. The greatest care must be exercised in selling these bonds. Secretary Morgenthau warned the committee this morning that if sold to the banks as in the last war, inflation would follow drastically affecting every consumer in the Nation. But if sold to individuals, it will not only avoid but will control inflation.

Now to sell to the people, we must have the trust and confidence and cooperation of the Nation. Have these speeches here on this bill served to establish trust and confidence. On the contrary, they have been deliberately calculated to create mistrust and suspicion both of the Government and those in charge of this war. I ask you sincerely what kind of statesmanship is this that would talk for 2 solid days about two [illegible] and utterly ignore an opportunity to save 100,000 working days and prevent further congestion in Washington and ignore the necessity of establishing sufficient confidence in the conduct of this war to enlist support and cooperation in the purchase of bonds thereby helping win the war and preventing inflation that will create one of the most serious problems that can menace a nation at war.

Let us face the facts. We are losing the war. The Japanese have steadily advanced their positions on every front. The headlines in the newspapers are unduly optimistic in their reports. They talk of bringing down a few planes and sinking a few vessels here and there but all the time we are being hemmed in in the Philippines, in the Dutch Indies, at Singapore, in Burma, in China, in Libya, in Australia, and on the Atlantic, where they are sinking vessels at our doorstep. There is no front on which we have even held our own much less made progress. The fate of MacArthur's devoted little band in Bataan is merely a matter of time. And yet here in the Congress men are taking all the time in debate to talk about a dancer—one woman against whom nothing culpable is even alleged much less proven—talking about [illegible] when the dancers really to be considered here are the hundreds of thousands of wasting men in the Nation who will dance at the end of a gallows rope if Hitler ever overruns this Nation as he has overrun all Europe. Both Hitler and the Mikado have systematically liquidated the educated men of the populations over which they taken control.

Let me appeal to the House to give some scant attention to the really important provisions of this bill—provisions of importance to the entire Nation and the world—and adjourn politics for a while even if it is campaign year. The protection of our people, the preservation of our freedom, the perpetuity of our form of government depend on raising the money and adopting the safeguards provided by this bill.

(Here the gavel fell.)

Mr. TABER. Mr. Chairman, I rise in opposition to the pro forma amendment and I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN (Mr. [illegible]). Is there objection to the request of the gentleman from New York [Mr. TABER]?

There was no objection.

Mr. TABER. Mr. Chairman, we [illegible] now to the point where it is up to [illegible] say whether or not we shall [illegible] defense or shall boondoggle [illegible] the attendance of America [illegible] go into soldiers and guns and [illegible] ships to clean up Mr. Hitler.

It is time the people of [illegible] this situation in the face. We are against a most serious situation. [illegible] was a fellow who fiddled [illegible] burned. Are we going to [illegible] United States burns or are we going to fight for America and to clean up Mr. Hitler? It is about time we got to the point where we realize what we are doing and do only those things which will contribute to the defense of the United States and to cleaning up Mr. Hitler.

I am sorry the committee brought in here anything that might be controversial. I have gone out on a limb many a time when many Members thought I was going too far to provide funds for the United States.

With what kind of a situation are we faced? There is no public [illegible] Office of Civilian Defense that is doing a great lot of things that are beyond the pale of the law. What does the law say? I refer to chapter 20 of the [illegible] of the Seventy-seventh Congress, Public Law No. 415, approved January [illegible], in substance that law states that the Office of Civilian Defense shall provide facilities, supplies, and services for the adequate protection of persons and property from bombing attacks, sabotage, or other war hazards.

Why should we not do just that out there, and nothing else? After the Congress has passed a law and the President has signed it, why should we have extralegal activities in the Office of Civilian Defense? If the Congress is to provide for other activities, if the Congress is to provide for fiddling, if the Congress is to set up a W. P. A. artists' project and dancers' project and actors' project in the Office of Civilian Defense, let them go before the Committee on Military Affairs and ask for a new statute.

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman yield?

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

Mr. CANNON of Missouri. Is there any provision of that kind in this bill?

Mr. TABER. No; but there is the activity going on, and an attempt has been made to stop it. The gentleman made a point of order against the section which would stop it. That is the thing I think should be called to the attention of the gentleman and the people of this country.

Many agencies are already providing all sorts of entertainment facilities for the boys in the service. The [illegible] population do not need to be [illegible]. They can take care of themselves [illegible] situation, and they will if you give them a chance. Let us not have all [illegible] ridiculous situation presented [illegible] do not ask the people to do [illegible] we ought not to do. Let us [illegible] for defense—let us give everything for defense and cut out all these little [illegible] Let us cut out these other things that do not contribute too rather

Board of Governors Federal Reserve Board	[illegible]
Board of Tax Appeals	77.[illegible]
Civil Aeronautics	[illegible]
Civil Service Commission	16,[illegible].41
Commerce	116,[illegible].12
Commission of Fine Arts	13.[illegible]
District of Columbia government	[illegible]
Employment Compensation Commission	[illegible]
Export-Import Bank	16.[illegible]
Farm Credit Administration	16,[illegible]
Farm Security Administration	[illegible]
Federal Communications Commission	12,[illegible]
Federal Emergency Administration of Public Works	1,[illegible]
Federal Home Loan Bank Board	[illegible].73
Federal Housing Administration	[illegible]
Federal Loan Agency	[illegible]
Federal Power Commission	[illegible]
Federal Security Agency	[illegible]
Federal Surplus Commodities Corporation	[illegible]
Federal Trade Commission	[illegible].24
Federal Works Agency	[illegible]
General Accounting Office	14,[illegible]
Home Owners' Loan Corporation	11,[illegible]
Interior	134,[illegible].75
Interstate Commerce Commission	[illegible]
Justice	177,[illegible]
Labor	[illegible]
Library of Congress	[illegible]
Maritime Labor Board	13.[illegible]
National Advisory Committee for Aeronautics	2,[illegible].91
National Archives	170.75
National Bituminous Coal Commission	[illegible]
National Emergency Council	[illegible]
National Gallery of Art	[illegible].90
National Labor Relations Board	15,[illegible]
National Mediation Board	[illegible]
Navy	[illegible]
Office of Government Reports	7,[illegible]
Panama Canal	[illegible]
Pan American Union	[illegible]
Post Office	[illegible]
Railroad Retirement Board	[illegible]
Reconstruction Finance Corporation	15,[illegible].71
RFC Mortgage Company	1,[illegible]
Securities and Exchange Commission	[illegible]
Smithsonian Institution	1,[illegible]
Social Security	14,[illegible]
Treasury	[illegible]
U. S. Housing Authority	497.72
U. S. Maritime Commission	[illegible]
U. S. Tariff Commission	[illegible]
Veterans' Administration	34,[illegible]
War Department	[illegible]
Work Projects Administration	14,[illegible]
Total	1,[illegible].01

I thought he would use his usual aggressive action in stopping such waste. Lo and behold, I received a reply from Mr. Henderson saying that he had turned this matter over to a subordinate, Mr. Rosenwald. Henderson's letter follows:

OFFICE OF PRICE ADMINISTRATION,
Washington, D. C., February [illegible], 1942.
The Honorable ROBERT F. JONES,
House of Representatives.

DEAR MR. JONES: Thank you for your interesting letter of January 30. I am sending it to a special [illegible] to Mr. Lessing J. Rosenwald, Chief, Bureau of Industrial Conservation, Temporary Building "E." [illegible] January I had [illegible] the [illegible] the conservation of paper, and I am sure they will give you prompt action.

If this office can be of any further service to you, please do not hesitate to call upon us.

Sincerely yours,

LEON HENDERSON,
Administrator.

Now, is there to be a double standard in the preparation and sacrifices for war? Are the poor of the United States to sacrifice on the one hand and the Federal bureaucracies have another standard of sacrifice?

In response to that reply I again appealed to Mr. Henderson to take the matter up personally, to cut down this useless waste of manpower, money, and paper. Saturday I sent the following letter to him:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February [illegible], 1942.
Mr. LEON HENDERSON,
Administrator, Office of Price Administration, Washington, D. C.

DEAR MR. HENDERSON: On the 30th day of January I asked you to look into the matter of conserving paper used by the propaganda agencies of the several bureaus of the Federal Government, involving an annual pay roll of $27,[illegible] and the use of duplicating paper to the extent of $[illegible]. You have referred consideration of this matter to a subordinate.

The amount of paper involved and the manpower used in the propaganda agencies make this problem as important as any that have received your personal consideration, unless there is a double standard, one for the American people and another for the Federal Government.

I now advise you that free mailing of all bureaus for the fiscal year 1941 was $[illegible]. This is an inconsiderable item.

May I again suggest that you tackle this problem personally with your usual aggressive, vigorous action.

Sincerely yours,

ROBERT F. JONES,
Member of Congress.

The American people are willing to go into the highways and byways to collect this paper, and by no stretch of the imagination could the bureaus be excused from the same sacrifice. As a matter of fact, they are blacking out the response the public might give to the program of conserving paper, the program of conserving all kinds of war materials by their boondoggling process of carrying on the social program at a time when we should be united, producing first things first, delivering guns and ammunition and equipment into General MacArthur's hands. Continuing this program is as valueless to MacArthur and to his beleaguered troops, as putting cream puffs into the howitzers that are defending Bataan, as useless as dropping chocolate parfaits into the bomb racks of what few airplanes we have available.

From among the many letters I received in response to my appeal to Mr. Henderson, I append a letter from Mr. John H. Barker, of Glens Falls, N. Y. There are four enclosures with Mr. Barker's letter, four identical letters from the Treasury Department dated January 19, 1942, and signed by Eugene W. [illegible], Executive Director of the Defense Savings staff, three addressed to Mr. Barker, and one addressed to Mrs. Barker. These form letters urge the purchase of Defense bonds.

Mr. Barker's letter is as follows:

In view of the statement contained in the enclosed clipping you may be interested in the items before received, with accompanying literature, in the same mail. Barrett [illegible] Barker is my wife. [illegible] from the same source have been received at least twice before in the same [illegible]. A fine example of [illegible] and lack of economy.

Yours truly,

J. H. BARKER.

I ask you to study these items for printing and binding and to cut them to the core.

(Here the gavel fell.)

Mr. CELLER. Mr. Chairman, I ask unanimous consent to revise and extend my own remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

(By unanimous consent, Mr. HOFFMAN was granted permission to revise and extend his own remarks.)

Mr. HOFFMAN. Mr. Chairman, probably this is a tempest in a teapot, but you know we had another sort of a tempest in a teapot a long time ago up in Boston Harbor. Something came out of that tea party. This thing today is just indicative of sentiment throughout the country. The people are disgusted with the way Congress and this administration is acting and spending for unnecessary purposes.

When the gentleman from Missouri [Mr. CANNON] was in the well of the House awhile ago he charged those who sponsored this amendment and who supported it with a lack of patriotism. You read his words in the RECORD tomorrow and see if that—unless he revises his remarks—is not what he implied. Personally I do not resent that charge, because it is unfounded. The gentleman is a little excitable at times. He is a great parliamentarian. He is a great legislator. But if he is to be judged by what he said today, he is completely ignorant of some of the common things of life. He talked about two flyspecks. It is the flyspecks which mar the mirror. The gentleman is married, I hope. Did he ever in his life compliment the good housewife about getting a meal she prepared, tell her how good it was? Or did he wait until some day when the eggs were fried a little too hard or boiled not quite enough and then register his complaint? Am I correct? Is not that the way it goes? It is the flyspecks we always want to brush off because they mar the whole surface. The whole picture is thrown out of focus by these flyspecks.

The gentleman from Oklahoma [Mr. NICHOLS], who was in the chair a while ago, had some good words to say about actors and actresses. I agree with all of that, and so do all of us; but what has that to do with this amendment? Those folks—the actors, actresses, the dancers—are patriotic, just as are the rest of us. Let those folks go right along in their chosen profession and assume their people put on their shows and their dancing. But do not do it in the name of civilian defense. That is not civilian defense. The gentleman from Missouri [Mr. CANNON], who had so much to say about the minority and a few of the majority, who believe as we do—you are growing peanuts when you ought to be raising potatoes. That is what is the matter with you. That is what is the matter with this civilian defense organization. Its picture showing its dancing, for civilians is commercial. If you want something for these actors and actresses to do, and if they are not content to stick to their chosen profession, and they really want to do something, send them up into Montana or some of these other places, and we will put them out on the farms, where they are needed, or at work planting gardens in the agriculture. They can grow some beans and things and put them away. They can grow some other farm products and put those things away for the time when there will be a shortage. They can even help us in the sugar-beet fields, as Brother Henderson can give us all the sugar we need when the time comes. There are a thousand and one useful things—things connected with civilian defense than all of these people can do if they wish. But there is no need to arouse our civilian population in order to pep up their patriotism. The gentleman spoke about our buying bonds—picture shows to induce people to purchase bonds. Our folks will buy bonds. Of course they will if they think the proceeds are to be used for the fighting men. But they are not going to buy bonds if they think their money is being wasted in picture shows, fan dancing, and things like that. We folks back in the plains are interested in getting the job done.

We do not care anything about the frosting on the cake; we do not care anything about the cake; we shall be satisfied if we can get bread, butter, and meat. Our folks back there are way ahead of their activities for civilian defense. They will be satisfied if they can see real work and have our money used economically and efficiently—and, may I say, intelligently. Let us quit play acting and get down to business. Let us cut out the nonessential, the fancy stuff.

[Here the gavel fell.]

Mr. FADDIS. Mr. Chairman, I move to strike out the last three words and ask unanimous consent to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FADDIS. Mr. Chairman, I am indeed gratified that the House today has at last seen fit to take action to extend substantial assistance to the valiant armies of the Chinese who are doing so much to preserve democracy in this world. It has been one of my most sincere regrets during the last 3 or 4 years that this Nation, in the [illegible] policy of appeasement which we have followed toward the Japanese and which has been so expensive to us, has refused to extend the assistance we could and should long ago have extended to the armies of Chiang Kai-shek in the valiant fight they are making. After all, these people would have been eternally grateful for a thousand obsolete airplanes or a thousand field pieces that we have junked. They asked for so little, and with that little they could have accomplished so much. And if we at that time had had the courage and foresight to have done our duty toward them, toward ourselves, and toward the world and have given these people a little bit of assistance, then today they would be in shape to repay us a hundredfold for what we had given them.

If, in the past, we had given the Chinese the assistance we should have, then today in one of the darkest hours in our history when an outpost of ours now being defended by one of the most valiant bands of American soldiers that ever wore the uniform, now when they are being pressed to extremity and, I fear, have almost reached the limit of their endurance, we might be able to look for some assistance from China, for, God help us, because of our own meddling in the past we are unable to help them. Today as we think of that matchless, valiant, and heroic soldier, General MacArthur, who is in command of that band fighting almost a forlorn fight to preserve the face of the white man in the East, we should bow our heads in shame that we lacked the courage and determination to have done what we should have done in the past. Too little and too late is a sad tale, but we will hear it over and over again in the years to come.

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

Mr. FADDIS. I yield.

Mr. RANDOLPH. I think it is highly appropriate that Members speaking from the well of this House pay tribute whenever it seems best to the splendid fighting qualities and the extraordinary courage of the man who leads our forces in the Philippines. I congratulate the gentleman.

Mr. FADDIS. I thank the gentleman. I am glad to do so. I want to make this observation: It is my sincere hope that before the end comes in the Philippines, orders will be issued that General MacArthur shall escape in order that the world and the United Nations may still have the advantage of his ability and his leadership, because I firmly believe that General MacArthur is the most able military leader the United Nations have at their command. I say here and now that I hope he is preserved through all the perils of this war, because I believe one of these days he will make a wonderful President of the United States of America.

[Here the gavel fell.]

Mr. LELAND M. FORD. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, no one in this House has greater respect or admiration than I for the gentleman from Missouri, personally, as a parliamentarian, and as a gentleman; but I am forced to differ with him. He asked the question: Why should ropewalks be placed on these things? I answer him. Why not? It is not the matter so much of detail as it is of sustaining a principle, and I think that this House placed more emphasis on these things right straight down the line in the last 3 or 4 years we would be in far better condition than we are today.

He referred to these things as fly specks. As a matter of fact, you can put so many fly specks on a window you cannot see through it, and it might be possible that we have placed so many fly specks on the window of national defense that the program is not going on. As a matter of fact, I believe that Melvyn Douglas is one of those fly specks; I think Cowley is; Dash, Landis, and many others whom I will not have time to name. How in the world do you expect to get out a program when you have men at the top who do not know their business? As a matter of fact, with reference to the great Melvyn Douglas, of whom the gentleman spoke, I do not know whether he knows or not that in a radio program put on by the American Legion, under the auspices of the Americanization section thereof, Mr. Melvyn Douglas, otherwise known as Hesselberg, refused to read the Declaration of Independence, and he refused to read it because that program criticized the Communists as being un-American and being dangerous. When Mr. Douglas refused to do that, one of the attachés in the studio did read the Declaration of Independence. Is that not a great man to bring in here and put at the head of a Government department?

Now, it is not so bad, as far as Douglas is concerned; but there are so many of them. The gentleman from Texas [Mr. DIES] has named some 1,200 of them. Where do you expect to get with these kind of people in civil defense or in any portion of our defense program? You cannot defend them.

Insofar as some of these other items are concerned, let us read what is said with reference to the O. C. D., and I read from Public, No. 415, Seventy-seventh Congress:

To provide [illegible] the President may prescribe [illegible] and services, including [illegible] from [illegible]

That set-up certainly has nothing to do with this matter.

May I say in general it is time for the public realized that this Congress is for the O. C. D. It is necessary [illegible] should stick to their particular function, which is the preservation of life and property under the rules and regulations that they have, not step out and take over the functions of other departments of the Government. Programs [illegible] put out under the O. C. D. [illegible] departments of Government [illegible] own. We do not object to [illegible] no object to the people in O. C. D. [illegible] their department, because [illegible] they do not know what to do [illegible] perform the functions of other [illegible] of Government.

May I say with reference to the [illegible] that it is a great thing. I think [illegible] entertainment is a great thing. It [illegible] carried on. But those things should be left in the hands of those and [illegible] have been carrying them on [illegible]

because they know how to do it. Our fault is not against those things in their proper place, but the place is not in the O. C. D. or defense program for these particular functions of Government. If they would get out of these departments the incompetents, and I now brand them incompetents, the country would be a whole lot better off. These people may be all right in their particular profession, but because one has succeeded in a particular theatrical group is no sign that he is good in one of the other departments.

[Here the gavel fell.]

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

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. BENNETT].

[Mr. BENNETT asked and was given permission to revise and extend his own remarks in the RECORD.]

Mr. BENNETT. Mr. Chairman, I would be the last man to intentionally hurt any person and especially a lady. However, it appears perfectly ridiculous to me for our Government to pay $4,600 per year to a young lady to handle children during a possible air raid when such lady admits she has had no training to fit her for such work. Thousands of fine young women are in this country who hold college degrees showing their fitness to supervise children. Many of them teach for $1,000 or less per year. For the first time, this year, these devoted public servants have to pay income tax. They are allowed an exemption of $750 plus deductions for taxes, gifts to charity, and so forth. Assuming they have a total exemption of, say, $850, then they have taxable income of approximately $150, or $6 tax. This means 766 such teachers have to pay tax to support this one favored dancer. Is it not time this House woke up and determined how funds it appropriates are spent? In 1 day last week we appropriated $27,000,000,000, a sum three times as great as it cost to run the Federal Government during its first 100 years. Telegrams and letters coming to me from all over the Nation leave the people are alarmed lest our Republic be wrecked financially by those who do not regard this war as a serious business.

Last Friday while discussing the pending bill I suggested that if the mere naming of a dancer merited a $4,600 per year job under O. C. D., on that basis Sally Rand, of my own beloved Ozarks, should be worth $25,000. I further stated that Miss Rand, to secure such a job, would have her ostrich fans after certain Army and Navy officers who did not secure their commissions the hard way. I am today in receipt of a telegram from Miss Rand who makes a very gracious offer, which, I feel, should be called to the attention of this House to show that not all Americans expect compensation for coming to the aid of their country in an emergency. I am glad that the House is [illegible] to forbid [illegible] in the [illegible] activity of [illegible] However, that is not [illegible] American people would have [illegible] in the war of fan dancing. That they would have had such service gratis is shown by Sally Rand's patriotic offer set forth in the following telegram:

TELEGRAM FROM SALLY RAND TO CONGRESSMAN BENNETT

POCATELLO, IDAHO, February 5, 1942.

Hon. PHIL A. BENNETT,

Representative from Missouri:

Read Associated Press dispatch Office of Civil Defense story today, quoting you re Office of Civil Defense job for me at $5 grand per annum. I hasten to put in my application. Will change name of fan dance to "Main Deal." Will perform [illegible] Budget [illegible] will be glad to [illegible] gratis. Vital statistics: Nationality: American. Ancestors came over in 1768. Race, white. Age, 37. Qualifications: Graduate school, 2 years high school and plenty of experience. Also have private pilot's license issued 1937. Good [illegible] and saddle horses. Also have trailer, and can [illegible] Speak Spanish and French. Military background: Father retired cavalry officer, is in present active Army. Know [illegible] of arms and statistical procedure. Personal equipment: Ordinary number of arms, legs, etc.; perfect eyesight, perfect health. Tremendous desire to be of use. Also good [illegible] of horses, mules—especially mules—and fair of men. Material equipment: Lincoln car, portable typewriter, eight pairs [illegible] slippers, etc.; sheep-counting [illegible] Can also offer use of our ranch near Red Lodge, Mont., for observatory post grass, or haven for the harried and/or harassed, at prevailing dude-ranch prices, of course. In emergency, offer facilities for evacuated children: the old and helpless. Ranch 4,000 feet above sea level. Pure glacier water no electricity, no modern plumbing, no noise, and lots of peace. Until I hear from you, will continue to worry along keeping up public and Army and Navy morale by performing in popular-priced theaters and cafes, trying to my way to create a few moments of beauty, a few moments' escape from [illegible] headlines, and a little laughter and surcease—at my usual salary of 5 grand per week, of course. In Missourians must stick together. Mr. Bennett, and remember our State's slogan, "You gotta show me." My permanent address is Bennett Ranch, Red Lodge, Mont. Will be here in Pocatello through Tuesday, the 10th.

SALLY RAND.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

[Mr. CRAWFORD asked and was given permission to revise and extend his remarks in the RECORD.]

Mr. CRAWFORD. Mr. Chairman, I wish to speak on the bill, in regard to lines 16 to 18, inclusive, on page 22.

In looking over the Treasury statements I find that the customs revenues for the last several years, from 1937 to 1941, inclusive, have run, in round figures, $486,000,000, $359,000,000, $321,000,000, $348,000,000, and $391,000,000, respectively. I also find that sugar and agricultural commodities constitute by far the larger portion of those customs revenues.

The record also shows that we have previously provided about $21,000,000 to the Treasury Department for the operation of the customs department during the current fiscal year. This increase of $471,000 is to put on 600 additional guards at $1,600 a year for about 6½ months and to purchase 57 automobiles at $900 each.

As best I can determine, the customs revenues will decline in the months to come. As an illustration, someone here awhile ago referred to the item of sugar. The other day one of our Government agencies purchased from the island of Cuba, through the Cuban Sugar Institute, 3,000,000 tons of sugar; 1,000,000 tons of which is to be supplied to us in the form of invert sugar in liquid form to be used in connection with the production of powder, I believe, for ammunition purposes, and the balance will be distributed to the United States, England, Canada, and other countries.

I see that there will be a serious sugar shortage in the United States during the coming 12 months, as compared to the 12 months' deliveries to our people in the year 1941. Make no mistake about that. Our mothers and wives have gone out and purchased a few pounds of sugar or put away sugar directly as a result of the propaganda that has been put out, and now the Office of Price Administration is proposing to create organizations of snoopers in every community to harass these women until they will feel like doing some of the things the chairman of the committee spoke about awhile ago as likely to happen if you should discontinue the operation of the movie houses.

It seems to me that a great dignified branch of the Government such as the Office of Price Administration should or could at least proceed on the basis of regulating these food items without creating so much consternation in the mind of every mother in the United States.

Personally, I do not like the insinuations that have been thrown out by the Price Administrator to the effect that our women will be subject to imprisonment and fines up to $10,000 if they do no tell exactly the number of grains of sugar they have in their pantries when the snoopers come around. In my opinion, that will not sell defense bonds; it will not make the present administration popular; and it will not encourage or promote unity in the United States.

If we cannot proceed on a little better basis than that, perhaps we had better cut out some of this regimentation into which we are moving, because, after all, it is more important to win this war than to regiment a few people.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. SHAFER].

Mr. SHAFER of Michigan. Mr. Chairman, the Ford amendment which places a statutory ban on the use of any part of this appropriation for instructions in physical fitness by dancers, fan dancers, vaudeville performers, or any other kind of "boondogglers" should prevail. I intend to do my part to see that it remains in the bill when the final votes are taken today.

Civilian defense, Mr. Chairman, is serious business, and I am greatly disturbed by the undignified evidence of trifling with it. The Office of Civilian Defense has become a political football and a haven for so-called liberals, who have long campaigned for America's active participation in war but who are now apparently seeking every means of avoiding the front-line trenches and doing any fighting. I was amazed when I learned today that orders have gone out from the administration that motion-picture actors should be deferred in the draft. Most of these motion-picture actors who are being deferred or who are being given soft berths in Washington—safe from the enemy's bullets—were those who cried the loudest for this Nation's entry into the war. I could name any number of these heroes on the screen who are now prancing around Washington night clubs in the uniforms of officers of our Army and Navy, and I have no doubt but what they will continue their prancing for the duration.

Those who have not been able to obtain commissions through political pressure are now apparently to be taken care of in the O. C. D. and we are asking the men, women, and children of America to pay increased taxes and to buy Defense bonds and savings stamps in order to pay their salaries.

In a 32-page booklet recently issued by the O. C. D. the division over which the President's wife presides published the fact that it is embarking on an extensive and general "uplift program," little of which has any relation to national defense. This division proposes to organize book drives, to teach current events, to hire lifeguards for swimming pools, to develop prodemocracy programs, to work for improvement in group relations, and to safeguard civil liberties. Among those who will conduct this type of work, unless the Ford amendment is kept in this bill, are this Melvyn Douglas, who I understand has changed his name from Hesselberg, Mayris Chaney, the dancer we have heard so much about, Joseph P. Lash, the young Communist whose efforts to get a swivel-chair job in the Navy Department were sponsored by the President's wife, and others. One could hardly imagine that any one of these persons would be worth a tinker's dam even in the type of program that has been advanced in the O. C. D. booklet.

Mr. Chairman, civilian defense is calling loudly for practical men and women capable of getting things done, and the recruiting of actors and dancers, however admirable in their own fields, has disturbed the entire Nation. We have thousands of little businessmen and little businesswomen milling around Washington—people capable, well-informed and efficient—begging to do their part in the national defense program. All of these folks are being given more run-arounds than a Maypole. Inasmuch as the Congress did not see fit to place O. C. D. under the direction of the War Department, I believe that the services of these people, most of whom have lost their livelihoods through the policies of the New Deal, should well be considered for the salaried positions in the O. C. D. that are now being turned over to movie actors and others who have had no previous experience and training.

I refer now to Betty Lindley, the wife of Ernest K. Lindley, New Deal columnist, who has been appointed to a position in the O. C. D. at a salary of $5,600 a year. I am reliably informed that Mrs. Lindley now receives quite a fair remuneration as head agent for Mrs. Roosevelt. Before being placed on the O. C. D. pay roll she received a high salary as a consultant in the nutrition committee which operated last year. In other words, she has managed to keep on the pay roll for some time. Incidentally, I pointed out earlier today, the only newspaper columnist who has upheld the hiring of movie actors and dancers in the O. C. D. has been Betty Lindley's husband.

Mr. Chairman, I hope there will be a roll-call vote on this so-called Ford amendment, and I warn you that if the amendment is defeated, the people of America will see to it that there will be some changes made in this Nation's war effort this fall.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Chairman, has all other time expired?

The CHAIRMAN. Yes.

Mr. CANNON of Missouri. Mr. Chairman, I ask that the Clerk may read the bill for amendment.

The pro forma amendment was withdrawn.

The Clerk read as follows:

Salaries, White House Police: For an additional amount for "Salaries, White House Police," fiscal year 1942, for 15 privates, 2 sergeants, 2 lieutenants, and 1 inspector, in addition to the number specified in the act of April 22, 1940, $30,000.

Mr. RICH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RICH: On page 11, line 21, strike out all of lines 21, 22, and 23 and on page 12, strike out lines 1 and 2.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. RICH. Mr. Chairman, I read from the hearings at page 231 the statement of Mr. Wilson:

The White House uniformed police force extends protection to the White House and [illegible]

Mr. Chairman, if there is anybody who would want to give the President all the protection that anyone could give him at a time like this, it would be myself. I want to see that the President has all the protection that may be necessary, but when I think that you are going to put on 140 police officers to look after the White House, or look after one man, it just seems to me that you have gone beyond the pale of good common sense.

You cannot get now within 300 yards of the White House. Where they have blocked off all the streets [illegible] that surround the White House [illegible] radius of 300 yards or more [illegible] not allow anybody to get to the [illegible] Then to think that you have got to have 140 men to guard that building [illegible] little bit out of proportion and [illegible] common sense. When I go by there in the morning or go by there in the evening and I see all the men standing around the White House in uniform, I wonder what in the world they are there for. Then to provide an additional $10,770 to uniform these men does not seem to me to be necessary.

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

Mr. RICH. I yield.

Mr. KOPPLEMANN. Then you would agree that the President ought to take care of himself the same as you and I do?

Mr. RICH. No; I do not. I do not need anybody to take care of me. I do not want anybody to put any defense or any policemen out to watch me because I will look after myself. I [illegible] to have somebody to look after the President and 80 men ought to be enough to look after one man at the White House. When he goes down the river on his boat rides, 80 men ought to be enough [illegible] that he gets on the boat all right, and when he goes to Hyde Park it seems that 80 men ought to be enough to look after him, but they want under this bill to have 140 men when he takes those boat rides or 140 men when he goes on the train to go up to Hyde Park, and [illegible] have 140 men to look after the White House. It is beyond reason.

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

Mr. RICH. I yield to the gentleman from Nebraska.

Mr. STEFAN. The gentleman, I am sure, wants to be fair about this matter. These 140 men that are in uniform do not take any boat rides. They have nothing to do with anything of that sort. That work is done by the Secret Service.

Mr. RICH. Well I understand they now have 140 policemen to guard the White House; they also have in this section $220,000 for additional secret-service employees, and if you will turn to the hearings on page 230 and 231 they have added 60 additional secret-service agents and 20 additional clerks, and I do not know how many they now have of secret-service agents to guard the President. While the President is not at the White House why have 140 police to guard it? Why not take them along when he makes the trip down the river or to Hyde Park? We have two sets of men to guard him. We count in this hearing the 60 secret-service agents, the 20 clerks; and the 40 extra policemen the sum of $225,000 for secret-service agents and clerks, and for 15 extra policemen and uniforms, $40,770, or a total of $265,770. Now we know that the number of police and secret-service agents to guard the President at the White House is at least 220 persons [illegible] the regular secret-service agents. I do not think that is necessary; it does not seem sensible to me; it is more [illegible]

basis of funds. They are now building between the White House and Treasury a subway walled with concrete and steel to protect the occupants of the White House [illegible] Treasury Department. I think we are taking every precaution to guard the President. I do think we are wasting funds, however, for policemen to guard the White House when it is [illegible] when the President is in the White House to have over 200 men to guard him in the White House.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. RICH].

The amendment was rejected.

The Clerk read as follows:

[illegible]

Mrs. NORTON. Mr. Chairman, I move to strike out the last word. I read in the RECORD of last Friday some of the debate indulged in on this bill and have listened today to more of it. Somehow I get the impression that we are witnessing a curtain raiser for the congressional campaigns. If it were not for the obvious unfairness of the thing, it would be humorous. As I see the problem it is no time for either humor or heroics.

Before proceeding with a few facts which may add some information to this debate, may I digress to pay my tribute to a woman who has done more for the womanhood of this country than any other woman of my time—Mrs. Eleanor Roosevelt. Working from early morning until late into the night she has won the love and admiration of most of the people of our great country, and she deserves all of it. Her matchless example of patriotism, ability, and perseverance has been the envy of many but an unhappy reminder to others who have not realized the enormity of the task we have undertaken, that they are in the slacker class. Small wonder, then, that she has been so severely criticized.

We have a gigantic task in this country in the protection of our civilian population against the ravages of savage enemy attack. With the submarines of the enemy daily wrecking their destruction along our east coast and west coast we can no longer sit back and say "It cannot happen here." It is happening, and it is only a question of time before attempts will be made to destroy morale and life among the ranks of our civilian population. For this eventuality, we are trying to prepare. The thing that we must fight now is ignorance. Apparently we must start this fight right here on the floor of the House since there seem to be many Members who are ignorant of the tremendous job the O. C. D. is doing and has done.

The purpose of this organization is the [illegible] of civilians in case of attack. A year ago this was something to be thought of in the dim distant future, but not now. Organization of all our civilian defense must be accomplished and O. C. D. is doing just that. They have worked out a program of training and have published about 38 publications dealing with the organization and actual training of individuals and groups in different types of protection. Fifty million copies of these publications have already been printed and distributed. In the State of Massachusetts alone 356 organizations have been set up and fully organized and are on call 24 hours a day 7 days a week. All this work is volunteer work but it stands to reason that the people who are to have the responsibility of carrying out this work on a national scale must be of the very highest caliber and expert in their own fields.

Mr. Melvyn Douglas is a very good example of just this sort of person. His job is to organize the utilization of the great group of artists who are anxious to be of service to the war effort. There are literally millions of them from the great stars down to the smallest and least well known of the people in the field. There are many hundreds of requests for artists of various types, writers, playwrights, actors, and actresses both in the theater and on the radio, to handle activities for the Federal Government. These people must be fitted into the niche for which they are the best suited, and it takes someone with a long experience in this field to know just where they will each do the most efficient job. Mr. Douglas has been appointed to take over this job and is doing it on the basis of receiving no salary but merely his actual expenses. However, from the statements made on the floor, it would seem that he is receiving a handsome salary. If so-called dollar-a-year men in industry are considered patriotic for offering to assist their country at a time like this on exactly the same basis, I do not understand why, because Mr. Douglas is an expert in his field and that field is necessary at this time, he is not also given the same amount of consideration for making the same kind of offer.

We cannot turn all our efforts toward making armaments and building ships if the morale of our country is not taken care of also and this is the job of O. C. D., to protect and strengthen all the people in the country. From the number of people who have volunteered—5,400,000—it is obvious that there is a fine spirit in this country but if that spirit is not utilized, how will it ever continue? So far about 1,500,000 persons have been utilized and directed in the protective services, but there are many thousands who cannot be used in these services but would be excellent in other fields of endeavor. These people must be allowed to take their rightful places in keeping the morale of the country up to the war effort and they will do a magnificent job.

Last September I attended a convention of Democratic women from 11 Western States held at Los Angeles. At the [illegible] of a dinner in honor of the [illegible] Edward J. Flynn I had the pleasure of witnessing the performance of a dramatization of Stephen Vincent Benét's poem published in the Independence Day issue of Life magazine on July 7, 1941, Listen to the People. It was under the direction and at the instigation of Melvyn Douglas and played by some of the best-known actors and actresses in Hollywood, who donated their services to national defense. The theme stressed was patriotism and extolled the struggles of this great country of ours during its more than 150 years of freedom.

Mr. Douglas was simply magnificent and anyone listening to him on that evening could not doubt his sincerity and the very great spirit of patriotism he interpreted. He was an inspiration to any one, I am sure, to everyone present. The vile insinuations that have been made on the floor of this House reflecting his patriotism are something we should feel very much ashamed of. It would seem, in all fairness, that before attacking any person in the House of Representatives one should get their facts straight; particularly is that true since the accused has no opportunity to present his side of the question and Members of Congress have immunity from libel suits. I would suggest that unless and until facts are presented and supported by evidence that it might be well to withhold vicious gossip designed not to help our war effort but to destroy unity at a time when all our efforts should be influenced by the great conflict we are now in. We have a great job to do and bitter personal hatreds, as well as political advantage, should have no place in a program designed to win a war and bring peace to our beloved country.

Mr. HOUSTON. Mr. Chairman, will the gentlewoman yield?

Mrs. NORTON. Yes.

Mr. HOUSTON. Is it not a fact that Mr. Douglas gave up a salary of around $250,000 a year in the moving-picture industry to accept this job?

Mrs. NORTON. I understand he was willing to do so; in fact, was willing and anxious to get released from his contract to go in the Army.

Mr. HOUSTON. And did he not pay about $35,000 income tax last year?

Mrs. NORTON. Something in the neighborhood of that amount.

Mr. HOUSTON. And did the Government refuse to take that money?

Mrs. NORTON. Oh, certainly not. Mr. Chairman, I call attention to the fact that Mr. Douglas has been doing patriotic work, not just within the last few months, since some of you gentlemen realize that we have to face a war, but that for many months past he has been giving much of his time and his ability to the defense of America, and he was not a member of the America First or any other isolation group. The Pearl Harbor defeat was not necessary to bring him to a realization of the danger confronting his country.

Mr. HOUSTON. Is it not a fact that the bill before the House today does not carry one cent for salaries for the officers of this organization?

Mrs. NORTON. Of course. I think [illegible] knows that.

The CHAIRMAN. The time of the gentlewoman from New Jersey has expired.

Mr. THOMAS F. FORD. Mr. Chairman, I move to strike out the last word. Following the remarks of my distinguished colleague from New Jersey [Mrs. Norton] with reference to Mr. Melvyn Douglas I ask permission of the House to read the following letter from the Executive Office of the President, Office for Emergency Management:

Executive Office of the President, Office for Emergency Management, Washington, D. C., January [illegible], 1942.

[illegible] Douglas, Los Angeles, Calif.

Dear Mr. Douglas: At the request of Dean James M. Landis, Executive Office of Civilian Defense, Office for Emergency Management, you are appointed as consultant without compensation for an indefinite period, effective January 31, 1942.

During this period your services will be without compensation from the United States. However, you will be reimbursed for actual and necessary expenses, in accordance with standard Government regulations, and you will be allowed $10 per diem in lieu of subsistence, when you are away from your official headquarters on official business connected with the Office of Civilian Defense, Office for Emergency Management.

Will you please complete and return the enclosed statement of acceptance? Transportation request forms will be mailed to you immediately.

We appreciate your patriotic cooperation in this very important aspect of the defense program.

Sincerely yours,

Dallas Dort,
Director, Division of Central Administrative Services.

Mr. Chairman, I have read this letter for the purpose of verifying the statement I made earlier today in a 1-minute address on this floor. Mr. Douglas does not receive a salary. All he receives, as this letter states, is the usual traveling expense, plus subsistence.

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

Mr. THOMAS F. FORD. No, I will not yield. Further, I emphasize again that Mr. Douglas is a high-class patriotic American citizen, who is doing the very best that he can to help this country in this hour of need. He is not a Communist, as has been said; he is not a member of any subversive organization; he has never taken any part in subversive activities; and he is one of the star Hollywood motion-picture actors, whose work on the screen is probably one of the three or four top box-office draws. All this ballyhoo about Melvyn Douglas being this or being that is just so much moonshine.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. THOMAS F. FORD. Yes.

Mrs. NORTON. Is it not a fact that Mr. Knudsen is in the employ of the Government on exactly the same basis as Mr. Melvyn Douglas would be?

Mr. THOMAS F. FORD. Exactly. I thank the lady for her contribution.

Mr. HINSHAW. Mr. Chairman, I rise in opposition to the pro forma amendment. Having been the Member of the House who protested the record of the gentleman just referred to by my colleague from California [Mr. Thomas F. Ford], I say that anyone can read it who wants to. It is a list of the un-American [illegible] that Mr. Douglas has been [illegible] connected with. I have no doubt of Mr. Douglas' belief in his own patriotism today. He probably is a perfectly good American citizen, trying to serve his country in accordance with his light, but for my part I would not pay a dollar a year per dozen for people who are apparently connected with subversive interests. Of course, one must realize that Hollywood actors are like all other actors—sympathetic people. In the main [illegible] Communist-front organizations because someone has asked them if they could use their name and they have said, "Sure, go ahead; I will do anything you say." But, on the other hand, there are a good many of those actors out there who have gotten smart lately and they no longer allow their names to be used miscellaneously for purposes with which they may sympathize. But Melvyn Douglas seems to be a member of too many such organizations for him to be unaware of their character.

Mr. LELAND M. FORD. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I have only a moment.

Mr. LELAND M. FORD. Does the gentleman think that it is a great act of patriotism to refuse to read the Declaration of Independence?

Mr. HINSHAW. I did not hear about that, but that certainly would not be an act of patriotism.

I want to refer for a moment to the article read by one of my colleagues, I cannot now remember which, concerning the fact that Hollywood actors and scenario writers, and so forth, are to be exempted from the draft. I do not believe that any of those fellows were consulted prior to this order. Those whom I know for the most part are just as red-blooded citizens as anybody in the United States, and if they thought they were going to be kept from fighting when their turn came and their name came up they would protest in large number. I venture to state that since this order has been issued, you will find quite a crowd coming forward to say, "No; we do not want to be exempted, we want to do our turn when the time comes." A great many of them are already in the service. They are that kind of fellows. They are good, red-blooded men, the whole crowd of them. They want to serve their country when the time comes. I rise to make that statement because I know a great many of those men. As the gentleman from Oklahoma [Mr. Nichols] remarked a few minutes ago, referring to himself as being a former actor, I am not an actor nor a former actor, but I have one in my family. My father was not a great [illegible] and opera singer. I am quite proud of his profession. I know that those boys in Hollywood, those people working in the motion-picture industry, are not going to take that order by General Hershey lying down. They are going to show the world that they are just as good citizens as anybody else. That will prevail. [illegible] before long to [illegible] it to the [illegible]. As for any [illegible] we do not want them around Washington and you do not want them, either. [illegible] not care whether it is a dollar a year or 25 cents a year that they are paid; [illegible] at a dollar a dozen, I would not want 10 cents worth of them [illegible]. Neither do you. What we want in Washington in charge of the Office of Civilian Defense is men who know what it means to be under fire, men who have [illegible] [illegible] appointments. As far as the women are concerned, of course, we need the women. They should be women of broad experience, women who have had positions of high honor in their communities; women who have had Red Cross experience, nursing experience, or other experience, such as superintendents of hospitals, and women who are available from organizations of that character. I think this is a very serious business.

I recognize that the words of the gentleman from Virginia [Mr. Woodrum] are true, that this bill has nothing to do with that portion of the Office of Civilian Defense that relates to the activities to which the House has been objecting. The bill certainly concerns itself with the purchase of materials and supplies for civilian defense, and not for the hiring of personnel.

I hope that when the Committee on Appropriations ultimately considers that matter it will give consideration to the will of the country and make the Office of Civilian Defense exactly what it means, an office for the defense of the civilian population, and nothing else.

As for the Walt Disney Donald Duck film intended to impress the people with the pleasure and necessity for paying income taxes, I have not seen the film but have had reports concerning it by those who have seen it. Like the Irving Berlin song it is, in part, at least, a contribution to the Government made by a man of quality in his profession. I understand that it cost $[illegible] to make and that it is to be distributed and shown without cost and that no profit or income will accrue to the producer, Walt Disney, nor to the distributors or theater operators. The Treasury has evidently said they would reimburse Mr. Disney for the out-of-pocket cost of making the film including overhead and the like expense. This amount is said to be $[illegible]. While the authority of the Treasury officials to authorize such an expenditure is doubtful, I nevertheless feel that Mr. Disney should not be penalized for his part of the bargain and I shall therefore vote to pay him.

[Here the gavel fell.]

The Clerk read as follows:

[illegible]

[illegible]

Mr. CANNON of Missouri. Mr. Chairman, I offer a committee amendment.

Mr. McLEAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McLEAN. I have an amendment at the Clerk's desk which is intended to follow the [illegible] to the provision from Missouri [illegible] from citizens that amendment at the conclusion of the gentleman's amendment?

Mr. CANNON of Missouri. What is it the gentleman proposes to offer?

Mr. McLEAN. A new section.

The CHAIRMAN. The amendment proposed by the gentleman from New Jersey [Mr. McLean] is a new section, which will not preclude it by the amendment offered by the chairman of the committee [Mr. Cannon].

The Clerk will report the amendment offered by the gentleman from Missouri.

The Clerk read as follows:

Committee amendment offered by Mr. Cannon of Missouri: On page 18, at the end of line 2, insert "This section shall not apply to citizens of the Commonwealth of the Philippines."

Mr. CANNON of Missouri. Mr. Chairman, section 303 is the stereotype amendment which is included in all general appropriation bills. It prohibits the payment of compensation from the Treasury to any employee of the Government who is not a citizen of the United States. The terms of the section applies to Filipinos who are not citizens as to others and the purpose of this amendment is to exempt them from the terms of the section to make its provision inapplicable to the citizens of the Philippine Commonwealth. The committee recommends this in appreciation of the signal service rendered by them to our forces in the Philippine Islands and as a mark of token of the warm friendship long existing between the Philippine and American people.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. CANNON of Missouri. I yield to the gentleman from New York.

Mr. TABER. The only object of this is to lessen the prohibition against employing other than citizens, so that citizens of the Philippines may be employed?

Mr. CANNON of Missouri. Exactly. They have shown themselves entitled to every consideration at the hands of the American Government and the American people.

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

Mr. CANNON of Missouri. I yield.

Mr. RICH. There would be nothing in that amendment that would in any sense recognize the Philippine government as a State?

Mr. CANNON of Missouri. The amendment applies exclusively to section 303 of the bill and has no other application.

Mr. RICH. We speak of the Commonwealth of Massachusetts and the Commonwealth of Pennsylvania, and now in this bill you mention the Commonwealth of the Philippines.

Mr. CANNON of Missouri. It makes no provision affecting the Philippine government. It merely makes the Filipino eligible to employment under the United States.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. Cannon].

The [illegible] amendment was agreed to.

Mr. McLEAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McLean: Page [illegible], after line [illegible], add a new section, as follows:

"Sec. 303. Public Law No. 411, Seventy-seventh Congress, chapter 16, second session, be, and is hereby, amended by adding at the end thereof the following: 'Provided, That nothing in this act'——"

Mr. CANNON of Missouri (interrupting the reading of the amendment). Mr. Chairman, the Clerk has read enough of the amendment to indicate that it is clearly out of order. I desire to make a point of order against it at this time.

The CHAIRMAN. The Chair thinks the amendment should be read. The Chair will entertain the point of order after the Clerk has read the amendment.

The Clerk will read the amendment.

The Clerk read as follows:

Amendment offered by Mr. McLean: Page [illegible], after line [illegible], add a new section, as follows:

"Sec. 303. Public Law No. 411, Seventy-seventh Congress, chapter 16, second session, be, and is hereby, amended by adding at the end thereof the following: 'Provided, That nothing in this act shall be construed to include within its provisions of the Civil Service Retirement Act the President, the Vice President, Members of the Senate, and the House of Representatives.'"

And on page [illegible], line [illegible], strike out "[illegible]" and insert "[illegible]."

Mr. CANNON of Missouri. Mr. Chairman, I make the point of order that the amendment is not germane to the bill, that it is legislation on an appropriation bill, and is out of order.

Mr. McLEAN. Mr. Chairman, I desire to be heard on the point of order.

The CHAIRMAN. The Chair will be pleased to hear the gentleman.

Mr. McLEAN. Mr. Chairman, the gentleman from Missouri, in support of his point of order, has stated that this amendment would be legislation on an appropriation bill. It is legislation, but the rule which the gentleman invokes is one honored in the breach rather than in the observance, and a good purpose would be served if it were not pressed at this time. I direct attention to a provision of this very bill comparable to one [illegible] to rule [illegible] on page [illegible]. It does not pertain to any way to an appropriation bill. It suspends the operation of a [illegible] section of the Selective Service Act. It is clearly legislation.

The Civil Service Retirement Act, to which my amendment would apply, provides that [illegible] shall be made for this purpose [illegible] out of the Treasury of the United States by appropriation [illegible].

Since the enactment of the Civil Service Retirement Act a few days ago [illegible] we [illegible] because of the provision it contained granting pensions to the President, the Vice President, the Senators, and the Members of the House of Representatives——

Mr. CANNON of Missouri. Mr. Chairman, I make the point of order that the gentleman is not speaking to the point of order.

The CHAIRMAN. The gentleman from New Jersey will confine himself to the point of order.

Mr. McLEAN. I was laying the foundation for my argument.

If the Chair will refer to page [illegible] of this bill, he will there find the section to which I have referred suspending a provision of the Selective Service Act. That is clearly legislation on this appropriation bill and comparable to my amendment. There are exceptions to the rule that an appropriation bill cannot carry legislation, and I call the Chair's attention to the Holman rule. That rule provides that if the legislation would result in the saving of expenditures it is not subject to a point of order. In the Fifty-second Congress it was decided—

An amendment to the pension appropriation bill tending to lessen the sum of pensions [illegible] from the [illegible] is in order because its effect would be to reduce expenditures.

The amendment which I have introduced would reduce expenditures. It excludes from the benefits of the Civil Service Retirement Act the President, the Vice President, the Senators, and Members of the House of Representatives.

This is the first opportunity we have had to correct our blunder, and we ought to take advantage of it.

The CHAIRMAN (Mr. Smith of Virginia). The Chair is ready to rule.

The amendment offered by the gentleman from New Jersey is clearly not germane to the bill under consideration. If it were germane it would be legislation on an appropriation bill. It does not in any way retrench expenditures under this bill. For two very good reasons, therefore, the Chair sustains the point of order.

The Clerk will read.

The Clerk read as follows:

Sec. 303. This act may be cited as the "First Deficiency Appropriation Act, 1942."

Mr. CANNON of Missouri. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Smith of Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that that

Committee, having had under consideration the bill (H. R. 6548) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1942, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1942, and for other purposes, directed him to report the same back to the House with sundry amendments with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. CANNON of Missouri. Mr. Speaker, I ask for a separate vote on the Wigglesworth amendment. I shall not ask for a separate vote on the Ford amendment.

The SPEAKER. Is a separate vote demanded on any other amendment?

Mr. SHAFER of Michigan. Mr. Speaker, I ask for a separate vote on the Ford amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment offered by Mr. Leland M. Ford: On page 4, line 9, strike out the period and insert "Provided, That no part of the funds appropriated herein may be used for the employment of persons, the rent of facilities, or the purchase of equipment and supplies to promote, present, or carry on instruction or to direct instruction in physical fitness by dancers, fan dancing, street shows, theatrical performances, or other public entertainments."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment upon which a separate vote is demanded.

The Clerk read as follows:

Amendment offered by Mr. Wigglesworth: Page 20, line 14, strike out "$200,000" and insert "$175,000."

Page 20, line 16, strike out "$[illegible]" and insert "$[illegible]."

Page 20, line 18, strike out "$[illegible]" and insert "$[illegible]."

Insert at the end of line 18 the following: "Provided, That none of the funds herein appropriated shall be used for producing moving pictures."

The SPEAKER. The question is on agreeing to the amendment.

The question was taken; and the Chair being in doubt, the committee divided; and there were—ayes 128, noes 82.

Mr. CASEY of Massachusetts. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 208, nays 112, not voting 61, as follows:

[Roll No. 21]

YEAS—208

Allen, Ill. Andresen, Bates, Mass. [illegible]

[illegible]

NAYS—112

Allen, La. [illegible]

[illegible]

NOT VOTING—61

[illegible]

So the amendment was agreed to.

The Clerk announced the following pairs:

General pairs:

Mr. McCormack with Mr. Martin of Massachusetts.

[illegible]

Mr. KELLEY of Pennsylvania, Mr. SMITH of Ohio, and Mr. CARTWRIGHT changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Baldridge, one of its clerks, announced that the Senate had agreed without amendment to a concurrent resolution of the House of the following title:

H. Con. Res. 65. Concurrent resolution authorizing the printing of additional copies of the report (H. Rept. No. 1634) of the Committee on Naval Affairs relative to the progress of the national defense program.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 2046. An act to provide for the planting of guayule and other rubber-bearing plants in order to make available a source of crude rubber for emergency and defense uses.

GENERAL EXTENSION OF REMARKS

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that all who spoke on this bill may have 5 legislative days in which to extend their own remarks on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. FADDIS. Mr. Speaker, I ask unanimous consent that on tomorrow after the disposition of business on the Speaker's table and at the conclusion of any special orders heretofore entered I may be given permission to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. FADDIS]?

There was no objection.

EXTENSION OF REMARKS

Mr. PATRICK asked and was given permission to extend his own remarks in the RECORD.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an address by the Mayor of Los Angeles on the Japanese situation and a statement in addition thereto.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. COSTELLO]?

There was no objection.

[The matters referred to appear in the Appendix.]

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a statement of a constituent.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina [Mr. BRYSON]?

There was no objection.

[The matter referred to appears in the Appendix.]

CORRECTION OF ROLL CALL

Mr. REECE of Tennessee. Mr. Speaker, on roll call 14 I am recorded as not having voted. I was present and voted "yea," and I ask unanimous consent that the RECORD and Journal may be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. REECE]?

There was no objection.

EXTENSION OF REMARKS

Mr. LE COMPTE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an editorial from the Creston (Iowa) News-Advertiser.

The SPEAKER. Is there objection to the request of the gentleman from Iowa [Mr. LE COMPTE]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. CHENOWETH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a letter from Guy U. Hardy, a former Member of Congress.

The SPEAKER. Is there objection to the request of the gentleman from Colorado [Mr. CHENOWETH]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. BAUMHART. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a press release which I have given out this week.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. BAUMHART]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. YOUNGDAHL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the Minneapolis Daily Times.

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

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on three subjects and include therein certain excerpts.

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

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. MYERS of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address by James M. Landis, Executive Director of the Office of Civilian Defense and Dean of the Harvard Law School, which was read before the Brandeis Lawyers' Society at Philadelphia, Pa., on Wednesday, January 28, 1942. I am informed that this manuscript is estimated to make two pages of the CONGRESSIONAL RECORD at a cost of $90.

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

There was no objection.

[The matter referred to appears in the Appendix.]

COMMITTEE ON THE JUDICIARY

Mr. McLAUGHLIN. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight to file a report on the bill S. 2008.

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

There was no objection.

EXTENSION OF REMARKS

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial and a letter.

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

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. McLEAN, Mrs. NORTON, and Mr. DITTER asked and were given permission to revise and extend their remarks in the RECORD.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein two editorials.

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

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on two subjects.

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

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

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

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

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. HEALEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial on General MacArthur appearing in the Boston Post.

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

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SHAFER of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a newspaper clipping and an editorial.

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

There was no objection.

[The matter referred to appears in the Appendix.]

ORDER OF BUSINESS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute to ask the majority leader what the program will be for tomorrow.

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

There was no objection.

Mr. BOLAND. The Committee on Rules was supposed to have met today with the purpose of possibly reporting out a rule on the Rogers bill, but from the information I have the rule has not been reported, so that leaves us without any legislation to be considered tomorrow.

Mr. MICHENER. How about Wednesday?

Mr. BOLAND. We expect that the Committee on Rules will probably report out a rule tomorrow on that bill, and it would be acted upon Wednesday. The committee may also report a rule on the Lanham bill concerning housing in the District of Columbia.

Mr. MICHENER. There is also the resolution with regard to the continuance of the Dies committee. If any of those rules are reported, will one of those bills be considered on Wednesday?

Mr. BOLAND. That is right.

PERMISSION TO ADDRESS THE HOUSE

The SPEAKER. Under a previous order of the House, the gentleman from Massachusetts [Mr. GIFFORD] is recognized for 20 minutes.

Mr. GIFFORD. Mr. Speaker, I ask unanimous consent that this special order may be transferred to tomorrow, to follow any special orders heretofore entered.

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

There was no objection.

EXTENSION OF REMARKS

Mr. GIFFORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an article by an ex-Congressman.

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

There was no objection.

[The matter referred to appears in the Appendix.]

TONNAGE PASSING THROUGH THE SOO LOCKS

The SPEAKER. Under a previous order of the House, the gentleman from Michigan [Mr. BRADLEY] is recognized for 20 minutes.

(Mr. BRADLEY of Michigan asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. BRADLEY of Michigan. Mr. Speaker, it has been very gratifying to me and to a number of others of us who are interested in our war production and more particularly interested in the production of iron and steel on the Great Lakes and the transportation of the iron ore necessary therefor, to see that other Members of this House have joined us in our fight to instruct the chairman of the great Rivers and Harbors Committee to ask unanimous consent to take from the Speaker's desk Senate bill 2125, which passed the Senate several weeks ago.

I find, Mr. Speaker, that very few people in the East and, unfortunately, very few Members of the Congress and very few men in high Government positions here in Washington, fully appreciate not only the magnitude of the tonnage passing through the Soo Locks in the St. Marys River in northern Michigan, but also do not recognize the fact that more tonnage passes through the Soo Locks in one operating season of approximately 250 days than passes through the six other largest canals in the entire world in 12 months. It would amaze some of these people to realize that during the last operating season of 1941 there were some 20,895 passages through the Soo Locks in a period of 258 days. This means that one boat went through those locks every 14.4 minutes and about 75 percent of the total tonnage passing through those locks was iron ore.

I want to give the membership just a few basic figures on the Soo Locks. During the 1941 season there passed through the Soo 111,121,694 tons of freight. Let us see how this compares with some of the other famous canals about which we hear so much here in the East. Take the great Suez Canal that is now threatened with destruction. The last available figures on that canal show that in a 12-months' period only 30,000,000 tons, or slightly less, passed through that lock. I will put the exact figures in the RECORD later. Through the Panama Canal slightly less than 25,000,000 tons went through in the 12 months' period. Through the Welland Canal, which connects Lake Ontario and Lake Erie, a little over 13,000,000 or 14,000,000 tons.

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

Mr. BRADLEY of Michigan. I yield.

Mr. HOFFMAN. The matter about which the gentleman is talking is one that is absolutely vital to our national defense. There is not any question about it.

Mr. BRADLEY of Michigan. That is right.

Mr. HOFFMAN. There are only six Democrats on the floor, and none of them is listening. Why not put it in the RECORD and come back some time later and make them hear it? This has to do with our national defense, and there is not any doubt about that. They do not seem to be interested in that at all.

Mr. BRADLEY of Michigan. Well, I think the gentleman's observation is quite obvious; but nevertheless there are some Republicans on the floor.

Mr. HOFFMAN. Oh, yes; there are plenty of Republicans here.

Mr. BRADLEY of Michigan. And they will be very glad, I am sure, to hear what I have to say.

Mr. HOFFMAN. But we are in the minority and we cannot pass these things. There is not a Republican here who is not in sympathy with the gentleman's proposition and they will all give the gentleman their active support in this program. But so is the majority party, neither the leadership nor the individuals are interested. After all, we cannot pass it without a few votes from the majority side.

Mr. BRADLEY of Michigan. I will say to the gentleman that the program I have outlined in the past and expect to repeat again today is one on which no vote will be necessary. It can be passed by unanimous consent just the same as we recently secured pensions for the Congressmen and the President of the United States.

Mr. HOFFMAN. The gentleman is entitled to the thanks of the House and the country for his work on this program.

Mr. BRADLEY of Michigan. The New York State Barge Canal is one in which a great many men are interested and that only carried 4,500,000 tons. The Manchester Canal, over in England, only carried 6,500,000 tons. In other words, the total tonnage through all of these six canals in a 12-month period is some 85,500,000 tons as opposed to 111,000,000 tons through the Soo last year. Of the 111,000,000 tons, 80,000,000 tons was iron ore needed for our national defense. It may interest the membership to know that last year we produced in the entire United States for our entire war production program 92,400,000 tons of iron ore, of which 80,000,000 tons went through the Soo locks. So it can be seen that almost 90 percent of this vitally needed iron ore passes through these locks.

If the membership will bear with me I should like to explain these exhibits I have here on the floor.

Most of the iron ore comes from the Mesabi Range, the Gogebic Range, the Vermilion Range, the Cuyuna Range, and the Menominee Range in Minnesota and northern Michigan and is carried down through the locks, and there is your bottleneck at the Soo [indicating] through which all this ore has to go to reach the furnaces in Chicago and Gary or to Cleveland or to Pittsburgh, Buffalo, Detroit, and elsewhere.

Here is an airplane view of the St. Marys River. I call attention to the fact that that is a mighty small bottleneck. There is a drop there of 21 feet between the elevation of Lake Superior and the elevation of Lake Huron, and every bit of that water has to go down through this little bottleneck at the Soo. Here is a close-up aerial view of the locks, and here are the two locks through which all of our tonnage passes today. Here is the original lock, long since out of use, and over here is the next lock which was built and which now has a draft of only 16 feet over the sill. These other two locks are 23 feet over the sill. It is proposed in Senate 2125, which was introduced by my colleague from Michigan, Senator Brown, and passed unanimously by the Senate, to build a fourth lock at this point. There are the approaches to it. That lock will have a draft of 30 feet.

Mr. CURTIS. How long would it take to build that?

Mr. BRADLEY of Michigan. That lock, if started today, would be ready for the opening of navigation in 1943. As long ago as early last May the Board of Army Engineers recommended to the Congress that immediate construction be started on that lock. If Congress had acted promptly, that lock could have been ready this year when the President has called for such a tremendous increase in production. We have dilly-dallied with the Rivers and Harbors Committee. That committee recognizes the necessity for it, and it is included in the omnibus rivers and harbors bill in two places.

Mr. CURTIS. And this is an authorization the gentleman seeks at this time.

Mr. BRADLEY of Michigan. An authorization for an appropriation of $8,000,000. I understand the funds are already available in some of the contingent funds made available to the President.

Mr. HOFFMAN. Will the gentleman leave this exhibit up so that we can look at it tomorrow?

Mr. BRADLEY of Michigan. Yes.

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

Mr. BRADLEY of Michigan. Yes.

Mr. CRAWFORD. Does the gentleman put any special faith in the statement made the other day to the effect that this will be taken care of in the rivers and harbors bill in one way or another under one or the other of the propositions contained therein?

Mr. BRADLEY of Michigan. I intend to discuss that a little later. I think the gentleman will agree with me when I say that the passage of the rivers and harbors omnibus bill, unless a great many so-called pork items are taken out of it, is extremely doubtful. If that bill should by any chance be defeated on this floor this lock would not be built at the present time—and our war-production increase will be effectively strangled. Last season these locks operated at their maximum efficiency and probably dangerously close to their maximum capacity.

Mr. CRAWFORD. I may say to the gentleman that within the last week I have personally spoken to Mr. Donald Nelson about this matter, and told him that I was greatly concerned about the bottleneck that may develop there, and slow up our war effort.

Mr. BRADLEY of Michigan. I am very glad that the gentleman mentioned Mr. Donald Nelson, our war-production chief, and I may say that I have authentic information that indicates to me that Mr. Nelson expressed his concern about the necessity for this lock in a letter to the chairman of the Rivers and Harbors Committee. He requested that immediate action be taken on the Brown bill, S. 2125. After this letter, however, he again notified the chairman of the committee that in view of the fact that this bill was already included in the omnibus bill, he withdrew his previous recommendation as to its urgency. We have been told, as the gentleman knows, that Mr. Nelson is the complete czar of our war production. Surely he knows the facts with reference to the Soo. He knows the importance of this lock, and I am amazed to think that if he is acting on his own initiative he could not find to realize the doubt as to the final passage of the rivers and harbors omnibus bill. If he is not acting on his own initiative in this matter, then I question seriously whether he has the full authority that we have been told he has over our war-production effort, but rather, perhaps, he may be another hand-tied, hog-tied victim answerable to the god of political expediency; and if Mr. Nelson is so bound by political expediency, then God help America in getting our war effort over the top.

There is one other matter I want to talk about in connection with these locks. I call the attention of the membership to the utter vulnerability of these locks to aerial attack. That has been minimized. It cannot be overemphasized. We have no protection at the Soo at the present time that is capable of combating aerial attack. At this point is what is known as Fort Brady. It is like so many other army posts. It is nothing but a collection of barracks for the men, with a parade ground. The largest armament at that fort is some machine guns and automatic rifles. There are no antiaircraft guns or searchlights there. They had some at the start of the war but they were immediately taken out of the Soo. That, despite the fact that should the Germans attempt to bomb the United States—and we are worrying about aerial attacks in Washington and New York City—the Soo locks by airplane are only 200 miles farther from Berlin than is the city of Washington or the city of New York. This Soo is one target which is absolutely vulnerable. It is such a compact target that, as a matter of fact, the membership in looking at the picture could not tell without a magnifying glass that at the time this picture was taken, three separate boats were going through those locks at the same time. All a bomber would have to do would be to drop on these gates four bombs, and away would go your water and your Nation's steel production would be stopped.

We had an experience like that last year. Last year a part of that drawbridge got caught open. A train was going over it and the weight of the engine smashed it down and it tied up the complete flowage of ore through those locks for 1 week and caused a loss of a million tons of iron ore.

I have mentioned the draft of these locks. The new lock will be 27 feet deep. It is an integral part of the proposed St. Lawrence waterway. We are at present building on the Great Lakes 21 boats [illegible] to carry iron ore, which will have a draft of 24 feet. They cannot navigate through the present locks at their maximum capacity because the draft of those locks is only 23 feet. By simple calculation you can estimate that if these boats make 30 trips a year, the fact that they cannot operate at their maximum capacity will mean a decrease in total over-all tonnage of at least a million tons next year. That of itself is extremely important at this time.

There is another feature in connection with the vulnerability to air attack. Whenever a lock is damaged, through accident by boat or when damaged by a bomber, it is necessary to put in temporary cofferdams to dam off the water while repairs are being made. Our cofferdams are located at this point. They are supported by what is known as tension members. They are vulnerable to destruction by light bombs, and if anything happens to those cofferdams, it would be difficult indeed to stem the water going through those locks to permit repairs to be made in a short time.

I have been told by reliable dredging contractors and dock construction men that if anything happens to these Soo locks, if they were bombed and destroyed, they could not be repaired and replaced in less than 6 months. I am frank to say that does not agree with some of the estimates of the Army engineers, but nevertheless these men have been in dredging and harbor construction work for many years, and I personally think they are fully capable to give an honest opinion on that matter.

Miss SUMNER of Illinois. Mr. Speaker, will the gentleman yield?

Mr. BRADLEY of Michigan. I yield.

Miss SUMNER of Illinois. What is the tonnage as compared with the Panama Canal?

Mr. BRADLEY of Michigan. In a 12 months' period the Panama Canal handled something less than 25,000,000 tons. As opposed to that, these locks last year handled 111,000,000 tons. They are four and a half times as great in the matter of tonnage.

Miss SUMNER of Illinois. Do you know what the tonnage is as compared with the Suez Canal?

Mr. BRADLEY of Michigan. The Suez Canal handled 30,000,000 tons in a 12 months' period. I might say there passed through the Soo locks one and a half times as much tonnage as goes through the six next largest locks in the entire world, in a 12-month period.

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

Mr. BRADLEY of Michigan. I yield.

Mr. CRAWFORD. For what period of the year are the locks closed on account of ice?

Mr. BRADLEY of Michigan. For about 3 months. Our normal navigation season closes about the 1st of December and it opens about the 1st of April.

Mr. CRAWFORD. The blast furnaces accumulate ore in advance to take care of this ice period?

Mr. BRADLEY of Michigan. That is correct.

Mr. CRAWFORD. The Panama Canal might close and we could continue to operate in our production of defense materials?

Mr. BRADLEY of Michigan. We could.

Mr. CRAWFORD. But if these locks close for 9 months or 6 months, what effect would that have on your production of war materials insofar as the Pittsburgh or the Illinois districts are concerned?

Mr. BRADLEY of Michigan. If these locks were bombed successfully and time between now and the opening of navigation—April 1, I doubt if there would be 25 percent of our steel-producing facilities active in this country on the 4th of July. And you know the extent difficulties, the added expense, and above all, the added delay caused by blowing down a blast furnace. They must be kept in continuous operation if we are to win.

Mr. CRAWFORD. It would paralyze the whole defense program?

Mr. BRADLEY of Michigan. Absolutely.

Mr. CRAWFORD. In other words the defense of the United States and our Allies, with which we have formed alliances, depends on keeping that ore moving through those locks?

Mr. BRADLEY of Michigan. That is true; and if the gentleman will recall, the President in his address to Congress this year insisted that we must greatly step up not only our entire war-production effort but more particularly our steel-production effort.

In 1941 there passed through the Soo locks 26 percent more ore than passed through them in 1940, which was the largest preceding year. I understand they want to get another 25 percent increase this year, and that is physically impossible through those locks as they are now constituted.

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

Mr. BRADLEY of Michigan. I yield.

Mr. HOFFMAN. I just wanted to ask did I understand you to say awhile ago that one cargo vessel passed through those locks every 14½ minutes?

Mr. BRADLEY of Michigan. That is right; every 14.4 minutes.

Mr. HOFFMAN. Can the gentleman tell us how long it takes a vessel to go through? As I understand, they put more than one through at a time.

Mr. BRADLEY of Michigan. That is right. It takes about 20 minutes.

Mr. HOFFMAN. How long are most of those vessels?

Mr. BRADLEY of Michigan. Most of the vessels on the Great Lakes now are 600 feet long. That is the average length, 600 feet. The new boats will run 640 feet. These locks are 1,350 feet long. It is possible to get four through at one time.

Mr. HOFFMAN. And they should be duplicated? Is that the gentleman's argument?

Mr. BRADLEY of Michigan. No; a fourth lock is what we call it, but it is in effect a [illegible], because it is proposed to replace the old original lock with a new lock which will be longer and wider and deeper.

Mr. HOFFMAN. Is that to the north of the ones there now?

Mr. BRADLEY of Michigan. That is almost directly south.

Mr. HOFFMAN. Is that on the Canadian side or on the American side?

Mr. BRADLEY of Michigan. On the American side.

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

Mr. BRADLEY of Michigan. I yield.

Mr. BISHOP. How large an appropriation would it require for this?

Mr. BRADLEY of Michigan. Eight million dollars.

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

Mr. BRADLEY of Michigan. I yield.

Mr. CANFIELD. The gentleman's map also shows the Canadian Soo canal. Is that available, too?

Mr. BRADLEY of Michigan. This is the Canadian lock. I will say to the gentleman that the Canadian Ship Canal is much shallower and is not capable of taking our biggest boats with any tonnage in them and is therefore used very little. It was built about the same time as the two original American locks, but is much smaller and of shallower draft.

I want to say one thing more before I close. The question has been raised: Suppose these locks were put out of business, how could sufficient ore be delivered to the steel furnaces? Here on the map you see the iron-ore ranges. The railroad line comes roughly down through here, which could be used to get ore to the docks at Escanaba, on Lake Michigan. As I recall it, however, in recent years the biggest shipments out of there were about 12,000,000 tons as opposed to the 90,000,000 tons which were produced last year; and, in order to get that tonnage through to the Escanaba docks in any increased amounts, it would be necessary to rebuild approximately 40 miles of railroad with heavier tracks and new bridges and build more ore docks in Escanaba. Then they might be able to step up this tonnage at Escanaba. I have been seeking to get a favorable recommendation from the War Department and from the Office of Production Management, and so on, to increase the facilities at Escanaba. As I say, however, the immediate urgent need is to get protection up there for the Soo locks, aircraft, and antiaircraft guns. This should be done at once, lest we have another debacle or disaster far worse in its effect than our defeat at Pearl Harbor.

And at the same time again, I call on the Rivers and Harbors Committee to instruct my very good friend, the chairman of that committee, Judge Mansfield, to ask unanimous consent to take from the Speaker's desk S. 2132 and ask for its immediate consideration. I have been assured by our minority leader that we will not object on this side of the aisle and I assume that there will be no objection from the majority side. If that is done, then I know the Army Engineer Corps is ready to proceed at once with the awarding of the contracts; the site at the Sault has long been cleared ready for immediate construction and if we will act promptly enough this new lock, together with its approaches, can be made ready for the opening of the 1943 navigation season. Until it is ready we cannot expect a material increase in our iron-ore production and consequently in our steel production and, therefore, we cannot expect a material increase in our all-out war-production effort. The Sault is the bottleneck and the bottleneck for the Soo lock is the Rivers and Harbors Committee. They cannot escape the responsibility.

As a matter of information and so the membership may have a break-down of the tonnage figures to which I have referred today and also the break-down of the tonnage of various commodities passing through these Soo locks, I append herewith several interesting tables which have been submitted to me by the Lake Carriers Association, an organization including in its membership most of the vessel operators on the Great Lakes, who are charged with the responsibility of delivering this iron ore to the furnaces. Today I have been discussing this matter principally in terms of vitally needed iron-ore and steel production, but you will note in the tables that there are many other commodities also vitally needed in their own place in the war production picture. In each instance it is probable that a corresponding increase in production is called for this year. That increase will not be forthcoming until this Congress acts.

Total freight passing through canals at Sault Ste. Marie, in net tons

	1941	1940
Bulk freight:		
Iron ore	[illegible]	[illegible]
Coal	[illegible]	[illegible]
Grain	[illegible]	[illegible]
Petroleum products	[illegible]	[illegible]
Stone	[illegible]	[illegible]
Scrap iron	[illegible]	[illegible]
Salt	[illegible]	[illegible]
Total	[illegible]	[illegible]
Package freight in carloads:		
Wood products	[illegible]	[illegible]
Flour	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Copper and lead	[illegible]	[illegible]
Automobiles	[illegible]	[illegible]
General merchandise	[illegible]	[illegible]
Total package	[illegible]	[illegible]
Grand total	[illegible]	[illegible]

1 Equal to [illegible] percent.
2 Equal to [illegible] percent.
3 Equal to [illegible] percent.
4 Equal to [illegible] percent.

Statement of actual traffic from latest figures available

Canal:	Net tons
Welland	[illegible]
St. Lawrence	[illegible]
Panama	[illegible]
Suez	[illegible]
New York State Barge	[illegible]
Manchester	[illegible]
Total, 6 canals	[illegible]
Sault Ste. Marie	[illegible]

Mr. BRADLEY of Michigan. Mr. Speaker, in extending my remarks I ask unanimous consent to include certain tables of tonnage passing through the Soo and the break-down of those figures.

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

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. [illegible], indefinitely, on account of death in family.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. [illegible]. An act to provide for the [illegible] of the services of the [illegible] and employees [illegible] of the United States engaged in and about the [illegible] the Panama Canal; to the Committee on the Merchant Marine and Fisheries.

ENROLLED BILLS SIGNED

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

H. R. [illegible]. An act to release all the interest of the United States in certain land constituting a portion of the right-of-way granted to the Central Pacific Railway Co. under the act of July 1, 1862, as amended and supplemented.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. [illegible]. An act to provide for the planting of guayule and other rubber-bearing plants and to make available a source of crude rubber for emergency and defense uses.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 4 o'clock and 41 minutes p. m.) the House adjourned until tomorrow, Tuesday, February 10, 1942, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON IMMIGRATION AND NATURALIZATION

(Wednesday, February 11, 1942)

The Committee on Immigration and Naturalization will hold a public hearing on Wednesday, February 11, 1942, on the following bills: H. R. 6128, H. R. 6441, H. R. 6534, and H. R. [illegible].

COMMITTEE ON IRRIGATION AND RECLAMATION

(Wednesday, February 11, 1942)

There will be a meeting of the Committee on Irrigation and Reclamation at 10 a. m. Wednesday, February 11, 1942, in room 328, Old House Office Building, for the consideration of H. R. [illegible] and H. R. [illegible].

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

(Thursday, February 12, 1942)

The Committee on the Merchant Marine and Fisheries will hold a public hearing on Thursday, February 12, 1942, at 10 a. m., on House Joint Resolution [illegible], to provide decorations for outstanding conduct for service by persons serving in the American merchant marine.

(Tuesday, February 17, 1942)

The Committee on the Merchant Marine and Fisheries will hold a public hearing on Tuesday, February 17, 1942, at 10 a. m., on H. R. [illegible], to extend and amend certain emergency laws relating to the merchant marine, and for other purposes.

EXECUTIVE COMMUNICATIONS, ETC.

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

1375. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Agriculture for the fiscal year 1942 (H. Doc. No. [illegible]); to the Committee on Appropriations and ordered to be printed.

1376. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated [illegible], 1941, submitting a report, together with accompanying papers on a preliminary examination of [illegible] Creek, Minn., authorized by the Flood Control Act approved on June 22, 1936; to the Committee on Flood Control.

1377. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated September [illegible], 1941, submitting a report, together with accompanying papers, on a preliminary examination of [illegible] River, Minn., authorized by the Flood Control Act approved August 28, 1937; to the Committee on Flood Control.

1378. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the United States Maritime Commission, in the amount of $[illegible] cash, and $[illegible] net additional contract authorization (H. Doc. No. [illegible]); to the Committee on Appropriations and ordered to be printed.

1379. A communication from the President of the United States, transmitting emergency supplemental estimates of appropriations totaling $[illegible], fiscal year 1942, to remain available until June 30, 1943, for the military activities of the War Department (H. Doc. No. [illegible]); to the Committee on Appropriations and ordered to be printed.

1380. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated October [illegible], 1941, submitting a report, together with accompanying papers and an illustration, on a review of the reports on [illegible], T. H., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on June [illegible], 1941; to the Committee on Rivers and Harbors.

1381. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Treasury Department for the fiscal year 1942, amounting to $[illegible] (H. Doc. No. [illegible]); 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. CANNON of Missouri: Committee on Appropriations. House Joint Resolution [illegible]. Joint resolution making an appropriation to provide financial aid to China; without amendment (Rept. No. [illegible]). Referred to the Committee of the Whole House on the state of the Union.

Mr. BULWINKLE: Committee on Printing. House Resolution [illegible]. Resolution authorizing the printing of a revised edition of House Document No. [illegible], current Congress, entitled "Our National Government: What Is It? How Does It Function?" as a public document; without amendment (Rept. No. [illegible]). Referred to the House Calendar.

Mr. [illegible]: Committee on Indian Affairs. H. R. [illegible]. A bill for the relief of the Tlingit and Haida Indians of Alaska; without amendment (Rept. No. [illegible]). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on the Merchant Marine and Fisheries. H. R. [illegible]. A bill to [illegible] Title II of the Merchant Marine Act, 1936, as amended [illegible] approved June [illegible], 1940, and for other purposes; without amendment (Rept. No. [illegible]). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. [illegible]. A bill to change the name of [illegible] in the District of Columbia; with [illegible] (Rept. No. [illegible]). Referred to the House Calendar.

Mr. O'CONNOR: Committee on Indian Affairs. H. R. [illegible]. A bill relating to [illegible] of the Klamath and Modoc Tribes and the Yahooskin Band of Snake Indians; with amendment (Rept. No. [illegible]). Referred to the Committee of the Whole House on the state of the Union.

Mr. McLAUGHLIN: Committee on the Judiciary. S. [illegible]. An act to [illegible] the prosecution of the war; with amendment (Rept. No. [illegible]). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. [illegible]:

H. R. [illegible]. A bill to provide for certain self-employment benefits, training wages, and travel allowances in connection with the national war effort; to the Committee on Ways and Means.

By Mr. [illegible]:

H. R. [illegible]. A bill to further amend the Civil Service Retirement Act approved May 29, 1930, as amended by Public, No. [illegible], approved January 24, 1942; to the Committee on the Civil Service.

By Miss RANKIN of Montana:

H. R. [illegible]. A bill to amend further the Civil Service Retirement Act of May 29, 1930; to the Committee on the Civil Service.

By Mr. [illegible]:

H. R. [illegible]. A bill to mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes; to the Committee on Banking and Currency.

By Mr. THOM:

H. R. [illegible]. A bill relating to the power to [illegible] pursuant to the act of June 28, 1940, as amended; to the Committee on Naval Affairs.

By Mr. HARRINGTON:

H. R. [illegible]. A bill to [illegible] a policy with respect to the disposal of commodities owned by the Commodity Credit Corporation; to the Committee on Banking and Currency.

By Mr. ROGERS of Oklahoma:

H. R. [illegible]. A bill for the protection of Indian tribal organizations; to the Committee on Indian Affairs.

By Mr. CLASON:

H. R. [illegible]. A bill to permit voluntary reenlistment in the Army during wartime; to the Committee on Military Affairs.

By Mr. PETERSON of Florida:

H. R. [illegible]. A bill to repeal title II of chapter [illegible], first session, Seventy-fifth Congress, as amended, and that portion of Public Law [illegible], first session, Seventy-seventh Congress, which relates to [illegible]; to the Committee on Agriculture.

By Mr. O'CONNOR:

H. Res. [illegible]. Resolution to investigate sugar rationing shortages; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. [illegible]:

H. R. [illegible]. A bill granting an increase of pension to Lula M. Powers; to the Committee on Invalid Pensions.

By Mr. [illegible]:

H. R. [illegible]. A bill for the relief of William M. Miller; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

[illegible]. By the SPEAKER: Memorial of the [illegible] Senate and House of Representatives of the [illegible]

General Assembly of Kentucky, opposing the federalization of the unemployment-compensation program; to the Committee on Ways and Means.

2402. By Mr. CLASON: Petition of the Western Massachusetts Society of Optometrists, offering the facilities for national defense; to the Committee on Military Affairs.

2403. By Mr. COFFEE of Washington: Petition of the Woman's Christian Temperance Union, Mrs. Artemisia Andrews, secretary, Sumner, Wash., urging the adoption by the Congress of suitable measures to abolish all liquor traffic in the United States, alleging that such prohibition of alcoholic beverage would contribute to the betterment of health, morale, and mental powers of the men in the armed services and would enable the valuable transfer of strategic materials necessary in war industries for war purposes, rather than having them wasted in connection with the sale and purchase of liquor; to the Committee on Military Affairs.

2404. By Mr. ROLPH: Resolution of the California Real Estate Board, adopted January 8, 1942, approving and supporting the House bill 4242, to specifically exempt real-estate salesmen from the provisions of the Federal Unemployment Compensation Act; to the Committee on Ways and Means.

2405. By Mrs. NORTON: Resolution adopted by the Board of Commissioners of the city of Trenton, N. J., registering opposition to the current Treasury drive to tax State and municipal bonds; to the Committee on Ways and Means.

2406. By Mr. SMITH of Wisconsin: Resolution of the Council of the City of Kenosha, that whereas while there is need for the fullest cooperation between the Federal and municipal governments of the United States in the present grave national emergency, the Treasury Department persists in its disturbing efforts to impose a Federal tax upon the income from State and municipal bonds, it is the contention of the council that this most controversial domestic issue should not at this time and under the false pretense of national defense be permitted to irritate and disturb the wholehearted cooperation in our American war effort; to the Committee on Ways and Means.

2407. Also, resolution adopted at a joint meeting of the Wisconsin Cheesemakers Association and the Central Wisconsin Cheese and Buttermakers Association assembled at Marshfield, Wis., on February 2, pledging their loyal support to all war efforts of the Government and urging the Government to maintain a price for dairy products which will fairly meet increasing manufacturing costs sufficient to justify and secure planned increase in production of milk and dairy products; to the Committee on Labor.

2408. By the SPEAKER: Petition of the Lions Club of Matador, Tex., petitioning consideration of their resolution with reference to the appropriation of public funds at this time for any improvement project which is not vitally necessary to the public defense or which cannot be expected to be completed in time to be of value in the present defense program; to the Committee on Rivers and Harbors.

2409. Also, petition of the city commission of Denison, Tex., petitioning consideration of their resolution with reference to the President's Budget message wherein it relates to the taxing of municipal bonds; to the Committee on Ways and Means.

2410. Also, petition of Roger W. Moore, president, the League of Texas Municipalities, Austin, Tex., petitioning consideration of their resolution with reference to the Federal taxation of the income from municipal securities; to the Committee on Ways and Means.

2411. Also, petition of the United Fresh Fruit and Vegetable Association, adopted at their thirty-eighth annual meeting in Belleair, Fla., petitioning consideration of their resolution with reference to their suggestion that the Government take stock of its social and paternal expenditures to the end that they may be curtailed or eliminated, so far as possible, without imposing unnecessary hardships; to the Committee on Expenditures in the Executive Departments.

2412. Also, petition of the Legislature of the State of Kentucky, attested by W. L. Hubbard, [illegible] of the senate, petitioning consideration of their resolution with reference to federalization of the unemployment compensation program; to the Committee on Ways and Means.

2413. Also, petition of the United Fresh Fruit and Vegetable Association, adopted at the thirty-eighth annual meeting in Belleair, Fla., petitioning consideration of their resolution with reference to their belief that there is a fair and equitable meeting ground between industry and industrial labor, and that it is the duty of both to find and occupy such a middle ground, not only in the defense program but in the future, in preserving the free institutions of a free people; to the Committee on Labor.

2414. Also, petition of the commissioners court of Potter County, Tex., petitioning consideration of their resolution with reference to the provision in House bill 5993 pertaining to the improvement of the Trinity River, Tex., for navigation; to the Committee on Rivers and Harbors.

2415. Also, petition of the City Commission of Denison, Tex., attested by Harold [illegible], city secretary, petitioning consideration of their resolution with reference to the provision of House bill 5993 for the improvement of the Trinity River, Tex., for navigation; to the Committee on Rivers and Harbors.

2416. By Mr. TENEROWICZ: Resolution of the Common Council of the City of Hamtramck, Mich., opposing any legislation subjecting municipal bonds to Federal taxation; to the Committee on Ways and Means.

2417. By Mr. TINKHAM: Resolution memorializing Congress in favor of Federal legislation to protect the national war effort and operations of this country from strikes and unjust burdens of State sales taxes; to the Committee on Military Affairs.

Appendix

The Stimulus of a Handicap

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Monday, February 9, 1942

ADDRESS BY HON. JOSEPHUS DANIELS

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record a portion of a very interesting and able address by Hon. Josephus Daniels, former Ambassador to Mexico and former Secretary of the Navy, delivered at Washington, N. C., on January 30, 1942, on the President's birthday, his subject being "The Stimulus of a Handicap." The address is reviewed in a newspaper article under the headline "F. D. R. 'beat' six handicaps in his rise to President."

There being no objection, the article was ordered to be printed in the Record, as follows:

F. D. R. "Beat" Six Handicaps in His Rise to President—Daniels Gives Character Study of President in Talk at Washington, N. C.

Washington, January 30.—The "original Washington" observed Roosevelt's birthday tonight by a gathering in the high school, where former Ambassador Josephus Daniels, who was born in this city, spoke on "The Stimulus of a Handicap." A brilliant ball in Flanagan's Hall concluded the celebration.

After expressing his pleasure at being permitted to join the people of his native city in celebrating the sixtieth birthday of President Roosevelt and enumerating some of the handicaps the President had overcome, Mr. Daniels stressed the following:

"1. Roosevelt was born, to quote an old saying, 'with a silver spoon in his mouth.' He was an only son of well-to-do parents. In many instances such surroundings constitute a real handicap and remove the incentive to achievement. Young Roosevelt's parents, instead of spoiling him, stimulated his eagerness for knowledge of animals, love of land and sea sports, interests in the products of the soil to which may be attributed his latter-day policies which lifted American forestry and agriculture out of the dire distress which lay upon it when Roosevelt came to the Presidency in 1933.

"THE [illegible] SCHOOLBOY

"2. Roosevelt's preparation for college was at Groton, a school of limited numbers, costing so much that only the sons of the well-to-do could matriculate. Its atmosphere did not lend to democracy with either a little 'd' or a big 'D.' Certainly, while it was and is an excellent institution where learning is honored, it has no New Deal flavor. It was no handicap in developing knowledge and character but hardly the nursery of the Roosevelt policies that have helped the long-forgotten man. And yet it was in these formative days that young Roosevelt demonstrated that the boy was father to the man. While New York and New England responded to denunciations of Grover Cleveland's anti-imperialism policy, the young Roosevelt was taking the negative of the query in a schoolboy debate, 'Resolved that Hawaii should be annexed to the United States' and Roosevelt's side won.

"3. Roosevelt lived in rock-ribbed Republican senatorial and congressional districts, which had elected no Democrat to office in over a quarter of a century. The handicap of defeat seemed to make impossible political preferment to any aspiring Democrat. And yet in 1910 we find the young man at the age of 28 as a Democratic candidate for the State senate, turning a Republican majority of 2,500 into a majority for his candidacy of 1,140. And he increased his majority in 1912 when he was reelected. It was no accident. He destroyed the jinx by a brilliant campaign on the issue 'down with bossism' and as senator led a successful revolt against his party leaders who were trying to elect a spokesman of economic royalists to the United States Senate.

"DEFEAT [illegible] DEFEAT

"4. Roosevelt was an unsuccessful candidate for the Democratic nomination for the United States Senate in New York in 1914, losing to Ambassador Gerard, the vote being: Gerard [illegible] to Roosevelt [illegible]. Such a defeat usually spells the death-knell to political aspirations.

"5. In 1920, Roosevelt was the Democratic candidate for Vice President on the ticket headed by Governor Cox. The result was one of the most overwhelming defeats ever suffered by any one party in the annals of American politics. 'Roosevelt, along with Cox, is done for in politics,' said political wiseacres.

"THE GREAT ILLNESS

"6. In August 1921, Roosevelt suffered what seemed to be a handicap which would permanently submerge him. He was 39 years old. After bathing in Maine waters he had what seemed a chill. It turned out to be an attack of infantile paralysis. For a month he lay in his summer home in Campobello and was then taken to the Presbyterian Hospital in New York for treatment. He never lost courage, resolving not to surrender to circumstances. Above his knees, he was vigorous and healthy and declared, 'I am going to beat this thing.' For 3 years his knees were still useless, there seemed to be no remedy.

"I went up to see him in his New York home. It heartened me to observe his joyous spirit and the strength of his strong right arm. Concurrent with his greetings, as I stood by his bed, he hauled off and gave me a blow that nearly floored me, saying, 'Feel my muscle,' which was that of a trained athlete. I learned that in those years of enforced quiet he had busied himself with exercise on two large rings suspended from the ceiling, and with reading and study, concentrating mainly on economics and plans of government for the solution of problems which he then visioned would be required to end the debacle that would follow the era of frenzied finance. His friends lost hope that his confidence of recovery sufficient to return to public life would be rewarded. At that time of anxiety and doubt, George Foster Peabody pointed the way which is the basis of the Warm Springs Foundation which Roosevelt created for the benefit of fellow sufferers. Mr. Peabody told him that a Georgia engineer had been cured by bathing in the warm waters of the Georgia springs. To think with Roosevelt is to act. He went to Warm Springs, bathed in the waters, and found improvement. Ultimate and generous men and women responded to his appeal for a million dollars, and he gave himself fully to the noble foundation for the 400,000 cripples in America, his fellow sufferers. Then came the critical hour of decision which might determine his whole future. He had led in the Houston convention the fight which resulted in the nomination of Governor Smith to the Presidency. That goal achieved, Roosevelt hurried to his haven at Warm Springs convinced that its curative waters would enable him again to stand on his own feet and resume leadership among his countrymen. His quiet withdrawal and the scheme of treatment, which he was confident would restore strength, was interrupted by the insistent compulsion for the most difficult and important decision any man of this century has been called upon to make. Al Smith and the New York democracy sent a summons, 'Save us, or defeat stares us in the face.' He answered that, 'Another year in Georgia will enable me to discard this brace on my leg,' confidently believing that use of the next 12 months was the only hope of full restoration. Roosevelt continued: 'It is asking too much; I must refuse. As I am now only 46 years of age I feel I owe it to my family and myself to give the present improvement a chance to continue.' And he returned to the health-giving exercise in the warm waters.

"But the New York party leaders were in a panic. They felt that only with Roosevelt on the ticket for Governor could New York be carried for Smith. In his extremity Al Smith twice made earnest appeals to Roosevelt: 'Save or we perish.' In the second telephonic entreaty, after Roosevelt had repeated that his recovery hinged upon remaining at Warm Springs, Smith asked as his last pleading: 'If you are nominated anyway, Frank, will you decline to run?' The answer was: 'That's an unfair question, Al. You are hitting below the belt.' But the Convention, sensing the unselfish devotion to the common weal and his party went ahead and nominated Roosevelt. He surrendered his coveted chance to get well to respond to the emotive draft, saying, in the spirit of the noblest consecration to his country and his party as the agent of reform: 'In the end a man seems obliged to do what his friends want him to do.' Roosevelt sacrificed his desire to give himself to getting treatment that promised cure to what seemed an imperative duty.

"Overcoming six serious obstacles and refusing to surrender to those handicaps which would have sent most men into retirement was the crowning glory of courage and consecration. Tonight in thousands of communities as we are grateful to have some part in following Roosevelt in the noblest humanitarianism, we send heartfelt thanks to the man in the White House for an example which has lifted thousands from the depths of despair and has summoned all his country to a new faith that a handicap of any character is a challenge to rise superior to infirmities, injuries, defects, disabilities, or any weight that impedes progress. Also, we offer prayers for the continued health and divine guidance of our Chief Executive, now hailed as the hope of freedom in all the world."

Livestock in a World at War and After

EXTENSION OF REMARKS
OF
HON. CHARLES W. TOBEY
OF NEW HAMPSHIRE
IN THE SENATE OF THE UNITED STATES

Tuesday, February 3 (legislative day of Monday, February 2), 1942

ADDRESS BY E. W. SHEETS

Mr. TOBEY. Mr. President, on Tuesday evening, January 27, at the annual livestock banquet held at Concord, N. H., during the annual meeting of the New Hampshire Farm Bureau Federation and other farm groups, Dr. E. W. Sheets, of Washington, D. C., delivered an address of great interest to farmers, stockmen, consumers, and others throughout the New England States.

I will say by way of explanation that Dr. Sheets was for many years Chief of Animal Husbandry in the United States Department of Agriculture, where his constructive thinking and efforts in behalf of the livestock industry are numbered among the many contributions which he has made to American agriculture. Prior to and since that time Dr. Sheets was professor and head of the animal husbandry department in two of our great State universities and agricultural experiment stations. Among the many national and regional experimental projects receiving his attention for the benefit of New England stockmen and farmers is the Northeastern Experiment Station at Middlebury, Vt. Dr. Sheets is at the present time secretary of the United States Livestock Association, with headquarters at Seward, Nebr.

I ask unanimous consent to have the address delivered by Dr. Sheets printed in the Appendix of the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

The subject assigned to me is of great concern to all of our citizens, for livestock means food, and food will not only help win the war but heal the wounds when the conflict is over.

STOCKMEN AND NATIONAL DEFENSE

It seems especially fitting at this time of great need, that earnest consideration and careful planning should be directed toward making the position of livestock producers and farmers more secure, not alone for their own welfare but for the ultimate benefit and security of consumers everywhere.

Stockmen and farmers generally, have always been pioneers and leaders in the defense and security of America. As the nations of the world are engaged in mortal conflict, the farmers of America wish to make doubly sure that there shall be no lack of essential food, for food is absolutely necessary, if the health and vitality of our country is to be maintained without impairment.

As the Congress, some Government and State departments and other agencies give constructive thought to measures and means that will assure food for our own and other defense needs, farmers are alarmed because the general public does not fully appreciate the part farmers and stockmen must play in our defense efforts. As a result of idle talk about abundance and plenty, the general public has been slow to realize the present situation, and does not now seem to be sufficiently concerned about the farmers' place in national defense. While today we seemingly have an abundance of food and fiber to meet anticipated needs, yet how quickly this condition may change. One bad crop could absorb all of our so-called surpluses.

Many nonfarm people do not fully understand the great disparity which has existed between agriculture and nonfarm groups for almost 2 decades. Frankly, because of their economic position today many farmers are afraid that they may not be able to do their full share in defense production, not because of any lack of will to serve, but because of their financial inability to carry on under existing conditions.

LESSONS FROM WORLD WAR NO. 1

Those who remember World War No. 1 will recall that agricultural products were considered essential defense commodities. It will be remembered by those who had any part in agricultural affairs during the last years of that conflict that it was but a few days after President Wilson's memorable address and message to the Congress and the resultant declaration of war, that the slogan adopted was "Food will win the war."

This slogan, heralding to the world that food was our first line of defense, brought a quick response from American farmers and stockmen. It is interesting to remember that then, as now, a rising business, labor, and the consumer wanted low prices fixed for agricultural commodities. Today, as then, business and labor want increased prices for their goods and services—witness strikes, higher wages, and fast-rising costs of things which business and industry have to sell—and yet, farmers who must pay these increased prices as they speed up their production are being told that they should be satisfied with old parity, a concept of prices based upon conditions prevailing 30 years ago.

To understand the difficulties of adapting agriculture to a world at war, it is necessary to realize that farming is still a business of individuals. More than 90 percent of our farm commodities are produced by individual farmers and their families. This is because, in our national agricultural plant, there are about six and one-half million independent units, each with its own management.

On the other hand, in certain nonagricultural lines of industry, decisions made by a few can and do determine production. An increase or decrease in the production of trucks, for example, can be brought about by a few men but a material increase in meat or milk, corn or hogs, wheat or eggs can be achieved only when our farmers decide upon the matter, favor cooperation, and find it financially possible to work to that end.

Industry can undertake to make contracts with the prospect of comparatively quick sales, carefully guarding against overproduction or financial loss. Agriculture, on the other hand, must look far into the future and "take a chance."

It should be remembered that farmers can do little to hurry nature or change normal production processes. Farmers require at least a year, and usually longer, to raise hogs. With beef cattle, it takes from 3 to 4 years to bring about an important increase to the market. Increasing dairy products requires almost as long.

Farmers know that if they increase their production greatly, they risk being "caught short." They risk a declining market. They risk having on their hands the necessary new implements required to make an all-out effort. They risk undertaking a responsibility without assurance of adequate labor being available at a cost that can be met.

If given fair prices on the domestic market for the commodities they produce, on an equality with labor and industry, American farmers ask no special privilege or favors. What they want, and have every right to expect, is the protected American market for the products of farm and ranch.

It should be perfectly clear to American consumers by now that they do not profit by the low prices for raw materials that they or speculative and other interests hope to force upon the producer. It is well known that the consumer always pays for commodities upon the basis of high seasonal fluctuations, and it is the speculator and not the farmer or producer who receives the high level of prices of seasonal fluctuations.

THE WORLD IS WAGING WAR FOR FOOD

To impress upon the people of the Nation the importance of greater production of food and of supporting price levels that will make possible and insure adequate or abundant supplies, we need but mention the fact that the world is waging war for food. In the last analysis, it means a fight for meats, milk, eggs, fats and oils, and other livestock products.

All of these products have been so plentiful in this country that the average American citizen does not stop to realize just what is taking place. On the contrary, every person in the Old World is fully aware of the critical situation confronting them.

We often hear those who know but little about farming talk of our abundance; they often relate how science, invention, and pressing skill have eliminated many human problems and greatly changed others. It must not be forgotten, however, that the fundamental factors which create these problems—hunger, starvation, and pestilence—have not been greatly modified.

Many folks today have forgotten the fact that during the last World War it was a lack of fats, among other essential foods, which forced the German Army to surrender. People of the German cities, we are told were faced with imminent starvation in the early winter of 1918. Long before other foods had become so scarce that the health of the people suffered, it was realized that the essential food problem was fats and other livestock products.

During the quarter of a century since the last World War, some folks came to easily understand why Germany faced starvation in 1918, and likewise, why all of the nations of northern Europe are now facing hunger and starvation again. While it is a serious problem throughout the Old World, it is particularly so in the colder regions of the northern part of the hemisphere. For it is within these zones that populations have grown until they burden the land which supports them.

DEFENSE NEEDS OF THE LIVESTOCK INDUSTRY

While many of us have differed with some of those who have had much to do with the development of our agricultural policies during recent years, there is no difference of opinion about the main issue which confronts us at this time. All agree that we must win this war, and do so as quickly as possible. Forgetting for the time being the serious mistakes of the past, we must contribute to the goal of victory—food, hard work, self-denial—through devotion to the difficult task confronting us.

Before mentioning defense needs in terms of livestock products for 1942, it is appropriate to make reference to the most outstanding among the changes in the livestock and meat industry during 1941. There was a great increase in the demand for both meats and lard for domestic consumption and for export to countries that are resisting aggression. The increase particularly affected the hog industry. For more than a decade previously, hog producers had seen their export trade all but disappear. Prices had declined to such low levels a little more than a year ago that hogs sold on farms in many sections as low as $5 per hundred.

The production and marketings of livestock and livestock products for 1942, it is expected, will be considerably in excess of the previous year. In fact, the demand for this year may well exceed all previous records. For example, the marketings of hogs for 1942 over 1941 is estimated to be about 14 percent. While the ultimate production and marketings of all livestock and livestock products will depend upon the price stimulus, it may be expected that both marketings and the price level will be higher.

It seems only fair to point out that prices received by farmers for livestock products have not advanced in proportion to increases in prices which consumers are often required to pay for them. For example, prices which farmers received for hogs during recent months declined, while pork chops on the table cost considerably more.

At this point I want to pause to make an observation. As we travel over the country or dine at hotels or in our own homes and enjoy the advancements made by science, processing skill, modern transportation, and service, we are inclined to forget many of the demands of modern society. The benefits or elements of satisfaction consumers enjoy today are responsible, to some degree at least, for the increased prices which they sometimes pay.

En route to this meeting, seated comfortably in an air-conditioned dining car, rolling along at 60 or more miles per hour, I thoughtfully considered the cost of a delectable meal—small steak, baked potato, frosted peas, apple pie, bread, butter, and coffee. Knowing something of the great skill that went to make up the satisfaction of the meal, I realized full well that farmers and stockmen producing the commodities represented had received only a small portion of the consumer dollar.

It is important that consumers realize that farmers and stockmen, for reasons beyond their control, are unable to hold cost of production at pre-war levels. It is hoped that economies elsewhere along the line in our processing, marketing, and distribution system may be possible.

If stockmen and farmers are to be left in a position to do their full share in supplying the foods needed for our own and the people of other countries as well, prices which will return something above cost of production must result, otherwise farmers may fail to reach their expected goal for 1942, not because of any lack of will to serve but because of their financial inability to do the job expected of them.

THE 1942 BEEF CATTLE GOAL

During the drought of 1934 to 1936 beef cattle numbers were substantially reduced. From 1936 to 1941 the number of cattle on farms increased. The 1941 slaughter of cattle and calves for beef was about 7 percent over 1940. Most of the increase in numbers during recent years was in the Eastern and far Western States and did not represent any material increase in good beef cattle but was largely an increase of milk cows and dairy cattle.

In some of the range States, because of favorable weather conditions and low prices to producers, stockmen withheld breeding stock from the market. As a result the number of cattle on farms at the beginning of 1942 may have reached an all-time high.

Looking at the situation confronting stockmen today, it would be wise for beef producers to increase marketings, especially of older cows and "she stuff," in order to achieve the 6-percent increase expected of them in 1942 rather than to greatly increase numbers.

While no one will offer beef producers any definite assurance as to future prices at this time, it is reasonable to assume that prices during 1942 would average somewhat higher than during the past year because of higher production and operating costs, especially for the better grades of beef. The price of heavy, well-finished slaughter cattle declined early in the year as the price of beef to the consumer increased.

The decline in the price of good slaughter cattle during the first half of 1941 caused many feeders later to hesitate and refrain from restocking their feed lots, resulting in about 3 percent fewer cattle on feed in the 11 Corn Belt States on January 1 than a year earlier. This was the first time in 5 years when the number of cattle on feed in the Corn Belt States on January 1 showed a reduction from a year earlier.

INCREASE OF DAIRY AND POULTRY PRODUCTS

Without going into details as to production of dairy products, briefly, defense needs call for:

1. Increased milk production;

2. Shift from the delivery of farm separated cream to the delivery of whole milk;

3. An increase in American cheese production of about 23 percent;

4. An increase in the production of evaporated milk of 25 percent; and

5. An increase in the production of skim milk for human consumption of about 80 percent.

The 1942 production goal for poultry calls for a 10-percent increase in chickens and turkeys for meat and an increase of about 12 percent in eggs in dried, frozen, and shell form.

SHEEP, WOOL, AND HORSES IN DEFENSE

Few people really appreciate the favorable position of horses and mules in agriculture during the emergency. Neither do they anticipate the more important role they are likely to play in post-war farming. It is apparent to many that the time is not far distant when limitations of equipment, replacements, and fuel for mechanized farming will bring horses and mules into more general use as sources of farm power.

There was about a 5-percent increase in the 1941 lamb crop over 1940, the largest on record. Lamb prices averaged higher, hence the larger marketing of sheep and lambs during the past year. The price of wool was also higher because of greatly increased domestic needs.

The 1942 demands for sheep and lambs will be larger than 1941. Likewise the demand for wool will greatly exceed last year, the total requirements being almost double that of our domestic production.

CHANGING NORTHEAST AGRICULTURE

The vast changes which have taken place in New England agriculture during the past half century or more are well known to this audience of stockmen and farmers. Since the first settlers came to this region farmers have been concerned with problems of food production. The early settlers were not so much disturbed about soil conservation at first as the law of the land was "produce food or starve."

Today, the northeastern farmers have about one-third of our consuming population at their doorsteps. Consequently, farming in this region now is concerned primarily with the production of perishables and bulky products. As a result, farm production in many areas is almost on a factory basis, as the great quantities of feeds shipped in from other areas are converted into milk, eggs, and poultry to help supply local demands.

As a result of increased demands for farm products because of the changes in New England agriculture, the loss of export markets and consequent hardship to producers in other areas have not been so noticeable in the Northeast.

During the past decade the number of sheep on New England farms have decreased 25 percent; and, while the number of beef cattle have increased, the number today remains far below the number produced three-quarters of a century ago. On the other hand, substantial increases have taken place in the production of fluid milk, poultry products, and certain fruit and truck crops.

The farmers of the region have become much more specialized, although a ready market is available for most farm products at all times. Most of the milk comes from farms selling little but milk, and poultry products come from strictly poultry farms. The number of farms reporting cows milked in 1939 was about 6 percent less than in 1929, although the production for the region showed an increase. Likewise, the number of farms reporting poultry was about 12 percent less. As a result of the demands for defense production, the region undoubtedly will, with the proper price stimulus, show a further increase in the production of food, especially of meat, milk, and eggs.

PRODUCERS FACE MANY DIFFICULT PROBLEMS

Without prolonging our discussion, mention will be made of just a few of the many difficult problems which producers will have to face. In striving to produce more efficiently and more economically it goes without saying that they will make greater use of home-grown feeds, practice better methods of breeding and herd or flock improvement, conserve and make greater use of improved pastures, and use more efficient methods of marketing their products.

The many difficulties to be overcome and restrictions to be met with in increased production during the emergency adds up to the conclusion: That farm production will be greatly handicapped by shortages of labor, physical equipment, and supplies, but we must attain our production goals. These goals will only be attained if we sacrifice, conserve, and economize to the utmost.

There is no need to emphasize to a sturdy New England farm audience that wars are won by sacrifices. Your ancestors before you knew the price of victory. Your sons now in the armed service of their country really know what sacrifices mean. We must not allow them alone to sacrifice for the cause of victory. We must do our part to this end.

LIVESTOCK PRODUCTION AFTER THE WAR

To anticipate our livestock situation after the war is won would be to assume the role of a prophet. In taking this role for a moment I believe I am safe in venturing the thought that there will be an increased demand for certain livestock products at least for some time after the conflict is over. Such demands will spring from after-the-war adjustments in other lands. With the people in most countries hungry and without food, the problems of providing food for them will be a huge task which will fall largely to the American farmer and stockman.

Undoubtedly, the first needs will be similar to those of the present time. As adjustments are made and people return to industry and to the land and world trade routes are open again, the need for certain of our farm products will decrease. It may be assumed that prices for most farm commodities will also decrease. If such decreases are synchronized with decreased costs for labor and other commodities all along the line, farmers and stockmen will not be disturbed any more than other groups of our citizens.

The nature of the problems confronting American farmers after the war will depend very largely upon the extent to which our markets are given over to producers in other countries. If our markets are flooded with cheaper products from abroad, we may expect that producers of certain commodities will find it increasingly difficult to compete and maintain our present standards.

Stockmen producing meats, milk, and eggs, cotton farmers, and those producing fats and oils materials and certain specialty crops, may find the competition of foreign labor and pro-

[illegible]

THE PERIOD OF PEACE

[illegible]

Win the War

EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, February 9, 1942

ADDRESS OF HON. JAMES J. DAVIS, OF PENNSYLVANIA

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record an address which I delivered at Media, Pa., on February 6, 1942.

There being no objection, the address was ordered to be printed in the Record, as follows:

[illegible]

Pensions for Congressmen

EXTENSION OF REMARKS

OF

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Monday, February 9, 1942

RADIO ADDRESS OF HON. ARTHUR CAPPER OF KANSAS

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record a radio address which I made by transcription over WIBW, Topeka, Kans., February 8, 1942, on the subject of pensions for Congressmen.

There being no objection, the address was ordered to be printed in the Record, as follows:

Friends in the radio audience, [illegible]

[illegible]

[illegible]

Washington, D. C., January 24, 1942.

Hon. Franklin D. Roosevelt,

President of the United States,

The White House, Washington, D. C.

[illegible]

Sincerely yours,

Arthur Capper.

[illegible]

Pensions for Members of Congress

EXTENSION OF REMARKS

OF

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Monday, February 9, 1942

EDITORIAL FROM ST. LOUIS POST-DISPATCH

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record an editorial from the St. Louis (Mo.) Post-Dispatch of January 28, 1942, entitled "An All-Out Pension Precedent," setting forth a convincing argument against the voting of pensions to Members of Congress.

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

[From the St. Louis Post-Dispatch of January 28, 1942]

AN ALL-OUT PENSION PRECEDENT

[illegible]

[illegible]

Education of Civilians for National Service

EXTENSION OF REMARKS

OF

HON. ELBERT D. THOMAS

OF UTAH

IN THE SENATE OF THE UNITED STATES

Monday, February 9, 1942

ADDRESS BY DR. FRANK W. HART

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to have inserted in the Appendix of the Record an address delivered by Dr. Frank W. Hart, of the School of Education of the University of California, Berkeley, Calif., on the subject The Education of Civilians for National Service.

There being no objection, the address was ordered to be printed in the Record, as follows:

[illegible]

[illegible]

Enactment of Thirteenth Amendment to the Constitution

EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, February 9, 1942

ADDRESS BY HON. BERNARD SAMUEL, MAYOR OF PHILADELPHIA

Mr. DAVIS. Mr. President, the spirit of liberty in which our forefathers began their labors in America still lives on. It lives on throughout this great land. It lives on in Philadelphia, the birthplace of Independence and the cradle of liberty.

I ask unanimous consent to have printed in the Appendix of the Record a splendid address delivered by Hon. Bernard Samuel, mayor of the city of Philadelphia, before a great audience assembled in the Academy of Music, Philadelphia, Pa., on February 1, 1942.

There being no objection, the address was ordered to be printed in the Record, as follows:

[illegible]

[illegible]

Education of Civilians for National Service

EXTENSION OF REMARKS

OF

HON. ELBERT D. THOMAS

OF UTAH

IN THE SENATE OF THE UNITED STATES

Monday, February 9, 1942

ADDRESS BY DR. FRANK W. HART

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to have inserted in the Appendix of the Record an address delivered by Dr. Frank W. Hart, of the School of Education of the University of California, Berkeley, Calif., on the subject The Education of Civilians for National Service.

There being no objection, the address was ordered to be printed in the Record, as follows:

Military might without morale means outer—witness Germany, Italy, Japan.

Morale without military might means suicide—witness Belgium, Norway, Holland.

[illegible]

[illegible]

Enactment of Thirteenth Amendment to the Constitution

EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, February 9, 1942

ADDRESS BY HON. BERNARD SAMUEL, MAYOR OF PHILADELPHIA

Mr. DAVIS. Mr. President, the spirit of liberty in which our forefathers began their labors in America still lives on. It lives on throughout this great land. It lives on in Philadelphia, the birthplace of independence and the cradle of liberty.

I ask unanimous consent to have printed in the Appendix of the Record a splendid address delivered by Hon. Bernard Samuel, mayor of the city of Philadelphia, before a great audience assembled in the Academy of Music, Philadelphia, Pa., on February 1, 1942.

There being no objection, the address was ordered to be printed in the Record, as follows:

[illegible]

should be held. All countries in continental Europe are locked in combat—some attempting to deprive others of the rights and privileges which they once enjoyed.

The Magna Carta signed by King John of England was but a pronouncement that those who were living in that day and generation would continue to enjoy the same privileges as their forebears.

On December 15, 1941, we, here in the city of Philadelphia, celebrated the sesquicentennial of the enactment of the Bill of Rights. You find there included all of the guaranties which are near and dear to the hearts of a free people, among which are freedom of speech, freedom of worship, freedom of the press, freedom of assembly, freedom from search and seizure, and the right to bear arms.

The importance of this occasion is testified to by the magnitude of the crowd here assembled. You have in Major Wright the motivating influence behind this celebration, an indomitable spirit, one who has made history and is destined to be recorded among those who have materially contributed to the advancement of a race which has made remarkable progress in the short span of years that it has had an opportunity. We are told that he at one time was a paymaster for the United States Army. We know that he is the president of a banking institution which withstood the test during the peak of the depression and is as strong, figuratively speaking, as the Rock of Gibraltar.

It is told of him that when a young lad in the State of Georgia he was asked what message he desired delivered to the folks back home. He replied, "Tell them that we are rising." Heights to which he has attained bear testimony to the fact that he has had his mind definitely centered on the rising and not the setting sun.

Maj. R. R. Wright was himself in his early childhood subjected to a condition where he enjoyed considerably less than full citizenship rights. How he has progressed is an example of a broad perspective and a will to succeed. He lived close to the time when the thirteenth amendment to our Federal Constitution was enacted, making further guaranties than those in the first 10 amendments, or the Bill of Rights.

February 1, 1865, is to him, indeed, a memorable date. Seventy-seven years is long in the span of one man's life, yet in the development of a race and nation it is exceedingly short. Remarkable progress has been made by your race and our Nation as a whole. We have all become more appreciative of one another.

We have many important national holidays which are observed more or less uniformly throughout the Nation. They all pertain to some historic event in our history. July 4 represents the date on which we celebrate the signing of the Declaration of Independence, which freed us from all outside entanglements. So this particular date which you celebrate today deals intimately with an important event in the lives of us all. It commemorates the dissolution of physical bondage and full recognition of rights to all citizens alike.

You have made great strides in the few years that have followed, notwithstanding the many hardships and disadvantages that you had to surmount. We commend you upon coming thus far and assure you that, by the retention of high ideals and by fixity of purpose, your accomplishments will be immeasurable.

May I point out several outstanding figures in our national life who come of your particular group. Marian Anderson, who represents a cultural development, whose golden voice has been heard throughout the length and breadth not only of America but of continental Europe. Joe Louis, who enjoyed but little formal education, rose to the highest pinnacle in his sphere, and now is the heavyweight champion of the world. He is the embodiment of a perfect physique and what careful training will do for the body. What a splendid gesture he made for national defense the other day when he risked his crown and donated the proceeds of his last fight before his induction into the Army to the Navy Welfare Association.

May I call your attention to a few people in our Philadelphia life who have contributed much to the progress of our city—my friend, Ernest T. Wright, deputy recorder of deeds, who is well known for his integrity and ability; the Honorable James H. Irvin, with whom I labored in the city council for a number of years, and whom I learned to respect and admire; Bishop David Sims, who presides over the Methodist Episcopal Church in this district, and who is always ready and willing to make his contribution to the betterment of his city and Nation; Magistrate Edward W. Henry, who has been a member of the minor judiciary for a number of years and has conducted himself with fairness and equity toward all who come before him; and Herbert E. Millen, a member of my cabinet, who has served for 3 years as assistant director of the department of public safety, one of the most important arms of our city government. He has endeared himself to us all by his readiness to serve.

Time will not permit me to mention all of those with whom I have rubbed shoulders in my public life. These are but a few.

So again as the chief executive of the historic city of Philadelphia, and on behalf of its citizens, I congratulate you and welcome you and wish for you every success, and trust that this memorable day will be perpetuated in your minds and in the minds of generations yet to come, marking the first attempt to establish a uniform day for celebration of the attainment of equal opportunities.

Growth Factor in Butterfat Found

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, February 9, 1942

ARTICLE FROM OCONTO (WIS.) REGISTER

Mr. WILEY. Mr. President, I ask to have printed in the Appendix of the RECORD a news article from the Oconto County Register, published at Oconto, Wis., entitled "Growth Factor in Butterfat Found."

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

[From the Oconto (Wis.) Register of February 5, 1942]

GROWTH FACTOR IN BUTTERFAT FOUND—SCIENTISTS ADD HYDROGEN TO INACTIVE FORM, DISCOVER NEW SUPERIOR GROWTH

Additional evidence pointing to the superior food value of butterfat is being revealed through a series of studies on edible fats, according to the National Dairy Council. Dr. E. B. Hart, of the University of Wisconsin, has discovered growth-promoting substances in butterfat which have not been found in other fats studied.

Earlier experiments by University of Wisconsin scientists had shown that only the so-called saturated fatty acid part of butterfat contained the active principle which brings about superior growth. The unsaturated portion apparently did not promote growth.

Recently the Wisconsin scientists added hydrogen to this inactive or unsaturated portion of butterfat. When that portion of butterfat was fed, the very best growth was obtained. By adding hydrogen, the inactive form is readily converted to an active compound which promotes the best of growth.

In their long series of studies, Professor Hart and his associates tried hydrogenation of corn, coconut, cottonseed, and soybean oils. Growth was retarded in animals fed these hydrogenized oils rather than increased. They apparently contained neither the unsaturated nor the active form of the growth-promoting compound which experiments prove are present in butterfat.

"These discoveries illustrate the incomparable contribution which butter makes to family meals," states Milton Hult, president of the National Dairy Council. "They emphasize again the vital importance of ample quantities of butterfat to growing children. In addition to containing the newly found growth-promoting factor, butter is the only food fat in which vitamin A occurs naturally and in significant amounts."

Retirement Privilege for Members of Congress

EXTENSION OF REMARKS

OF

HON. BERKELEY L. BUNKER

OF NEVADA

IN THE SENATE OF THE UNITED STATES

Monday, February 9, 1942

EDITORIAL FROM ELKO (NEV.) DAILY FREE PRESS

Mr. BUNKER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial from the Elko Daily Free Press, of Elko, Nev., entitled "Congressmen Show Poor Timing."

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

[From the Elko (Nev.) Daily Free Press of February 4, 1942]

CONGRESSMEN SHOW POOR TIMING

The worst feature of the bill to give Congressmen pensions is that it was passed at a time when its proponents should have been considering the welfare of the country, rather than their own. The Civil Service Commission defends the action by saying that it will not cost nearly what its opponents claim. Perhaps not, but we have always noticed that things always cost more than proponents claim.

A wave of indignation has spread through the country as a result of the action of Congressmen in voting themselves pensions at this time. Senator Byrd, of Virginia, tried to oppose the bill at the outset, but it was pushed through with a minimum of publicity. This feature in itself shows that Congressmen were afraid of public reaction. Now the Senator is making an effort to repeal the bill and, if public opinion is worth anything, it might be well for Congressmen to consider pigeonholing the measure for the duration.

Drives to show just what John Public thinks of the congressional action are under way in the nature of bundles—not for Britain but for suffering Congressmen. It might be well if you have a few pairs of discarded socks to send them to the eminent gentlemen in Washington, who should be bending every effort toward successful prosecution of the war but who have found plenty of time in the interim to feather their own nests for future adversities.

Address by Lord Halifax

EXTENSION OF REMARKS

OF

HON. WALTER F. GEORGE

OF GEORGIA

IN THE SENATE OF THE UNITED STATES

Monday, February 9, 1942

ADDRESS BY LORD HALIFAX, BRITISH AMBASSADOR IN THE UNITED STATES, AT THE FIFTY-FIFTH ANNUAL DINNER OF THE CHURCH CLUB, OF NEW YORK, HELD AT THE WALDORF-ASTORIA ON MONDAY NIGHT, FEBRUARY 2

Mr. GEORGE. Mr. President, I ask unanimous consent that there be printed in the Appendix of the RECORD the address delivered by Lord Halifax, the British Ambassador to the United States, before the Church Club, of New York City, on February 2 of this year. I think it is a very interesting statement and might well find its place in the public record.

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

Especial significance attaches to meetings of churchmen at such a time as this.

Christianity is now facing more sinister forces than any that it has had to contend with since the Dark Ages, and never has the challenge to Christianity been more menacing or direct.

The foundations of life, which we had come to regard as firmly laid and immutable, are being dangerously assailed. Everything that we had thought secure is now evidently in jeopardy.

This is a very startling and sudden change, especially in the light of Christian history.

After the Founder of the Christian religion had died upon the cross, His return to life, endowed apparently with new power, produced an effect so decisive upon that small group of insignificant peasants and fishermen who had been His followers, that the power and conviction with which they at once began to speak turned the world upside down.

Persecution only sufficed to spread the faith that they preached, and truly the blood of the martyrs was the seed of the church.

So we have thought that the place and influence of Christianity among us, even if not always acknowledged or however imperfectly applied, were to be reckoned among those things which we deem permanent.

And now all this is changed. We suddenly wake up to find that something which we had come to regard as natural, and an almost inseparable feature of life, is itself in mortal danger.

We are familiar enough with the form in which the challenge comes.

Hitler is reported to have stated it in its most naked form:

"A German church, a German Christianity, is a distortion. One is either a German or a Christian. You cannot be both."

We know how these words are in fact translated into action, that for many men and women today they spell cruelties and tortures indescribable, and—not seldom—the same stark choice between life and death as was presented to the early Christians in the Coliseum. There is not one of us who must not often ask himself whether, if we were suddenly exposed to so stern a test, his endurance would be equal to it.

Yet surely if the challenge today is of this grim sort, the opportunity for the believers in Christianity is not less great. In spite of all the dust and din and shouts of war by which some are hypnotized, I do not doubt that ordinary people everywhere are puzzled and confused, and hungry for some healing medicine, or at least for some explanation of the contradiction that seems to them so blatant between their hopes and prayers and the ugly facts that are tearing the world's heart. Conscious of the frustration of their best desires, oppressed by the injustice of the present tragedy, they feel a sense of powerlessness for which the world offers no certain remedy.

Naturally, men long to find some wider scale of values based on justice, some assurance of ultimate strength and victory over evil things, and above all, some opportunity to find that means of self-realization which their deepest feelings demand.

It is not to be wondered at that men are puzzled by war and particularly perhaps by the spectacle of something like a Christian civil war, in which Christians in the opposing camps offer earnest but competitive prayer for victory.

It would indeed be strange if human nature, seeing only the limited horizons, were not deeply affected by the spectacle of horror and suffering that the world presents, and did not cry out for some explanation of the apparent contradiction between these happenings and the conception of an all-powerful and all-loving God.

The Christian who understands his faith ought not to shrink from these difficulties, and I think that this is one of the respects in which no small responsibility rests upon us all at this present time. Indeed, I would dare to say that the gospel of pacifism in the face of the present struggle might rightly to make less appeal to Christians than to any other community of human beings.

May I try in a few sentences to justify what to many might seem almost like profane paradox?

The faith of a Christian compels him to acknowledge the existence of evil in the world, dislocating what we may suppose to have been the divine scheme. Of this deep dualism between good and evil every one of us is constantly reminded in daily life by our own consciousness of the distinction between right and wrong, and by recognition of our own responsibility and power of choice between them.

The Christian further believes that the Son of God Himself assumed human nature in order to set this dislocation right by suffering in that human nature which it was His purpose to redeem from the power and the sway of evil.

As I saw it stated by a profound writer the other day, "Christ is a symbol and revelation in Christian faith of a divine strategy which mercifully overrules the sins of man."

The Christian further believes that this redemption was only accomplished by great suffering, greater than human understanding can comprehend and greater than that which any ordinary man can be called upon to bear.

And justly he believes that this process of redemption from evil is a continuing process for every human soul.

He is not at all surprised therefore by the fact that one of the first laws of human life is that the forces of evil have to be perpetually conquered by suffering and finds consolation and reassurance in the conviction that the suffering of each human being can be wonderfully transformed by association in this great redemptive act of Christ. In every part of his life he can feel himself brought into mysterious partnership with God; whether through active works of service, of feeding the hungry, tending the sick, giving sympathy to the sorrowful, by self-devotion of all kinds; or, it may be, by self-sacrifice and suffering for what he may conceive to be the divine will and purpose.

This sense of partnership will find expression through prayer; and as we remember the limitations of human thought, we shall not wonder if the prayers of men are what I have called competitive, since none can see more than a fraction of God's purpose, and only a very few are able truly to condition all their prayers with the words "Not my will, but Thine be done."

But this sense and—if we may use the word—this "right" of partnership, does more than this in giving new value to every human soul. In the great scheme each has his own particular contribution to make, the making of which is vital to the shaping of the whole. And it is just this assurance of the ultimate value of each human personality that is the essential foundation of our democracy.

From this angle the responsibility placed upon the individual citizen under the democratic system is seen in close analogy with the responsibility vested in him under the moral law. Man is endowed with the gift of free will, of which admittedly he not seldom makes disastrous use. From God's point of view, if we may reverently so speak, these unhappy results of man's free will might have been avoided if man had not been so endowed. But free will, with all the risks of its misuse, is, so far as we can judge, the deliberate method chosen by God in order to make possible the great results of the right use of free will which could never be open to man were he the mere creature of mechanical necessity with no power of choice.

And thus—though, of course, in the application of these eternal principles to the practical life of man there must always be adjustments and regard to considerations of time and circumstance—I always feel, when I hear people say, "Good government is better than self-government," that that does not appear to be the way that God has chosen to direct the affairs of the human race—affairs of infinitely greater importance than those dealt with by any earthly government.

But this conception of the value of every human soul that finds political expression in democracy, and to preserve which we are prepared today to make every sacrifice, must, if we are true to our principles, constantly seek to reflect itself in the essential life of every community that wishes in whatever form or degree to claim for itself the name of Christian.

We must be constantly on guard to see that human values that affect the lives of men are not submerged and strangled by some economic law that ought to be men's servant rather than their master.

I do not mean that it is the business of Christians as such to arrogate to themselves any superior claim of wisdom as to particular political remedies for essential ills. They may, or may not, be well equipped for this task. In one form or another the problem of Dives and Lazarus reproduces itself in every age and under all conditions of life. It is not the duty, as I see it, of churchmen to pretend that they have a monopoly of wisdom as to the practical measures by which these problems can be handled, but it is their duty constantly to proclaim the obligations that rest on Dives to recognize the needs of Lazarus, and warn Dives against holding him-

[illegible]

Amendment of Civil Service Retirement Act

EXTENSION OF REMARKS
OF
HON. JAMES M. MEAD
OF NEW YORK
IN THE SENATE OF THE UNITED STATES

Monday, February 9, 1942

EDITORIAL FROM LABOR

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record an editorial on the subject of the retirement bill taken from Labor.

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

[From Labor of February 10, 1942]

[illegible]

Congressional Pensions

EXTENSION OF REMARKS
OF
HON. PAUL W. SHAFER
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

NEWSPAPER COMMENT BY FRANK R. KENT

Mr. SHAFER of Michigan. Mr. Speaker, I take this opportunity to align myself on record as favoring the repeal of those portions of the recent amendments to the Civil Service Retirement Act that make the President, Members of Congress, members of the Cabinet, and between two hundred and fifty and three hundred thousand New Deal bureaucrats, including Leon Henderson, eligible to retirement benefits at 62.

In my opinion, these amendments never should have been passed. The President, members of the Cabinet, appointed bureaucrats, and Members of Congress should never be regarded as civil-service employees. [illegible]

[illegible]

[From the Baltimore Sun of February 9, 1942]

[illegible]

Words Won't Win the War

EXTENSION OF REMARKS
OF
HON. DEWEY SHORT
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

ARTICLE BY HON. ROBERT M. LA FOLLETTE, JR., OF WISCONSIN

Mr. SHORT. Mr. Speaker, under leave to extend my remarks in the Record, I include the following article by Senator Robert M. La Follette, Jr., which was published in the Madison (Wis.) Progressive for February 7, 1942:

[From the Madison (Wis.) Progressive of February 7, 1942]

[illegible]

[illegible]

[illegible] present, we have a war to win—and words won't win it. Nothing will matter if we lose. It behooves all of us, therefore, to do our part, and to continue to work together until an honorable and a just peace can be won.

Union Now

EXTENSION OF REMARKS

OF

HON. GERALD P. NYE

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Monday, February 9, 1942

EDITORIAL FROM DETROIT FREE PRESS

Mr. NYE. Mr. President, John S. Knight, publisher of the Detroit Free Press, under the heading "The editor's notebook," has published a very fine editorial relative to the subject of Union Now. I ask unanimous consent that the editorial may be printed in the Appendix of the RECORD.

Mr. CONNALLY. Mr. President, is the Senator from North Dakota advocating "Union Now"?

Mr. NYE. Indeed, no; and the Senator will find that the editorial is not advocating Union Now. It is an answer to the advocates of Union Now.

Mr. CONNALLY. I shall not object; but I wish Senators and others would talk about what is going on, and what it is important for the Senate to do, and not speculate on subjects such as the one just referred to and try to stir up a row and a hurrah about something.

Mr. NYE. Mr. President, is there objection to my request to have the article printed in the RECORD?

Mr. CONNALLY. No, Mr. President; I do not object.

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

[From the Detroit Free Press of February 1, 1942]

THE EDITOR'S NOTEBOOK

With the aid of the voluble Dorothy Thompson, Missouri-born Clarence Streit is [illegible]

[illegible]

[illegible]

JAMES P. KEMPER.

Truman Data Stand Up

EXTENSION OF REMARKS

OF

HON. GUY M. GILLETTE

OF IOWA

IN THE SENATE OF THE UNITED STATES

Monday, February 9, 1942

ARTICLE FROM PM

Mr. GILLETTE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article from the publication PM of Friday, February 6, 1942, entitled "Truman Data Stand Up."

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

[From PM of February 6, 1942]

TRUMAN DATA STAND UP—BUREAU WHITEWASH PROPAGANDA TO DISCREDIT IT

(By Nathan Robertson)

WASHINGTON, February 6.—Propagandists have been working overtime to discredit and drown out the Truman committee's criticism [illegible]

[illegible]

Responsibilities of Citizenship

EXTENSION OF REMARKS

OF

HON. JOSEPH R. BRYSON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

STATEMENT BY A CONSTITUENT

Mr. BRYSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by a constituent of mine:

It is without argument that the fighting of this war will be done by men in their twenties and early thirties, which ages are practically the age limits of Young Democrats. [illegible]

[illegible]

C. E. [illegible],
President, Young Democratic
Party of South Carolina.

The Paper Shortage

EXTENSION OF REMARKS

OF

HON. J. EDGAR CHENOWETH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

LETTER OF HON. GUY U. HARDY, FORMER CONGRESSMAN, TO THE SECRETARY OF THE TREASURY

Mr. CHENOWETH. Mr. Speaker, under leave to extend my remarks in the RECORD, I desire to include a letter written by former Congressman Guy U. Hardy, publisher of the Daily Record of Canon City, Colo., to the Honorable Henry Morgenthau, Jr., Secretary of the Treasury, under date of November 3, 1941, calling attention to the waste in paper by the various departments in Washington.

Mr. Hardy was president of the National Editorial Association in 1918. He represented the Third District of Colorado in this House from 1919 to 1933, serving as a member of the Appropriations Committee during a part of this period. He has personal knowledge of the matters about which he writes, and it is hoped that his suggestions will bear fruit. The letter follows:

THE CANON CITY DAILY RECORD,
Canon City, Colo., November 3, 1941.

Hon. HENRY MORGENTHAU, Jr.,
Secretary of the Treasury,
Washington, D. C.

DEAR MR. MORGENTHAU: We are constantly reminded that there is a shortage of paper and that it will become more acute by next year.

[illegible]

[illegible] particularly in the large cities and [illegible]

[illegible]

The trouble with Washington is that [illegible]

[illegible]

Yours very truly,

GUY U. HARDY, Publisher.

Civilian Defense Mix-up

EXTENSION OF REMARKS
OF
HON. OSCAR YOUNGDAHL
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

EDITORIAL FROM THE MINNEAPOLIS DAILY TIMES

Mr. YOUNGDAHL. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following editorial from the Minneapolis Daily Times of Thursday, February 5, 1942:

(From the Minneapolis Daily Times of February 5, 1942)

CIVILIAN DEFENSE MIX-UP

[illegible]

The United States and Mexico

EXTENSION OF REMARKS
OF
HON. R. E. THOMASON
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

ADDRESS OF HON. ANTONIO J. BERMUDEZ, MAYOR OF JUAREZ, MEXICO, REPRESENTING COMMITTEE OF MAYORS OF MEXICAN CITIES APPOINTED BY PRESIDENT AVILA CAMACHO, OF MEXICO, AND A RESOLUTION PASSED AT THE CONFERENCE

Mr. THOMASON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. Antonio J. Bermudez, mayor of Juarez, Mexico, at the recent annual conference of the United States Conference of Mayors and also a resolution passed by that organization:

ADDRESS OF HON. ANTONIO J. BERMUDEZ, MAYOR OF JUAREZ, MEXICO

I never make speeches in my own land, and I know very well that I cannot make a speech in a foreign language, but I am delighted to attend and say a few words.

On behalf of our country, my colleagues from Mexico and I wish to say that we are gratefully honored in attending this Conference of Canadian and United States Mayors. We know that this conference will be fruitful and successful.

I bring you greetings from His Excellency, Avila Camacho, the President of our country, and from all the mayors of Mexico, and, as Mayor LaGuardia said, we are all in the same boat. We do not come here only and purely as mayors. We come as allies in the same worthy cause. We come here as good neighbors and we come here as good friends.

We Mexican people are strong believers in friendship. We believe that friendship is a beautiful word with a beautiful, far-reaching meaning. We believe that everything that is good, everything that is right, should be accomplished in the name of friendship. Reciprocal ties of friendship are mutually beneficial and very necessary at this hour, and because we feel that way I will say that the good-neighbor policy of the United States has been and continues to be the perfect masterpiece of international friendship.

We hope that there will be some very valuable knowledge derived from this conference, that there will be some very enlightening discussions, and my colleagues and I will listen very attentively and try to acquire some of that knowledge to take back home with us in order that when we go back to our country we may be better able to serve our community, better able to serve the world, and, above all things, better able to cooperate with you. We want to render you our fullest unlimited cooperation. Mexico wants to fulfill and to execute her duties loyally and faithfully. It is only logical and natural we feel that way because at this hour, at this moment, we feel that the future of the United States is the future of Mexico, that the destiny of the United States is the destiny of Mexico; that the friends of the United States are the friends of Mexico, and the enemies of the United States are the enemies of Mexico.

[illegible] UNITED STATES CONFERENCE OF MAYORS

Whereas the President of the Republic of Mexico has designated a committee of mayors of Mexican cities to participate and [illegible] with us in the 1942 annual [illegible] the United States Conference of [illegible]

Whereas this action represents a [illegible] warm and true friendship and [illegible] existing between the chief executive of the [illegible] of our country and the heads of the municipal governments of our [illegible] republic; and

Whereas there are many mutual [illegible] concerning the cities of Mexico [illegible] the cities of Central America [illegible] America, upon which the interchange of information and experience would be useful and informative and helpful: Therefore be it

Resolved, That we express our appreciation to the President of Mexico for [illegible] designating a committee of mayors [illegible] country to attend our sessions; and be it further

Resolved, That the executive committee be directed to do everything possible to [illegible] the proper dissemination of data [illegible] pal affairs between the cities of Mexico, Central America, South America, Canada, and the United States, to the end that [illegible] more fully and effectively understand and appreciate the problems facing the [illegible] cities of the Western Hemisphere.

Aid for Older Aliens

EXTENSION OF REMARKS
OF
HON. THOMAS D'ALESANDRO, JR.
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

ARTICLE FROM THE BALTIMORE EVENING SUN

Mr. D'ALESANDRO. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Baltimore Evening Sun of February 5, 1942:

(From the Baltimore Evening Sun of February 5, 1942)

AID FOR OLDER ALIENS ASKED—D'ALESANDRO URGES EASING OF EDUCATIONAL REQUIREMENTS FOR NATURALIZATION

WASHINGTON, February 5.—Representative Thomas D'Alesandro (Democrat, Maryland) revealed today that he had petitioned Senator Richard B. Russell (Democrat, Georgia), chairman of the Senate Committee on Immigration, asking that the committee give immediate attention to a bill relating to educational requirements for the naturalization of aliens who are 50 years of age or older.

D'Alesandro pointed out that in previous sessions he has advocated such legislation and that it now has been incorporated in a House committee bill which the House passed unanimously January 12. He said the provisions had been approved by the Justice, War, and Navy Departments.

AIDS "FORGOTTEN PEOPLE"

"I ask your committee to vote for the passage of this bill," D'Alesandro wrote, "because it gives relief from the stringent naturalization laws to the real forgotten people of our Nation.

"Some of these people came to this great America in the 1880's and 1890's, [illegible] honest, industrious people who never had the time or the opportunity to learn how to read and write.

"They married, had large families and have given their sons [illegible] Many [illegible] the World War, and are today [illegible] our free institutions."

[illegible]

"The sons and daughters of [illegible] are today in the vanguard of America's progress. Yet these same [illegible] people of America cannot become citizens unless they pass an examination that would probably flunk a high-school graduate or perhaps a college graduate. [illegible]

"There are thousands of people in the United States who have made application for their first and second papers, but who failed to pass the examination. [illegible] of the United States. They love America, they belong to America, they are willing to fight to defend America, to keep it democratic and free, so why deny them citizenship?" he asked.

Information Concerning Tungsten Production in Montana in Connection With the Status of Tungsten Under the Proposed Foreign Trade Agreement With the Republic of Peru

EXTENSION OF REMARKS
OF
HON. JAMES F. O'CONNOR
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

Mr. O'CONNOR. Mr. Speaker, in 1939 the Jardine Mining Co., a new venture, produced for the use of American industry 20 tons of concentrates of this much-needed material, averaging 66.2 percent WO. In 1940 this mine doubled its production by shipping 41 tons of approximately 70 percent concentrates. The production for 1941 will, no doubt, show an increase over that of 1940, and as further developments are made, it will steadily increase. This mine is producing a high form of tungsten concentrates which is very much desired by our high-speed tool steel industry, which ordinarily has to get along as best it may with tungsten concentrates averaging from 60 to 65 percent WO.

In the proposed trade agreement with the Republic of Peru, tungsten ore and concentrates are listed as one of the commodities subject to negotiation for reduction in duty. The import duty on this commodity amounts to 50 cents per pound of tungsten contained in the ore or concentrates. The history of our tungsten production after the last war shows clearly the absolute necessity for tariff protection. Had it not been for this protection there would have been no tungsten mines in operation at the beginning of this present emergency. In normal times tungsten comes in from China at very low prices because Chinese labor receives less than $50 per year whereas American labor engaged in the production of tungsten receives on an average of $1,250 per year and upward.

Exploration and prospecting work is now being carried on in the State of Montana which has already shown additional valuable deposits of tungsten ore to be available. The Jardine Mining Co. in Park County, Mont., has increased its production very materially to meet the present shortage. Any reduction in the import duty on tungsten ore and concentrates will not result in the importation from Peru for the present emergency of a single additional pound over and above the shipments which will come in without any reduction in duty. All tungsten ore in South America has already been purchased by our Government. But a reduction in duty at this time will discourage exploration, prospecting, and development as it did in 1919, 1920, and 1921. Men engaged in exploration, production, and development of tungsten will cease such work when they realize that at the end of the war the Chinese and other foreign ore will flood in here and cause the loss of their investment of time, work, and money.

While the tungsten industry of Montana is not as large as that of some other States it is entirely probable that it will be increased greatly in the present emergency for the use of our national defense industries. It is important to my State in that it furnishes a means of livelihood to a substantial number of people and promises to increase as development now under contemplation for production is carried out. Under the circumstances I urge that for the benefit of the people of Montana and the Nation that tungsten ore and concentrates be immediately stricken from the list of commodities subject to negotiation for reduction in duty under the proposed foreign-trade agreement with the Republic of Peru.

National Freedom

EXTENSION OF REMARKS
OF
HON. JAMES J. DAVIS
OF PENNSYLVANIA
IN THE SENATE OF THE UNITED STATES

Monday, February 9, 1942

ADDRESS BY DR. J. S. CLARK

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by Dr. J. S. Clark, president emeritus, Southern University, Baton Rouge, La., at the Academy of Music, Philadelphia, Pa., on February 1, 1942, on the subject of national freedom.

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

On this momentous occasion, under the able leadership of Maj. R. R. Wright, who is nationally known, we are gathered here from all sections of our country in honor of him who made it possible through his signature for us to be American citizens.

On February 1, 1865, President Lincoln signed the thirteenth amendment to the Constitution making it possible for the Negro to enjoy all the rights and privileges of freedom such as America would offer any other of her citizens.

Since there has been established by custom, by State, and by Nation, holidays commemorating the services of groups and individuals, we think it is now becoming and duly in order to request a national day of freedom in every year as a holiday for that group of people who for 246 years served this country as slaves, and made rich the soil by their sweat and baptized it by their blood. That group of people who during their slavery worked without a murmuring word and abided their time, looking forward to a day when they would be free. No one should doubt, who knows the history of this race, the justice of their claim. [illegible]

Certainly this day of national freedom offers an inspiration to that group whose record as worthy men and women can be found in every honorable walk of life. [illegible] the contribution the Negro has made to the American citizenry since his freedom. One has only to look into fair history and read liberal minds and listen to the voices of honest people to know the contribution this group has made.

Their record can be found in every leading college in the country, in every denomination of religious leadership, in every civic organization which has to do with the spirit of humanity, and in every business and professional movement, whether it be the grocery store on the corner or the industrial plants in the various centers or the schoolhouse at the crossroads or the lawyer's office or the judge's bench. [illegible] record of loyalty is established. Take our record if you please in the last World War for the cause of American democracy. [illegible] They gave their blood on Flanders Hill for democracy. History records that their record was the equal of any American soldier's. [illegible] in helping the Government in her expenses by the purchasing of Liberty bonds and Thrift stamps. [illegible] This struggle was just one of the many the Negro has entered into and played his part. In fact, in every war they have not only enlisted and fought under the colors of the flag on home and foreign soils, but have given of their life's blood and died by the thousands that the cause for which they fought might result in a greater America in time of peace. They were not only loyal to the flag in time of war, but the Negro in the North and in the South has proved himself loyal whether he lived on his land or in his house or lived in the house of someone else. His one cry has been that of kindness, that of peace, that of love, and not that of hate.

In fact, the 13,000,000 members of my race are determined, working together and sacrificing together to achieve the victory so devoutly desired. We are willing to [illegible]

We are willing to give of our earnings to the purchasing of Defense bonds and Defense [illegible] stamps in keeping with the President's orders and our wishes.

Finally, they will be willing, if so requested, like the prophets of old, to go the full journey regardless of the cost, in order to justify their freedom and help maintain a country whose motto guarantees liberty and justice to all, regardless of race, color, or creed.

We cry out, like one of the prophets of old who stood up for a plan and was afterward condemned to be beheaded cried out: "Neither heights nor depths, neither things present nor things to come, neither principalities nor death can separate me from the life of the Lord Jesus," so we cry out in the words of this prophet and say neither heights nor depths, neither things present nor things to come, neither principalities nor death can separate us from the love of our country. We are American citizens, and we are ready to do and die to defend America. We know that "Flassy locks and dark complexion do not falter nature's claims. Skins may differ but loyalty remains in white and black, the same."

Get New Deal Job or Move

EXTENSION OF REMARKS

OF

HON. KARL M. LeCOMPTE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

EDITORIAL FROM THE CRESTON (IOWA) NEWS-ADVERTISER

Mr. LeCOMPTE. Mr. Speaker, under leave to extend my remarks in the Record, I include an editorial from the Creston (Iowa) News-Advertiser of February 2, 1942:

[From the Creston (Iowa) News-Advertiser of February 2, 1942]

GET NEW DEAL JOB OR MOVE

Apparently, the American people no longer have a Capital City of Washington; it has been taken over as a private preserve by the Roosevelt administration, and if a citizen should go there without first having secured a New Deal job he becomes a "parasite."

The President Friday announced that residents of the Capital not engaged directly or indirectly in the war effort were parasites, and not only asked them to leave Washington but suggested that if they do not go he might employ his war powers and take over their offices and homes. He further suggested that Capital newspapers should emblazon their front pages with this question: "Are you a parasite?"

Time and again the President referred to the great army of Washington chairwarmers as war workers and said that 85,000 more such workers were expected during the year. He said nothing about the several hundred thousand who are not and never have been connected with the war. He made no mention of the fact that he had added hundreds of thousands of Federal employees long before there was a war and long before there was any effort made for national defense. He spoke as though every man and woman employed by the Government, in every department, branch, and bureau, was there because of the war and was employed in the conduct of the war. As a matter of fact, there are thousands and thousands of Federal employees in Washington who are not needed there and never have been needed there, and it is a further fact that they would be of greater aid to defense and war if they were discharged and forced to render some useful service to the country as private citizens, just as all private citizens are now doing. There is useful employment for them in defense plants, in the shops and factories, and upon the farms.

In this connection, the Baltimore Sun, a Democratic newspaper, recently published an editorial that should be of interest to the President and of interest to that group of Washington citizens who have become "parasites."

The Sun asks if there is any member of the administration who can explain why it is necessary to spend $28,000,000 per year in what has been named "public information service." In a late discussion in the House of Representatives, the fact developed that this amount was being spent on press agents by the various departments and bureaus. From the Federal Budget Department came the information that the administration now has 2,995 persons on full time, 31,618 persons on part time in this public propaganda service, and that they are being paid yearly salaries totaling $19,490,000, and that there are other expenses connected with their jobs which cost $8,200,000. Further, practically all these people and the expense connected with them are an outgrowth of the last 9 years.

The Baltimore editor comments:

"What possible excuse can the Roosevelt administration offer for such outlays and for their continuance in a period when the people are being taxed with unprecedented severity and are being loaded down with an unprecedented debt? No sufficient excuse has been offered. Will someone in the administration attempt to offer one? We doubt it, for we do not believe there is any excuse. Money is wasted in an indefensible manner."

This is but one department. There are dozens of others, aggregating an army of employees that totals several hundred thousand chairwarmers that have so crowded Washington that a nonsalary grabber is now classed as a "parasite."

Mr. Justice Brandeis

EXTENSION OF REMARKS

OF

HON. FRANCIS J. MYERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

ADDRESS OF JAMES M. LANDIS

Mr. MYERS of Pennsylvania. Mr. Speaker, under leave to extend my remarks in the Record, I include the following address by James M. Landis, Executive Director of the Office of Civilian Defense and dean of the Harvard Law School, which was read before the Brandeis Lawyers' Society of Philadelphia, Pa., on Wednesday, January 28, 1942, at the Brandeis memorial meeting, in memory of the late Justice Louis D. Brandeis:

Until very recently it has been impossible for me to write or speak of Mr. Justice Brandeis. My own admiration for him has been so unbounded, my affection for him so great that what I might write or speak seemed either too stilted because of restraint, or too lavish, too outpouring in its praise. One does not like to wear one's heart upon his sleeve, and to everyone who knew him Louis D. Brandeis held a place not only in that general hall of fame each of us has for his heroes but in that small and intimate den where only a man's wife, a man's mother, and one or two of his very dearest friends are permitted to tread.

But no particular person or group of persons can claim Mr. Justice Brandeis. He belongs to men, young and old, rich and poor, Jew and non-Jew—indeed, all men of all races and all creeds, provided only that they have seen visions and dreamt dreams of playing a part in the drive that humanity makes always to reach onward for a better, more abundant society.

One of the great strains that went into the making of the man derived from his inheritance of the spirit of 1848. Few movements in American history have brought to this country a more significant and more truly American group of immigrants than the revolution of 1848. Their revolt in continental Europe was against an aristocratic tyranny that since the Napoleonic wars had held Europe in its grip. It was not a blind, unthinking revolt of the common man, striking with a ferocity inspired by vengeance against the masters of his day, as was true of both the French and Russian Revolutions. Instead, it was the spirit of liberalism, of democracy on the march. When in Frankfurt and in Vienna it achieved power, it turned not to guillotines or shootings but to the quiet articulation of faiths in constitutions. It did not epitomize the spirit of Engels or Robespierre but of Schiller, of Godwin, of Jefferson, and of Paine. It is small wonder that after the fall of that movement its adherents should turn to this country, for the America of the 1850's was truly an America of promise.

It was the America of Jackson, of Webster, of Garrison, and soon of Lincoln. It was an America that neither feared nor despised the alien, that memorialized by congressional resolution Louis Kossuth, that had decisively rejected religious and racial prejudice in its repudiation of the Know Nothing Party, and that even then was simmering in indignation over slavery.

America was promise to the elder Brandeis; it always remained so to the justice. Its failures as he saw them and fought them in his later years were the failures of men who were untrue to that great dream, not the deficiencies of men's aspirations, but only the weaknesses of appetite and will. It is the steadfastness of a vision of this character that is the base upon which great Americanism is built, and Mr. Justice Brandeis had not only that underpinning reaching up from the roots of America but reaching up from the roots of men of other lands devoted to the cause of freedom, who were now seeking its realization in this country. It was this, I think, that always made his talk of Jefferson, of Samuel Adams, of even the Gracchi in Rome, something neither merely historical nor philosophic but talk that made men come to life with ideas old but still of practical application to the affairs of our times.

The general outlines of Brandeis' life are well known. But it is worth our while for a moment to touch upon the main contours that characterize those odd-eighty years in order more fully to appreciate his contributions to our life and thought. Recently I have had the occasion to examine somewhat closely his relations with the Harvard Law School. That a man has done well in his professional education, even extraordinarily well, may indeed be noteworthy but quite insignificant. Young men of great intellectual promise go out yearly from our schools only to be forgotten as talents turn themselves into mere proficiency and grasp of a profession chills into mere aptitude in a trade. Brandeis' years at the law school, however, reveal much to indicate that this would hardly characterize his career. Despite the handicap of [illegible] of the necessity of tutoring his less gifted classmates in order to make his way through school, he literally devoured the intellectual opportunities that Cambridge then afforded young men. It was not enough for him to know law, not enough in the classroom and on the examinations to inscribe a record of excellence still unsurpassed in the history of a great institution. He sought nourishment wherever he could find it. In attendance at gatherings of the great Harvard professors, notably Professor Shaler, the world of thought and of science unfolded its riches to him. His personal charm won him, first, friends among his classmates and then access to the, perhaps, somewhat prim but still intellectually alive society of Boston and Cambridge. It was characteristic of his extraordinary capacity for vicarious experience that he lost no opportunity to learn more of this world and yet at the same time he never succumbed to its foibles or its glitter.

I speak of these formative years in Brandeis' career because I think in them is much that later characterized his actions. His appreciation of and gratitude for this rich intellectual experience was undoubtedly responsible for that emphatic stress that he always placed upon the need for fuller, more penetrating, understanding and teaching of the things, material and spiritual, that have fashioned our world. It was this memory of the desires and ambitions of young men that not only, like fine wine, preserved his youth but made him always assiduous, painstaking, and wise in his counsels to the men of my generation. It was this, too, that led him to devote those remnants of time that his early, busy practice left him to his first great public work, his first crusade.

That was the Harvard Law School. For 30 years he watched its progress as a mother might watch that of her child. He urged it to expand its courses of instruction to meet the needs of young lawyers as he saw them at the bar, and annually found money to make these projects possible. When Oliver Wendell Holmes seemed available for teaching purposes at the school, it was Brandeis who found the money to establish a new professorship. When a group of brilliant young men had the idea of establishing in the school a professional periodical that today is the outstanding medium for the promotion of scholarly legal thought, that idea was brought to fruition by Brandeis' work in financing it, in suggesting in detail the manner of its operation, and in serving for over 30 years as its treasurer and trustee. But more significant was Brandeis' work in bringing into existence through sheer effort and persuasion the alumni association that for more than 50 years has been one of the chief instruments for promoting among young men and old the ideas that in those early years, happening to stem from Harvard, succeeded in altering completely the whole character and direction of legal education.

I can only touch upon a few of the incidents that only suggest the intensity of Brandeis' concern with schooling in the law. It was continuous, painstakingly practical, and profound in its devotion. One anecdote reveals the extraordinary unselfishness that marked this loyalty, and the abiding faith that he maintained in the significance of scholarly concern and scholarly development of the law. Brandeis' nomination to the Supreme Court was bitterly opposed, as much as by men high in academic circles in this vicinity. With one exception, the faculty of the Harvard Law School sprang to his support, among them Roscoe Pound, whose own nomination to the deanship of the school was pending before the overseers of the university. When Brandeis heard of Pound's proposed support, he told one of his friends: "Don't let him do that. It is much more important that he should become dean of the school than that I should be elevated to the Court."

By 1900 Brandeis' energies were beginning to turn in other directions. Keenly conscious of the forces of government, whether exerted through legislatures or courts, he appreciated how much true legal talent was arrayed on the side of moneyed corporations and how effective that talent was in furthering the private interests of its clients against the broader, more enduring interest of the public. Fortunately by then Brandeis had achieved economic independence, partly through a remunerative practice but largely through the simple but stoic procedure of reducing his own wants.

The inequality of this contest not only irked him but, because it threatened the very ideals of American freedom, enlisted his passion upon the side of the weak. Of his long and unstinting efforts as a people's lawyer, his struggles in behalf of the maintenance of public franchises, his exposé of the wrecking of the New Haven system, his struggle against the elimination of unfair and monopolistic trade practices, time does not permit the telling. But a few instances of this work deserve relating for the light they throw on his character and his insight into the economic problems of American democracy.

The achievement in which Brandeis took, perhaps, the most personal pride and which in later years he looked back upon with the greatest satisfaction was the establishment of the scheme of savings-bank life insurance. The nature of that scheme is now familiar to most citizens of Massachusetts, but its origins sprang from Brandeis' conviction of the great social necessity of providing life insurance for persons of moderate means at the least possible cost. He put his finger on the two causes that made that goal impossible of attainment by the normal insurance companies. The first of these was the heavy cost of promotion which characterized every company and which, he believed, should be eliminated by putting insurance openly upon the counter and offering it to those who already were willing to buy. He saw the evils that attended oversalesmanship while premiums paid for a brief period enriched primarily the pockets of the salesmen and where lapse clauses brought about forfeitures because commitments made only under forced enthusiasms and not with temperate foresightedness could not be maintained. He saw also as a primary cause of excessive costs that funds collected from policyholders were too frequently employed not with the sole desire to return rewards to their true owners but to build a complicated system of centralizing in a few men control over the American industrial machine. It was this experience, as much as any other, that developed in him his conception of the curse of bigness in enterprise, bigness that in its rapid growth had fashioned its own system of ethics far removed from the simple injunction that no man can serve two masters.

The amazing thing is that Brandeis ever won this fight. There are no giants in American financial life as powerful as the insurance companies, no forces which can so effectively hide their tactics behind the cloak of trusteeship in behalf of their millions of anxious and easily worried policyholders. It was this fight and his titanic struggle with the New Haven that earned him the venom of the greater portion of the world of finance. Men of power hate most not those who ultimately deprive them of that power but those who do so by making patently clear their incapacity to wield it, or the pure accidents of birth, caste, or heritage that have made them the incompetent legatees of it. In State Street, in Wall Street, in La Salle Street, men struck with fury at him, torturing his ideals, using their mouthpieces, the press, to make of him an adventurer, an enemy of Americanism and of society. But the sheer power of his portrayal of fact, of his mastery and consequent exposition of these affairs carried him beyond their reach.

One other achievement of these days, through a thrice-told tale, calls for mention. The turn of the century marks the beginning of the movement for social legislation that since then has more and more expanded our postulate of political equality into an insistence upon a true freedom of equality of economic opportunity. Men to Brandeis were never free if they were in want, never free if in fact they were oppressed. In the industrial field, the movement for social legislation launched itself by an attempt through governmental control to limit the long hours that men and women were compelled to work. In 1904 the Supreme Court of the United States declared unconstitutional a New York statute limiting the working hours of men in bakeries to 10 per day. Constitutional law at that time was a loose, unreal system of metaphysics that permitted legal conceptions to be filled by the economic and social predilections of those judges who might wield them. With a basis of fact drawn mostly from the inadequacies of his own experience, Mr. Justice Peckham, speaking for a majority of the Supreme Court, could find no relationship between long hours in industry and the health, welfare, or morals of laboring men.

Despite a thundering and magnificent dissent by Mr. Justice Holmes, State court after State court woodenly applied that precedent to hold void the numerous State statutes of a similar character. Only two States, drawing a distinction between the operative effects of such legislation on women workers as distinguished from men, dissented and thereby once more afforded an opportunity to contest Peckham's ipse dixit in the Supreme Court. It was at this stage that Brandeis, after Joseph Choate had originally declined the responsibility, agreed, under the persuasion of Mrs. Florence Kelly of the National Consumers' League, to accept the challenge.

That he was ultimately successful in that struggle is important, for a different outcome would have set back the advancement of industrial social legislation for two or three decades. But the manner of his victory is as significant as the victory itself. Brandeis saw that the issue was one of bringing the objectives of that legislation within the categories of the protection of health and morals—categories recognized to be legitimate sources of power for governmental action. The issue was thus one of fact and not of law. So with the help of his sister-in-law, he amassed a collection of indisputable factual law showing the effect of long hours of strain on the physique of women, on the increase in the rate of industrial accidents and producing that deterioration of mind, body, and spirit that follows upon overwork and the absence of reasonable leisure brought about.

The Brandeis brief is now famous, and it is rightly so, because it has profoundly altered the approach of lawyers and judges to a vast group of constitutional questions. Issues that theretofore were assumedly merely legal, and capable of decision by reference to precedent and to black letter learning, have slowly been placed, and thus seen, in the context of life and death out of which they have sprung. The bearing of economics, of sociology, of engineering, of industrial operation, must now all be explored if legal questions are to be decided not in vacuo, but in the light of the society to which they appertain. Indeed, it is difficult to think of a greater contribution to constitutional law that has been made since the days of Marshall than this contribution made by a lawyer at the bar and not on the bench.

Of the outcry against Brandeis' nomination to the Supreme Court, charity bids me to be silent. Men still living must look back in wonderment at the positions they took and the accusations that they hurled against a man who already is one of the great judges of all time. Perhaps much of this stemmed from the fact that Brandeis was a Jew, but had he not had that rich inheritance one wonder whether that inexhaustible patience, that unswerving devotion to men captive in our American Zion would have been such enduring qualities of his soul.

Brandeis' work on the bench spans almost a quarter of a century. He came to it with ideas and ideals fashioned not from reading but from the crucible of experience. No Justice of the Supreme Court had ever had such a rich background or such an intimate contact with the hopes and desires of the mass of mankind. Of that work there is too much to say. His championing of civil liberties and his expansion of the concept of civil liberty to include the right of industrial workers freely to associate together, fought originally against large odds, has now found its vindication. But this is only one of the long items in the catalog of his judicial achievements. His struggle against the inflationary tendencies that derived from the attitude of the majority of his brethren on the bases for rate regulation, his recognition of the necessity for and his sympathy with the need for expert determination of the new and complex industrial claims by administrative commissions supervised but not throttled by courts, his insistence upon the observance of Federal procedural rules so that the appropriate balance between States and Nation should be maintained, his vision of the necessity for maintaining a Federal power strong enough to cope with the truly Federal problems—all these and many more are some of the contributions that he made to American law and American life.

Mr. Justice Brandeis' judicial prose has a majesty as great as the thought that it portrays. It does not sparkle nor scintillate as that of Mr. Justice Holmes, nor does it have that ethereal beauty of word and phrase that characterizes Mr. Justice Cardozo. Instead, it has an earthy majesty which springs always from the ground but still reaches outward to the stars. There is no better justification of the significance of the right of freedom of expression to the maintenance of a civilization that would base itself upon the rationality of mankind than his closing in *New State Ice Co. v. Liebman*: "If we would guide by the light of reason, we must let our minds be bold."

Let me take you for a moment to a characteristic evening in the Brandeis household. The Justice has closed his desk at 7, suggesting to me, his law clerk, that I might be interested in dropping in at his apartment after dinner. About 8:30, as I arrive, the guests are leaving the dinner table.

Senator Tom Walsh, of Montana, who had fought so fiercely for the right in the days of the Harding debacle; Norman Hapgood, an old friend of the Pinchot-Ballinger days, whom the Justice twits for having recently taken on work as an independent columnist for Hearst; Andrew Bruere, of the Survey, whose devotion to the cause of social justice long antedates even the Wilsonian era; Monsignor Ryan, then Father Ryan, whose stout battling for the underdog has made Christian doctrine a means of immediate as well as ultimate salvation, and one of the friends of the Justice who loved to find himself in violent disagreement with some of Brandeis' pet ideas. Talk moves on smoothly and quietly. The Justice intervenes but little, yet just enough to make each man intent upon expressing adequately and effectively his thoughts. "The power that man has," I say to myself, "of making other men talk about the things about which they care most." An hour passes and the talk has become a little more disputatious—a little more intent. I watch Mrs. Brandeis from the corner of my eye, knowing her worry of getting her guests away by 10 to conserve the Justice's time. The Justice, too, takes a glance at her, hoping perhaps that she will be worried a little but not too much by his friends stealing an extra 5 or 10 minutes of his time. They, too, however, know the custom and as the hour strikes make their adieus. But something has again happened that evening. Men of good will have once again renewed their faith, their energy, their ideals by the great inspiration of his presence. In the company of that eternal fighter for the right men who have known less hurt but perhaps more pain, men less capable to endure, have lost any temptation they may have had to call the battle quits.

Indeed, that cause today fights on. I have had the opportunity several times to see the Justice since the war began. Its coming was no surprise to him. His regrets had been made earlier, when for 20 years we and the other victors refused to look at the mistakes we made. But that now was behind us; the present was the deepest challenge made to the endurance of civilization for over a thousand years. There was the tragedy of centuries of historic failure of men to live up to their ideals as sons of God in the Justice's eyes, but the eyes also held no fear. His 80 years, his 80 times 800 years' heritage, borne proudly upon his shoulders, his quiet kindliness that gave courage to the belief in the eventual futility of force and in the final triumph of reason—gave assurance that it will survive, that there is no power that can destroy the mind, and that to reach out toward stars that we cannot see is as much a part of man as hunger and thirst. Of no one, except the very great of all time, can it be said more truthfully, "O death, where is thy sting? O grave, where is thy victory?"

Baumhart Spurns United States Pension

EXTENSION OF REMARKS

OF

HON. A. D. BAUMHART, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

PRESS RELEASE OF HON. A. D. BAUMHART, JR., OF OHIO

Mr. BAUMHART. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following press release given out by me:

BAUMHART SPURNS UNITED STATES PENSION

WASHINGTON, February 12.—Congressman A. D. BAUMHART, Jr., of Vermilion, announced today he would refuse all benefits under the new "pensions for Congressmen" legislation enacted in January, and signed recently by President Roosevelt.

"I do not approve of pensions for the President, the Vice President, and Members of the House and Senate," BAUMHART said. "Furthermore, I cannot approve the manner in which this amendment was put into the bill in committee, and then hastened through the House under unanimous-consent agreement, without any action to acquaint the Members with the purpose and significance of the committee amendment. I feel that, under these circumstances, the so-called pensions-for-Congressmen law was accomplished by a legislative trick. The true meaning of the amendment was never explained to the House. Not until the act was signed by President Roosevelt did it become known that it also provided life pensions for the President and Vice President."

BAUMHART emphasized that he is not eligible for any pension, as the new law sets 5 years continuous service as the qualification requirement.

"But I feel the principle involved is far more important than any consideration of direct personal benefits to myself," BAUMHART continued. "In my view, it is a violation of the spirit of the Constitution for any Congress to vote a pension system applicable to itself, or for any President to approve a measure granting himself a life pension. Section 6, article I, of the Constitution says: 'No Senator or Representative shall, during the time for which he was elected, be appointed to any civil office under the authority of the United States, which shall have been created, or the emoluments whereof shall have been increased during such time.'

"I would see no difference between accepting a Federal office which my vote helped create, and accepting a pension passed during my term in Congress. This thing borders on official Treasury raiding."

Congressman BAUMHART disqualified himself for pension benefits under the new statute by writing a letter to Lindsay Warren, Comptroller General of the United States, requesting that no pension accruals ever be credited to his name. A copy of the letter also was sent to the United States Civil Service Commission, which administers the pension law.

A bill which would repeal the "pensions for Congressmen" amendment was introduced by Congressman BAUMHART on Friday, January 30. To date it has been pigeonholed in the Civil Service Committee, where an overwhelming Democratic majority rules the legislative calendar with an iron hand.

"If President Roosevelt will but give the signal to the committee authorizing the repeal of his own life pension, my repeal bill could be brought to a roll call in 2 or 3 days," BAUMHART said.

"Even had pensions for Congressmen appeared justified after full and open debate, I still do not think the bill should have been passed at a time when our Nation is involved in war in Europe, Asia, and Africa, and there are so many more urgent and pressing demands being made upon the taxpayers. These times call for sacrifices, not official grabbing.

"Now that the real nature and significance of this legislation is understood, and the methods by which it was accomplished have been penetrated, I favor its immediate and unqualified repeal, including the President's life pension.

"Only by giving prompt and vigorous support to a repeal measure may the responsible Democratic leaders in Congress hope to restore in the American people a full sense of confidence and security in the processes of representative government. This is no time for Trojan-horse methods in legislation and administration, particularly when the device works to the direct personal benefit of those in charge of the governmental machinery."

Edward T. Taylor

EXTENSION OF REMARKS

OF

HON. LOUIS C. RABAUT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

Mr. RABAUT. Mr. Speaker, the ties of love and friendship, unlike material things, are strengthened rather than weakened by a parting. Then it is that all the memories of former associations crowd back upon us with a poignancy that is both tender and painful.

Thus, we think of our friends whom we have "loved and lost awhile." And among these perhaps none is more worthy of honor than Edward T. Taylor. He was our companion of yesterday and our silent counselor of today. He epitomized the greatness of America.

As chairman of the Committee on Appropriations he was our chief. But he was more than that, for his kindly example guided us during his life.

A grateful Nation has recognized his qualities of statesmanship. But we who had the honor of an intimate association like to think of him, not in his greatness but in his simplicity, for therein lies the key to his greatness.

A prince once gazed on a warrior dead;
"Taller he seems in death," he said.

Let us be thankful for the privilege and honor that was ours in knowing and associating with one of the truly devoted men of this era.

General MacArthur

EXTENSION OF REMARKS
OF
HON. ARTHUR D. HEALEY
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

EDITORIAL FROM THE BOSTON POST

Mr. HEALEY. Mr. Speaker, under leave to extend my remarks in the Record, I include the following editorial from the Boston Post:

[From the Boston Post of February 6, 1942]

M'ARTHUR

The days add up to weeks. The weeks mount on to months. And across the pages of history grows the shadow of Gen. Douglas MacArthur.

Not only in the school books of the immediate future, but in the imperishable annals of man, the kind which have handed down Caesar and Charlemagne, Washington and Wellington, Grant and Foch—the great captains of men in the scarlet hours of earth—he is earning a place.

We are so keen for the move of every moment, we are so close to the actual events and so much of our tomorrow is bound up with his successes today that perhaps we may not see.

Yet before our eyes history repeats itself. In a tangle of jungle hills and depths, Horatius stands once more by the Tiber Bridge, Dienekes guards the pass of Thermopylae, and Captain Parker rallies the thin line at Lexington.

For General MacArthur is giving to Bataan the immortality that Captain Prescott gave to Bunker Hill and Davy Crockett bestowed on the Alamo.

And more than that. Wherever free men fight today, the feat of MacArthur and his men gives new courage. He is teaching that men can stand up to the overwhelming, can combat without flinching the overpowering, and that even the bare urge for liberty is a match for the steel-studded desire for conquest.

Picture men at the moment in the shelter of the dunes of Libya, in the bitter drifts of Russia, in the smoking gunports of Singapore, in the harried hills of China, in the wind-swept valleys of Iceland and the rain-sodden fields of North Ireland, saying to each other as another dark dawn awakens them, "MacArthur is still holding."

Listen in at a coastline cottage of Norway, in the Belgian castle where the King is confined, in the internment camps outside of Paris, in the cafes of Rome, and the beer gardens of Berlin?—or anywhere around the world where two or more people gather—as they whisper or shout, "MacArthur is still holding."

In Tokyo or Yokohama, in New York or Boston, in Formosa or San Francisco, it is the same. People snatch up their newspapers and say, "MacArthur is still holding."

Two months will have passed tomorrow since the Japanese struck at the Philippines and one can still say of MacArthur and his men, what Churchill said of the handful of British airmen who beat back the German flying hordes in the frightful summer of 1940—"Never in the field of human conflict was so much owed by so many to so few."

For to MacArthur and his little army, as they outwit an amazed adversary and continue to fight on against the terrible odds, America at the moment, mighty and majestic, owes the right to hold her head high while arming for an Armageddon the Axis powers never dreamed of.

All Americans

EXTENSION OF REMARKS
OF
HON. JAMES F. O'CONNOR
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

EDITORIAL FROM THE GREAT FALLS (MONT.) TRIBUNE

Mr. O'CONNOR. Mr. Speaker, under leave to extend my remarks in the Record, I include the following editorial from the Great Falls (Mont.) Tribune:

[From the Great Falls (Mont.) Tribune]

ALL AMERICANS

The coal miners at Gilfon who the other day sent President Roosevelt a draft for over $1,700, to be used in carrying on the war, have our sincere respect. They sent a day's pay from every man in that mine as a donation to their Government. The list of names of those Americans might be significant. You Yankees might find some of them hard to pronounce. They remind you that some of these loyal Americans are of rather recent European origin, and yet we put up the barriers some years ago because we did not want so many people coming here from Europe to settle.

But sometimes the plain folks who settle here from abroad startle us by the possibility that they appreciate more the value of American institutions than some of our citizens who occupy much more prominent places in our affairs. Some of our people have forgotten that liberty is a valuable thing to be won and held only by hard effort and at times by sacrifice.

Donald Nelson talked plainly to a group of manufacturers the other day about firms who were delaying war production while they haggled with their Government over terms and profits. He told them to go home and get the work going. At times the plain folks over the country see basic things more clearly than some we call leaders.

De Valera's Attitude

EXTENSION OF REMARKS
OF
HON. CHARLES L. GIFFORD
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

ARTICLE BY HON. JOSEPH A. CONRY

Mr. GIFFORD. Mr. Speaker, under leave to extend my remarks in the Record, I include the following article by Hon. Joseph A. Conry, former Member of Congress from Boston, printed in the New York Herald Tribune, Sunday, February 8, 1942, with respect to the arrival of United States troops in northern Ireland:

[From the New York Herald Tribune of February 8, 1942]

DE VALERA'S ATTITUDE

To the New York Herald Tribune:

The reports of Premier De Valera's protest against American soldiers landing in Northern Ireland as part of our campaign in the war against Hitlerism is a sad reminder of the poor taste and bad judgment shown by De Valera during his hectic campaign in the United States in 1919-20, appearing as President of Ireland, when no such office existed, and with the aid of many active workers for the cause of Irish independence succeeded in raising $1,000,000, contributed by Americans who were the well-wishers of Erin.

Nothing is to be gained by reopening the quarrels that developed as a result of some of De Valera's speeches; it is well to let those fights be forgotten; yet it is with a pang of regret we learn that the Premier of Eire now looks upon American soldiers as invaders as they land in Ulster, with some Americans referring to the government as a puppet government and the administration of Ulster under the control of Quislings.

One who cares to study the history of the various boundary commissions appointed to discover some solution of the question, always a vexed one, as to a boundary that will satisfy both North and South, will soon find that the men of the North were no "puppets" or "Quislings" but were quite as defiant of British leaders as were the men of the South.

But that question must not be permitted to intrude on the welcome to be extended to American soldiers in Ireland. We are engaged in a war to decide on the existence of the American Republic. If De Valera insists on showing hostility to the American cause he takes his decision in the light of history, but with a strange disregard for the future.

Hitler plans to put one-half of the world under his pagan Nordic god, while Japan, energetic partner of the Nazis, will place all of Asia under the sun-goddess Amaterasu Omikami, while Britain and the United States are struggling for Christianity, and Ireland, God forgive her, under De Valera stands by as an ignoble spectator. His Holiness the Pope said on Christmas Eve: "There appears today to be no open road to agreement between the belligerents, whose reciprocal war aims and programs would seem to be irreconcilable."

[illegible]

We All Know It

EXTENSION OF REMARKS

OF

CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

ARTICLE BY WESTBROOK PEGLER

Mr. HOFFMAN. Mr. Speaker, in 1937 Congress was told what it already knew; that there was no justification for compelling a man to buy a license to work. It knew the sit-down strikes were illegal, without moral justification.

Sit-down strikes and the closed shop are now bearing their legitimate fruit. Perhaps the public and Congress will listen to Pegler, who uses a few plain, blunt words, as follows:

(By Westbrook Pegler)

[illegible]

[illegible]

Grand Coulee Dam

EXTENSION OF REMARKS

OF

HON. KNUTE HILL

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

ARTICLE FROM THE RECLAMATION ERA

Mr. HILL of Washington. Mr. Speaker, under leave to revise and extend my remarks and to include an article entitled "Grand Coulee Dam Answers the Bugle" taken from the February 1942 issue of the Reclamation Era, I want to call to the attention of the Nation the fact that America's greatest construction job is now virtually completed in the Columbia River in my State of Washington.

Grand Coulee Dam, once attacked as visionary by those with little faith in our country and its future, is now making a magnificent contribution to our safety through powering war industries, and in the years to come it will provide homes for 350,000 people on lands that are now largely unused sagebrush wastes.

While signalizing the fact that Grand Coulee Dam has enlisted in the service of the country, I want to emphasize the importance of preparing this project to serve equally as well in the post-war readjustment period. A bill, H. R. [illegible], has been prepared and introduced to enable us to meet adequately these post-war needs.

The article taken from the Reclamation Era is as follows:

[From the Reclamation Era of February 1942]

GRAND COULEE DAM ANSWERS THE BUGLE

Eight years ago, when construction of the Grand Coulee Dam was first begun, [illegible]

[illegible]

[illegible]

Melvyn Douglas

SPEECH

OF

HON. LELAND M. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

Mr. LELAND M. FORD. Mr. Speaker, in answer to my criticism of Melvyn Douglas, formerly Hesselberg, he stated—

If Mr. Ford really knew his community and the people in it, he would not make such irresponsible accusations. Lack of knowledge is dangerous in Congressmen.

I know my district well enough to know who the subversive interests in it are. I know it well enough not to tie up with them, either as a supporter, directly or indirectly, or a fellow traveler. I know Douglas—formerly Hesselberg's—record.

My campaign was predicated on a fight against the subversive interests. Mr. Douglas and his group opposed me. The result was, I received 102,000 votes out of 129,000, beating my opponent by 135,000, which gave me the largest majority of any man in Congress. Does Mr. Douglas charge these 137,000 people with not knowing what was going on in that district?

These are not only my own criticisms but they come from the whole State of California. Evidence:

In May 1940, when his appointment as lieutenant colonel in the California National Guard was up, the assembly of our State legislature, in their closing resolution, deplored and protested the commissioning of Douglas, as did an Army intelligence officer at the presidio in San Francisco. Assemblyman [illegible] said:

Douglas for years has been associated with radicals.

The chairman of the Americanization committee of the American Legion stated that Douglas refused to read the [illegible] ration of Independence in a radio program, "America Marches On," because the Communist Party was charged with being un-American and dangerous. They refused to change the program and an attache of the studio read the Declaration of Independence. The American Legion refused to make any compromise and refused to cease to expose the Communist Party.

Draw your own conclusions about Douglas.

Mr. Douglas said:

The Communist Party attacked him when his activities were brought to light.

Mr. Douglas should know that this is part of the Communist program, when one of their members is caught—to disavow him, as they won't all be caught. He should also know that they register under false names, in case they should be caught; and many follow the Communists under the guise of "fellow travelers" by giving aid to the Communists and the subversive interests in order to better carry on their program.

Mr. Douglas, your past activities are known, [illegible] to [illegible] and you now [illegible] to [illegible] them. How do we know you have given up your communistic [illegible]? Many Communists have done this in order to [illegible] in high places in government in order to [illegible]. You yourself have [illegible] yourself with their [illegible].

Attached hereto is [illegible] of Douglas' record, from the files [illegible].

MELVYN DOUGLAS

[illegible]	[illegible]	[illegible]
American Congress for Peace and Democracy	[illegible]	[illegible]
[illegible]	[illegible]	Daily Worker, [illegible]
[illegible]	[illegible]	[illegible]
Consumers Union	[illegible]	[illegible]
[illegible] of the United States	[illegible]	Mimeographed release, [illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	New Masses, [illegible]
[illegible]	[illegible]	Daily Worker, [illegible]

Mr. Speaker, there are too many real, honest-to-God Americans to pick from, and I say this country does not have to place in high position people of the type whose past records will not bear inspection or the light of publicity.

Melvyn Douglas

SPEECH

OF

HON. THOMAS F. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

Mr. THOMAS F. FORD. Mr. Speaker, the attacks that have been made on Melvyn Douglas by Members of this House have shocked those who know this good citizen of California. He is not a Communist.

I have personally known Melvyn Douglas for a period of years, and the longer I know him the more highly I respect him. He is a liberal and enlightened man who gives freely of his time and energy and money to constructive efforts to bring justice and opportunity to all Americans. This man is an altruist; his concern is for the welfare of all; his sympathies are for the underprivileged, for those who find it difficult, through lack of opportunity to earn a living and, with it, the self-respect that is essential to make life bearable.

In this House I find the spirit of Cotton Mather alive among a small minority of Members. These few misguided patriots are ready to condemn every man and woman who advocates policies and principles that they neither comprehend nor wish to consider.

All a citizen needs to do to draw their fire is to support collective bargaining as [illegible] in the National Labor Relations Act; to insist on justice and a fair investigation for those accused of being communists or subversive agents; or to advocate any other of the basic principles of progress. Even the Nazi spies were given a fair court trial.

Because in California Melvyn Douglas took an active and effective part in trying to secure decent, Christian treatment for migrants and others despised by opinionated reactionaries; because he has invariably stood for the due process of law for persons accused of crime; because he has so vigorously and effectively advocated the New Deal and all it stands for, he is attacked by those cynics who care only for themselves and for the class they represent.

It is all America that Melvyn Douglas is interested in and that is why he is persecuted by those who represent the privileged few.

Mr. Douglas is not a salaried employee. His official status is that of "consultant without compensation," other than the regular travel and subsistence allowances paid to all who render services to the Government.

Opposed to Pensions for Congressmen

EXTENSION OF REMARKS

OF

HON. GEORGE A. DONDERO

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

EDITORIAL FROM THE DETROIT FREE PRESS

Mr. DONDERO. Mr. Speaker, under leave to extend my remarks in the Record, I include an editorial from the Detroit Free Press of February 5, 1942, on the subject of pensions for Congressmen.

This subject has received much criticism on the part of the press of the country, and in my opinion that criticism is justified. I have always been opposed and am now opposed to including elected officials under the Retirement Act, which permits the Members of Congress and the President of the United States to receive old-age benefits even though they must contribute out of their own pay toward that fund. To that fund the taxpayers of the country must also contribute. I am opposed to that principle. This question has been presented before and I have voted against it. If Members of Congress and the President have this right and benefit, then there is no reason why every elected official in the United States down to the smallest unit of government should not have the same right.

The passage of this bill was a grave mistake on the part of the administration, and I am disheartened to know that the President would sign it. Legislation of this kind destroys national unity instead of creating it.

Bills have been introduced both in the House and Senate to repeal the act, and I shall vote to repeal it at the first opportunity.

The editorial follows:

[From the Detroit Free Press of February 5, 1942]

[illegible]

[illegible]

[illegible] introduced in the Senate by Senators [illegible] of Virginia, Bailey of North Carolina, Burton of Ohio, and Johnson of Colorado.

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

It isn't the money that [illegible] the principle of the thing and the cowardly way the grab was sneaked through.

There was no debate worthy of the name. There was a voice vote in the House and a roll call in the Senate—with [illegible] Members absent—that was so little understood that at least one Senator, [illegible], protested afterward that he didn't know for what he had voted.

The main point, however, remains what it has been: Congress' [illegible] designation that both Houses, the President, and his Cabinet are employees of the Government and not the Government itself.

If confidence in their Government is to be restored to the people, the proper course is a full reversal [illegible] of the Byrd-Bailey-Burton-Johnson repealer.

Retirement Benefits for Members of Congress

SPEECH

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

Mr. RANKIN of Mississippi. Mr. Speaker, as one who has always opposed retirement benefits for Members of the House and of the Senate, and as one who protested on the floor at the time the conference report on the retirement bill came in, I appeal to the Committee on the Civil Service to deal fairly with the House and to report one of the bills that have been introduced to repeal that act.

This controversy has brought to the attention of the American people the evils of the present retirement system in the United States which, in my humble judgment, has had the most demoralizing effect on our national life of anything that has ever occurred, and this provision to extend it to include Members of Congress has done just what I said it would do, it has shaken the faith of the American people in [illegible]. It should be repealed at once.

Prior to the Civil War there was no Federal retirement system. [illegible] since the immortal Jackson, U. S. Grant, and others, went back into private life. Grant was in business, and Jackson was [illegible] when the war broke out. They did not depend on retirement incomes. But when the war came on, Lincoln found that there were a considerable number of old Army officers in the service who were more or less in the way. It was decided to put them on the "retired list" and remove them from active duty in the field. From that beginning came our present retirement system that has grown to such proportions as to really threaten the security of this Government—even without including Members of the House and Senate in the program. I notice from the press that both the admiral and the general who have been charged with failure at Pearl Harbor are asking for retirement at $8,000 a year each.

Several days ago I received a letter on this subject from Mrs. Georgia May Weaver, who is a daughter of Private John Allen, one of my distinguished predecessors in this House. For the benefit of the Members, I am inserting her letter at this point, together with my reply:

TUPELO, MISS., *February 4, 1942.*

Hon. JOHN RANKIN,

Washington, D. C.

MY DEAR MR. RANKIN: We are an easygoing people indeed and there will be few who will take the trouble to write commendation or approval to their representatives—I have never done so before myself—but there are many who are vociferous at home and at the polls. I am writing to commend you for talking against that disgraceful and disgusting bill that the supposed representatives of the people have just passed to pension themselves. There is not one there who has not made the supreme effort of his life to get his seat, and we try to elect men who do not go for the purpose of getting their hands into the Nation's money bags. But the people are so lazy and so easily fooled we misjudge many people. At a time like this when the taxpayers are bled to the bone and everybody is urged to sacrifice, the Congressmen get up and hilariously pension themselves. It is not old age that makes my hand tremble as I write; it is pure wrath. Judging by the opinions I have heard others express, I am a long way from being alone in this feeling. I think the Constitution ought to be amended so there will be some other agency besides Congress to determine the emoluments of Congressmen.

Very truly a friend,

GEORGIA MAY WEAVER.

WASHINGTON, D. C.,
February 6, 1942.

Mrs. GEORGIA MAY WEAVER,
Tupelo, Miss.

DEAR MRS. WEAVER: Please accept my thanks for your splendid letter of February 4 relative to the so-called Congressional Retirement Act.

I agree with you that the passage of such a measure was a terrible blunder, and I said so on the floor. I think it should be repealed without delay. In fact, Mrs. Weaver, this whole governmental retirement system is wrong, and it is having the most demoralizing effect on our national life. I honestly believe that the retirement system contributed as much to the spirit that resulted in the Pearl Harbor disaster as anything else.

[illegible]

[illegible]

Several bills have been introduced to repeal this measure, and I am going to do everything I can to get one of them brought to the floor of the House and passed without delay.

Thanking you again for your splendid letter and with very best wishes, in which Mrs. Rankin joins me, I remain

Sincerely your friend,

J. E. RANKIN.

The Bill of Rights in War

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

RADIO ADDRESS OF HON. EMANUEL CELLER, OF NEW YORK

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the Record, I include the following address delivered by me over the Columbia Broadcasting System, station WABC, New York, on Saturday evening, February 7, 1942:

[illegible]

[illegible]

with a big stick as to deny utterly to the [illegible], life, liberty, and the pursuit of happiness. Many heinous crimes have been committed during wars, and every [illegible] right has been trampled upon [illegible] in strengthening the Nation's war effort. [illegible] history proves that. "The events which I [illegible] should be shown that any [illegible] arbitrary action [illegible] in the severity of the war. James R. Morris, in [illegible]—1817 points out: "In New Orleans after the defeat of the British [illegible] General Jackson [illegible] on February 21, 1815, announced that [illegible] the United States and England. [illegible] Jackson that placed the constitution in cold storage."

The Civil War saw good and countless [illegible] of personal liberties. Secretary of War Stanton, in the Lincoln Cabinet, ordered the arrest of the Maryland Legislature to prevent the secession of that State. Those arrested included a number who were not in [illegible]. They were all sent to [illegible] Warren in Boston and locked in jail. [illegible] the newspaper called the Chicago Times [illegible] by General Burnside, commander of the Department of Ohio. The [illegible] ordered his military [illegible] to seize the office of the Times and prevent the printing of the paper—all [illegible] Lincoln [illegible] revoked the order of General Burnside.

The New York World suffered a similar fate when the military forces seized its presses and prevented the printing of its issues. The [illegible] Secretary of State Seward did not agree with the World's opinions.

Secretary of War Stanton was not above [illegible] a story. In 1862 General McClellan had been replaced by General Burnside after the Battle of Fredericksburg. McClellan was very popular in the North and there was a great clamor for his reinstatement [illegible] "Give Us Back Our Little Mac." [illegible] [illegible] Secretary of War Stanton [illegible] During the Spanish-American War and the First World War, [illegible]

[illegible] all such excesses must be avoided. Keeping [illegible] the channels of free press and free [illegible]

The truth is mighty and must prevail. Some have news—good or bad—held it back in the interest of war strategy or because [illegible] might help the foe. But whatever news is given, let it be the truth. There should be no deception on the home front. Those in high places who do not deal in the truth must be deposed. Churchill once said of Stanley Baldwin: "Stanley occasionally stumbles over the truth, but he always hastily picks himself up and hurries on as if nothing had happened." We want no official with whom the truth is an exception and not the rule. It shall be the duty of a free press and radio to expose deceit, hypocrisy, and prevarication in high places—especially during war.

Free speech and free press are vital in order to ferret out and denounce the willfulness, the stupidity, and bungling of those in high places. Otherwise, we tolerate and invite their incompetence and ignorance—to the Nation's great distress and damage in life and property. The evil effect on the Nation's morale is [illegible] if "brass hats" wield their power [illegible] or stupidly.

I am sure a far better enlightened public opinion in England would have forced Neville Chamberlain to realize that the umbrella he perpetually carried might have protected him against rain, but that it was no protection against Hitler. A more critical and unmuzzled press might have smashed the Cliveden set and prevented the tragic fiasco of the Munich Pact. But Englishmen were not told the truth until too late. When light dawned upon them, Chamberlain was deposed.

H. H. Asquith, Earl of Oxford, was Premier of England during a considerable period of the first World War. The British [illegible] called their matches "Asquiths"—because they spluttered and often did not go off at all. We want and will have direct and expeditious action from our officials and no spluttering during this war. We can get such a result only if the press and radio be free. We may not get perfection, but freedom to criticize ingratitude and ineptitude will undoubtedly bring some good results.

Our free press has done a good job with reference to the ambitions of one Joseph P. Lash. Mrs. Eleanor Roosevelt, though well-intentioned, misread public opinion when she sought to place him in the Office of Naval Intelligence. The papers immediately investigated this young gentleman's career and found that he had been more than a [illegible] fellow traveler. As general secretary of the International Students Service, a [illegible] group, he had written: "The strike against war is a dress rehearsal of what we intend to do in a war crisis."

Our free press in this regard served a direct [illegible]. Not even the wife of the President could induce the Navy to take him into its Intelligence Service. Lash will now go into the Army as a buck private.

Our free press and radio are forcing a [illegible] in the Office of Civilian Defense. They will compel elimination of fan dancing and [illegible] in that agency.

[illegible] in Washington is [illegible] [illegible] Many of those [illegible] high [illegible] Speaking of their [illegible] attack was inevitable. They knew of it to the exact day and hour. They [illegible] and civilian [illegible] [illegible] On the other hand, [illegible] press [illegible] [illegible] of the [illegible]

captious commentators. The latter [illegible] their riding backward in a railroad [illegible] The things they see have already [illegible]

Then there are some half-[illegible] accursed faultfinders who have [illegible] opposed Roosevelt before and after [illegible] Nothing seems right with them, and [illegible] will is always wrong. By saying this, I do not mean to shake off any criticism. I [illegible] that criticism to be constructive and not poisoned by hatred. Just as that [illegible] should not be [illegible] so it should be fair, although fearless.

When the Nation recovered [illegible] from the stunning blow at Pearl Harbor, [illegible] immediately groped around for the [illegible] that led to the tragedy. While it was [illegible] upon the administration deliberately to withhold the facts from the Nation in the interests of military necessity, [illegible] it realized that the people's demands for information would have to be satisfied [illegible]. The Roberts commission was set up and its report is as enlightening as it is [illegible]. There isn't the slightest disposition on the part of the administration [illegible] properly so, to throttle or put any brakes on the discussion of any of the events or persons mentioned in the Roberts report. Admiral Kimmel and General Short are being scathingly denounced for gross [illegible] and lack of vision, and those superiors in Washington are not excluded from their share of the burden of blame. It is such freedom of discussion that may prevent a recurrence of Pearl Harbor. It is such freedom of discussion that places the admirals and generals and all officers on the alert. There is nothing worse than bad generalship. In part, the fall of France was due to bad generals and bad leadership, and thus enabled Hitler to say "Vive, vive, Vichy." The old general, "Oom Paul" Kruger, during the Boer War, knew something of the inefficiency of the British generals opposing him and he gave instructions to his men to destroy all the British soldiers and their officers. "But for God's sake," he added, "spare the generals."

Liberty in a democracy like ours is positive. It is not absolute even in peacetime. No one has the absolute right, as the late Mr. Justice Holmes pointed out, falsely to shout fire in a crowded theater and thus cause a panic. Nor has a survivor of a torpedoed ship the right to stand erect in an overcrowded lifeboat in order to flex his muscles and cause chaos, with consequent danger to the remaining survivors.

Liberty is far more limited in war than in peace. Before December 7 we allowed Nazi and Fascist propaganda to circulate in this country. We dare not do that now. The Bill of Rights is only one part of the Constitution. Other sections speak of our President as Commander in Chief of all our armed forces and of the power of Congress to declare war. The Constitution thus presumes the waging of war and all that it entails, including restrictions upon free speech, press, and radio. Anything that impedes defense, weakens public morale, or aids and comforts the enemy must be suppressed. Otherwise a war could not be successfully prosecuted and the war constitutional powers of the President and Congress would be useless. To that end all means of communication by word or mouth, all forms of written or oral expression, of news or opinion shall be subject to reasonable censorship.

The President has shown excellent judgment in putting an experienced newsman, Byron Price, at the head of the Bureau of Censorship. I have conferred with him [illegible] and find him to be a highly [illegible] and efficient administrator. The [illegible] has issued governing the withholding of military information, [illegible] easily understood. They are [illegible] In a way, he [illegible]

[illegible]. While it is probably true that [illegible] newspapers and many of the writers and commentators have grossly exaggerated and misrepresented the terms of the bill, much of the misinformation and [illegible] misrepresentations are probably brought about by the failure to have a [illegible] and full discussion of the bill during [illegible] consideration.

Legislation of this character should never be brought up for consideration under a unanimous consent request, and [illegible] will in the future hazard wholesome and necessary bills which come within the contemplation of the unanimous-consent rule. In these times especially, when the Members of Congress are burdened with so much additional work brought about by wide-wide conditions and another World War, by necessity, they rely on trusted members of the various committees to keep them informed of the character, import, and extent of the legislation contained in the particular measures coming before the various committees. This is as it should be, and without reflecting on any legislative committee in this House, I, for one, am of the opinion that because the legislation was brought up for consideration under the unanimous-consent rule and that a record vote was not had, that the committee now considering the various bills that have been introduced for repealing provisions of the so-called congressional pensions, should immediately report such bills and request a rule so that the measure can be fully debated and a record vote obtained thereon.

The press, over the week end, carries the story that discharge petitions will be placed on the Clerk's desk for the signatures of Members as soon as the time [illegible] for filing such discharge petitions, as required by the rules. This should not be necessary. Discharge petitions as a rule are not wholesome to a legislative body. Only the failure to act upon the part of the committee to which these bills have been assigned will make a discharge petition necessary.

There seems to be in these trying times, an attitude on the part of some to create a feeling of disrespect and contempt for the Congress—an attempt to weaken and destroy the confidence of the people in this great branch of the Government. The performance in connection with this particular legislation tends to give aid and comfort to those who would bring about such disrespect.

We have gone a long way in the past [illegible] years toward an abandonment of the functions of this, the greatest of the three coordinate branches of our representative form of democracy. If those who would destroy our system should succeed in their desire and attempt to destroy the legislative branch of our Government and make of it only a Reichstag or a Kremlin, then we will be far on our way to a full and complete dictatorship. Some would seem to prefer such systems to our own.

The people are carrying heavy burdens of taxation. Priorities and a hundred [illegible] war measures have so disturbed the economy that many are having a desperate struggle to survive. Regardless of the merits of a retirement act for elective officials, it is bad public policy to consider it at this time. We cannot have unity by adding additional burdens of this character on the backs already burned and bent under an all-time high in taxes.

Let us repeal this bill and do it without delay.

Mead-Ramspeck Retirement Act

SPEECH
OF
HON. WILLIAM H. STEVENSON
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

Mr. STEVENSON. Mr. Speaker, one provision of the Mead-Ramspeck Retirement Act recently passed by the Congress has not been mentioned, discussed, or referred to by the press, radio commentators, or by Members of Congress. I refer specifically to subsection (b) of section 3 of H. R. 3487, which reads as follows:

The President shall have power in his discretion to exclude from the operation of this act any officer or employee or group of officers or employees in the service whose tenure of office or employment is intermittent or of uncertain duration.

Surely, Mr. Speaker, there is no officer or group of officers whose tenure of office is more intermittent or of more uncertain duration than the Members of the Congress of the United States. In my humble opinion the very terms of the law give to the President the power to exclude every Member of the Congress from the operation of this act.

The American public has been justly aroused over the passage of the Mead-Ramspeck Act by the Congress, even though the act has been approved by the President. Is it any wonder that the public is aroused—when our boys and girls are working in their spare time to earn a few dimes to buy defense stamps and bonds, when our women are putting in their time sewing, knitting, working for the Red Cross, and other patriotic organizations, and when the flower of our young manhood is making the supreme sacrifice and receiving but $21 a month from the Government for the sacrifice they are making to protect our country from the enemy.

It is unfair and unpatriotic that elective and appointive officers of the executive and legislative branches of the Government should receive any retirement benefits, even though they contribute to the retirement fund a certain portion of their salaries each year they are in office.

The retirement law, as originally passed by the Congress, was titled "Retirement of Civil Service Employees." It was never meant to include elective officers or Members of the Congress, but was only intended to provide retirement benefits for civil-service workers who have made the civil service their life work, and who, unlike elective and appointive officers in the executive and legislative branches of the Government, have no business or profession to return to when they relinquish their office. In fact, by the terms of the original retirement act, all employees whose tenure of employment is intermittent or of uncertain duration were specifically exempted and excepted from the obligations and benefits of the act, as were all members of both bodies of the legislative branch of the Government.

Parasites—All Styles

EXTENSION OF REMARKS
OF
HON. WILLIAM T. PHEIFFER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

EDITORIAL FROM THE NEW YORK HERALD TRIBUNE

Mr. WILLIAM T. PHEIFFER. Mr. Speaker, under leave to extend my remarks in the Record, I include the following editorial from the New York Herald Tribune of February 8, 1942, which hits the nail right where the manufacturer intended in connection with the current and lively discussion anent the purging of parasites from the Washington arena:

[From the New York Herald Tribune of February 8, 1942]

WHO'S WHO AMONG PARASITES

The White House has as yet refrained from publishing a volume of Who's Who Among Parasites. This is perhaps just as well because the more the interesting subject of purging Washington of parasites is studied the clearer it becomes that much depends on whose parasite is to be purged. Innuendos from the Executive Office [illegible] that prominent among the [illegible] should be all residents of Washington who served the Government in any capacity under the Republicans. This is, of course, good sound Democratic doctrine of the kind that originates in the great minds of such Democrats as Bronx Chief Leader Eddie Flynn, chairman of the Democratic National Committee, or Charlie Michelson, of the Democratic Committee's publicity [illegible].

But what of the pre-Pearl Harbor [illegible] [illegible] to mention some of the [illegible] and Hollywood press agents of more recent fame? What of the [illegible] newspaper men who daily use enough paper at Government expense to [illegible] of some [illegible] Government bureau to fill a library? What of the [illegible] and [illegible] of [illegible] and [illegible] all [illegible]? What of the new bureaucracy which [illegible] on Washington after March 4, 1933, and which has nearly doubled the total number of Government employees on the Federal pay roll exclusive of the Army and Navy?

Washington, [illegible] [illegible] hard put to it to find lodgings and board. But [illegible] it is just as well to remember that [illegible] begin at home.

tive officials, it is bad public policy to consider it at this time. We cannot have unity by adding additional burdens of this character on the backs already bowed and bent under an all-time high in taxes.

Let us repeal this bill and do it without delay.

Mead-Ramspeck Retirement Act

SPEECH
OF
HON. WILLIAM H. STEVENSON
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

Mr. STEVENSON. Mr. Speaker, one provision of the Mead-Ramspeck Retirement Act recently passed by the Congress has not been mentioned, discussed, or referred to by the press, radio commentators, or by Members of Congress. I refer specifically to subsection (h) of section 3 of H. R. 3487, which reads as follows:

> The President shall have power in his discretion to exclude from the operation of this act any officer or employee or group of officers or employees in the service whose tenure of office or employment is intermittent or of uncertain duration.

Surely, Mr. Speaker, there is no officer or group of officers whose tenure of office is more intermittent or of more uncertain duration than the Members of the Congress of the United States. In my humble opinion the very terms of the law give to the President the power to exclude every Member of the Congress from the operation of this act.

The American public has been justly aroused over the passage of the Mead-Ramspeck Act by the Congress, even though the act has been approved by the President. Is it any wonder that the public is aroused—when our boys and girls are working in their spare time to earn a few dimes to buy defense stamps and bonds, when our women are putting in their time sewing, knitting, working for the Red Cross, and other patriotic organizations; and when the flower of our young manhood is making the supreme sacrifice and receiving but $21 a month from the Government for the sacrifice they are making to protect our country from the enemy.

It is unfair and unpatriotic that elective and appointive officers of the executive and legislative branches of the Government should receive any retirement benefits, even though they contribute to the retirement fund a certain portion of their salaries each year they are in office.

The retirement law, as originally passed by the Congress, was titled "Retirement of Civil Service Employees." It was never meant to include elective officers or Members of the Congress, but was only intended to provide retirement benefits for civil-service workers who have made the civil service their life work, and who, unlike elective and appointive officers in the executive and legislative branches of the Government, have no business or profession to return to when they relinquish their office. In fact, by the terms of the original retirement act, all employees whose tenure of employment is intermittent or of uncertain duration were specifically exempted and excepted from the obligations and benefits of the act, as were all members of both bodies of the legislative branch of the Government.

Parasites—All Styles

EXTENSION OF REMARKS
OF
HON. WILLIAM T. PHEIFFER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

EDITORIAL FROM THE NEW YORK HERALD TRIBUNE

Mr. WILLIAM T. PHEIFFER. Mr. Speaker, under leave to extend my remarks in the Record, I include the following editorial from the New York Herald Tribune of February 8, 1942, which hits the nail right where the manufacturer intended in connection with the current and lively discussion about the purging of parasites from the Washington scene:

[From the New York Herald Tribune of February 8, 1942]

WHO'S WHO AMONG PARASITES

The White House has as yet refrained from publishing a volume of Who's Who Among Parasites. ...

[illegible]

It Sickens Even Its Friends

EXTENSION OF REMARKS

OF

CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

EDITORIAL FROM THE WASHINGTON POST

Mr. HOFFMAN. Mr. Speaker, from the Washington Post, which has ardently supported the New Deal and the editor of which is a friend of the Roosevelts, yesterday came the following editorial. Waste, extravagance, and inefficiency must be almost beyond belief when the Post cannot stomach it.

[From the Washington Post]

[illegible]

Pensions for Congressmen

EXTENSION OF REMARKS

OF

HON. ROSS RIZLEY

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

Mr. RIZLEY. Mr. Speaker, the extension of the Retirement Act to include elected officials of the Federal Government, establishes a new precedent in retirement benefits.

The wave of indignation which has swept over the country because of this bill, which has been termed "pensions for Congressmen," probably came about largely because of the manner in which the bill was considered and enacted into legislation by this branch of the Congress.

Our system contemplates full and free debate of all legislation, and particularly where the legislation establishes new precedents and creates new governmental [illegible]

[illegible]

Sincerely yours,

W. C. [illegible],
Chairman National Legislative Committee, American Federation of Labor.

The Japanese Problem in California

EXTENSION OF REMARKS

OF

HON. JOHN M. COSTELLO

OF CALIFORNIA

[illegible]

Monday, February 9, 1942

RADIO ADDRESS BY HON. FLETCHER BOWRON, MAYOR OF LOS ANGELES, CALIF.

Mr. COSTELLO. Mr. Speaker, the gravity of the Japanese problem in the Pacific Coast States cannot be overemphasized at the present time. It is a problem of genuine concern to the entire Nation, but of immediate concern to the people residing along the West Coast. Since the outbreak of the war, the entire problem has been under consideration by various agencies of the Government. Because of the lack of prompt action, Members of the Senate and House from the three Pacific Coast States have organized a committee to study the problem and to urge speedy and effective action on the part of the governmental agencies. It is a tremendous task to determine just how to handle not only the alien Japanese but also the American citizens of Japanese origin. Their removal from strategic areas, their relocation at places in the interior of the country, the providing of housing and means of livelihood and the resultant effects upon the agricultural economy of the West must all be considered. A complete course of action will undoubtedly be determined upon by the congressional committee which is now studying this problem and appropriate recommendations will be made within the next few days. The War and Justice Departments have already taken the first steps and are planning additional moves to be made. The important thing in this problem is the necessity for speed in action.

To indicate the seriousness with which this problem is viewed in California as elsewhere along the coast, I am presenting herewith a radio address on this subject, which was delivered by the mayor of Los Angeles, the Honorable Fletcher Bowron. The address was broadcast in Los Angeles on Thursday, February 5, over radio station KECA, and follows:

[illegible]

The Grisly Head of Politics

EXTENSION OF REMARKS

OF

HON. JOSEPH E. CASEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

EDITORIAL FROM THE WORCESTER (MASS.) TELEGRAM

Mr. CASEY of Massachusetts. Mr. Speaker, I ask unanimous consent to have printed in the Appendix of the Congressional Record an editorial from the Worcester Daily Telegram of Friday, February 6, 1942.

The Worcester Telegram is a Republican newspaper and long before Pearl Harbor advocated a policy of complete national defense, including the fortification of Guam and strongly endorsed all of the steps taken by this administration to aid the nations resisting the Axis Powers.

[From the Worcester (Mass.) Telegram of February 6, 1942]

THE GRISLY HEAD OF POLITICS

[illegible]

Amendment of the Retirement Act

EXTENSION OF REMARKS

OF

HON. ROBERT RAMSPECK

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

EDITORIAL FROM LABOR AND LETTER FROM W. C. HUSHING

Mr. RAMSPECK. Mr. Speaker, under leave granted me, I present herewith an editorial from Labor, taken from its issue of February 10, 1942, and a letter from William C. Hushing, chairman, national legislative committee of the American Federation of Labor, relative to the recent amendment of the Retirement Act:

[illegible]

[illegible]

Mr. Speaker, because of numerous questions that were asked the following day as a result of the above broadcast, the mayor, Fletcher Bowron, further clarified his radio address by releasing a statement to the press. The statement follows closely the suggestions which have been considered by our congressional committee in consultation with the Department of Justice, the War Department, the Federal Security Agency, and the Department of Agriculture. Only by the close cooperation of all of these agencies can a workable solution be found, but that solution must not only be found now, but it must also be put into effect at once unless we are to find that we have moved too slowly and that the hour of destruction has already come. Possibly we credit the Japanese Government with too elaborate a program of attack upon this country, from within as well as from without, but it will be better to err on the side of precaution than to have failed to take sufficient steps with appropriate speed. For the benefit of the Members, all of whom must necessarily be concerned in this grave situation, I am also inserting the statement released by Mayor Bowron on Friday, February 6, as follows:

STATEMENT OF MAYOR FLETCHER BOWRON

[illegible]

[illegible] the [illegible] of the Federal Government is due to several causes. First, there is no single [illegible] to [illegible] with the problem of its [illegible] [illegible], because those in Washington apparently are unable to distinguish between Japanese and other enemy aliens.

The Japanese, because they are unassimilable, because the [illegible] have been denied the right to own real property in California, because of the Alien Exclusion Act, because of the marked difference in appearance between Japanese and Caucasians, [illegible] [illegible] [illegible] [illegible] Japanese [illegible] [illegible] as a race, regardless of how many generations they have been born in America.

[illegible] many of them [illegible] [illegible] [illegible] [illegible] [illegible] We cannot run the risk of another Pearl Harbor episode in southern California.

Traffic Through Canals at Sault Ste. Marie

EXTENSION OF REMARKS

OF

HON. GEORGE A. DONDERO

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

Mr. DONDERO. Mr. Speaker, under leave to extend my remarks in the Record, I want to include the following data in reference to the total freight passing through the canals at Sault Ste. Marie, Mich., which shows the quantities of the several items in net tons for 1940 and 1941.

It will be of interest to note that the Sault traffic in 1941 exceeded the combined tonnage of six canals, Welland, St. Lawrence, Panama, New York State, Manchester, and Suez.

Last year there were 20,770 passengers in the Amherstburg Channel below Detroit, an average of one ship every 12.7 minutes throughout the season of 262 days.

Total freight passing through canals at Sault Ste. Marie in net tons

	1940	1941
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]
Grand total	[illegible]	[illegible]

Congressmen Are People

EXTENSION OF REMARKS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

ARTICLE FROM THE CHRISTIAN SCIENCE MONITOR

Mr. GEARHART. Mr. Speaker, so seldom do we hear a kind word spoken or read a commendatory line written concerning those who compose the membership of the Congress that I am constrained to call as a character witness one who, after careful consideration and long observation of the elected representatives of the people, has finally reached the conclusion, despite all that has been said to the contrary that Congressmen are people.

Personally, I am most grateful to Mr. Erwin D. Canham, who writes so entertainingly for the readers of the Christian Science Monitor, for the sympathetic pat on the back he gave us badly battered and sorely aggrieved actors in a recent issue of that highly influential journal, so grateful that I find myself unable to resist the urge to ask the unanimous consent of the membership to include that which he has written in the Congressional Record in which is recorded this day's proceedings.

Mr. Canham's article follows:

[From the Christian Science Monitor]

CONGRESSMEN ARE PEOPLE

(By Erwin D. Canham)

Some people out in Spokane—and we will bet there was a press agent or smart newspaperman in the crowd—have organized a Bundle-for-Congress movement. It is very funny. Any joke about Congressmen are always taken to be funny, per se. The Nation, by and large, has regarded the average Congressman drive through the years as something halfway between Public Enemy No. 1 and Universal Aunt.

But it isn't fair. Congressmen aren't as ridiculous as all that. They shouldn't be. And so, if anybody is interested, we think they ought to organize a society for the prevention of cruelty to Congressmen. This will serve the very important democratic purpose of preserving respect for our highest legislative bodies, and it will protect the feelings of 531 sensitive men and women.

Sensitive? you say. Congressmen? Oh, ha. But wait before you turn on the "ha" of mirth. Congressmen are sensitive, extremely sensitive, and they are all persuaded that the public hand is turned against them. They are as acutely alert to criticism as a Cabinet; indeed, more so. One or two Members of Congress are reported to have both ears to the ground.

Once upon a time we spent 3 months, morning, noon, and part of the night, in the company of [illegible] Congressmen and their wives. It was a revealing experience. They were people. Some of them were as cultured and some of them were as crude as any group of [illegible] persons of similar professional rank drawn from all the various communities in America. One of them could quote Shakespeare, Milton, and the Bible ahead of us. Another knew his ancient Greek. Another was the best [illegible] player we ever saw. Another could cook a meal at the [illegible] and [illegible] up guests in the [illegible] [illegible] [illegible] kitchen in the State of Alabama. Another could sing Listen to the Mocking Bird with warbling variations so that you felt you were [illegible] back in [illegible] [illegible] listening to the [illegible] [illegible]. And [illegible] would read and study all the time.

In Washington, and in their home [illegible] the lives of these Congressmen are not as alluring as you might think. They [illegible] salaries of $10,000 a year and [illegible] [illegible] [illegible] to secretary hire, transportation mileage, and mineral water. In return they are public servants. There is no better way [illegible] [illegible]. They are servants of their constituents. And the sovereign voters are always on the job to get their money's worth.

In the first place, although $10,000 a year is more than most Congressmen would want to have earned at home, they have expenses which eat deeply into it. They have to keep up their residence back home and [illegible] highly expensive housing in Washington—hotel, apartment, boarding house, or house. They have to pay Washington prices for all of their other needs. They have to maintain considerably more expensive office staffs and usually an office back home as well, than they would have done if they had stuck to private life. They have to travel home far more frequently than their mileage would cover.

They have to think constantly about getting reelected, and that inevitably means money. Contributions to worthy causes, speech making and glad-handing tours, expenses of campaign workers, literature and [illegible], etc., etc. It is surprising how many demands for money there are that can't be avoided by the public man.

But, worst of all, they are at the incessant beck and call of the constituents. Job hunters are as persistent as pickpockets, particularly for Congressmen from districts within 200 miles of Washington. The life of a Maryland, Pennsylvania, or Virginia Congressman under no circumstances be called [illegible] [illegible]. They are obligated not only to seek jobs for the faithful, but to perform almost any other needed service. It used to be free seeds, but now it's benefit payments and [illegible] [illegible] [illegible]. The time and energies of the Congressman's wife must always be [illegible] up to [illegible] visiting constituents around Washington. "Oh, spring!" said a Congressman's wife to us once, with ineffable loathing. "That's when the constituents come to town. I've [illegible] [illegible]."

There is another side to the picture. We do not pretend that all Congressmen are earnest, faithful, intelligent, honest. Some of them are pettifogging, unworthy, politically stupid, financially unscrupulous. But some of them belong in the first group than the public generally recognizes. Most of them are trying hard and conscientiously to do a good job—within the framework of elections every 2 years for Representatives—from "Bundles for Congress" would suggest.

And a great many of them are worried about their personal future when their [illegible] [illegible] may be at the most expensive [illegible] [illegible] the practical realities may be [illegible] [illegible] some young [illegible] [illegible] along and defeats them for reelection. That explains the strength of the pension [illegible] [illegible] [illegible] movement in Congress, in the face of [illegible] [illegible] and inevitable public protest. Possibly the movement is ill-advised, but it springs from deep roots.

So we suggest the society for the Prevention of Cruelty to Congressmen. We know it won't get anywhere. A Congressman can expect little beyond the [illegible] [illegible] [illegible] of plaudits and [illegible]. He has asked for it when he demanded the [illegible] [illegible]. But he still feels [illegible], very [illegible] [illegible]. In spite of his [illegible] [illegible] [illegible] in public. And he doesn't want [illegible]. He wants comprehension and the [illegible] [illegible] [illegible] human beings as a human being. He [illegible] to have it. Well, some of them [illegible] [illegible] anyway.

Proposed Aid to Small Business

SPEECH

OF

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1942

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. [illegible]) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1942, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1942, and for other purposes.

PROPOSED AID TO SMALL BUSINESS

Mr. SABATH. Mr. Chairman, as one who has called attention to the needs of the small businessman, I am very much pleased to have heard from my colleague from Illinois [Mr. [illegible]], and I can state to him that, notwithstanding the fact that his constituents, as he said, have been unable to obtain orders, there are thousands of others who cannot obtain orders because they have not the capital, machinery, or whatever else that may be required and, therefore, are not in position to manufacture defense needs. While I am immensely interested and desirous to aid the small businessman, I feel that the gentleman's amendment which provides that no part of the appropriation shall be utilized by any firm that employs more than 250 workers will not help the small businessman, because there are thousands of small manufacturers who employ 300, 400, or 500 men. Consequently, his limitation would operate against many and I feel that that is not the way to aid small business.

I have many times stressed the necessity for immediate consideration of and relief for the small businessman. I recognize the fact that small business has not as yet been able to acquire even a small percentage of the consideration to which it is justly entitled.

This may be due largely to the immediate necessity for adequate funds to rearrange its plant facilities, acquire machinery, and working capital.

I personally took this matter up with the President, the Under Secretary of War, and others. I know that the President has issued the necessary instructions for the creation of an organization to aid the small businessman, and the Under Secretary of War has favorably acted upon it. The Under Secretary of War, Mr. Patterson, has, in compliance with the President's wishes and his own experience, built up an organization to aid small business, and placed Mr. Odlum at its head. At that time I felt that a man closely affiliated with small business and having the interest of the small manufacturer at heart should have been designated for that important position.

I will say that, although many small businessmen have not as yet obtained Government contracts for defense work, I know that thousands have and are now actually devoting their entire plants to the production of war materials. All told, the various departments are anxious to award contracts to small business and many of the smaller manufacturers are now engaged in such work. Heretofore, the departments have not distributed this type of work among the many smaller manufacturers, but such work is now being so distributed, and we may confidently look forward to a pronounced acceleration.

However, there is one deterrent which must be corrected, and corrected without further delay, and that is making the necessary funds and working capital available to the small businessman, without the strings, whereas, and ifs which prevailed in peacetime loans.

The bankers will not help the little businessman because of the continuance of old-fashioned, hide-bound practices of bygone days as to security, earning records, and other numerous reasons.

Unfortunately, the R. F. C. has evidently likewise failed to recognize the urgency of the demand and make such necessary funds available to small business. It, too, appears to be living in a peacetime, banker cloud bank, without realizing the all-out advantage of immediately supplying our armed forces with a dollar's worth of ammunition even though such dollar so loaned for the wartime emergency was a complete loss to them, an entirely unwarranted supposition. It would really make no difference, as the Federal Government is paying the bill—either to the manufacturer or to reimburse the R. F. C. in any case. But we would have the immediate war production which is so vitally necessary.

In this connection, I wish to quote from a letter which I received only yesterday, from Mr. M. McCurdy, who is a small businessman in the State of Kentucky. He says, in part:

No matter what line of business the little fellow may be engaged in, he is in one hell of a shape, being absolutely ignored by his Government.

Or, he is offered such an impossible proposition by the R. F. C. that they know in advance he cannot make it. Just why did the little businessman who is in this war to the limit of his ability as well as the big and influential businessman?

I am asking for $40,000. The R. F. C. told me to borrow $20,000 from the bank and they will loan me the other $20,000. There is not a bank in these United States that will do that, no matter what line of business the small businessman is in; it makes no difference.

The big boys get millions of dollars. Are they asked to borrow at the banks? They certainly are not. I spoke to several banks and got the same answer. They never heard of such a proposition, and they all claim they have all their excess capital tied up in Government securities.

We cannot get a dime from the R. F. C. Understand, I am no crank. I am only trying to [illegible] we are in one whale of a war, and [illegible] [illegible] of us little fellows [illegible] [illegible] are in this war just as much as the big fellows.

This letter may be considered as typical of an unlimited number of communications received from small businessmen all over the country, crying for assistance and recognition in this hour of national emergency.

Mr. Thurman W. Arnold, Assistant Attorney General, has been quoted as saying that small business must be defined as any business which is unable to maintain a staff in Washington and represent its interests before the departments.

To alleviate this condition, I am preparing a bill which I shall introduce, calling for the creation of a Small Business War Loan Corporation with sufficient capital to provide financial aid, with a minimum of delay, for small business enterprises engaged in, or about to become engaged in, any function in connection with the prosecution of the war effort.

This proposed corporation would at all times recognize the urgency, the need of war production efforts, and would be governed by a greater latitude and appreciation of the exigencies of the situation than prevailed in the granting of peacetime loans, and exert a corresponding degree of expeditious handling with a minimum of regulatory requirements. I hope, when this bill comes before the House, my colleagues will cooperate with me in providing immediate financial aid for the little fellow to handle war contracts, to the mutual advantage of our Government and to themselves.

When I introduced the first Reconstruction Finance Corporation bill in 1930, and when the bill was finally passed, I was happy to realize that aid would be forthcoming for thousands of small businessmen who were experiencing the greatest financial catastrophe in the history of our country, and thereby be saved from complete ruin and bankruptcy.

Unfortunately the bill was vetoed by President Hoover, who insisted upon specific security and collateral being pledged, and also prescribed other untenable restrictions. I recollect that at such time many States and municipalities were likewise on the verge of bankruptcy, being unable to meet pay rolls and continue their public works because of insufficient funds. But President Hoover then insisted that loans should be available only to States and municipalities for self-liquidating projects, notwithstanding that most of the construction and improvements such as building of schools and roads, and many other needed improvements could not possibly be made self-liquidating. Consequently, when the bill was finally passed in 1932, on the eve of the Presidential election, yielding with President Hoover's restrictions, aid was only available to banks, railroads, and life-insurance companies, and the municipalities and small businessmen were left without relief.

Since that time we have amended the Reconstruction Finance Corporation Act and have authorized the R. F. C.—yes; even the Federal Reserve banks—to make loans direct to small business; but, notwithstanding the intent and action of the Congress, the small businessmen does not secure the financial aid that was contemplated and intended by Congress.

I have frequently called attention to this unfairness to the small businessman, and have introduced several bills to bring about such relief and to make loans available to the small man, but, unfortunately, the Committee on Banking and Currency will report only such bills as have the R. F. C.'s approval, and this, notwithstanding that the chairman of that committee and the majority of the members have frequently assured me of the need of positive action to force early and favorable consideration for the small businessman.

I have stated that I am introducing another bill for immediate relief to small business, without the impossible now-prevailing restrictions, but in view of the fact that all of these bills must be approved by the Committee on Banking and Currency, I feel early action will not be forthcoming unless a determined effort is made by all of us.

I have before me, as chairman of the Committee on Rules, an application for a rule on H. R. 6142, reported by the Committee on Banking and Currency, providing $150,000,000 for aid to the gas and electric utility companies. Unless a favorable report is received from the Committee on Banking and Currency on my bill, or on any other bill to aid the small businessman, I shall offer an amendment to this utility corporation bill, providing for aid to the small businessmen, if and when the utility bill is to be considered on the floor of the House. My bill, which I shall offer as an amendment to H. R. 6142, further amending the R. F. C. Act provides as follows:

SEC. 5. (g) In order to provide loans and credits, with a minimum of delay, to small business enterprises engaged in, or about to become engaged in, any functions in connection with the prosecution of the war effort, and for other related purposes, there be, and hereby is created, a small-business war-loan corporation, with nonassessable capital stock in an amount not to exceed $150,000,000. The Reconstruction Finance Corporation is authorized and directed to subscribe for such stock and to make such payment therefor from time to time, as called, out of the unexpended balance of its surplus.

The small-business war-loan corporation (hereinafter called the corporation) is authorized and empowered, under such terms, conditions, and restrictions as the corporation may determine, to make loans to, or contracts with, recognized small-business enterprises engaged in, or about to become engaged in, any functions in connection with the prosecution of the war effort and, with banks or other financial institutions for and on behalf of such small-business enterprises, as are so designated. Such loans or contracts to be made through the purchase of the notes or other securities of such small-business enterprises or through the discounting or guaranteeing of such loans as may be made by banks or other financial institutions, or otherwise.

That all such purchases of securities and obligations and all such loans, discounts, and guaranties shall be, in the opinion of the board of directors, as reasonably certain of repayment; may be made or effected either directly or in cooperation with banks or other financial institutions and shall be made under such terms and conditions as the Corporation may determine. But the Corporation shall at all times recognize the urgency and need of war-production efforts and be governed by a greater latitude and appreciation of the exigencies of the situation, than prevailed in the granting of peacetime loans and credits, and exert a corresponding degree of expeditious handling with a minimum of regulatory requirements.

The Small Business War Loan Corporation shall be managed by a board of three directors, appointed by the President with the consent of the Senate, and shall have power to adopt such rules and regulations as will expedite loans and credits to small business enterprises as set forth above.

The powers granted to this small business War Loan Corporation shall terminate on such date as the President shall determine.

Pension Grab Approved

EXTENSION OF REMARKS

OF

HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

EDITORIAL FROM THE DETROIT FREE PRESS

Mr. SHAFER of Michigan. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following editorial:

[From the Detroit Free Press]

PENSION GRAB APPROVED

Mr. Roosevelt has added nothing to his stature as a statesman by signing the bill under which Members of Congress, Cabinet officers, and the President himself will become eligible for civil-service pensions upon retirement.

He was offered an unparalleled opportunity to dramatize the whole war effort, but passed it up. A veto accompanied by a ringing denunciation of such an infamous grab at a time when the whole American people are mobilizing for still untold sacrifices would have had great good effect in a multitude of quarters.

Congress could not have done other than to accept the rebuke, and let the bill die. [illegible] would have been effectively served on all who seek personal gain at the expense of the [illegible]. The way it is now, every group in the land with an eye on the main chance will read into the congressional [illegible] and Presidential approval [illegible] license to gouge to the limit.

Twenty-four Senators had the courage to vote against this sneak pension bill. Are any of them interested enough in the [illegible] to see that the measure, at the earliest possible moment, is placed before the Supreme Court for a test of constitutionality? It is the only way now open to decide whether the new pension beneficiaries are the [illegible] of [illegible] employers.

Transportation of Oil by the Intracoastal Waterway

EXTENSION OF REMARKS

OF

HON. JOSEPH J. MANSFIELD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

Mr. MANSFIELD. Mr. Speaker, the announcement was made a few days ago that in the past few weeks 18 ships had been sunk on our Atlantic seaboard by enemy submarines. We have also heard that Germany now has approximately 300 submarines for operation in the Atlantic. These ships that have been sunk were nearly all tankers engaged in conveying oil from the Gulf to the North Atlantic coast.

The indications are that this new submarine menace will force the movement of oil and gasoline to the Eastern States by inland routes. It, of course, cannot go by rail except for a short while, as the cost would be prohibitive. The construction of a pipe line has again been suggested. I do not know what such a pipe line would cost, but news reports have indicated that it would be about $80,000,000, and require very much steel which will be badly needed elsewhere.

Last fall, when this subject was being agitated, I urged that the intracoastal waterways be utilized to supply the Eastern States with oil and gasoline. I now renew this suggestion. We now have the intracoastal canal from Corpus Christi, Tex., to Apalachicola, Fla. On the Atlantic coast it extends from St. Johns River, Fla., to Trenton, N. J. The only missing link is the 200-mile stretch across Florida.

The cost of a 9-foot-high-level barge canal across Florida was estimated a few years ago at something over $19,000,000. I am advised that the cost now would be less than $22,000,000. When the river and harbor bill comes up for consideration the provision for the $197,000,000 ship canal should be stricken out and the barge lock canal substituted, at a cost not to exceed $22,000,000.

The intracoastal canal from Corpus Christi to Apalachicola has cost $[illegible]. The Atlantic Intracoastal Waterway, from St. Johns River to Trenton, cost $77,232,000. This includes the cost of the deep ship section connecting Chesapeake and Delaware Bays. The entire route is landlocked and safe from sea attack. Gasoline and oil can be transported by water at slightly less than one-twelfth the cost by pipe line, according to actual tests recently made, and wooden barges are ideal for the purpose. No steel would be required.

This canal on the section between Galveston Bay and the Mississippi River is now transporting approximately 2,000,000 tons of freight per month, about 60 percent consisting of oil and gasoline.

The total shipments on this section in 1941 was slightly more than 13,000,000 tons. With the 9-foot channel connection across Florida, there would be no danger of a raise in the cost of gasoline in the East.

I am not advised as to the length of time that would be required for the completion of the high-level barge canal across Florida, but no serious obstacles would be encountered. Until this canal section could be completed, the comparative short rail haul across Florida could be utilized, or a pipe line could be placed there for temporary use.

Nearly every river and harbor bill for the past 20 years has embraced projects for extending the Gulf Coast Canal farther east and the Atlantic Coast Canal farther south. A continuation of this program would bring them to a meeting point in a few years. My proposal is that the junction be made without delay in order to supply a great national war need.

Gen. Douglas MacArthur

SPEECH

OF

HON. J. PARNELL THOMAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1942

Mr. THOMAS of New Jersey. Mr. Speaker, I have today introduced a bill to authorize the President of the United States to award the Congressional Medal of Honor to Gen. Douglas MacArthur.

This award, which military men everywhere agree is richly deserved, is symbolic, too, of the bravery and staunchness of the troops General MacArthur leads. It is not possible to give each man the Congressional Medal of Honor, although unquestionably there will be a number of such awards when the full facts of the defense of the Bataan Peninsula are known. But this award to General MacArthur will, in addition to recognizing his own valor and ability, serve as a tribute to every man who is fighting under his leadership.

(Here the gavel fell.)

PRICE OF THE CONGRESSIONAL RECORD

The Public Printer is authorized to furnish to subscribers the daily RECORD at $1.50 per month, payable in advance.

Remit by money order payable to Superintendent of Documents, Government Printing Office, Washington, D. C.

CHANGE OF RESIDENCE

Senators, Representatives, and Delegates who have changed their residences will please give information thereof to the Government Printing Office, that their addresses may be correctly given in the RECORD.

LAWS AND RULES FOR PUBLICATION OF THE CONGRESSIONAL RECORD

CODE OF LAWS OF THE UNITED STATES

TITLE 44, SECTION 181. CONGRESSIONAL RECORD; ARRANGEMENT, STYLE, CONTENTS, AND INDEXES.—The Joint Committee on Printing shall have control of the arrangement and style of the CONGRESSIONAL RECORD, and while providing that it shall be substantially a verbatim report of proceedings shall take all needed action for the reduction of unnecessary bulk, and shall provide for the publication of an index of the CONGRESSIONAL RECORD semimonthly during the sessions of Congress and at the close thereof. (Jan. 12, 1895, c. 23, § 13, 28 Stat. 603.)

TITLE 44, SECTION 182b. SAME; ILLUSTRATIONS, MAPS, DIAGRAMS.—No maps, diagrams, or illustrations may be inserted in the RECORD without the approval of the Joint Committee on Printing. (June 20, 1936, c. 630, § 2, 49 Stat. 1546.)

Pursuant to the foregoing statute and in order to provide for the prompt publication and delivery of the CONGRESSIONAL RECORD the Joint Committee on Printing has adopted the following rules, to which the attention of Senators, Representatives, and Delegates is respectfully invited:

1. *Arrangement of the daily Record.*—The Public Printer will arrange the contents of the daily RECORD as follows: First, the Senate proceedings; second, the House proceedings; third, the Appendix: *Provided*, That when the proceedings of the Senate are not received in time to follow this arrangement, the Public Printer may begin the RECORD with the House proceedings. The proceedings of each House and the Appendix shall each begin a new page, with appropriate headings centered thereon.

2. *Type and style.*—The Public Printer shall print the report of the proceedings and debates of the Senate and House of Representatives, as furnished by the official reporters of the CONGRESSIONAL RECORD, in 7½-point type; and all matter included in the remarks or speeches of Members of Congress, other than their own words, and all reports, documents, and other matter authorized to be inserted in the RECORD shall be printed in 6½-point type; and all roll calls shall be printed in 6-point type. No italic or black type nor words in capitals or small capitals shall be used for emphasis or prominence; nor will unusual indentations be permitted. These restrictions do not apply to the printing of or quotations from historical, official, or legal documents or papers of which a literal reproduction is necessary.

3. *Return of manuscript.*—When manuscript is submitted to Members for revision it should be returned to the Government Printing Office not later than 9 o'clock p. m. in order to insure publication in the RECORD issued on the following morning; and if all of said manuscript is not furnished at the time specified, the Public Printer is authorized to withhold it from the RECORD for 1 day. In no case will a speech be printed in the RECORD of the day of its delivery if the manuscript is furnished later than 12 o'clock midnight.

4. *Tabular matter.*—The manuscript of speeches containing tabular statements to be published in the RECORD shall be in the hands of the Public Printer not later than 7 o'clock p. m., to insure publication the following morning.

5. *Proof furnished.*—Proofs of "leave to print" and advance speeches will not be furnished the day the manuscript is received but will be submitted the following day, whenever possible to do so without causing delay in the publication of the regular proceedings of Congress. Advance speeches shall be set in the RECORD style of type, and not more than six sets of proofs may be furnished to Members without charge.

6. *Notation of withheld remarks.*—If manuscript or proofs have not been returned in time for publication in the proceedings, the Public Printer will insert the words "Mr. ——— addressed the Senate (House or Committee). His remarks will appear hereafter in the Appendix," and proceed with the printing of the RECORD.

7. *Thirty-day limit.*—The Public Printer shall not publish in the CONGRESSIONAL RECORD any speech or extension of remarks which has been withheld for a period exceeding 30 calendar days from the date when its printing was authorized: *Provided*, That at the expiration of each session of Congress the time limit herein fixed shall be 10 days, unless otherwise ordered by the committee.

8. *Appendix to daily Record.*—When either House has granted leave to print (1) a speech not delivered in either House, (2) a newspaper or magazine article, or (3) any other matter not germane to the proceedings, the same shall be published in the Appendix. but this rule shall not apply to quotations which form part of a speech of a Member, or to an authorized extension of his own remarks: *Provided*, That no address, speech, or article delivered or released subsequent to the final adjournment of a session of Congress may be printed in the CONGRESSIONAL RECORD.

9. *Official reporters.*—The official reporters of each House shall indicate on the manuscript and prepare headings for all matter to be printed in the Appendix, and shall make suitable reference thereto at the proper place in the proceedings.

10. *Estimate of cost.*—No extraneous matter in excess of two pages in any one instance may be printed in the CONGRESSIONAL RECORD by a Member under leave to print or to extend his remarks unless the manuscript is accompanied by an estimate in writing from the Public Printer of the probable cost of publishing the same, which estimate of cost must be announced by the Member when such leave is requested; but this restriction shall not apply to excerpts from letters, telegrams, or articles presented in connection with a speech delivered in the course of debate or to communications from State legislatures, addresses or articles by the President and the members of his Cabinet, the Vice President, or a Member of Congress. The Public Printer or the official reporters of the House or Senate shall return to the Member of the respective House any matter submitted for the CONGRESSIONAL RECORD which is in contravention of this paragraph.

11. *Illustrations.*—Pursuant to section 182b, title 44, United States Code (shown above), requests for authority to insert an illustration in the RECORD should be submitted to the Joint Committee on Printing through the chairman of the Committee on Printing of the respective House in which the speech is to be illustrated may be delivered. Illustrations shall not exceed in size a page of the RECORD and shall be in the hands of the Public Printer not later than 12 o'clock [illegible] the Public Printer not later than [illegible] p. m. of the day preceding publication.

12. *Corrections.*—The permanent RECORD is made up for printing and binding 30 days after each daily publication is issued; therefore all corrections must be sent to the Public Printer within that time: *Provided*, That upon the final adjournment of each session of Congress the time limit shall be 10 days, unless otherwise ordered by the committee.

13. *Appendix to permanent Record.*—The Public Printer shall publish an Appendix to the permanent RECORD, which shall contain all extraneous matter and speeches not germane to the proceedings.

Regraded Unclassified

REPRESENTATIVES WITH RESIDENCES IN WASHINGTON

[illegible] Washington, D. C.

([illegible] unless otherwise stated)

Speaker—Sam Rayburn, Texas, [illegible]

Allen, A. Leonard, La.	[illegible] Pa. Ave. SE.
Allen, Leo E., Ill.	The University Club.
[illegible]	Harvard Hall.
[illegible]	[illegible] Bethesda, Md.
[illegible]	[illegible] Chevy Chase, Md.
[illegible]	[illegible]
[illegible]	[illegible] Virginia Ave.
[illegible]	The Roosevelt.
[illegible]	The Mayflower.
[illegible]	The Hamilton.
[illegible]	The Kennedy-Warren.

[illegible]

[illegible]

From The McNaught Syndicate, Greenwich, Conn.

31

Printed in U. S. A.

X X X

RELEASE MONDAY, FEB. 9, 1942

New York Day by Day

By Charles B. Driscoll

Title Reg. U. S. Patent Office

Released by McNaught Syndicate, Inc.

RELEASE TUESDAY, FEB. 10, 1942

New York Day by Day

By Charles B. Driscoll

Title Reg. U. S. Patent Office

Released by McNaught Syndicate, Inc.

RELEASE WEDNESDAY, FEB. 11, 1942

New York Day by Day

By Charles B. Driscoll

Title Reg. U. S. Patent Office

Released by McNaught Syndicate, Inc.

FROM: MR. SCHWARZ'S OFFICE

TO: The Secretary

I finally got one of the girls who attended Mrs. Roosevelt's press conference. She says the account on the ticker is practically a complete report of what was said. Her own impression on leaving, she said, was that Mrs. Roosevelt definitely will not resign from OCD under fire but that her continuance will depend to a large extent on whoever is named to succeed LaGuardia.

7/9 - 3pm

February 9, 1942
2:50 p.m.

FINANCING

Present: Mr. Eccles
Mr. McKee
Mr. Leach
Mr. Sproul
Mr. Goldenweiser
Mr. Rouse
Mr. Ransom
Mr. Piser
Mr. Morris
Mr. Bell
Mr. Murphy
Mr. Hadley
Mr. Haas

MR. BELL: When they get on the floor, out of the Committee, Cannon will ask for reinstatement of those items that have been eliminated by Wigglesworth. The only thing that could happen would be a motion by somebody, and it would have to be one of the representatives to recommit the bill for further study.

H.M.JR: The whole bill?

MR. BELL: Yes. Now, they said they could do that. Taber says he has no more amendments or suggestions, but he said of course he could have somebody else offer a motion to recommit, but they even think that will be defeated.

H.M.JR: Do they have enough votes for that?

MR. BELL: I should think so.

H.M.JR: You mean recommit the whole bill?

MR. BELL: Yes.

H.M.JR: This is the Post Office-Treasury bill isn't it?

MR. BELL: No, the deficiency bill. You see, the reason they might get it recommitted is because of this OCD emergency, but it takes in all these emergency funds for the other departments.

H.M.JR: Sam Rayburn said he was going to take the floor himself.

MR. BELL: Really? They expect it to pass tonight.

H.M.JR: What?

MR. BELL: The bill. They expect to defeat the Wigglesworth amendment on the floor and the amounts restored and pass the bill tonight.

H.M.JR: Who did you speak to?

MR. BELL: I spoke to John Pugh, who is the assistant. He went in and talked to Mark Shields on the floor.

H.M.JR: Wigglesworth made a new slogan. "Billions for defense, and not a buck for Donald Duck."

MR. HAAS: Donald Duck is very popular.

H.M.JR: That is what I told them today. If they are going to make a party issue on Donald Duck - now, how did he get in on that?

MR. BELL: Well, Mark said that they were talking all around the subject. He thought there would be another thirty or forty minutes debate, just spouting off.

H.M.JR: I see Roosevelt appointed Oscar Cox as Assistant Solicitor General.

MR. BELL: I just heard that.

H.M.JR: Well, you have got two minutes to tell me what I should do. I feel all washed up after that testimony this morning.

MR. BELL: Well, I don't think there is much you need to do today. You can listen to the Federal Reserve Board and get their story. I think George's report that he gave you is good.

H.M.JR: I read that.

MR. BELL: It looks as though everybody or most everybody is thinking about a two and a quarter in the '53-'56 area some place, and I think they all feel that you could put it there in one issue. There have been some suggestions that you split it into two issues, making a note and a two and a quarter or something a little longer. I think we all feel that you should not put the whole issue into the two and a half. That would take it out on the end there, and there is probably not that much money in that area.

H.M.JR: How much money did the insurance companies--

MR. HAAS: Six hundred. They made a special survey for me. Six hundred and seventy.

H.M.JR: Not very much, is it?

MR. HAAS: No, they were over a billion and something before.

H.M.JR: Do you know what has happened to the last issue, who has got it and all that?

MR. HAAS: Yes, sir. It is in that memo.

MR. BELL: It is in the report.

H.M.JR: I didn't read all of it.

MR. HAAS: It was a significant thing that happened on that last issue. It was the last cash issue, wasn't it? The last cash issue had corporations and subscribers other than banks and insurance companies who took quite a piece, a sharp increase in their taking, of the last past issue, the one in December.

MR. MORRIS: Just before Pearl Harbor.

MR. HAAS: Yes.

MR. BELL: New York didn't get any of that cash issue, did they?

MR. HAAS: Yes, they took a little bit.

(Mr. Eccles, Mr. Ransom, Mr. Piser, and Mr. Goldenweiser entered the conference.)

H.M.JR: Well, Marriner, what have you got to say? Those other fellows know what you are going to say?

MR. ECCLES: I don't know whether they do or not. To be good and sure they know what I said, they decided to put it down so the - they weren't going to take any chances on me, you see. (Laughter)

H.M.JR: They made you put it down? If you feel that draft there, I have got the window open to keep the air going.

MR. ECCLES: We met this morning. We had about a three hour session discussing the whole problem, not necessarily this financing except as it relates to the future job as well. We had Mr. Piser give us a memorandum last week with reference to the situation. This is just a brief statement of what we--

(Mr. McKee, Mr. Leach, Mr. Sproul, and Mr. Rouse entered the conference.)

MR. ECCLES: The Secretary had asked me to make a statement as to our position, and I said that - he said that the rest of you all knew what I was going to say anyway, and I said, well, you didn't feel awfully sure about it, so you decided to put it down in black and white so there wouldn't be any question as to what I might say, so I had just reached the point of reading it.

"In the absence of knowledge of what the general long-term financing program is to be, it is difficult to have any recommendation about any particular issue of Government securities. We have suggested a general program, the core of which is to obtain the maximum amount of funds from investors other than banks, recognizing that there will still be a substantial volume of financing to be accomplished through the banking system.

"The alternative program is a reliance on bank credit for the major part of the new funds which would require the existence of excessive excess reserves and no special attempt to obtain funds from other sources except through the sale of Defense Savings Bonds. Until a general long-term financing program is worked out, a two and a quarter percent bond is indicated for this financing."

Now that is--

H.M.JR: Is that all?

MR. ECCLES: That is all.

MR. McKEE: That is the shortest you have heard, isn't it? (Laughter)

H.M.JR: That isn't Marriner Eccles. (Laughter)

MR. ECCLES: Believe it or not, I--

H.M.JR: I just thought this was the introductory remarks.

MR. ECCLES: Well, it is. (Laughter) It may well be, before we get through, that that will be your conclusion.

MR. McKEE: That is where you (Secretary) made a mistake. You should have accepted it in conclusion.

H.M.JR: It isn't the first or the last, I hope. Let me read this over. I just thought you were warming up.

MR. ECCLES: You hadn't even started to listen, I will bet. (Laughter)

MR. BELL: He thought he would get the gist of it later on.

H.M.JR: My God, let me read this. The New Deal sure has hit the Federal Reserve.

MR. BELL: You are speaking of the one page now, I take it?

H.M.JR: Half a page.

Well, Dan, do you want to have George set up his ideas?

MR. BELL: What do you mean, what is set out in his report?

H.M.JR: Yes. I don't know whether they have seen it or not.

MR. BELL: Yes, I think George might tell in a general way how he approached the problem in his report. I don't know if it agrees with all of that.

H.M.JR: Go ahead, George, do your stuff and make it as snappy as the Chairman's.

MR. HAAS: We looked at it this way. We tried to consider all the different possible issues that might be used. There was a note. We eliminated that because the main market for notes is in New York City and reserves are tight there. The other possible issues were a two, a two and a quarter, and a two and a half. If you issue a two, you have a stream-lined line to the banks, and we thought it would lock bad. If you issue a two and a half, the funds to carry it all in the two and a half are rather low at this time. We had a survey made of the cash position of the insurance companies; and the cash, as of the end of the year, is down to six hundred seventy millions. A two and a quarter is - could all be carried on a two and a quarter or a two, or it could be carried in a two-way proposition of taking a two and a two and a half, and I think the - in our way of thinking, the issue is between those two propositions, all in the two and a quarter or a two-way proposition of a two and a two and a half, and I think the situation there is close. One disadvantage of - I think theoretically in our mind the two-way proposition is the best, but you have some psychological factors to consider. When you start pricing a two and a half, you have to move it back around nine or ten years, and that doesn't look so good, so that swings it somewhat toward a two and a quarter proposition such as Marriner mentioned and, in my own opinion right now, I think they are very close. I think if the Secretary asked me to make my mind up right at the moment, I would take a two and a quarter, all in one. That is much shorter than I have been used to saying.

H.M.JR: Let me ask a couple of questions to help me. How is that last financing - how has it been absorbed, the last one?

MR. ECCLES: Bob?

MR. ROUSE: The refunding?

H.M.JR: Yes.

MR. ROUSE: It has been pretty well absorbed. The big sellers are finished. The people who took them in exchange and wanted something else have pretty well liquidated them, and the market seems in good shape in respect to that.

MR. ECCLES: Was there much of that, or was it largely held by the owners?

MR. ROUSE: There were some owners of the short-term securities who didn't even want to go as long as the seven to nine years, and they have liquidated by and large.

MR. SPROUL: There is one thing I think perhaps you should know on that, Mr. Secretary. The largest holder of the issues to be refunded who held about ten percent of the maturing issues did not want the '49-'51 and was reluctant to exchange for the '49-'51 and had to be called in and have it suggested to them that it would be a good idea if they did exchange; and, in those circumstances, they went along, but reluctantly. It turned out well for them.

H.M.JR: Was it a group?

MR. SPROUL: That was one bank, Guaranty Trust Company.

MR. BELL: A hundred and twelve million.

H.M.JR: I didn't know that. That is the first time I had heard that.

MR. BELL: Did we put them on the list, Bob?

MR. ROUSE: No, I suggested it, but we wanted to see how this other ten worked out.

H.M.JR: What list?

MR. BELL: We talked about bringing this - representatives of this bank down tomorrow and discussing this financing with them and kind of asking them why this was done.

H.M.JR: Guaranty. Who is the president of that?

MR. ECCLES: Potter.

MR. SPROUL: Eugene Stetson is the president, Conway is the chairman, and William C. Potter is chairman of the executive committee.

H.M.JR: How about Davison?

MR. ROUSE: That is Central Hanover.

H.M.JR: I don't think I would want to ask them. I think it would be a mistake to ask them. That is my offhand opinion.

MR. McKEE: It is sort of past history, isn't it, Dan?

H.M.JR: They would say, "Morgenthau had us down on the carpet and said - " you know how they would interpret it. They would take it from you fellows, but they might not take it from me.

MR. SPROUL: I think if you had them down, the thing would be to get their views as to how they look at the market and the financing, not to go back to this last issue and discuss that with them at all.

MR. BELL: You see, you have had Bob Garner down all the time, and I don't think that Bob may have been in full sympathy with this program. Is that right? We thought that this time you might have a little higher-ups come down and talk to them.

MR. ROUSE: If they had anything on their mind, they could get it off their mind.

MR. BELL: Yes.

H.M.JR: It is all right with me.

MR. ROUSE: I wouldn't ask them anything about it, if I may offer the suggestion; but, if they had something they wanted to say, they would be given an opportunity to say it.

H.M.JR: Is there time enough to get them down?

MR. BELL: Yes. We ~~have~~ got that schedule pretty full. We have got the other ten people that were suggested.

H.M.JR: Can they all come?

MR. BELL: I haven't heard from Parkinson yet. The rest can come. He was out of the building, and I left a message with his secretary.

H.M.JR: I would like to have Parkinson.

MR. BELL: I told him you would especially like to have him this time.

MR. SPROUL: I would say also, when it was suggested to them, it would be a good idea. They said, "We realize financing has got to be done, and we will do whatever is the thing to do. This is just something we wouldn't take on our own business judgment."

H.M.JR: Do you know whether they kept it?

MR. SPROUL: They have sold them off.

MR. ROUSE: On a rising market and quite profitably to themselves. (Laughter)

MR. BELL: They didn't want to take them, but they sold them and got a nice profit on them.

MR. ROUSE: They averaged nearly a point.

H.M.JR: What would they have done if you hadn't sent for them?

MR. SPROUL: They were not going to turn in for exchange.

H.M.JR: Oh, get cash?

MR. ROUSE: That is right.

MR. BELL: Or sold the rights.

MR. ROUSE: Or turned in on the moderate--

H.M.JR: Potter is president?

MR. SPROUL: He is chairman of the executive committee. Conway is chairman of the board and Stetson is the president. Conway and Stetson are the ones who are on the job regularly. Potter is away part of the time.

H.M.JR: Who should I ask now?

MR. SPROUL: Conway and Stetson, I should say, or either one of them.

H.M.JR: Why not ask them Wednesday morning so it isn't rushing them so?

MR. BELL: All right.

H.M.JR: Why not tell them ten o'clock Wednesday morning?

MR. BELL: That might be a good thing.

H.M.JR: Ten o'clock Wednesday morning.

MR. BELL: Do you want Garner to come with them or just the two of them?

H.M.JR: I think two is enough, isn't it?

MR. ROUSE: Two of them. There will probably be one of them plus Garner, I should think, would be the way it would work out.

H.M.JR: I would give them ten o'clock.

MR. ECCLES: I don't imagine they would both come, do you?

MR. SPROUL: No.

H.M.JR: Well, so much for that issue. I didn't even know - no one told me about it. You gentlemen evidently feel you can go a billion and a half in one issue. Is that right?

MR. SPROUL: Yes.

MR. ROUSE: Yes.

MR. SPROUL: That is right.

H.M.JR: I think I will kind of have to argue against myself. That is what I have been saying right along, you can't split these issues up. Who is the two and a quarter going to please?

MR. ECCLES: Well, it isn't going to - it is a sort of a compromise issue, is really what it is.

The way we felt about it, it isn't going to particularly please the life insurance companies, but they would take it, I think. It isn't going to particularly please the banks. It is a little too long, but they would possibly take it.

We concluded that it was - it is a compromise issue, and it is an alternative to trying to split it up into two or three issues.

MR. BELL: It is something like the two, isn't it? The two is the same idea, that is, on the border line. Some banks would take it, and some insurance companies would take it.

MR. ECCLES: That is right.

MR. HAAS: The banks that are adding net to their portfolio are the ones that are outside of New York.

MR. ECCLES: Yes, I don't think the New York - I don't think the New York banks are going to take this long an issue and hold it. Likely, that is. There is no indication of the situation here, the banks are taking a lot of securities. That is, during the past year they have taken a lot. Take the banking system as a whole, they have taken over four billions, increased their holdings of governments in the last year alone over four billion dollars so that they are not really doing much financing outside of the banks in the agregate, except through the Defense Savings. The market financing, what has been done in the past, has been going to the banks in quite a large scale.

MR. BELL: The last six months shows a better picture, though.

MR. ECCLES: Yes, the last six months in the New York banks. they have been taking practically none. In fact, on the balance they have taken none. The banks of the country, however, in the last six months have increased their holdings by close to a half billion over what they did the first six months. They took a little over a billion the first six months, and nearly a billion and a half the second six months.

MR. BELL: The outside people have taken more than they have in the past, corporations and individuals.

H.M.JR: What are the New York reserves now?

MR. SPROUL: A little over a billion.

MR. McKEE: The excesses are about a billion, one hundred twenty-five thousand.

H.M.JR: What has happened the last couple of weeks?

MR. ROUSE: It went off about fifty million, I think, last week.

MR. McKEE: Well, they are up about four hundred million dollars since the last tax payment date. Isn't that right?

MR. SPROUL: Mr. Rouse, as a result of preliminary looks into the market and some talking with the market, had an estimate as to where various issues might fit in. You might give that estimate and show where the two and a quarter would be liked.

MR. ROUSE: Well, my guess was this, in trying to appraise the amounts that might be taken by different groups of different types of issues, that a note of a three or four year maturity of three hundred fifty to four hundred million--

H.M.JR: Say it again, Rouse.

MR. ROUSE: Taking a billion and a half and figuring what proportions might be taken in different groups, where the demand would be, I would say that perhaps three hundred and fifty million in a three or four year note, maybe four hundred million, and a two and a half percent bond of four hundred million, and a two or two and a quarter percent bond, seven hundred to seven hundred fifty million--

H.M.JR: Would go where?

MR. ROUSE: To the banks. That is where the demand is, banks and others.

H.M.JR: Really?

MR. ROUSE: We figure there is a demand largely by the banks outside of New York City. There would be some demand in New York City for them. Those would be about the proportions.

H.M.JR: Does this two and a quarter fit in all right?

MR. HAAS: On '53-'56.

MR. BELL: '53 is vacant.

MR. HADLEY: About eleven years.

MR. BELL: March '53 is vacant, and March '54 is vacant. '55 and '56 both have call dates.

MR. McKEE: Dan, how much--

H.M.JR: Excuse me. You have got a '53-'55.

MR. BELL: Yes.

MR. ECCLES: That is what we thought, '53-'55 or '52-'54. That might be a little sweet.

MR. BELL: '53-'55, the first call date is June 15.

MR. McKEE: I was wondering what your balance is going to be up to--

H.M.JR: Give him that, Dan.

MR. BELL: Well, the figures are at this time a little significant. As a matter of fact, we are looking strictly at the balance - if we were, we wouldnt have to borrow this month, but we thought it was better to borrow this month than to borrow in March, and certainly, we don't need a billion and a half, but we thought it was better to borrow a billion and a half now than to borrow two billion or more in April or May. We would go-- with this billion and a half we will go out of February with two billion six, and we will go out of March with two billion, two hundred seventy-seven million, and we will go out of April with possibly a billion, nine, with another billion and a half borrowing in April. This contemplates that we reduce the bills, three issues of bills, two hundred million dollars each, to a hundred and fifty million, that we retire four hundred fifty million of bills in the March tax dates, and we have another hundred and fifty there if we need to redeem them, and then we will pick those bills up beginning March 25, new cash, so that in that period there isn't any loss of bills other than that hundred and fifty million dollars which we would redeem, fifty million dollars, and three issues of two hundred million dollars each.

MR. McKEE: What if you accelerated tax payments for June to cut down on your two billion dollars in April?

MR. BELL: Well, you mean have a billion now and just cut it down five hundred million now until such time as you picked up your June bills. In three or four weeks you would pick them up. You could do that.

MR. McKEE: Whether a billion and a half now is going to have a secondary market that is going to confuse your bond market between now and tax payment date, that is the question.

MR. BELL: You don't think it would be pretty well disturbed by March 1?

MR. McKEE: Well, ask Bob on that. What would be the tail end of the secondary market in this issue? What dates would you place on it? About the tenth of March or twelfth of March?

MR. ROUSE: It should be pretty well done in three weeks. Your delivery date on the basis of the thirteenth would be the twenty-fifth.

MR. BELL: That is right.

MR ROUSE? Around March five. I don't know what day of the week that is.

MR. BELL: That is Thursday.

MR. ROUSE: That would be about three weeks.

MR. BELL: That would be about two weeks. Oh, well, you are figuring on trading before the issuing date.

MR. ROUSE: Yes.

MR. BELL: Yes, that is right.

MR. MORRIS: Mr. Secretary, coming back to a remark by Mr. McKee, I was looking for the up-to-date figures and I haven't got them for the last couple of weeks, but the proportions are about the same on this excess reserve figure. While you can't do it absolutely logically, yet practically, I find a lot of people look at these excess reserves and take away from them the United States Government deposits. Now, when you do that, this figure is for January 7, the New York City reporting banks had excess reserves of nine hundred thirty six, less United States deposits, eight hundred forty two. And, therefore, what they might term good excess reserves of only ninety four million, which I think, has to be taken in mind, so that the reserve picture less United States deposits is a very different picture from the straight excess reserve picture. I just mentioned that as one factor.

MR. BELL: I don't see how anybody though, Dave, could figure it that way.

MR. MORRIS: A great many of them do.

MR. SPROUL: I think we have to do some educating there. In places where they do, that is a revolving fund that is paid out as fast as it is taken in. It may not go back to the same bank.

MR. MORRIS: That is one of the important points, that it doesn't go back to the same cities.

MR. ROUSE: Thinking in terms of pressure, practically all of the people who have substantial amounts in war loans in New York have now made provisions so that between their assets and short term maturities they can take care of themselves very comfortably.

MR. MORRIS: That is true, but it affects the situation. They think about it.

MR. SPROUL: It affects their thinking to some extent.

MR. MORRIS: That is what I mean.

MR. McKEE: It is certainly going to affect their thinking in the secondary market. They will subscribe, but what are they going to do in the secondary market?

They can't do any more than they are allotted, of course, but they can do that much in its entirety.

MR. BELL: Twenty percent of that, or a little better, twenty-six percent probably, is excess in the reserve picture, required reserves, so that when you draw it, you get down one-fourth of it in required reserves.

MR. SPROUL: The same situation exists with respect to the bank deposits. Take their excess reserves and set them against their two billion of inter-bank deposits, of banks outside of New York, and it would clean out the excess reserves entirely, but they just don't all go out at one time.

MR. ECCLES: Take that with reference to any deposits they have got, corporation deposits too. In that case they would have to be a hundred percent liquid.

MR. HAAS: Yes.

MR. MORRIS: I said it is not a mathmatical exactitude, but it is just a factor.

H.M.JR: May I just interrupt? This is amazing. Donald Duck - we had two things happen today. In the first place, they tried to cut our appropriation six million on Defense Bonds. I appeared before the appropriations committee. I said, "Well, now, gentlemen, I want you to hold on. I want to hold a conference. I want you to take the entire appropriation away on defense bonds, or give me my twenty six. I want one or the other. I mean, either cut the whole thing -" a little earlier they voted - "or give me the twenty-six," so it is sort of a vote of confidence, you see. Then this fellow, Taber, you may have seen, they struck out my Donald Duck (Laughter)-- Well, this is what he has done. Taber spoke after Appropriations Chairman Cannon urged the House to reverse its action of last week in barring funds for eighty thousand dollars - Donald Duck picture, on payment of income taxes. He argued that appropriations were sound for the Treasury, and so forth and so on. In other words, Taber asked to have that put back.

MR. RANSOM: What has he done, seen the picture?

H.M.JR: No, this is interesting. He refused to see the picture. Fortunately, my wife went with me to the New York Tribune, and they had a marvelous review of it, and I gave it to him this morning, and I didn't say to him what I said to the others. I said, "Here is ~~a~~ - Republicans, please excuse this - but I said, "Here is a page from the Republican Bible," with apologies to any Republicans present. And I gave him this copy of the New York Tribune, which gave us a wonderful review. I said, "Just read it." And he did. He must have. I have got to call up Mr. and thank him. (Laughter) If that is correct--

MR. BELL: That is good.

H.M.JR: If that is correct, I get more kick out of that, because I told them up there - I said, "If you are going to have a straight party vote on Donald Duck, you are dumber than I think you are, because Donald Duck is going to win. (Laughter) If you are going to vote on Donald Duck, then you are just silly." What? I hope - I wonder if we can't--

MR. BELL: That looks as though it is off the floor of the House, and not the committee as a whole.

H.M.JR: Who is following this? I am more interested in this, in the billion and a half. Who is following this?

MR. BELL: Get Thompson to call the assistant clerk.

H.M.JR: Just one minute. You see, I got kind of sucked into the back-draft on this OCD business, you see.

MR. McKEE: I saw your picture for the first time yesterday. It is pretty good. It is very educational.

H.M.JR: It is a good picture isn't it? Did they applaud when you were there?

MR.McKEE: Yes, they had a good audience.

MR. BELL: I think it is the best Donald Duck picture I have ever seen.

H.M.JR: It is the best money we have ever spent. Now, the picture itself cost forty thousand dollars and the reels cost another forty, but the comment all over the country - it puts people in a good humor. Hell, we have got to rook them and if we can rook them with a smile-- (Laughter)

MR. McKEE: I think that particular part of it where he is waiting for the discussion of what the important news is and he hangs by his tail from the top of the radio-- (Laughter) he is just all in when he gets the bad news.

H.M.JR: Twelve billion dollars for the navy like this but we were out to collect from seven million new tax payers and try to reach them, you know - it is a straight propaganda picture. I didn't offend any Republicans here, did I? I am not looking at anybody. If I did, I apologize.

MR. BELL: There aren't any.

MR. RANSOM: Well, it is their bible, isn't it?

H.M.JR: Well, I don't want to get - I have always considered that in the East it is their mouth piece, let's put it that way. It is a good paper, too. The thing that you (Rouse) said amazes me, that you think that the banks would take more of the two and a quarter than anything else.

MR. ROUSE: That is looking at the banks in Philadelphia and Pittsburgh and Cleveland and that type of city.

H.M.JR: It is a change, isn't it?

MR. ROUSE: Well, they have always been for the higher rates in the notes. The notes are in New York, by and large.

H.M.JR: Is that what influenced you (Eccles) on the two and a quarter?

MR. ECCLES: Yes, that and the problem of issuing the two and a half. In other words, if you split it you would have a two and a half and then possibly a two or something shorter and there were two things that influenced me on it. One was that you have got nearly a billion and a half a month of financing to do pretty soon. That is the rate that is coming along.

H.M.JR: That is right.

MR. ECCLES: The idea of trying now to begin to split up issues, it seems to me we have got to get away from the idea of - of the volume that has got to be done of splitting issues. That was one thing. Another was that it was very difficult to price a two and a half percent bond in lieu of the '67-'72's of the long two and a half. You would have to make it a shorter issue than that and the inquiry then would be, would you let the '67-'72's go below par or would you peg the new two and a half at a premium? In other words, would you guarantee - would you underwrite the underwriters? That was another difficult factor.

H.M.JR: Can we do that after what you said about them?

MR. ECCLES: About the underwriters? Well, I don't know. I don't think anything I said about it would necessarily deter us if it was necessary. (Laughter) But I think that is one of the problems that you are confronted with if you issue the two issues.

H.M.JR: Dan, have you made any progress with the Federal Reserve on that issue where you had to hold it for five years.

MR. BELL: Yes. We have got reports from all the banks and one from the Board which we really expected to take up last week and then certain things came along and so forth but I expect to take it up just as soon as this financing is out of the way.

H.M.JR: Could you do that?

MR. BELL: Yes. We would have done it last week if it hadn't been for the China loan.

H.M.JR: With the Board?

MR. BELL: We have got the comments of the Board and all the banks on it.

MR. ECCLES: Did you have an opportunity to go over the memorandum that we sent over here about ten days ago?

H.M.JR: That has been circulated.

MR. BELL: We have all read it and that is another thing that should be taken up at the same time with the Board.

MR. ECCLES: That, of course, is rather a comprehensive approach to the whole problem, with some specific suggestions and reasons for them and it is the result of not just one conference but it is the result of the discussion of this whole subject of war financing over a period, I would say, of a year.

H.M.JR: It was a good memorandum.

MR. ECCLES: We have given it an awful lot of thought and an awful lot of consideration and study to the aspect of it and we feel that if the Treasury could use the reserve system to try out the getting of these funds outside of the banks, it is just like your Defense Savings. Now, the Defense Savings wouldn't be nearly as successful as it is if you just waited for people to come in.

H.M.JR: That is right.

MR. ECCLES: You have had to go out and sell it to them.

H.M.JR: That is right.

MR. ECCLES: Now, the same thing is true with a lot of other funds, business funds, all kinds of funds, because after all we do have a volume of bank deposits that is very, very large and they are not being used, I think, nearly as fully as they could be, but we have just got to go out and find out where they are and sell them, that the people should use - corporations and individuals whose funds are idle, they shouldn't be, they should use them, and if they use them in financing the Government, they are less likely to use them in speculative excesses later on. They are less likely to go into the real estate market or to run for money in something else and we think it is very important to get just as much as possible outside of the banks so as to get the people to hold government securitites who are interested in the war program as it is to - that by doing that it tends to reduce the likelihood of shifting from money to things. People will be much less likely to cash their governments in to buy than they will be to use their money and we feel there is a lot of funds that will not go into a market issue because they don't want that type of an issue. They want to be sure they will get their principal. They want liquidity and I think what we need is some form of extension of the savings security and I believe that the Reserve banks, particularly in the business field, in the branches, can do a very good job in really getting a lot of these funds out and we would like the opportunity to try it. There wouldn't be anything lost about it if it didn't work.

H.M.JR: Well, right after this I would like to sit down with you, as soon as we get this thing out, and talk to you about it. I would like very much to sit in on it myself. Who on the Board particularly looks after Defense Bonds, or what happens? Is there anybody?

MR. ECCLES: John has been working with the Defense Savings.

H.M.JR: Is he doing that for us?

MR. BELL: They have a committee.

MR. McKee: Alan is chairman of the Committee.

MR. BELL: And John is the liaison between the committee and the banks.

H.M.JR: We are getting splendid cooperation from the system on that. That is going fine. We took in two hundred fifty million last week. They tell me not to expect that. They think that a lot of people the end of January took their limit. They waited until the end of January and we only got the money in February.

MR. McKEE: Have you made any calculations of the statements you have got on payroll reductions, what the total means, accumulated total will mean?

H.M.JR: Haas is working on that. Can you give any answer? Have you got far enough along?

MR. HAAS: We are just getting in the December reports, or rather an analysis of the December reports. The request for the January figures has gone out. The December - many of the companies were just getting under way. The state administrators reported eleven thousand firms of various kinds. Many of these firms- then we asked the firm to report their total payroll, how many people participating, and what percent of the payroll. Many of these firms in December didn't have their system under way. They were just starting it. But we made an analysis of fifteen hundred complete reports and we have analyzed them by the size of the company and of those firms, twenty-three percent and some odd fraction were participating and those employees which are having a deduction made from their salary, the deduction amounted to - the average about four percent, but when you take this deduction expressed in terms of the total payroll it is only about one percent.

MR. McKEE: Well, George, what does it mean in accumulated dollars, as if you were getting that in? How much more would that add to your two hundred fifty million dollars?

MR. HAAS: Well, you couldn't draw any conclusion from fifteen hundred on that, you see, because I think the amount of money being deducted monthly is only a couple of million dollars, you see.

H.M.JR: You see, what we have done, we have got the company to put in the system. They have done that or they are in the process. The last figures I saw of companies with five hundred or over employees, sixty percent of them had the system. The next thing is, we have got to go to these workers and sell them the idea to use the system.

MR. McKEE: Well, that part of it is accumulating a lot of issuance of bonds at some later date.

MR. HAAS: That is right.

MR. McKEE: And what I thought was that you might, from those reports, if you get them in in some complete form, know what you - how much you are selling on accumudative basis.

MR. HAAS: Well, we will know that but it is too early.

MR. BELL: Well, it really just got under way at the end of January.

H.M.JR: He has got the statistics set up now so that we can do that but it is all too new to make any forecasts. I don't think they would be worth anything.

MR. McKEE: Well, we have got another idea we want to sell. I am not going to bother you or this group. It is an idea of getting money to you on a savings plan, getting it to you quicker. It came from the field but we will put some refinements on it whereby short term bank loans may assist you to get your money in now in quantities coming from people such as physicians and women that have income or something else that want to buy on a time basis.

H.M.JR: Well, just as soon as this one is over I would like to sit down, because as the Chairman said, it is getting to be a big business and I think we have got to think up some new wrinkles.

MR. ECCLES: It is going to be continuous. It is just one of those continuous things and we have sort of got to get on a schedule, it seems to me, so that it becomes more routine than it is.

MR. McKEE: The more we can get in this way, the less you have got to do the market way.

MR. ECCLES: That is right. That is the point.

H.M.JR: Well, I am going to see these eight or ten people tomorrow. Then could you people save me some time on Wednesday?

MR. ECCLES: I could. I don't imagine Alan and Bob could.

MR. SPROUL: Well, we will be on the phone.

H.M.JR: When would you like to get together on Wednesday?

MR. ECCLES: John?

MR. McKEE: I will be available.

MR. BELL: Eleven.

MR. ECCLES: Eleven Wednesday morning?

MR. BELL: I would like to get it on the wire.

H.M.JR: All right. We will meet at eleven, but I am not going to promise to make up my mind. I may. Is that all right, gentlemen?

MR. ECCLES: It is all right.

MR. McKEE: Yes.

H.M. JR: Thank you all.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE February 9, 1942

TO Secretary Morgenthau

FROM W. H. Hadley

FEBRUARY CASH FINANCING

The following are possible offerings for cash. I believe that the offering should be limited to one issue and from market indications a 2-1/4% bond appears to be best at this time. Although my original leanings were toward a 2-1/2%, I now feel we might have a better market later if we saved the 2-1/2% until April. I believe a 2% issue should not be attempted at this time, so soon after our last two issues. I also feel notes should be avoided. We may need them later.

Coupon	Approx. Length	Date	Yield	Price	Premium
2%	6 1/4- 8 1/4 yrs.	1948-50 June 15	1.78 1.80	101.10 101.6	1 pt. 10/32 1 pt. 6/32
	6 1/2- 8 1/2 yrs.	1948-50 Sept. 15	1.81 1.83	101.5 101.	1 pt. 5/32 1 point
2-1/4%	10 1/2-13 1/2 yrs.	1952-55 Sept. 15	2.07 2.09	101.22 101.16	1 pt. 22/32 1 pt. 16/32
	10 3/4-13 3/4 yrs.	1952-55 Dec. 15	2.10 2.12	101.14 101.8	1 pt. 14/32 1 pt. 8/32
	11 - 14 yrs.	1953-56 March 15	2.13 2.15	101.7 100.31	1 pt. 7/32 31/32nds
2-3/8%	14 1/2-18 1/2 yrs.	1956-60 Sept. 15	2.27 2.29	101.9 101.2	1 pt. 9/32 1 pt. 2/32
2-1/2%	16 - 21 yrs.	1958-63 March 15	2.37 2.39	101.24 101.15	1 pt. 24/32 1 pt. 15/32
	17 - 22 yrs.	1959-64 March 15	2.39 2.41	101.17 101.9	1 pt. 17/32 1 pt. 9/32

TREASURY DEPARTMENT

INTER-OFFICE COMMUNICATION

DATE February 9, 1942

TO Secretary Morgenthau

FROM W. H. Hadley

TREASURY NOTES

Approx. Maturity	Coupon	Yield	Price	Premium
2 yrs. 10 mos. (12/15/44)	1%	0.85	100.14	14/32nds
3 yrs. 10 mos. (12/15/45)	1-1/8%	1.05	100.10	10/32nds
3 yrs. 10 mos. (12/15/45)	1-1/4%	1.08	100.25	25/32nds
4 yrs. 10 mos. (12/15/46)	1-3/8%	1.20 1.25	100.26 100.19	26/32nds 19/32nds

1. In the absence of knowledge of what the general long-time financing program is to be, it is difficult to have any recommendation about any particular issue of Government securities.
2. We have suggested a general program the core of which is to obtain the maximum amount of funds from investors other than banks, recognizing that there will still be a substantial volume of financing to be accomplished through the banking system.
3. The alternative program is reliance on bank credit for the major part of new funds, which would require the existence of excessive excess reserves, and no special attempts to obtain funds from other sources except through the sale of Defense Savings Bonds.
4. Until a general long-term financing program is worked out, a 2-1/4 per cent bond is indicated for this financing.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE Feb. 9, 1942.

TO Secretary Morgenthau

FROM Mr. White

1. The Federal Reserve Bank of New York reported that they didn't have a co y of the speech which Prof. Montfort Jones made before the American Bankers Association, and upon checking with the American Bankers Association found that there is no printed copy available. They said it was not a set speech.

2. Mr. Jones is a Professor of Finance, University of Pittsburgh. A.B. and A.M., 1912-1914, University of Wisconsin. We have searched through the technical journals and all other sources and cannot find anything he has written either in the way of books, articles, or reviews. Nor have I been able to find anyone who knows of him. However, I am still trying to see if we can find anyone who knows him.

3. I have read the New York TIMES press account of his statement (appended) and confess I see nothing in it other than most elementary views on the problem. Of course, he may have made an excellent speech, but there is nothing in the appended press report which would indicate that the views expressed by Jones were in any way outstanding.

(Incidentally, "Who's Who" lists Professor Montfort Jones as a Republican.)

Attachment

SEEN CUR[illegible]NG INFLATION IN WAR

Same Factors That Expanded Currency in Last Conflict at Work, Expert Says

FEB 6 1942

NEW MEASURES APPLIED

Prof. Mortimer Jones Tells Bankers of Virtues of Taxes, Bonds, Price Control

Although factors that make for wartime inflation are at work, "physical and regulatory measures" in force now will prevent anything similar to the currency expansion of the last war, in the opinion of Montfort Jones, Professor of Finance at the University of Pittsburgh.

Professor Jones spoke yesterday at the conference of the trust division of the American Bankers Association in the Hotel Waldorf-Astoria. The three-day meeting was closed at a luncheon at which former Governor Clyde R. Hoey of North Carolina was the speaker.

Professor Jones remarked the "tremendous expansion of Treasury-stimulated purchasing power arising out of government expenditures" and its effect on "a decreasing volume of consumers' goods."

New Attack on Problem

"The factors which make for wartime inflation are the same as during the first World War," he said, "but we did not attack the problem then as we are attacking it now, through physical and regulatory means. The country was never so inflation-conscious. People have become so alarmed over inflation that they are willing to accept economic dictatorship if it is honestly and intelligently administered."

Professor Jones listed as physical measures against inflation taxation and "the policy and campaign of mopping up surplus purchasing power through the sale of Defense Bonds to the public." The regulatory measures, he said, were price control and rationing.

He also observed that after a year and a half of defense preparation the level of wholesale prices was not up to the peak of 1929.

As to still higher taxes to finance the war, Professor Jones warned against an increase that would jeopardize "economic stability and public morale, which must be maintained." He suggested that "between 50 per cent and two-thirds of the cost of war" should come through taxation.

64

February 9, 1942
3:53 p.m.

HMJr: Hello.

Philip Murray: Hello, Mr. Secretary.

HMJr: Hello, Mr. Murray.

M: How are you?

HMJr: I'm fine.

M: That's good. That's good. I'm wondering if I couldn't drop over to see you sometime tomorrow.

HMJr: Well, now, I tell you - let me just see. Just a minute. I've got - I'm working on my financing.

M: I see, uh huh.

HMJr: I tell you, is nine o'clock too early?

M: No, that would be perfectly all right.

HMJr: What?

M: I can drop over to see you at nine, certainly.

HMJr: I'll be delighted to see you.

M: All right. I'll drop over there at nine o'clock then.

HMJr: Delighted to see you.

M: Very fine, sir. Thank you, Mr. Secretary.

HMJr: Good-bye.

OFFICIAL

DR. WALTER STEWART
INSTITUTE FOR ADVANCED STUDY
PRINCETON NEW JERSEY

FEBRUARY 9, 1942

WOULD APPRECIATE YOUR LETTING ME KNOW WHETHER YOU WILL BE ABLE TO COME DOWN WEDNESDAY AS WELL AS THURSDAY. BELL VINER AND WHITE ARE ALL FAMILIAR WITH THE PARTICULAR PROBLEM I HAVE IN MIND THAT I WISH TO CONSULT YOU ABOUT

HENRY MORGENTHAU JR.

February 10, 1942

TO: Mr. Bell
Dr. White
Dr. Viner

FROM: The Secretary

I have invited Walter Stewart to come down to advise us on Lend-Lease in reverse. He will be here Wednesday morning and remain until late Thursday afternoon.

Please givehim anything and everything that he needs to prepare himself.

OFFICE OF LEND-LEASE ADMINISTRATION
FIVE-FIFTEEN 22d STREET NW.
WASHINGTON, D. C.

68

E. R. Stettinius, Jr.
Administrator

February 9, 1942

Honorable Henry Morgenthau
Secretary of the Treasury
Washington, D. C.

Dear Mr. Secretary,

Thank you for your letter of February 7 enclosing Mr. Mack's memorandum relative to Mr. Robson's proposal covering arrangements for freight forwarding on Lend-Lease shipments. We are immediately considering this further, and will keep you and Mr. Mack advised.

With best wishes,

Sincerely yours,

E. R. Stettinius, Jr.

E. R. Stettinius, Jr.

February 9, 1942

Dear Bill:

I am glad that you sent me your comments on the McKellar bill, and glad also that you have taken such a strong position against it. From all that I hear, the bill flies right in the face of everything the President is trying to do to create cooperation among the united nations in the war.

Sincerely,

(Signed) Henry

Colonel William J. Donovan,
Coordinator of Information,
Washington, D. C.

File N.M.C.

FK/cgk

2/7/42 70

Received from Miss Chauncey. Secretary said refer to Mr. Kuhn. Has not been acknowledged

UNITED STATES GOVERNMENT
COORDINATOR OF INFORMATION
WASHINGTON, D. C.

71

February 5, 1942

Dear Henry:

Bob Sherwood has just told me of your interest in the McKellar bill. The Bureau of the Budget asked me for my view of it and I enclose a copy of my reply.

Sincerely yours,

Bill

William J. Donovan

The Honorable
The Secretary of the Treasury
Washington, D.C.

Attachment

February 3, 1942

Mr. Harold D. Smith,
Director, Bureau of the Budget,
Washington, D. C.

Dear Mr. Smith:

In answer to your letter of January 30, 1942, asking for comments on H. R. 6269, I have the following objections to make to the approval of this bill:

The bill is apparently aimed at the dissemination of propaganda in the United States by foreign controlled groups, and with this aspect of it I have no quarrel.

But its provisions go beyond the purpose just stated and in so doing seem to me to lead to undesirable results.

Thus the bill, by its terms, includes foreign "information-service employees" engaged in "furnishing . . information . . with respect to the . . conditions of any country other than the United States . . ," with no limitation on <u>to whom</u> the information is furnished.

The bill would therefore seem to apply e.g. to the representatives located here of friendly or even allied governments where those representatives are engaged in furnishing to their own governments information on conditions in any other foreign, including Axis, countries.

Thus the British Security Coordination, which works in close cooperation with this and other departments of the United States Government and with the representatives of other allied governments, would seem to be included. The British Security Coordination here "collects" information on the activities of Axis agents in foreign countries outside the United States, and "furnishes" that information to others, viz. the British, American and Allied governments and their agencies.

Presumably other agencies such as the British Ministry of Shipping, which receives and furnishes reports on shipping and related matters, would also be included within the terms of the bill.

Compliance with the requirements laid down for the registration statements to be furnished, particularly since these statements are to be public, would be impossible for such representatives.

At a time when close cooperation between the United Nations in matters of intelligence, as well as in many other matters, is just being worked out, the enactment of a bill which might be interpreted as I have suggested seems most unwise. Not only would it jeopardize the splendid cooperation which this office, for one, has been getting from representatives of many of our allied governments in this country, but it might subject us to retaliatory measures abroad which would hamper our own tasks there.

I believe that there should be some specific exemption in the bill giving legal sanction to activities of friendly nations here of the type I have mentioned. It is no answer to say that the bill will be administered in such a way as to protect the representatives of any given nation because that is to say, in effect, that we will permit or wink at a flaunting of the law, and makes its enforcement dependent upon the individual judgment of some given administrative officer. Administrative officers change; there would thus be no uniformity or certainty in that regard. No nation should put itself in that precarious position. The expediency of administrative action may be adopted to avoid the unjust application of an existing statute, but no such substitution of the rule of men for the rule of law should be resorted to in proposed legislation. Any legislation which, on its birth, requires the setting up of special regulations or administrative machinery to bring about its non-application in certain instances is not good legislation.

Very truly yours,

William J. Donovan

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE February 9, 1942

TO Secretary Morgenthau

FROM Mr. Haas

Subject: Operation of Payroll Savings Plan in December 1941

1. The attached table summarizing the operations of payroll savings plans in 1,500 companies during December 1941 covers about one-half of the companies operating such plans in the middle of that month. The data shown have been submitted to the Treasury during the last two weeks in response to your letter of January 19, requesting periodic information on the sales of savings bonds under payroll savings plans.

2. The 1,500 companies included in the table employed 1,700,000 persons in December, some 367,000 or 21 percent of which participated in a payroll savings plan during that month. The extent of the participation in the various companies, it appears from the table, was inversely proportional to the size of the company; that is, the participation was greatest in the smaller companies and was smallest in the larger companies. This situation was accounted for by the fact that a great many of the companies reporting had just gotten their plans into operation in December and sufficient time had not elapsed to allow the completion of the mechanics required to obtain pledges from a large proportion of the employees. The mere passage of time should allow these companies to make a much better showing in January.

3. The employees participating in payroll savings plans in the 1,500 companies allowed $2,600,000 to be deducted from their pay in December for the purchase of defense savings bonds. This represents only .9 of one percent of the aggregate payroll of the 1,500 firms, but it represents about 4 percent of the payroll of the employees participating. The proportion of salaries deducted was probably enlarged in December, it should be pointed out, because of (1) Christmas bonuses; (2) the large proportion of the higher paid employees participating the first month a plan is in operation; and (3) the lump sum purchases made by executives during the first month to help a company make a good showing.

Mr. Morgenthau - 2

4. As soon as more data arrive, I shall submit a table covering a larger number of companies operating payroll savings plans in December. The companies included in the attached table cover a sufficiently large proportion of the plans existing in December, however, to be entirely representative of operations during that month.

Summary of the Operation of Payroll Savings Plans in December 1941

(As reported to the Treasury by 1,500 companies participating in the plan in that month)

Size of company	Number of companies reporting	Aggregate number of employees exposed	Aggregate number of employees participating in payroll savings plans	Percentage of employees participating	Aggregate payroll of employees exposed	Aggregate amount of deductions from pay	Percentage of aggregate pay deducted	Approximate aggregate payroll of employees participating	Percentage of aggregate pay of participating employees deducted
Under 100 employees	552	24,188	15,200	62.8	$ 3,709,695	$ 83,461	2.2	$ 2,367,368	3.5
100 - 300 employees	409	69,323	31,567	45.5	9,981,557	195,578	2.0	4,541,606	4.3
300 - 500 employees	146	55,284	19,285	34.9	7,980,412	105,263	1.3	2,765,164	3.8
500 - 1,000 employees	173	124,003	35,092	28.3	19,004,700	210,875	1.1	5,378,330	3.9
1,000 - 3,000 employees	126	209,239	50,101	23.9	35,762,514	341,081	1.0	8,066,851	4.2
3,000 - 5,000 employees	36	140,456	31,192	22.2	21,980,076	201,197	.9	4,979,577	4.1
5,000 - 10,000 employees	22	147,205	29,683	20.2	34,809,345	228,030	.7	5,040,357	4.5
10,000 - 20,000 employees	13	240,296	45,694	19.0	49,307,305	286,137	.7	8,036,388	3.6
Over 20,000 employees	23	703,266	109,471	15.6	130,567,970	959,142	.7	20,368,603	4.7
Total - all companies	1,500	1,713,262	367,425	21.4	$294,173,574	$2,610,764	.9	$62,953,145	4.1

TREASURY DEPARTMENT

WASHINGTON

February 9, 1942.

MEMORANDUM FOR THE SECRETARY:

You asked me the other day for a report showing the activity of the Defense Savings Staff, (a) in Washington, and (b) in the field, designed to increase the participation of employees in pay-roll savings plans.

I transmit such a report herewith.

GRAVES.

ACTIVITY TO INCREASE PARTICIPATION

IN PAYROLL SAVINGS

(a) In Washington
(b) In the field

(a) Washington Activity

1. Statistical Study. The Division of Research and Statistics has circularized all firms where payroll savings is in effect and is receiving monthly reports of extent of participation. These reports will form basis for follow-up field activity (See Field Memorandum #184 attached, EXHIBIT J).

2. Savings Schedule. A savings schedule has been prepared which will reach nearly 50,000,000 persons of regular income. This schedule sets forth a suggested savings program for the various income groups, based on a goal of payroll savings in excess of ten billion dollars. (See EXHIBIT "A" attached).

3. Certificate of Award. A certificate is being designed as an award to firms where 90% or more of employees participate in payroll savings. This certificate will entitle firms in this category to purchase and display a specially designed Minute-Man flag.

4. Press Activity:

   (a) Clip Sheet. A clip sheet entitled "U.S. Defense Payroll Savings" has been and will be furnished all newspapers. This sheet sets forth advertising, editorial, and news copy for reprinting (EXHIBIT "B" attached).

   (b) Mat and Cut Service. Free mat and cut service is being maintained for publications of all types. These mats and cuts set forth payroll savings messages, "Make Every Pay Day Bond Day" etc. (EXHIBITS "B" and "C" attached).

   (c) House Organs. A committee has been set up to encourage installment and wide participation in payroll savings through House magazines. There are 3000 such magazines in the country with an estimated 15,000,000 readers. A news bulletin for the editors of these magazines and special material for their guidance has been made available. (EXHIBITS "D" and "E" attached). This committee consists of editors of four outstanding house magazines.

(d) Cartoons. A committee of nationally known cartoonists have been enlisted to provide a steady stream of timely cartoons. Those which will be provided house organs, trade papers and the labor press will emphasize payroll savings.

(e) Newspapers. All newspapers, news syndicates and syndicated writers have been contacted and supplied with material in support of payroll savings activity.

5. Radio Activity. The radio section is emphasizing payroll savings activity by circularizing local radio stations to bear down on spot announcements concerning the plan. There are being read over the air congratulatory letters from the Treasury to firms installing the plan. To this is to be added the reading of congratulatory letters concerning wide participation. A radio plug being used currently reads in part "---------if there is a plan in your firm talk to the man next to you who has not as yet come in on the plan."

6. Study of Successful Plans. Successful payroll savings plans are being studied with a view to duplication. The material of an entire campaign conducted by General Electric Company is being printed for distribution to 39,000 firms. This campaign, in three weeks, resulted in an increase in payroll savings participation from 17% to 83%, with an average subscription of $150 per annum per employee. (EXHIBIT "I" herewith).

7. Promotional Material. Special material to increase payroll participation has been prepared. (This is in layout form ready for printing). This material consists of:

(a) A 16-page manual entitled "How to Install and Successfully Operate a Payroll Savings Plan." Much of this is devoted to proven "Do's" and "Don't's" gathered from a study of successful plans.

(b) folders for workers.

(c) "stuffers" for pay envelopes

(d) posters for bulletin boards

(e) a booklet entitled "Payroll Savings Promotion Manual--How Others are Reaching the Goal." This booklet is entirely devoted to material for firms with low participation and includes descriptions of successful plans and promotion ideas and lists, and describes available posters, folders, envelope stuffers, etc.

8. Labor Activity. The labor unions have been and are being used widely to extend participation. The A.F. of L has pledged a billion dollars a year and will engage in widespread promotional activity to achieve this goal through payroll savings. On Washington's birthday, simultaneous meetings of every local throughout the country will be held to listen to a radio talk by the Secretary. (EXHIBIT "F" attached). Approaches have been made through Railroad Brotherhoods to increase participation through letters to each from the Secretary. CIO publications, the labor press generally, and the unions, through meetings are emphasizing wide participation.

9. Recordings. Recordings of speeches are being made for use in loud speaker systems of large firms. This was decided upon when it was found that stopping work in an airplane factory for fifteen minutes would cost one airplane. (5000 employees).

10. American Legion. The American Legion is devoting its entire issue of "The National Legionnaire" for February to the campaign for pledges (EXHIBIT "H" attached). This pledge campaign will have great bearing on payroll savings participation (see Field Activity).

11. The Wage and Hours Division. The Wage and Hours Division inspectors of the Department of Labor, in visiting large firms, are to encourage wide participation with particular emphasis on getting all overtime pay into Defense Bonds.

(b) Field Activity

1. Follow-up Activity. The paid and volunteer workers are following up the installation of payroll savings plans to improve participation. The method of follow-up varies. The life underwriters, who are very active, will control their own follow-up. Thus, follow-up is planned to be at regular intervals. Follow-ups have not yet been widespread due to concentration on installations. It is intended that at least one call per month per firm will be made.

2. The Pledge Campaign. A personal canvass of more than 50,000,000 persons of regular income is being projected. This has taken place in Oregon, with pledges estimated at 300,000. This pledge campaign is designed as support for wide payroll savings participation (EXHIBIT "G" attached).

3. Regional Meetings. Regional meetings are scheduled for Boston, Chicago, Baltimore, Jacksonville, Omaha, Denver, Oklahoma City, and San Francisco, to be held within the next two weeks. These meetings will be conducted by Mr. Ted Gamble, the Field Director, and the Associate Field Directors. Administrators and State Chairmen will attend. The main objects of the meetings are to plan the pledge campaign and to improve payroll savings activity.

4. Labor Activity. Union locals are being approached by the Staff to increase participation. Local union radio broadcasts are being used.

5. Local Radio Activity. The field force is being encouraged to supplement national radio activity with local copy, lists of payroll savings plans, extent of participation, etc. All local radio facilities will be harnessed into coming pledge campaign. All network shows in Oregon gave way to the Pledge Campaign Broadcast.

6. Local Newspaper Activity. Newspapers are furnished locally with lists of companies with payroll savings plans "Payroll of Honor" for publication. Publicity on extent of participation of various companies is also contemplated when and where accurate data is available.

ACTIVITY TO INCREASE PARTICIPATION

IN PAYROLL SAVINGS

(a) In Washington
(b) In the field

(a) Washington Activity

1. Statistical Study. The Division of Research and Statistics has circularized all firms where payroll savings is in effect and is receiving monthly reports of extent of participation. These reports will form basis for follow-up field activity (See Field Memorandum #184 attached, EXHIBIT J).

2. Savings Schedule. A savings schedule has been prepared which will reach nearly 50,000,000 persons of regular income. This schedule sets forth a suggested savings program for the various income groups, based on a goal of payroll savings in excess of ten billion dollars. (See EXHIBIT "A" attached).

3. Certificate of Award. A certificate is being designed as an award to firms where 90% or more of employees participate in payroll savings. This certificate will entitle firms in this category to purchase and display a specially designed Minute-Man flag.

4. Press Activity:

   (a) Clip Sheet. A clip sheet entitled "U.S. Defense Payroll Savings" has been and will be furnished all newspapers. This sheet sets forth advertising, editorial, and news copy for reprinting (EXHIBIT "B" attached).

   (b) Mat and Cut Service. Free mat and cut service is being maintained for publications of all types. These mats and cuts set forth payroll savings messages, "Make Every Pay Day Bond Day" etc. (EXHIBITS "B" and "C" attached).

   (c) House Organs. A committee has been set up to encourage installment and wide participation in payroll savings through House magazines. There are 3000 such magazines in the country with an estimated 15,000,000 readers. A news bulletin for the editors of these magazines and special material for their guidance has been made available. (EXHIBITS "D" and "E" attached). This committee consists of editors of four outstanding house magazines.

(d) Cartoons. A committee of nationally known cartoonists have been enlisted to provide a steady stream of timely cartoons. Those which will be provided house organs, trade papers and the labor press will emphasize payroll savings.

(e) Newspapers. All newspapers, news syndicates and syndicated writers have been contacted and supplied with material in support of payroll savings activity.

5. Radio Activity. The radio section is emphasizing payroll savings activity by circularizing local radio stations to bear down on spot announcements concerning the plan. There are being read over the air congratulatory letters from the Treasury to firms installing the plan. To this is to be added the reading of congratulatory letters concerning wide participation. A radio plug being used currently reads in part "———if there is a plan in your firm talk to the man next to you who has not as yet come in on the plan."

6. Study of Successful Plans. Successful payroll savings plans are being studied with a view to duplication. The material of an entire campaign conducted by General Electric Company is being printed for distribution to 39,000 firms. This campaign, in three weeks, resulted in an increase in payroll savings participation from 17% to 83%, with an average subscription of $150 per annum per employee. (EXHIBIT "I" herewith).

7. Promotional Material. Special material to increase payroll participation has been prepared. (This is in layout form ready for printing). This material consists of:

(a) A 16-page manual entitled "How to Install and Successfully Operate a Payroll Savings Plan." Much of this is devoted to proven "Do's" and "Don't's" gathered from a study of successful plans.

(b) folders for workers.

(c) "stuffers" for pay envelopes

(d) posters for bulletin boards

(e) a booklet entitled "Payroll Savings Promotion Manual—How Others are Reaching the Goal." This booklet is entirely devoted to material for firms with low participation and includes descriptions of successful plans and promotion ideas and lists, and describes available posters, folders, envelope stuffers, etc.

8. Labor Activity. The labor unions have been and are being used widely to extend participation. The A.F. of L has pledged a billion dollars a year and will engage in widespread promotional activity to achieve this goal through payroll savings. On Washington's birthday, simultaneous meetings of every local throughout the country will be held to listen to a radio talk by the Secretary. (EXHIBIT "F" attached). Approaches have been made through Railroad Brotherhoods to increase participation through letters to each from the Secretary. CIO publications, the labor press generally, and the unions, through meetings are emphasizing wide participation.

9. Recordings. Recordings of speeches are being made for use in loud speaker systems of large firms. This was decided upon when it was found that stopping work in an airplane factory for fifteen minutes would cost one airplane. (5000 employees).

10. American Legion. The American Legion is devoting its entire issue of "The National Legionnaire" for February to the campaign for pledges (EXHIBIT "H" attached). This pledge campaign will have great bearing on payroll savings participation (see Field Activity).

11. The Wage and Hours Division. The Wage and Hours Division inspectors of the Department of Labor, in visiting large firms, are to encourage wide participation with particular emphasis on getting all overtime pay into Defense Bonds.

(b) Field Activity

1. Follow-up Activity. The paid and volunteer workers are following up the installation of payroll savings plans to improve participation. The method of follow-up varies. The life underwriters, who are very active, will control their own follow-up. Thus, follow-up is planned to be at regular intervals. Follow-ups have not yet been widespread due to concentration on installations. It is intended that at least one call per month per firm will be made.

2. The Pledge Campaign. A personal canvass of more than 50,000,000 persons of regular income is being projected. This has taken place in Oregon, with pledges estimated at 300,000. This pledge campaign is designed as support for wide payroll savings participation (EXHIBIT "G" attached).

3. Regional Meetings. Regional meetings are scheduled for Boston, Chicago, Baltimore, Jacksonville, Omaha, Denver, Oklahoma City, and San Francisco, to be held within the next two weeks. These meetings will be conducted by Mr. Ted Gamble, the Field Director, and the Associate Field Directors. Administrators and State Chairmen will attend. The main objects of the meetings are to plan the pledge campaign and to improve payroll savings activity.

4. Labor Activity. Union locals are being approached by the Staff to increase participation. Local union radio broadcasts are being used.

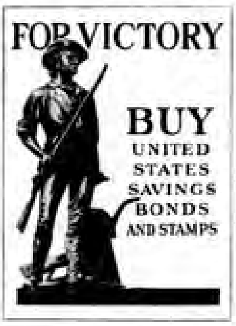
5. Local Radio Activity. The field force is being encouraged to supplement national radio activity with local copy, lists of payroll savings plans, extent of participation, etc. All local radio facilities will be harnessed into coming pledge campaign. All network shows in Oregon gave way to the Pledge Campaign Broadcast.

6. Local Newspaper Activity. Newspapers are furnished locally with lists of companies with payroll savings plans "Payroll of Honor" for publication. Publicity on extent of participation of various companies is also contemplated when and where accurate data is available.

EXHIBIT "A"

What our Government needs in extra War Savings from every Citizen in order to

WIN THIS WAR . . .



★ ★ ★ ★ ★

Enlist Your Savings for Victory

HERE is a table showing how every person who receives wages or salary can help win the war and provide for his own future security by buying Defense Bonds and Stamps. These figures suggest a systematic war savings program to fit every income. They are based on weekly averages and do not, therefore, take account of the individual circumstances of every person. Those with no dependents or other responsibilities should be able to save a good deal more than is indicated on this table. Those with unusual responsibilities may not be able to save so much. Each individual is the best judge of how much he can invest in Defense Bonds. But everyone knows that the war will be won only if he puts every cent he can into guns, and tanks, and planes, and ships. This is not a token war, nor a penny-ante game. It is a fight to the finish against the most ruthless and relentless enemy we have ever faced.

Look at this table and find your own income level. See how many people are included in that group. Note how small savings amount [illegible] together for the Nation as a whole. Note also that this plan refers only to the purchase of Defense Bonds out of regular income from week to week, which is much more helpful to the government than to buy them from savings already accumulated. Bear in mind that in 10 years your savings invested in Series E Defense Bonds will increase by 33⅓ percent as indicated on the back of this sheet. The figures used in this table are not intended as quotas either for individuals or for the Nation, but as suggestions of what we can do without compulsion and without hardship. If every person who receives a regular income in the form of wages or salary adopts a war savings program such as here suggested, it will mean a total of over ten billion dollars a year, urgently needed to insure victory. Over 80 percent of this amount can be saved by those receiving less than $200 a week. The remainder will come from those comparatively few people receiving higher incomes.

(The additional billions which must be raised will come from other forms of saving and from taxes paid by all of us.)

A SAVINGS SCHEDULE FOR THE SYSTEMATIC PURCHASE OF

U. S. DEFENSE BONDS

If your weekly earnings are	And you save each week	In one year you will save	Number of persons in each income group	Total annual savings
$5— 10	$0.25	$13.00	3,324,000	$43,212,000
10— 15	.50	26.00	4,975,000	129,350,000
15— 20	.75	39.00	5,470,000	213,330,000
20— 30	1.25	65.00	10,747,000	698,555,000
30— 40	2.00	104.00	7,774,000	808,496,000
40— 50	4.00	208.00	5,794,000	1,205,152,000
50— 60	6.00	312.00	3,007,000	938,184,000
60— 70	8.00	416.00	2,231,000	928,096,000
70— 80	10.00	520.00	1,304,000	678,080,000
80—100	12.00	624.00	1,489,000	929,136,000
100—150	20.00	1,040.00	1,059,000	1,101,360,000
150—200	35.00	1,820.00	298,000	542,360,000
Over 200	......	....	695,000	2,000,000,000
			48,167,000	$10,215,311,000

Office of the Secretary of the Treasury
Division of Research and Statistics

January 29, 1942

SEE HOW YOUR INVESTMENT . . .
IN DEFENSE BONDS (Series E) WILL GROW

You Invest	Upon Maturity you get back
$18.75	$25
37.50	50
75.00	100
375.00	500
750.00	1,000

When is maturity? Ten years from the time you buy the Bond. If you need the money before then, you can cash the Bonds at any time after 60 days from their issue date. A table of cash-in values is printed on each Bond. Naturally the longer you hold the Bond, up to 10 years, the more money you'll get back. But you'll never get less than you put in.

What's the interest rate? When held to maturity, the Bonds yield 2.9% per year on your investment, compounded semiannually. In other words, you get back $4 for every $3 you save in Defense Bonds.

Where do I go to buy a Bond? To your local bank, post office or other Defense Bond agency.

What about Defense Stamps? Buying Defense Stamps is a convenient way of saving money with which to buy a real Defense Bond. Stamps are sold for as little as 10¢ through banks, post offices, retail stores, theatres and newspaper carrier boys.

Start your savings program today. Save every pay day. If your company has a Defense Savings Pay Roll Plan, you will find it the most convenient way to save regularly and systematically.

★ ★ ★ ★ ★

DSS-253

For Immediate Release to All Newspapers

U. S. DEFENSE PAYROLL SAVINGS

CLIP SHEET

From Defense Savings Staff, Treasury Department

Sloane Building, Washington, D. C., January 28, 1942

"Are You on a Payroll of Honor?"

SPARE CHANGE WILL NOT WIN THIS WAR

PAYROLL SAVINGS PLANS INSTALLED IN MANY PLANTS

Highlights of Secretary Morgenthau's Recent Radio Talk on Payroll Savings Plan

KEEP 'EM ROLLING!

SYSTEMATIC PAYROLL SAVINGS IS MOST EFFICIENT METHOD TO RAISE BILLIONS NEEDED FOR JOB

Goal Is to Reach Quickly 40 Million Recipients of Regular Incomes Wherever There Is a Payroll

ABC of Defense Payroll Savings Plan

An Editorial

Are You on a Payroll of Honor?

INSTALL NOVEL PLAN

New Regulations Permit Federal Pay Savings

RCA Employees Pledge Savings

Railway Employees Are Urged to Sign For Payroll Savings

Eddie Cantor Volunteers to Aid Uncle Sam

Billboard is Used as Honor Roll at Indiana Plant

50 Million Pledged By Auto Workers to Replace the Arizona

Garment Workers To Loan 25 Million in Payroll Savings Plan

FREE MAT SERVICE FOR NEWSPAPERS AND ADVERTISERS

- - - Get Your Advertisers to Sponsor These Ads in Your Paper - - -

AN OPEN LETTER

TO

NEWSPAPER ADVERTISERS

AND

NEWSPAPER PUBLISHERS

TREASURY DEPARTMENT

The Treasury Department has had many requests from newspapers and newspaper advertisers for advertising material geared to the war ... Defense Bonds and Stamps.

Yours for Victory,

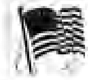
Executive Director,

Defense Savings Staff

FREE

MAT AND CUT SERVICE

TO NEWSPAPERS



MATS AVAILABLE ONLY IN SIZES MARKED. ADDITIONAL ADS AS THEY BECOME AVAILABLE WILL BE AUTOMATICALLY SENT YOU IN THE SIZE YOU CHECK FOR EACH CAMPAIGN ON ORDER FORM BELOW.

CAMPAIGN NO. 1 . . . WAR MESSAGE SERIES

CAMPAIGN NO. 2 . . . WAGE EARNER SERIES

CAMPAIGN NO. 3 . . . ANTI-AXIS SERIES

CAMPAIGN NO. 4 . . . POSTER TYPE SERIES

CAMPAIGN NO. 5 . . . WAR EQUIPMENT SERIES

CAMPAIGN NO. 6 . . . CARTOON SERIES

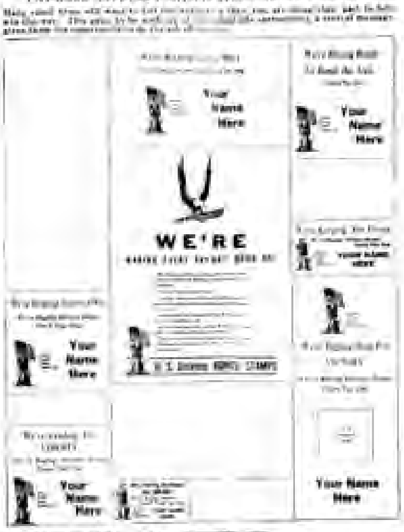
PAY-ROLL SAVINGS PARTICIPATION ADVERTISEMENT

FILL OUT AND MAIL THIS ORDER FORM FOR FREE DEFENSE BOND ADVERTISING MATERIAL

EXHIBIT "C"

Form No. DSS-LP-2

EXHIBIT "D"

NEWS BULLETIN
FOR
House Magazine Editors

TREASURY DEPARTMENT • DEFENSE SAVINGS STAFF

JANUARY 1942 WASHINGTON, D. C. No. 1

PAY-ROLL SAVINGS PLAN IS GAINING NATIONAL ATTENTION

LEADERS CHOSEN FOR BIG PROMOTION DRIVE

Merrick T. Jackson, editorial director of Western Electric Co., New York City, has been chosen to direct a promotional campaign among the 5,000 editors of company magazines throughout the United States in the interest of the sale of Defense Bonds and Stamps. The appointment was made by the Treasury Department at the unanimous suggestion of a committee of editors who attended an emergency conference in Washington Dec. 30.

Merrick T. Jackson

At the meeting Jackson selected to assist him Alex Smith, works news coordinator of General Electric Co., Schenectady; A. P. Alexander, Jr., editor of *The Red Barrel* for The Coca-Cola Co., Atlanta; and Robert Newcomb, of Robert Newcomb, Inc., New York City, editor of *Stet*.

Jackson has been an outstanding editor for many years. He served as general chairman of the National Safety Council's Employee Publications Section for two consecutive terms, the only time in its 24-year history when a chairman has been reelected. He was a charter member of the House Magazine Institute.

Alexander, who will assist in angling the program properly for editors of external publications, produces *The Red Barrel*, an outstanding external magazine.

Smith serves as director of all the weekly plant publications of General Electric, and he has pioneered in defense savings material to wage earners.

The committee began work January 5 in Washington.

IT CAN'T HAPPEN HERE? It did happen here. We're in it now.

Every minute, every hour, every day must be directed toward defense of our freedom.

With every penny, every dime, every dollar we can spare, we must back up the boys in the fighting forces.

We, as house-magazine editors, can do our part. We can publicize the Pay-Roll Savings Plan for buying Defense Savings Bonds.

In words of one syllable the voluntary Pay-Roll Savings Plan helps workers provide for the future, helps store away tomorrow's buying power, HELPS DEFEND AMERICA TODAY, tomorrow, next year.

The Pay-Roll Savings Plan is a method by which an employer gives his employee the chance to allot a specified amount of each pay day's wages to Defense Savings.

The employee can volunteer any amount he likes to be deducted from his pay check, and each employee allotment is held in a separate account. When that account adds up to $18.75 a Defense Savings Bond is purchased in the employee's name (or whomever he wishes to designate) and handed over to him. Bonds can be bought for that amount, for $37.50, $75, $375, $750. Ten years from now the employee gets $25, $50, $100, $500, $1,000. Whatever the amount of the Bond, as soon as one is bought, the allotment then automatically begins to tote up again for the next one.

Thousands of companies in America are already operating the Pay-Roll Savings Plan; many more add their names daily to buy Defense Bonds.

If your company is not already operating the plan, contact your local Defense Savings Committee or write to Treasury Department, Section A, 709 Twelfth Street NW., Washington, D. C., for help to get it started. Businessmen throughout the country have aided the Treasury Department to set up an efficient method whereby any company, no matter what its size, can participate.

Once an organization decides to use the plan, house-magazine editors can merchandise it through company publications.

Good ways to present the Pay-Roll Savings Plan are: Editorializing employee patriotism in participating in America's defense effort by loaning money to the Government; telling him what a sound investment he's making—a 33⅓ percent increase of his original investment or an annual interest rate of 2.9 percent compounded semiannually; setting up the advantages to the employee in having a sure way to save through use of the plan; telling him what to do and whom to see to get started on it immediately.

First headline news can be followed up with such editorial tricks as a personal-interview story with employee readers who believe in and participate in the plan. Candid-camera shots can highlight the personal stories. In another feature, employees can be taken behind the cashier's booth, the paymaster's window, or into the treasurer's office to point out how the plan is operated behind the scenes.

Editors whose companies have not yet installed the plan are urged to be alert for news of its installation. A suggested photograph for the issue immediately following would depict their president, the Treasury's field representative, and any other key officials signing up for the plan.

Already many house magazines have headlined the pay-roll story. *Estate Shop*

Regraded Unclassified

News, published by the Estate Stove Co., Hamilton, Ohio, carries a Defense Savings emblem in color on the first page of the four-page tabloid, on page two announces the Pay-Roll Savings Plan put in effect by the company, uses two commercial photographs, includes with the issue a Pay-Roll Savings authorization blank.

COMPANY PAYS PART

Tabloid-type house organ sent out by RCA used a banner cut in color which says in three-line copy: "Save for Tomorrow! Buy U. S. Defense Bonds Through Regular Pay Allotments." Hanlon & Goodman, Belleville, N. J., used a two-line banner head to tell their plan-participant employees that it would pay the last $2.75 on each $18.75 Bond as an added inducement to invest. That meant that the employee's $18.75 Bond cost him only $16. The story, carried on the front page, was broken with a black-and-white [illegible] cut supplied by the Treasury Department. Last May General Electric switched its savings plan for employees from employee participation in company-stock buying to Defense Savings Bonds, featuring the change in headline stories.

Wisconsin Public Service Corp., Green Bay, Wis., in its Current News, does a local story on Defense Bond sales, based on a competition among employees at various plants, over the heading "Milwaukee Goes 100 Percent for Defense Bonds." Employee enthusiasm for the program is evidenced by the fact that the story of the competition is told almost in chrysanthemum form thus: "Though Milwaukee leads the [illegible] in participation, Manitowoc and Oshkosh are close behind with 98 percent and 97 percent at the time Current News went to press. M. & M. with 93 percent, Green Bay with 91 percent, Wisconsin Valley with 87 percent, and Sheboygan with 85 percent [illegible]." Editors have given this group's [illegible] of ... [illegible] ... publication, credited to a [illegible] published in the last century. A window at the Sheboygan office featuring Defense Bonds and Stamps was illustrated also on page one.

TELL WHOLE STORY

Whatever method any of these companies used for employee participation in the plan, the whole story was told in their house magazines.

The most logical spot for employee knowledge of the Pay-Roll Savings Plan is the employee publication. We can hammer away at selling Defense Savings Bonds through this convenient medium. We can tell employees about the plan, its development, its success. If we're squeezed for space, we can [illegible], or fold into our publications informational [illegible]. Through our editorial efforts we can know that every dime we help roll into the Government Treasury keeps intact the freedom and the privileges we most enjoy.

HOW THEY ARE DOING IT

All over the land, editors are aware of the peril to the Nation. None is more keenly alive than the editors of house magazines. Holding the keys to industrial opinion, they can open doors to victory

Last spring President Roosevelt proclaimed a state of national emergency. Among the first to do something, concretely, for united war effort were house-magazine editors. Through their publications they featured safety for defense, energy for defense, time savers for defense, proper eating for defense, and money for defense. For months the Defense Savings Staff of the Treasury Department has backed up their publicity efforts with mats, electros, copy, and story ideas.

In November a committee of 25 editors was appointed by the Defense Savings Staff of the Treasury Department to cooperate in the promotion of the sale of Defense Bonds and Stamps to the American worker through the medium of the house publication. In December war was declared and the need for stepping up the promotional acceleration became urgent.

In the early autumn of 1940 an average of only 2 out of 5 house magazines carried

Good defense; six months later 47 out of 50 publications had carried at least one article with a defense theme.

The House Magazine Committee appeals to all editors to do the big job on Defense Bonds and Stamps.

How are editors today stimulating the sale of Defense Bonds and Stamps in their publications?

News Bulletin editors have surveyed a considerable number of house publications. Here are some ways in which editors are trying to help the program: Some editors take material as submitted by the Defense Savings Staff and use it as submitted; others adapt the material generally; still others develop local angles. Some editors develop their own art work; others make feature stories out of news releases. December issue of Shell Progress carries a Defense Bond ad on its back cover in color, ties it up with a Shell station attendant saluting over the head "Now It's Up to You and Me." Copy does a ringing job in tying the Shell Progress reader close to Defense Savings sales.

★

Factory publications of the General Electric Co. use a Defense Bond question and answer ... pertaining to Defense Bond Savings. In addition, GE newspapers carry as regular news developments within the company on Defense Savings.

★

Friendly Forum, publication of Thompson Products, Inc., Cleveland, carries a pithy editorial on war savings, [illegible] enumerates the benefits to be derived from Pay-Roll Savings Plan.

★

Bemis Bro. Bag Co., St. Louis, in its *Bemistory*, drafted the services of cartoonist Al Capp, used in its December issue an original defense cartoon. (See illustration.)

★

The Meredith Imprint, [illegible] publication for employees of *Better Homes and Gardens* and *Successful Farming*, devoted its entire first page in its issue of December 9 to an adaptation of the "Defense Bonds Buy Tanks" release of the Defense Savings Staff. A local [illegible] illustrated each paragraph.

★

Copper and Brass Research Association engaged a model standing at a cash register. Cash register indicated [illegible] could hold a bond in her hand. Photograph, which took the entire back cover of the association's *Bulletin*, was captioned "Merry Christmas—Happy New Year" and beneath it "Buy United States Defense Savings Bonds and Stamps."

★

Ahead of the game, Bowman Dairy Co., Chicago, carried a reproduction of a Minute Man poster on the front cover with a [illegible] standing before it saying "All Of Us Ought To Help Out Uncle Sam."

★

A readable editorial entitled "Spending Spree or Thrift" occupies the editorial page, with two original cartoons, *Management Information*, weekly publication of Elliott Service Co., New York.

★

Like several other publications, the *Southwestern*, of the Southwestern Life Insurance Co., uses an editorial on Defense Savings, signed by the company president.

Owens-Illinois Glass Co. in its *Duraglas News*, devotes about a page and a half to Defense Savings under the head "You Can Buy These Bonds at Your Local Credit Union Office." Article is detailed, gives all readers a clear picture of the program.

★

Timken Beat, of Timken-Detroit Axle Co., Detroit, uses a human-interest cover with an attractive woman purchasing a Defense Bond at a bank window. . . . Piggly Wiggly, in its weekly *Turnstile*, uses the Savings Staff release as an ad, thereby breaking up what might otherwise be heavy copy. . . . *Sal-T-Fax*, of Delco-Remy, Anderson, Ind., carries the Defense Savings release on tanks as an editorial box. . . . Pennsalt Co. in its *Bubbles*, uses, as do many editors, the Minute Man emblem. Emblem is supplied by the Government Printing Office in most printers in three different sizes and in one or two colors. . . . *A-M Factory News*, of Addressograph-Multigraph of Cleveland, took up an interesting local angle on Defense Savings, carried it as a human-interest short item with a Defense Savings emblem as a headpiece.

★

The Spinnerette, of the Spruance Plant of du Pont, announces the establishment of the Pay-Roll Savings Plan with a story on page one.

★

Western Electric's *The Microphone*, published for employees of Hawthorne Works at Chicago, carries a local news story showing that Hawthorne employees had subscribed to $70,800 worth of Defense Savings Bonds since May, supports the story with informative material.

The Red Barrel, external publication of The Coca-Cola Co., devoted the back cover of one issue to an ad for Defense Bonds, also featuring Minute Man.

★

Lines, monthly publication of Public Service Co. of Colorado and the Cheyenne Light, Fuel and Power Co., achieved brilliant results by overprinting in red the Minute Man symbol on its story of "Defense Bonds Buy Tanks."

★

Republic Aviation Corp. employees participated in a Defense Bonds and Stamps program in a competitive way; *Republic Aviation News* at Farmingdale, N. Y., carries as a straight news story the reaction of the war upon bond sales.

★

GM Folks, of General Motors Corp., devotes its entire back cover to a promotion of Defense Bonds and Stamps, ties the program in with the company

thus in its last paragraph: "See your foreman, department head, personnel director, or your paymaster about the Pay-Roll Savings Plan for Defense Savings."

★

Warren Steam Pump Co., of Warren, Mass., in its *Pump-O-Gram* attractively combined the story "Defense Bonds Buy Tanks" on same page with an editorial thanking Uncle Sam for the privilege of helping in the sale of Defense Bonds. Page devoted to this timely subject was ingeniously laid out to include a large V for Victory symbol.

★

The *NewsMeter*, San Diego Gas and Electric Co. magazine, tied in story of Defense Bonds with quotation from Thomas Paine, beginning "These are times that try men's souls. . . ."

South Carolina Power Co.'s *Power Log* selected bold-face type to tell its version of the "Defense Bonds Buy Tanks" story, supplemented this with a halftone of an impressive window display in sales office highlighting stalwart Minute Man and famous American Eagle.

★

American Optical *News*, published by American Optical Co., Southbridge, Mass., played up on page one of its December 24 issue an editorial on Defense Bonds, emphasizing the increase in national purchases of these freedom certificates after Pearl Harbor.

★

The Goodrich Circle of B. F. Goodrich Co., Akron, Ohio, told the story of Defense Bonds in a novel poem and also featured a special message on the subject by president John Collyer.

★

Pulp & Paper Mills News, official organ of Pacific Coast Pulp & Paper Mill Employee's Association, built a front page Xmas montage around Minute Man and Star of Bethlehem with the slogan "Keep the Star of Hope and Freedom Shining in America."

Stencils Available

Through the cooperation of the A. B. Dick Co., stencils of the Minute Man, symbol of the Defense Savings Program, can now be purchased, and used wherever mimeographed machines are utilized.

These Minute Man stencils (one is superimposed on Uncle Sam below) are provided in sheets of 12, 4 in each of three sizes, so that they may be inset on any piece of mimeographed material.

Defense Bonds Buy Bombers

BEFORE Pearl Harbor, four-engine bombers were just a phrase to most of us. Unless we lived near a bomber factory or an Army, Navy, or Marine Base, we probably never saw one.

But *after Pearl Harbor* and the gallant defense of our other Western outposts, every American's blood tingled at the mention of the name. The big bomber had "come alive." Today everyone pays these giants of the skyways the attention they deserve.

We need more four-engine bombers to protect those brave Americans who guard our Nation's outposts. We need these four-engine bombers to carry the fight to the invader's home shores.

We need these big bombers and we're going to get them. Right now, as you read this, these "big guns on wings" are coming off the line in ever-increasing quantities. They take lots of material—enough aluminum, for example, to produce 60,000 quart cooking pans. And they cost a lot of money—but how can money be better spent than to save our peace and security.

We, at home, must back up America's fighting men with fighting dollars. Every time we buy an $18.75 Defense Bond or a 10-cent Defense Stamp we lend our Government the money to buy another vital part for a new four-engine bomber.

Buy DEFENSE SAVINGS BONDS and STAMPS

AT ALL BANKS, POST OFFICES, AND SAVINGS AND LOAN ASSOCIATIONS

Defense Bonds Buy Bombers

Second in the series of releases on Defense Bonds Savings.

HERE is another release from the Treasury Department which editors of company magazines are urged to use in their publications in the stimulation of the sales of Defense Bonds and Stamps.

You may use this release in any one of several ways (many have been indicated already in the preceding two pages). You may, if you wish, make a line cut of the entire display for letterpress reproduction; you may make individual line cuts and set the type as required. You may, if you have a mimeograph publication, carry it either as a 1-column or 2-column ad. You may supplement the material with art work provided by your own artists. The Treasury Department leaves to you the manner in which the material is reproduced. It only urges you to use it.

If your printer does not already have copies of the Minute Man emblem, he may obtain them free of charge from the Government Printing Office, Washington, in three different sizes and in one and two colors.

Your suggestions and criticisms on the handling of our material for house-magazine use are most welcome. Please address your communication to Business Publications Section, Defense Savings Staff, 709 Twelfth Street NW., Washington, D. C.

The News Bulletin for house-magazine editors, issued by the Defense Savings Staff of the Treasury Department, Washington, is prepared by the Treasury Department in collaboration with a committee of house-magazine editors comprising the House Magazine Editors Committee. These editors are: E. C. Andrews, International Nickel Co., New York City; Garth Bentley, The Sting Co., Chicago; C. S. Bolen, Southern Bell Telephone Co., Atlanta; L. O. Cheever, John Morrell & Co., Ottumwa, Iowa; Kenneth L. Ede, Ohio Public Service Co., Cleveland; Gideon A. Fallandine, John Hancock Life Insurance Co., Boston; Philip C. Humphrey, The Texas Co., New York City; Merrick T. Jackson, Western Electric Co., New York City; T. J. Moffit, Jr., Humble Oil Co., Houston, Tex.; Howard A. Meyer, Monsanto Chemical Co., St. Louis; Milton E. Mumblow, General Motors Corp., Detroit; R. Mark Mulvaney, Thompson Products, Inc., Cleveland; William J. Nash, Bemis Bro. Bag Co., St. Louis; Everett W. Perry, The Detroit Bank, Detroit; H. B. Robertson, Illinois Central System, Chicago; Miss Marguerite Simmons, Pure Oil Co., Chicago; Alex Smith, General Electric Co., Schenectady, N. Y.; Thomas J. Starr, Michigan Bell Telephone Co., Detroit; Miss Elizabeth Stewart, Hercules Powder Co., Wilmington, Del.; Miss Jean Clark Thompson, Robert Newcomb, Inc., New York City; Carl L. Totten, Shell Oil Co., San Francisco; Clement E. Trout, Oklahoma A. and M. College, Stillwater, Okla.; Harry Turner, Car Service, Inc., Topeka, Kan.; R. B. Williams, A. T. & T. Co., New York; Paul E. Yard, Mid-Continent Petroleum Corp., Tulsa, Okla.; A. P. Alexander, Jr., The Coca-Cola Co., Atlanta; Miss Sadie Rodgers, State Farm Insurance Co., Bloomington, Ill.

Form No. DSS-HM-4

EXHIBIT E

TREASURY DEPARTMENT

DEFENSE BONDS STAMPS and House Publications

A handbook specially prepared for house publication editors at the direction of the Treasury Department by

MERRICK JACKSON
Western Electric Co.

A. P. ALEXANDER, JR.
Coca-Cola Co.

ALEX. SMITH
General Electric Co.

OUR country is engaged in an all-out struggle for survival. In this critical hour your Government calls on you to promote actively the sale of Defense Savings Bonds and Stamps through your house publication. You are in a key position to enlist the willing response of an important segment of American wage earners.

★ ★ ★

Prepared by associates of yours in the house-publication profession, this information manual offers a simple outline of the huge job to be done. It will describe ways in which we can help you. It will suggest ways in which you can help yourself. By pledging your continuous support of this vital war effort you are rendering an invaluable service to your Nation, your company, and yourself. We are counting on you!

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

To wipe the Axis off the face of the earth, your country must have money in ever-increasing quantities. We are asking every wage earner to invest in Bonds and Stamps *now;* to pay for them out of current earnings; to sign up for his share in the freedom which has made his country great.

★ ★ ★

The President has stated our objectives. Industry has promised to fulfill them. The undertaking is so vast—unparalleled in the history of the world—that no single life can remain untouched by it. There is no section of the land into which it does not reach.

★ ★ ★

Think of it!—an Army large enough to carry the battle to the Axis anywhere and everywhere; a Navy to span two oceans and all the waters between; merchant ships, planes, tanks, motorcycles, scout cars, and a score of other transportation carriers; more munitions, more guns, more textiles for uniforms; more buildings for greater plant capacity; adequate housing for millions of troops and civilian workers; public utility services, stores, laundries, hospitals—an unending succession of accoutrements of all-out war.

To help foot this stupendous bill it is your job as an editor to convince your readers of the necessity for buying Bonds and Stamps *now*, for buying them *regularly*, for buying them *more and more*.

★ ★ ★

These Bonds and Stamps are security's two-edged sword—for the Nation, for the individual. Bonds buy what the country needs today. Bonds buy what the individual needs tomorrow. It may be funds for his children's education, more comfort in the retirement years, remaining payments on his own home, or travel when war is over. Bonds will help tide over men and women in post-war adjustment. They will help check dangerous inflation now.

★ ★ ★

The goal of this drive: 100 percent participation in Defense Bond investment out of current earnings by every wage earner in the United States and on an increasing scale of regularity for the duration!

★ ★ ★

It's Bonds or bondage. There can be no compromise. There *must* be no delay.

HERE'S WHAT W

Practical kits specially slanted to your needs will be available monthly. These kits, professionally prepared, will be adaptable for magazines and newspapers, both employee and non-employee. They will contain:

1. Photographs of seasonal and timely subjects for magazine covers. These subjects will also lend themselves to front-page treatment for newspapers or feature illustrations in both newspapers and magazines.

2. Cartoon series executed by outstanding cartoonists suitable for either cover or inside use.

3. Stock photographs which by their broad, human-interest appeal can stand alone or accompany feature stories.

4. Spot-news photographs as they break for your immediate use. In addition, suggestions will be sent you for making spot-photographs locally.

5. Cartoon strips maintaining a central character and continuity. Through this animated medium, new buying momentum will be generated and pertinent questions answered.

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

LL DO FOR YOU

6. Illustrated feature news stories for one to two pages of a magazine or newspaper layout.

7. Spot-news stories of campaign developments all over the country, whenever warranted.

8. Factual and human-interest shorts culled from Nation-wide Defense Savings activities, as well as specially designed end and corner pieces for odd spots.

9. Advertisements keyed to wage earners with sustaining theme; material to include easily understandable charts, line drawings, halftones, pictograms, etc.

10. Special material for editors whose companies have signed up for the Pay-Roll Savings Plan.

A good many publications, because of format and circulation, will be unable to use the complete kits. Those which can will be placed on the master list. All editors, however, are welcome to as much material as they can publish—are urged to use it to the limit of their facilities.

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

HERE'S WHAT Y

Win . . . management's acceptance of the need for devoting prominent space in *every issue* to this vital campaign.

Explain . . . to your staff of correspondents or editors the purposes and goals of the campaign so they can be constantly seeking story and picture possibilities among their employee associates. Extra copies of this manual are available for distribution upon request.

Encourage . . . your photographer and artist to develop ideas of their own continually. News material and cartoons furnished by the Treasury Department should stimulate your thinking to find ways in which they may be adapted or redesigned for your use in a way most interesting to your own readers.

Promote . . . interest and enthusiasm among your staff and all your associates. Interest in this program must be continuously maintained and rejuvenated.

N DO FOR YOURSELF

Examine . . . every source available from which ideas may be developed. Among the major sources are:

The News Bulletin

Stet—the magazine for house editors.

House publications on your exchange list.

Local newspapers.

State Administrators, State committeemen, local chairmen, and field workers of the Defense Savings Staff.

Coordinate . . . your publication efforts with the general campaign for the sale of Bonds and Stamps in your company. Be sure to contact key associates regularly so you can cover current sales and participation, bulletin-board announcements, issuance of booklets or other material, employee meetings, special drives, interesting human-interest sidelights.

Invite . . . questions from your readers; answer them fully in print. Take advantage of every chance to make your paper important in this united effort.

THINK, THINK, THINK! Your continual thinking about Defense Savings Bonds is your part in the huge job of winning the war.

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

THE Treasury Department urges you to make full use of its facilities in putting more punch into your campaign, to write and ask for specific helps, to offer suggestions for improvement. Send all communications to—

ROSS BARRETT, JR.,
Chief, Business Publications Section,
Defense Savings Staff,
Treasury Department,
709 Twelfth Street NW.,
Washington, D. C.

★ ★ ★

D. S. S. HM-3
United States
Government Printing Office
1942

EXHIBIT "F" 98

AMERICAN FEDERATION OF LABOR

Washington, D.C. January 28, 1942.

To OFFICERS OF CENTRAL LABOR UNIONS.

Dear Sir and Brother:

The American Federation of Labor has set a billion dollar quota for the purchase of United States Defense Savings Stamps and Bonds by its five million members as its objective and purpose during the coming year.

The campaign for the realization of this high and lofty objective will be launched on Washington's Birthday, February 22nd. It will be inaugurated through a joint radio appeal by Secretary of the Treasury Morgenthau and the President of the American Federation of Labor. These joint radio addresses will be delivered over the Blue Network from 8:00 to 8:30 P.M., Eastern Standard Time, Sunday evening, February 22nd, for the purpose of celebrating Washington's Birthday and for the purpose of inaugurating this billion dollar quota Defense Savings Stamp and Bond drive on the part of the American Federation of Labor.

I respectfully request that all central bodies arrange for special meetings to be held on Sunday evening, February 22nd, for the purpose of listening to the radio addresses which will be delivered by Secretary of the Treasury Morgenthau and the President of the American Federation of Labor to formally launch this billion dollar Defense Savings Stamp and Bond drive. These meetings of central bodies can be held in the regular meeting places where radios can be installed in order to listen to the radio addresses which will be delivered by Secretary Morgenthau and the President of the American Federation of Labor. Each central body should arrange a suitable program for the occasion. The friends of organized labor and the public generally can be invited to attend your central body meeting.

The treacherous attack which was made upon Pearl Harbor on December 7th created a new understanding on the part of working men and women everywhere of the real character of the war which is being waged by totalitarian nations against self-governing, democratic countries. There is no doubt but that the treacherous, disgraceful attack made on Pearl Harbor was inspired and supported by Hitler and his associates.

The American people are united in their determination to win the war. The membership of the American Federation of Labor shares this point of view. We all know that our freedom, liberty and the maintenance of our free, democratic institutions are at stake. If America wins, labor wins. The winning of the war means the maintenance of our right to organize into free, democratic trade unions, to preserve said trade unions, to administer them in accordance with democratic ideals and principles and to use our economic strength in the promotion of our economic, social and industrial welfare. No other class of people making up American life has more at stake in the outcome of the war than American labor.

The Army and Navy must be supplied with war materials in abundance. Labor must produce them. The Government must be supplied with money with which to buy war materials and to support the Army and the Navy in a full measure. We must supply this money to the Government. It can be done through the purchase of United States Defense Savings Stamps and Bonds. Each worker must do his part and each worker must purchase Defense Savings Stamps and Bonds to the full extent of his ability. We have no choice. Our duty is plain. We can make our contribution through the purchase of United States Defense Savings Stamps and Bonds.

I know the heart of labor, its spirit, its state of mind and its attitude. I know it will respond in full measure to the Government's appeal to purchase Defense Savings Stamps and Bonds.

Now, please remember the date, February 22nd, from 8:00 to 8:30 P.M.; the occasion, Washington's Birthday; the purpose of your meeting, to listen to a radio appeal by Secretary of the Treasury Morgenthau and the President of the American Federation of Labor. Begin to make your arrangements for this mass meeting immediately upon receipt of this letter. Let the President of the United States, Secretary Morgenthau and the country know that a thousand central bodies are meeting as one on Washington's Birthday for the purpose of launching a campaign for the purchase of a billion dollars in Defense Savings Stamps and Bonds by the officers and members of the American Federation of Labor. No more appropriate occasion than Washington's Birthday could be used for the purpose of launching such a patriotic campaign. We can gain new inspiration from Washington's Birthday in such a fitting and most appropriate way.

Please let me know immediately of your purpose and plans to carry out the request I am herein making to convene a special meeting of your central body for the realization of the purposes herein set forth on Sunday evening, Washington's Birthday, February 22nd.

Fraternally yours,

Wm Green

President,
American Federation of Labor.

EXHIBIT G 94

THE PLEDGE CAMPAIGN

Information and Suggestions to Chairmen and Administrators, State and Local Committees of the Defense Savings Staff

PLEASE READ CAREFULLY

TREASURY DEPARTMENT

Defense Savings Staff
United States Treasury Department
Washington, D. C.

Foreword

WE ARE A NATION AT WAR. Our lives, our liberty, our sacred honor are at stake. Dictatorships of extraordinary ruthlessness have invaded our outposts and imperiled our security and way of life. Americans everywhere have sprung to the Nation's defense, and are girding for the struggle.

Manpower is being mobilized for our armed forces. Our industries are mobilizing the tools for war. The United States Treasury is mobilizing money, the indispensable "sinews of war."

In this essential work, the Defense Savings Staff has the responsibility—and the opportunity—of conducting a great America-wide Canvass to recruit dollars from the people to preserve, protect, and defend the Nation. This great program is now ready to be launched throughout the Nation. It will be carried to every city and town, every village and hamlet, every group in our population. From everywhere there will be ready response—for we will be striking a blow for our country. That we are ready to strike this first great blow of the war is a tribute to the efforts you men in the field have put forth in the past few months organizing, enlightening, and preparing your workers for a task now indispensable to the vast war efforts of our united people.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

IMPORTANT

It is recognized that States with many large firms requiring a vast army of volunteers in the contact, installation and follow-up on Payroll Savings may have a problem as to when their canvass shall take place.

The Pledge Card Canvass can be used to stimulate participation in Payroll Savings Plans and to create additional requests for such plans. If, despite these considerations, the State Administrator and State Chairman conclude that the adoption of the Pledge Card Campaign at this time would in any way confuse or delay their Payroll Savings work, they should select a later date.

Discretion as to *how the canvass shall be conducted,* as well as when it shall take place, will be left to the State Administrator and State Chairman.

It is hoped, however, that most States will avail themselves of this program at an early date.

★ ★ ★ ★

This pamphlet is issued to give detailed suggestions as to how the objectives of the Pledge campaign can be reached promptly and successfully. The suggestions it contains are designed to be of assistance to the field force of the Defense Savings Staff in planning, programming and administering a Nation-wide canvass of all persons of regular income, to promote savings for defense.

The purpose of the canvass is to secure a signed Pledge of cooperation from every receiver of regular income in America—a Pledge assuring that each person gainfully employed will systematically buy Defense Bonds for the duration of the war, either through Pay-roll Savings Plans, bank draft plans, or some other form of systematic investment. Tens of millions of Americans should sign these pledges.

In general, the information and suggestions contained in this booklet are believed to be applicable to most of the local problems likely to be encountered. It is recognized, however, that the types of committee organization vary among the States and that in almost every locality there exists a difference in local conditions to be met.

It is felt, therefore, that the field force supervising the canvass should regard the instructions herein as suggestions rather than inflexible orders. They can and should be adapted or modified to meet the individual communities' needs.

The Purposes of the Pledge Campaign

THE TREASURY DEPARTMENT BELIEVES that this nation-wide canvass will serve the following purposes:

1. To secure, from every person in the United States who receives regular income, a signed agreement to purchase Defense Bonds under a systematic and continuing plan which, irrespective of all other means of financing the war, is absolutely vital to our armament program, our fiscal program and our economy now, as well as during the post-war period.
2. To obtain a comprehensive record of the number of persons who, prior to the canvass, were pursuing a systematic plan of buying Defense Bonds, and the extent to which they intend to pursue the plan. To ascertain from those who have not already embarked on a systematic plan of buying Defense Bonds the amounts they will regularly lend to the Government for the duration of the war.
3. Through the effective method of personal approach, to carry information concerning Defense Bonds to every person in the nation receiving regular income. It is believed that the campaign's promotional value alone will justify the effort devoted to it. Equally important with these goals are certain collateral objectives which the Pledge campaign can accomplish:

   a. It will serve as a sort of trial run for our entire organization working together at top speed on a common problem.

   Weak spots in State and local committees may be revealed and at the same time strengthened under the pressure of doing a specific task in a limited time.

   Communities in which no Defense Savings Committees now exist will necessarily have to complete their organization immediately.

   b. It has been one of the objectives of the Defense Savings program from the beginning to so extend our organization that it will reach into every nook and cranny of the Nation. It has been our purpose to enlist the cooperation of outstanding citizens, not only in every State and local community, but among every group of people who might possibly buy Defense Bonds and Stamps according to some systematic plan.

It is not enough to present our program over the radio, in the press, and through other channels of publicity. Important as this publicity is, the ultimate success of the Defense Savings program will depend upon the person-to-person promotional work that is done from day to day, week to week, and month to month for the duration of the war. To carry on this "grass roots" promotional activity, it is vitally necessary that Defense Savings Committees or Defense Savings representatives be appointed to take responsibility for a limited number of people and to see to it that they invest as much of their current earnings as possible in Defense Bonds and Stamps every week or month throughout the year. For example, in every factory, department store or other place of business, committees or agents should be designated who can apportion the total personnel among themselves so as most efficiently and continuously to carry on the person-to-person promotional work that is so vitally necessary.

Ideally, this might mean a Defense Savings Committee or Agent for every 10 or 20 workers in a plant; for every 15 or 20 farmers, and for a similarly limited number of teachers, doctors, lawyers, salesmen, employers, and every other wage earning and income-receiving group.

Ideally, too, such committees and such agents should be recruited from among the group for which they have responsibility. Thus, a Defense Savings Committee, to reach every lawyer, should be made up of members of that profession. The Defense Savings Committee to promote the sale of Defense Bonds among workers in mines and factories should likewise be composed of men who themselves are employed in those mines and factories, and hence are in daily association with their fellow employees. Committees so composed will not only be in a position to carry on a continuous promotional effort, but because they enjoy the friendship and confidence of those to whom they appeal, their efforts are more likely to be successful.

The Pledge campaign should serve as an ideal vehicle for calling into existence and extending this type of organization. If this is done, we shall not only insure success for the Pledge campaign itself, but we shall have an organization which can follow through to the end that these Pledges may be fulfilled.

The Pledge

The Pledge itself is printed below. It should be read with great care by everyone engaged in setting up, administering or supervising the canvass.

This Pledge is the foundation of the Pledge campaign. It is of the greatest importance, therefore, that all concerned with presenting it to the people shall have a thorough understanding of its character.

Inspection of the Pledge itself will reveal the following points:

1. The Pledge card is *not* an order form. It does *not* constitute a formal legal contract on the part of the Pledgor. It *is* a definite moral obligation on the part of the person who signs it, to purchase Defense Bonds on a regular plan.
2. The Pledgor agrees to carry on a systematic purchase program for the duration of the war, or as long as he is financially able to do so.

U. S. Treasury Department
Defense Savings Staff

PLEDGE FOR REGULAR INVESTMENT IN DEFENSE SAVINGS BONDS

NOTE—This is not an order form. The Signer will buy Defense Savings Bonds by one of the methods listed below:

ORIGINAL
Send to Treasury Dept.
(CONFIDENTIAL)

To aid the National Defense, I pledge that,

I will invest the sum of $__________ in Defense Savings Bonds (or Stamps) each ☐ week. ☐ month. ☐ __________

I will buy these Bonds:

☐ From a post office, bank, or other sales agency.
☐ By mail from the Treasurer of the United States, Washington, D. C.
☐ Under a Pay-Roll Savings Plan (or other similar arrangement for regular purchasing) in effect at my place of employment:

__________ (Employer's name) __________ (Employer's business address)

☐ Through a regular purchase plan installed by the following organization:

__________ (Name of organization) __________ (Address)

If you are already purchasing Defense Bonds systematically, please indicate the type of plan when signing this agreement. Also check here. ☐

I will faithfully fulfill this pledge for the duration of the War or so long as I am financially able to do so.

FOR DEFENSE BUY UNITED STATES SAVINGS BONDS AND STAMPS

(Print) __________ (Given name) __________ (Middle initial) __________ (Last name)

__________ (Street and number) __________ (City) __________ (State)

__________ (Date) __________ (Signature)

__________ (Name of Organization and Agent Securing Pledge)

[illegible]

3. Four different plans for regular purchase of Defense Bonds are listed on the Pledge card. The Pledgor is to check the plan which he will use, or is using.
4. If, prior to signing, the Pledgor has already been following a systematic Defense Bond purchase program, the formal signing of the Pledge does not mean that he is adding a second purchase program to that which he had already undertaken. The Pledge form provides an opportunity for the Pledgor to indicate that he is following a definite plan at the time of signature and his copy will be acknowledgment thereof.
5. The Pledge is a *confidential* agreement and under no circumstance will the information which it contains be disclosed either to other Pledgors or to the general public.

To provide the Pledgor with tangible evidence of his participation in financing defense, stickers will be provided for display on automobile windshields, doors and windows of dwellings, shops, etc. This sticker, designed by the Art Department of the Defense Savings Staff, will be an effective and appealing reproduction of the Minute Man of the Revolution, with the wording "We are buying Defense Bonds and Stamps." It is expected that this sticker will aid greatly in encouraging the enrollment of Pledgors.

Suggestions to State Chairmen and Administrators

In order to conduct the Pledge campaign certain important steps should be taken *at once* by State Chairmen and State Administrators. Among these are the following:

1. If the set-up of city, town, county or other local committee organizations is incomplete in any State, the formation of such committees at the places unorganized or only partially organized should be undertaken and completed immediately. A review of existing committee organizations should be made with a view to bringing them to war strength. No effective canvass can be carried on where the organization is inadequate or incomplete.
2. State Chairmen and State Administrators should be sure that each local committee now includes representatives from each major social, professional and economic group of the community. Only by having a local committee, the membership of which represents a good cross-section of community influences, can appropriate canvass workers, methods and coverage be assured.

3. Steps should be taken to insure that each local committee meets promptly, with full attendance of members arranged in advance. Definite plans should be made at such meetings for a thoroughgoing Pledge campaign for the community concerned, along the lines previously and subsequently suggested.

4. Each State Chairman and State Administrator should make sure that an adequate supply of Pledge cards is available for the use of each local committee.

5. Local committee chairmen and other canvass supervisors should have impressed upon them that *under no condition* are the solicitors to accept from Pledgors money to be used for the purchase of Bonds or Stamps, or in part payment therefor. Persons indicating the desire to purchase immediately should be referred to regular outlets. Canvassers also should be cautioned not to leave blank Pledge cards with a prospect, for later signature, save in exceptional circumstances. A repeat call by the canvasser is much preferable.

6. Full advantage should be taken of the cooperation offered by the many organizations and groups which have volunteered their help, and that of their offices, staffs, and members, to the Defense Bond Program. Among such organizations are:

   American Legion
   American Legion Auxiliary
   General Federation of Women's Clubs.
   Veterans of Foreign Wars
   Boy Scouts
   National Association of Life Underwriters
   American Association of Life Insurance Presidents
   American Bankers Association
   U. S. Chamber of Commerce
   Investment Bankers Association
   National Electrical Manufacturing Association
   Democratic National Committee
   Republican National Committee
   National Association of Mutual Savings Banks
   Labor Unions
   Women's Organizations

and many others known to local committees.

7. It is important that State Chairmen and Administrators give local chairmen careful and detailed instructions in regard to the handling of signed Pledge originals and duplicates. Local chairmen should make plain to canvassers and their immediate supervisors the need for exercising great care in preserving these signed Pledges and in forwarding them to the designated officer at the central office of the local committee.

8. The Pledge is in triplicate. The original signed Pledge is for the records of the Treasury Department, at Washington. The duplicate is for local record; it is either to be retained by the local committee, or sent to State headquarters. In each State the State Administrator will determine which of these plans for keeping the duplicate Pledge will be used. The third copy is to be retained by the Pledgor, as a record of his participation. It can be readily displayed by the Pledgor in cases where he is solicited more than once.

9. A designated officer at the central office of the local committee should be instructed to transmit the original Pledges to the Field Director, Defense Savings Staff, Washington, D. C. In those States in which each local committee keeps the signed Pledge duplicates, proper facilities for filing these must be provided. Where this plan is employed, complete report of Pledges should be made to the State Administrator at the end of each week, or at such other intervals as may be stipulated by him. This report should set forth the number of Pledges secured, the number of originals forwarded to Washington, and the location of the files containing the duplicates. In those States in which the signed Pledge duplicates are to be forwarded to the State Defense Savings Staff headquarters, local committee chairmen should see to it that they are forwarded there with reasonable promptness, and in accordance with the desires of State Headquarters.

10. The State Chairman and Administrator in each State should urge the chairmen of local committees to arrange as soon as they can do so, suitable space to be used in the enrollment, instruction and headquarters for canvassers. In most communities, courtrooms, schoolrooms, city hall quarters, etc., should be available for assembly or meeting purposes.

11. State Chairmen, State Administrators and staffs will find it highly advisable to order the printed literature needed for the campaign as soon as possible. Specifically, orders should be placed early in the preliminary phases of the program for the following: (1) *The Pledge Campaign—Suggestions to Chairmen, Administrators, State and Local Committees*; (2) *Handbook for Canvassers*; (3) *Stickers*.

12. In each State, the State Chairman and State Administrator should lay careful plans for the most effective possible publicity and promotion campaign prior to and during the actual canvassing. The importance of the Pledge campaign should be brought to the attention of the directing heads of newspapers, radio stations, and motion picture theaters. Their cooperation should be solicited for a planned and sustained program strong enough to launch the activity impressively in each part of the state. Speakers Bureaus of all local committees should have Pledge card talks of three or four minutes duration presented at every meeting and public gathering in every community for a period of at least two weeks before the start of the canvass. Schools and labor organizations should likewise be visited by speakers, or announcements arranged for, so that no group is overlooked.

The Trade (Retail and Wholesale) Committees should request every merchant using any medium of advertising to tie suitable copy into his message urging all-out support to the Pledge canvass.

Every effort should be made to promote programs of a State-wide nature—such as State-wide broadcasts, billboard tie-ins, street car and bus cards, etc.—so that the State is blanketed with Pledge card information *before the canvass begins.* If this is well done, a good part of the job will have been accomplished to insure public acceptance and support.

Method of Canvass

1. It is not intended to lay down any hard and fast rules for the conduct of the canvass throughout the Nation. In each State, the responsibility for the success of the program will rest with the State Defense Savings organization, including the local and county committees. These groups will be expected to design methods to meet the varying problems and conditions found in the different local communities. While it is not intended that the Pledge canvass start throughout the Nation simultaneously, *it is suggested that the campaigns be State-wide unless some exceptional condition should prevent all parts of the State from beginning at the same time.* The date for each State's program shall be left to the discretion of the State Chairman and State Administrator. Thoroughness in planning and conducting the campaign is more to be desired than speed.

2. The first step in the organization is to arrange a meeting with the local committee heads, or a series of meetings throughout the State with all members of the local committees, including any additional permanent appointees that are necessary to give you full representation of every section of the State. Included, too, should be representatives or heads of any labor, social, civic, commercial, or patriotic groups that are not now represented on your local com-

mittees. You may then decide to set up special Pledge Card Committees, or use your local organization as a whole for a Pledge Card Committee. The so-called Pledge Card Committee in each community (city, town, county, parish, or district) would then set about to district its area and secure workers. The number needed will depend on the geographic area and the population involved. The organizations listed in Section 6 of "Suggestions to State Administrators" (page 6) have recently offered their services to the Defense Savings Program. In addition there are many groups, such as the D. A. R., Rotary, Kiwanis, Lions; fraternal orders such as Masons, K. of C., I. O. O. F., Elks, Moose; professional associations, such as medical societies, bar associations, numerous neighborhood and community clubs, citizens, associations, Labor Union Auxiliaries, Parent-Teacher organizations, and numerous women's clubs. All these can be called upon to take part.

The following suggestions for the actual conduct of the canvass are offered for your serious consideration:

a. *Group-Occupation Canvass.*

This canvass would be conducted by having a committee set up to handle each of the major occupational groups which, together, include a majority of the people with regular income in the Nation. This committee would contact every person within its group at his place of business or employment. In towns and cities where Community Chest, community drives. or centralized annual charity drives are held, similar plans of contact with the employee at his or her place of employment have been successfully carried out. In every factory, store, office or other place of business, committees or agents would be designated within the firm to carry out the Pledge Canvass. *These committees could then serve as permanent Defense Savings Committees in these places and among these groups.* A list of such groups and places of employment, showing the number of workers in each, is available in every town and city. To understand how the "Group-Occupation Canvass" can reach most of the people with regular income without unnecessary duplication, we have but to study the following occupational statistics from the United States Census:

(Figures taken from *Statistical Abstract of the United States*)

Manufacturing and Mechanical Industries		14,110,652
Includes such groups as:		
Carpenters	929,426	
Manufacturing Foremen	338,504	
Mechanics	638,253	
Painters, Glaziers	528,931	
Clothing Industries	488,909	
Food Industries	224,416	
Iron, Steel, Machinery	651,398	

Transportation and Communication		3,843,147
Includes such groups as:		
Telephone Operators	248,884	
Mail Carriers	121,233	
Truck and Tractor Drivers, Draymen and Teamsters	1,083,642	
(Not including drivers for bakeries, stores, and laundries, which are included under *Trade*.)		
Trade (All retail, wholesale and jobbing establishments)		6,081,467
Includes such groups as:		
Salesmen, Saleswomen, Clerks	2,470,994	
Retail Dealers—including managers, superintendents, and small dealers	1,703,522	
Clerical		4,025,324
Includes such groups as:		
Stenographers, Typists, Bookkeepers, Cashiers, Accountants, Messengers, Office Help, and Unclassified Clerks.		
Public Service		2,749,438
Includes such groups as:		
Municipal, county, State, and Federal, exclusive of military and not otherwise classified—such as clerical, etc.		
Professional		3,253,884
Includes such groups as:		
Doctors	153,803	
Lawyers, Judges, and Justices	160,605	
Teachers	1,044,016	
Nurses	294,189	
Dentists	71,055	
Clergy	148,848	
Technical Engineers	226,249	
Musicians and Music Teachers	165,128	
Forestry, Fishing and Mining		1,234,792
Includes such groups as:		
Coal Mine Operatives	621,661	
Lumbermen, Raftsmen and Woodchoppers	162,233	
Agriculture		9,562,059

Persons employed in Manufacturing and Mechanical industries, Transportation and Communications, Trade, Forestry, Fishing and Mining, and Clerical groups total nearly 30,000,000. Practically all of these can be reached at their place of employment through a systematic block-to-block or occupational canvass, by committees or agents, each responsible for a limited number of persons. Some groups can best be reached through arrangement with their central headquarters or through their central organization. Thus, mail carriers could be reached at the post office or central mail depots by committees or agents designated by the Postmaster or by an official of their own organization. Similar arrangements might be made in the case of Telephone Operators, Railway Employees, and Mine Workers.

It would be possible, in like manner, to reach all public and governmental employees. Professional groups, such as Teachers, Doctors, Lawyers, Dentists, and Nurses can most effectively be canvassed through committees of their own professions.

b. *Rural Canvass.*

The United States Department of Agriculture has volunteered to handle the Pledge campaign among all farmers and ranchers in every State in the Nation. The rural canvass will be conducted through the active cooperation of the State and County U. S. D. A. War Boards, which are composed of representatives of most of the governmental Agriculture agencies operating in the States and counties. The Chairmen of the War Boards are the ranking Agriculture Adjustment Administration officials, in each State and county. The AAA has made one request of the Defense Savings Staff, namely, that these Agricultural War Boards be given the exclusive responsibility for the rural canvass so that there will be no conflict of duties, or duplication of effort by other farm organizations.

It is very important that each State Administrator contact the State Chairman of the U. S. D. A. War Board and arrange for proper contact between the local Defense Savings Chairman and the County U. S. D. A. War Chairman. Together they can work out the details of the canvass, distribution of cards and literature, as well as the collection of cards after the canvass.

Thus, through the "Group-Occupation" *and* Rural Canvass, 44,860,763 persons can be given an opportunity to sign a Pledge Card. If well planned and conducted, such a canvass need not involve any serious duplication.

c. *House-to-House Canvass.*

The successful carrying out of the "Group-Occupation" and Rural Canvass would still leave between 10 and 15 million people that had not been given an opportunity to sign a Pledge. Each and every home in every community could be visited by a canvass worker and efforts made to obtain Pledges from all persons with income who have not already been reached—such as, many members of the families of numerous people already pledged, who have income available and consequently should be given an opportunity to sign a Pledge. Only in this way can everyone be reached. The duplication of this effort can, at worst, be charged to effective promotion for the Defense Savings Program.

The house-to-house canvass will call for a well laid-out plan of organization and will require the help of thousands of workers in the metropolitan areas and hundreds in the less populous towns and cities. These workers can be secured from many sources, but the list of organizations suggested (page 6) should be very helpful. Districting of towns and cities can be worked out by the local committees with the aid of precinct leaders, experienced Red Cross workers, election officials, etc. Workers should be gathered together in each of the many districts for guidance and instruction and the distribution of pamphlets, Pledge card and sticker supplies. You may have as many workers as one or two to each block in every town and city. With the thousands of offers of cooperation that have reached the Secretary from heads of innumerable organizations (see Section 6 of "Suggestions to State Administrators"), it is not anticipated that obtaining workers will be a problem, but that the big task will be to organize and utilize their efforts.

d. *"Clean-up" Canvass.*

Another suggestion that might be used to augment your other canvass activities is the staging of a clean-up "M" Day, or days, to be held throughout the State. At such time, some central locations—such as schools, city halls, civic auditoriums, precinct polling places, etc.—could be kept open for volunteer Pledge-signing by anyone not reached by the Group-Occupation, Rural, or House-to-House Canvassers. With the cooperation of Governors and Mayors, some public celebration might be held in conjunction with such an effort if the number of Pledges already received indicated that many had still not signed. This would serve as an added opportunity for anyone who, for any reasons including lack of understanding, had not signed earlier in the campaign. A further suggestion for "clean-up" activities would be to form special committees in every organized club, group, society and association for a recheck of their own membership."

Conclusion

It is the confident belief and expectation of the Treasury Department that the vast, Nation-wide field organization which has been engaged in furthering national defense through the promotion of regular purchase of Defense Bonds and Stamps will move into this new project with assurance and pride. The success which has characterized its earlier efforts affords a basis for complete confidence in the outcome of this new campaign.

Today, patriotic devotion and pride of Government is surging over the land. Americans everywhere are ready to do their utmost to bring victory. This Pledge will offer millions of our people the opportunity and the privilege to help save America, and to help secure their own future at the same time. The Defense Bond Program opens wide the path to participation in a program which will help to make sure that "Government by the people shall not perish from the earth."

R. W. Sparks,
Field Director,
Defense Savings Staff.

U. S. GOVERNMENT PRINTING OFFICE

The National Legionnaire

Dedicated to the Minute Men on the Firing Line

Vol. 8 — Indianapolis, Indiana, February, 1942 — No. 2

LEGION TO PLEDGE WAR BONDS

Call for Service Goes Out Over Nation

Auxiliary Is Pledged to Bond Battle

National President Enters As Leading Force In Effort

By MRS. MARK W. MURRILL
National President
American Legion Auxiliary

[illegible]

For Legion Civilian Defense Assignment Story See Page 2

[illegible]

How the Posts Can Use Their Organizations

[illegible]

THE WHITE HOUSE
WASHINGTON

February [illegible], 1942

Dear Commander Stambaugh:

I am glad to learn that you have placed the full man power of The American Legion in the ranks of workers in the Pledge Campaign for Defense Bond and Stamp sales, and that plans have been worked out with Secretary Morgenthau to make full use of the capacity and enthusiasm of the Legion membership.

The expressions contained in the description of the Legion plan of action have the freshness and zest typical of the fighting men of 1917 and 1918. I refer to your assertion that Americans need not give until it hurts because it does not hurt, but "feels swell", to have money to lend to your country.

In that spirit I am certain that the whole membership of the Legion will respond to your pledge to "go through with the Treasury on this to the limit". Let me thank you for this fine and heartening cooperation in the essential task of financing the war.

Very sincerely yours,

Franklin D. Roosevelt

Lynn U. Stambaugh, Esq.,
National Commander,
The American Legion,
Indianapolis, Indiana.

INTO ACTION

By LYNN U. STAMBAUGH
National Commander

Legionnaires:

[illegible]

No Home in Nation Can Be Skipped

Posts Are Called to Duty In National Campaign To Enlist Dollars

By FRANK N. BELGRANO, JR.
Director, American Legion Defense Bond Campaign

[illegible]

Stambaugh and Belgrano on Air

Mutual's Coast-to-Coast Network to Feature Program Feb. 19

[illegible]

MIGHTIEST MONEY-RAISING CAMPAIGN IN HISTORY

Legion Enlisted To Pledge Bonds

Legion Leaders Map Bond Campaign Strategy

National Commander Lynn U. Stambaugh, at the left, is shown consulting with Past National Commander Frank N. Belgrano, Jr., in Washington, D. C., concerning the plans for the nationwide defense savings bond and stamp pledge campaign ~~of the Legion~~. Commander Stambaugh has named Past Commander Belgrano director of the nationwide campaign.

Stambaugh Calls Legion Into Action

Over the top and give 'em hell!

Stambaugh and Belgrano on Air

National Convention Indorses Legion Defense Bond Campaign

DOLLAR LINE ONE OF WAR'S THREE MAJOR FRONTS

How Post Can Use Its Organization

(Continued from page 1)

[illegible]

Offer Your Full Services

[illegible]

Colorful Start Is Urged

[illegible]

Report Progress Regularly

[illegible]

Morgenthau Thanks the Legion

THE SECRETARY OF THE TREASURY
WASHINGTON

January 31, 1942.

My dear Commander:

For twenty-three years The American Legion has demonstrated to all America its sincere desire to serve in peace as in war. Now, with our nation engaged in another war, your organization is again in the front ranks of America's defenders.

I am happy, indeed, to accept your offer of service on the part of more than a million and a half members of The American Legion and its Auxiliary in the pledge campaign for Defense Savings Bonds. I am advising the State Chairmen and Administrators of the Defense Savings Staff of your generous offer. I want you and every member of The American Legion, and its Auxiliary, to know that in this effort you will be making a real contribution to the defeat of the Axis powers, and to the preservation of the American way of life.

Sincerely,

Henry Morgenthau Jr.

Mr. Lynn U. Stambaugh
National Commander
The American Legion
Indianapolis, Indiana

[illegible]

T. R. IS PROMOTED

[illegible]

Defense Stamps Boon in Thrift

Chance for Small Income Group to Take Part In War Effort

[illegible]

U. S. Will Recognize Those Buying Bonds

[illegible]

The Campaign Will Last 'Til Victory Is Earned

[illegible]

Hit the Deck To Win Award

Legion, Auxiliary and SAL Members Will Be Rewarded

[illegible]

How Posts Can Qualify

[illegible]

Individual Citations

[illegible]

Classification According to Members

[illegible]

How They Are Rated

[illegible]

THE MONEY WILL FILL THE ARSENAL OF DEMOCRACY

The National Legionnaire
[illegible]
[illegible]
[illegible]
[illegible]

Auxiliary Joins Battle of Bonds

(Continued from page 1)

iliary department and unit to begin action at once; to call upon their Legion departments and posts, offering their services and demanding their orders. We feel that there is not a moment for delay. The enemy is along our shores. Our boys are out there fighting and dying. Here at home we must not fail them.

Already the Auxiliary is at work to provide our government with the dollars so vital to victory. We have invested our personal and organization funds. We have sold war bonds and stamps to the amount of millions of dollars. But this is just a beginning. [illegible]

[illegible]

HEADQUARTERS 100%

[illegible]

Mrs. Mark W. Murrill, National President of the Auxiliary, immediately mustered the full strength of the [illegible] record-breaking membership of her organization in enthusiastic support of The American Legion's defense bond campaign.

Three Classes of Bonds Give Choices to Suit Every Purse

There are three types of defense bonds for which members of The American Legion may obtain pledges during the Defense Bond Pledge Campaign. Legionnaires should acquaint themselves with these bonds. [illegible]

[illegible]

Series E Bonds Popular

The Series E defense savings bonds are the ones in which the vast majority of American citizens is most interested. They are designed to be purchased by persons of small or average incomes. [illegible]

Description of Bonds

Brief descriptions of each type of defense savings bonds, as supplied by the Treasury Department, follow:

Series E Bonds:

(Issue price)	(Maturity value)
$18.75 will increase in 10 years to	$25.00
37.50 will increase in 10 years to	50.00
75.00 will increase in 10 years to	100.00
375.00 will increase in 10 years to	500.00
750.00 will increase in 10 years to	1,000.00

This bond can be registered only in:

1—the name of one individual, or
2—of two individuals as co-owners, or
3—of one individual and one individual as beneficiary.

Series F Bonds:

(Issue price)	(Maturity value)
$74.00 will increase in 12 years to	$100.00
370.00 will increase in 12 years to	500.00
740.00 will increase in 12 years to	1,000.00
3,700.00 will increase in 12 years to	5,000.00
7,400.00 will increase in 12 years to	10,000.00

This bond can be registered in:

1—the name of one individual, or
2—of two individuals as co-owners, or
3—of one individual and one individual as beneficiary, or
4—it can be registered in the name of any association, partnership, trustee or corporation.

Series G Bonds:

These have the same maturity values and registration features as the Series F bonds but are priced at par value.

Owners of the Series E bonds may redeem them, if they so desire, after 60 days from the issue dates of the bonds; those of Series F and G bonds on one month's written notice after six months from the issue dates of the bonds. The table of redemption values appears on the face of every bond.

Phillips Will Assist Belgrano in Campaign

National Commander Stambaugh has announced the following executive personnel to assist The American Legion's Defense Bond pledge campaign:

Director, Frank N. Belgrano, Jr., Past National Commander of The American Legion and prominent West Coast financier and business executive.

Assistant Director, Harold R. Phillips, formerly national publicity director of The American Legion and now director of publicity for the Association of Casualty and Surety Executives, which has loaned Mr. Phillips to the Legion to assist Mr. Belgrano in the campaign.

Executive Secretary, C. M. Wilson, assistant national Americanism director of The American Legion. Mr. Wilson is at National Headquarters, and questions relating to organization and similar matters should be addressed to him as follows:

National Headquarters, The American Legion, 777 North Meridian Street, Indianapolis, Indiana.

Mr. Belgrano will make frequent visits to National Headquarters and Washington in carrying out the plans for the campaign.

Here Is What Dime Can Buy

Every Cent of Bond Money Makes Equipment Required

[illegible]

For the Army

[illegible]

For the Marines

[illegible]

For the Navy

[illegible]

For the Air Corps

[illegible]

For the Coast Guard

[illegible]

Consult These Officials in Your State

Following are the names and addresses of all state administrators and state chairmen of the state defense savings staffs:

LOCAL CONDITIONS WILL GOVERN FOR EACH STATE

As the first step in the nationwide Defense Bond Pledge Campaign of The American Legion, department commanders should consult immediately the state administrators and state chairmen of their respective state defense saving organization, who will head up this drive generally for the Treasury Department.

Not all states will have the same zero hour for launching this drive on the financial front. Local conditions will have to be taken into consideration in planning each separate state campaign. It is important, therefore, that department commanders co-ordinate their programs at once with their respective state administrators and chairmen.

Likewise all post commanders should confer immediately with the local chairmen of their state savings staff. In communities where the state savings staff is not yet organized locally, post commanders should at once communicate with their department commander or their state administrator and state chairman, and offer, if it need, to head up the local defense bond and stamp organization in order to get the program under way with the least possible delay. In such communities, it is anticipated, state administrators and chairmen will be more than pleased to have the local post commander offer his services.

State	State Administrators	State Chairmen
ALABAMA	Joseph H. Lyons, Box 881, 236 Federal Building, Mobile, Alabama.	E. L. McMillan, Brewton, Alabama.
ALASKA	Gov. Ernest H. Gruening, Juneau, Alaska.	
ARIZONA	William P. Stuart, 233 Post Office Building, Phoenix, Arizona.	J. P. Boyle, Valley National Bank Bldg., Tucson, Arizona.
ARKANSAS	Roy C. Penniel, 319 Federal Bldg., Little Rock, Ark.	W. W. Campbell, President, The National Bank of Eastern Arkansas, Forrest City, Arkansas.
CALIFORNIA (NORTHERN)	James C. Smyth, 711 Monadnock Bldg., San Francisco, Cal.	E. H. Rollins c/o Schwabacher & Co., San Francisco, Cal.
CALIFORNIA (SOUTHERN)	Howard D. Mills, Room 910, 621 South Spring Street, Los Angeles, Cal.	J. R. Richards, Hill & Richards, Investment Bankers, Los Angeles, Cal.
COLORADO	Ralph Nicholas, 892 Colorado Bldg., Denver, Colorado.	R. J. Cambaugh, General Sales Manager, The Denver Sewer Pipe & Clay Co., Denver, Colorado.
CONNECTICUT	Thomas S. Smith, 510 Federal Building, Hartford, Conn.	R. B. Newell, Pres., The Hartford National Bank & Trust Co., Hartford, Conn.
DISTRICT OF COLUMBIA	Hugh Lynch, 706 12th Street, N. W., Washington, D. C.	H. L. Rust, Jr., Pres., H. L. Rust Co., Washington, D. C.
FLORIDA	John L. Fahs, 414 Federal Bldg., Jacksonville, Fla.	L. E. Allen, Pres., First National Bank, Orlando, Fla.
GEORGIA	Marion H. Allen, 214 Old Post Office Bldg., Atlanta, Georgia.	Arthur Lucas, c/o Lucas & Jenkins, Fox Theater Bldg., Atlanta, Georgia.
HAWAII	Fred H. Kanne, Young Hotel Bldg., 1050 Bishop Street, Honolulu, Territory of Hawaii.	
IDAHO	John B. Vilry, 218 Idaho Bldg., Boise, Idaho.	J. A. Schoonover, Pres., Idaho First National Bank, Boise, Idaho.
ILLINOIS	Norman B. Collins, 105 West Adams Street, Chicago, Illinois.	Harold H. Swift, Blackstone Hotel, Chicago, Illinois.
INDIANA	Wray Fleming, 9th Floor Illinois Bldg., Indianapolis, Indiana.	E. C. Pulliam, Pres., Central Newspaper Assn., Claypool Hotel, Indianapolis, Indiana.
IOWA	Vernon L. Clark, 800 Walnut Building, Des Moines, Iowa.	Dr. J. S. Nollen, 916 Seventh Ave., Grinnell, Iowa.
KANSAS	Evan Griffith, 209-210 Federal Bldg., Topeka, Kansas.	William Allen White, Emporia, Kansas.
KENTUCKY	J. Albert Phillips (Eastern), 517 Republic Bldg., Louisville, Kentucky.	Ben Williamson, Jr. (Southern), Ashland, Kentucky.
LOUISIANA	Paul H. Maloney, 204 Customhouse, New Orleans, Louisiana.	Nicholas Bauer, New Orleans, Louisiana.
MAINE	Clinton A. Clauson, Federal Bldg., Augusta, Maine.	W. E. Wyman, Pres., New England Public Service Corp.,
MARYLAND	Walter N. Kirk, 601 Maryland Trust Bldg., Baltimore, Maryland.	C. H. Bowman, Jr., Pres., Central Fire Ins. Co., Baltimore, Maryland.
MASSACHUSETTS	Daniel J. Doherty, 70 Milk Street, Boston, Massachusetts.	E. C. Johnson, Pres., E. A. Johnson Co., Boston, Massachusetts.
MICHIGAN	Glen Kavenagh, 534 Dime Bldg., Detroit, Michigan.	F. N. Isbey, Pres., Detroit Fruit Auction, Detroit, Michigan.
MINNESOTA	Arthur D. Reynolds, 738 New Post Office Bldg., St. Paul, Minnesota.	O. J. Arnold, Pres., Northwestern National Life Ins. Co., Minneapolis, Minnesota.
MISSISSIPPI	Eugene Fly, 334 Post Office Bldg., Jackson, Mississippi.	A. H. Stone, Mississippi State Tax Commission, Jackson, Mississippi.
MISSOURI	Dan M. Nee, Post Office Bldg., Jefferson City, Missouri.	Branch Rickey, V. P. and Genl. Mgr. St. Louis Cardinals, St. Louis, Missouri.
MONTANA	William H. Bartley, 302 Federal Building, Great Falls, Montana.	A. T. Hibbard, Pres., Union Bank & Trust Co., Helena, Montana.
NEBRASKA	Orville Chatt, 608 World-Herald Bldg., Omaha, Nebraska.	J. F. McDermott, V. P., First National Bank, Omaha, Nebraska.
NEVADA	Robert L. Douglass, 302 Byington Bldg., Reno, Nevada.	W. S. Boyle, Attorney, Clay-Peters Building, Reno, Nevada.
NEW HAMPSHIRE	William J. Shea, Jr., 82 Stark Street, Manchester, N. H.	
NEW JERSEY	John E. Manning, Post Office Building, Newark, New Jersey.	A. W. Hawkins, Pres., Congoleum-Nairn, Inc., Kearny, New Jersey.
NEW MEXICO	Steven P. Vidal, 103 Federal Building, Albuquerque, N. M.	F. C. Rand, Pres., New Mexico Publishing Co., Santa Fe, N. M.
NEW YORK	Nevil Ford, 1270 Sixth Avenue, New York, N. Y.	Col. R. C. Patterson, Jr., RKO Corp., 1270 Sixth Ave., New York, N. Y.
NORTH CAROLINA	C. H. Robertson, Federal Building, Greensboro, N. C.	Julian Price, Pres., Jefferson Standard Life Ins. Co., Greensboro, N. C.
NORTH DAKOTA	R. R. Wolfer, Gelsting Block, Jamestown, N. D.	F. L. Conklin, V. P., Provident Life Ins. Co., Bismarck, N. D.
OHIO	John McSweeney, 900 Union Commerce Bldg., Cleveland, Ohio.	Ray D. Sharp, 900 Union Commerce Bldg., Cleveland, Ohio.
OKLAHOMA	H. C. Jones, 200 Federal Building, Oklahoma City, Oklahoma.	L. H. Wentz, Independent Oil Producer, Ponca City, Oklahoma.
OREGON	Ted E. Gamble, 720-23 Bedell Building, Portland, Oregon.	Palmer Hoyt, Publisher, Portland Oregonian, Portland, Oregon.
PENNSYLVANIA	Benjamin Lubow, 925 Chestnut Street, Federal Reserve Bldg., Philadelphia, Pa.	J. A. Stevenson, Pres., The Penn Mutual Life Ins. Co., Philadelphia, Pa.
RHODE ISLAND	Joseph V. Broderick, 220 Federal Building, Providence, Rhode Island.	Ernest Clayton, Pres., Industrial Trust Co., Providence, Rhode Island.
SOUTH CAROLINA	W. P. Bowers, U. S. Courthouse Bldg., Columbia, S. C.	J. R. Hammond, Attorney, U. S. Courthouse Bldg., Columbia, S. C.
SOUTH DAKOTA	Charles A. Christopherson, Post Office Bldg., Sioux Falls, S. D.	W. H. Burke, Cashier, Pierre National Bank, Pierre, S. D.
TENNESSEE	Lipe Henslee, 144 U. S. Courthouse Bldg., Nashville, Tennessee.	
TEXAS	Frank Scofield, Federal Building, Austin, Texas.	Tom Miller, Mayor of Austin, Austin, Texas.
UTAH	Charles E. Maley, 901 Continental Bank Bldg., Salt Lake City, Utah.	C. L. Smith, Pres., First National Bank, Salt Lake City, Utah.
VERMONT	Fred C. Martin, Post Office Bldg. and Courthouse, Burlington, Vermont.	L. P. Smith, Pres., Burlington Savings Bank, Burlington, Vermont.
VIRGINIA	Robert F. Nelson, 302 North Fifth Street, Richmond, Virginia.	F. P. Gaines, Pres., Washington & Lee University, Lexington, Virginia.
WASHINGTON	Saul Haas, 718 Federal Building, Seattle, Washington.	J. K. Ferris, Exec. V. P., Seattle First National Bank, c/o Spokane & Eastern Branch, Spokane, Washington.
WEST VIRGINIA	F. Roy Yoke, Office of Collector of Internal Revenue, Parkersburg, W. Va.	Albert Sweisker, Special Representative, Wheeling Steel Co., Wheeling, W. Va.
WISCONSIN	Frank J. Kuhl, 203 Federal Building, Milwaukee, Wis.	C. E. Broughton, Editor and Publisher, The Sheboygan Press, Sheboygan, Wis.
WYOMING	A. E. Wilde, 307 Federal Building, Cheyenne, Wyoming.	D. H. Wagoner, V. P. and Trust Officer, American National Bank, Cheyenne, Wyoming.

We're in It – Let's Win It! Do Your Part!

CANVASSERS URGED TO STUDY PLEDGE PROVISIONS

Don't Accept Pledge Money

Treasury Will Attend to Collections and Bond Deliveries

Legionnaires taking an active part in the Defense Bond Pledge Campaign should clearly understand that they are not to collect any money from persons subscribing for defense bonds or defense stamps. Post commanders are urged by Director Frank N. Belgrano, Jr., to emphasize these points in issuing canvass instructions to teams:

1. Canvassers are not to collect any money. The Treasury Department will take care of that and the delivery of the bonds.
2. The canvassers' job is to get the names of purchasers signed on the official Treasury Department pledge cards, which will be supplied through the local chairman or local committee.
3. Persons whose income does not permit them to purchase bonds may still take an important part in this vital war activity by pledging themselves to the systematic purchase of defense saving stamps.

Read the Pledge Card

The Treasury Department stresses the importance of every canvasser carefully reading and understanding the language of the pledge card, which is printed on this page of The National Legionnaire. Inspection of the pledge card and the literature [illegible] will reveal the following points:

A. The pledge card is not an order form. It does not constitute a formal legal contract on the part of the pledger. It is a definite moral obligation on the part of the person who signs the pledge to purchase Defense Bonds on a regular plan.
B. The pledger agrees to carry on this systematic purchase program for the duration of the war, or as long as he is financially able to do so.
C. Four different plans for regular purchase of Defense Bonds are listed on the pledge card. The pledger is to check the plan which he will use, or is using.
D. If, prior to signing the pledge, he has already been following a systematic Defense Bond purchase program, the formal signing of the pledge does not mean that he is adding a second purchase program to that which he had undertaken already. The pledge form provides an opportunity for the pledger to indicate that he is following a definite plan at the time of signature and his copy will be acknowledgment thereof.
E. The pledge is a confidential agreement and under no circumstances will the information which it contains be disclosed either to other pledgers or to the general public.

Great Benefit of Campaign

The Treasury Department believes that this house-to-house canvass will serve the following purposes:

To secure from every person in the United States who receives regular income, this signed agreement to purchase Defense Bonds under a systematic and continuing plan [illegible]

[illegible]

U. S. Treasury Department Defense Savings Staff **PLEDGE FOR REGULAR INVESTMENT IN DEFENSE SAVINGS BONDS** 784751

NOTE—This is not an order form. The Signer will buy Defense Savings Bonds by one of the methods listed below:

ORIGINAL Send to Treasury Dept. **(CONFIDENTIAL)**

To aid the National Defense, I pledge that,

I will invest the sum of $__________ in Defense Savings Bonds (or Stamps) each ☐ week. ☐ month. ☐ __________

I will buy these Bonds:

☐ From a post office, bank, or other sales agency.
☐ By mail from the Treasurer of the United States, Washington, D. C.
☐ Under a Pay-Roll Savings Plan (or other similar arrangement for regular purchasing) in effect at my place of employment:

__________ (Employer's name) __________ (Employer's business address)

☐ Through a regular purchase plan installed by the following organization:

__________ (Name of organization) __________ (Address)

If you are already purchasing Defense Bonds systematically, please indicate the type of plan when signing this agreement. Also check here. ☐

I will faithfully fulfill this pledge for the duration of the War or so long as I am financially able to do so.

(Print) __________ (Given name) __________ (Middle initial) __________ (Last name)

__________ (Street and number) __________ (City) __________ (State)

__________ (Date) __________ (Signature)

U. S. GOVERNMENT PRINTING OFFICE 16—[illegible] (Name of Organization and Agent Securing Pledge) D. S. S. [illegible]

DEFENSE SAVINGS BONDS

Type of Bond: **SERIES E**

Registered Bond. Not transferable.
Denominations: $25, $50, $100, $500, and $1,000.
Bond is dated first of month in which full payment is received.
Bond matures 10 years from issue date.

Interest Rate

2.9 percent a year, compounded semiannually, when bond is held 10 years.

What you pay		*What you get back*
$18.75	will increase in 10 years to	$25.00
37.50	will increase in 10 years to	50.00
75.00	will increase in 10 years to	100.00
375.00	will increase in 10 years to	500.00
750.00	will increase in 10 years to	1,000.00

Registration

This bond can be registered only in—
(1) the name of one individual, or
(2) of two individuals as co-owners, or
(3) of one individual and one individual as beneficiary.

Limitations on Holdings

Owner is limited to $5,000 of Series E bonds (maturity value) issued in any one calendar year.

You Can Get Your Money Back

Owner may redeem bond at any time after 60 days from issue date of bond.
Table of Redemption Values appears on face of bond.

DEFENSE SAVINGS STAMPS ON SALE EVERYWHERE

Defense Savings Stamps offer a convenient method for accumulating the purchase price of a Defense Bond.

Defense Stamps are available in denominations of 10¢, 25¢, 50¢, $1, and $5.

On the purchase of a *Defense Stamp* of any denomination, the purchaser will receive an attractive album in which the stamps may be mounted for safekeeping. When the album is filled, it may be exchanged for a Defense Bond.

16—[illegible]

This is an exact reproduction, front and back, of the pledge card which members of The American Legion, its Auxiliary, and the SAL will use in getting pledges for defense saving bonds and stamps. Every canvasser in the big drive should study this form carefully. Particular attention is called to the proper filling in of the dotted space at the bottom of the front of the pledge card. The name of the canvasser's American Legion post, Auxiliary unit, or SAL squadron must be entered there, if the Legion is to get the credit for the transaction.

[illegible]

At Home, At School, At Play SAL Will Work for Bond Sale

[illegible]

Don't Leave the Pledge Card With the Prospect

[illegible]

HAIL, MacARTHUR

[illegible]

You've Got to See Them To Get the Bond Pledge

[illegible]

C I

96

GENERAL ELECTRIC'S
DEFENSE SAVINGS
BOND CAMPAIGN

December, 1941

GENERAL ELECTRIC'S DEFENSE SAVINGS BOND CAMPAIGN
December, 1941

At the suggestion of the Treasury Department, General Electric conducted a Defense Savings Bond Campaign among its employees during December, 1941. General Electric had offered Defense Bonds to employees under a Defense Savings Plan when they were first issued by the Treasury Department last April, and this campaign was designed to Contact each employee with a personal solicitation in an effort to get as many as possible to purchase bonds on an installment basis through payroll deductions.

By the end of December, 1941 this campaign had resulted in the authorization of payroll deductions for the purchase of Defense Savings Bonds by a total of 100,223 members of the General Electric family. On an annual basis, the face value of the bonds subscribed to equaled $20,141,210. This total does not include a large number of purchases of bonds for cash.

During and following World War I, the highest participation in all four Liberty Loan Drives and in the Victory Loan Drive by G-E employees was attained during the fourth drive when the total reached 90 per cent of all employees. The highest average subscription reached, also during the fourth drive, was $100. In all five drives, G-E employees bought bonds totaling $17,267,750.

In comparison with this, at the end of the first three weeks of G.E.'s Defense Savings Bond campaign, 83 per cent of General Electric's employees have already subscribed and this total is increasing daily. The subscriptions average $150 annually per employee subscribing, and the amount that will be paid in annually for the purchase of Defense Bonds totals over $15,100,000.

The campaign was organized by a central committee which co-ordinated the over-all effort. Subcommittees were set up at each office and factory to direct the activities of over 13,000 employee campaign workers who personally contacted each G-E employee.

FRED N. NEAL - Schenectady

The campaign required the production of a large amount of promotional material, including instructions for campaign workers, leaflets for employees, bulletin board posters, gate placards, and campaign publicity in all employee publications. Samples of this material are shown on the following pages.

The response to this initial effort has been impressive. It is expected, however, because this is to be a continuous activity as long as the war lasts, that the face value of Defense Bonds subscribed to by G-E people will increase weekly as new subscriptions are received, and as those who have already subscribed authorize increases in the amount of their weekly or monthly payroll deductions.

GEG 138

GENERAL ELECTRIC
COMPANY

DEFENSE SAVINGS PLAN

AS AMENDED, EFFECTIVE DECEMBER 1, 1941

Schenectady, N. Y., December 1, 1941

To all General Electric Employees:

You will recall that last April announcement was made of the adoption by our Company of a Defense Savings Plan which made it as convenient as possible for you, as employees, to acquire United States Defense Savings Bonds on an installment basis, as well as for cash.

The Plan is being continued, on the amended basis described in this pamphlet, and I therefore wish to take this opportunity to express again my hope that all of you will take advantage of its provisions and thus acquire more United States Defense Savings Bonds.

Please remember that by investing in such Bonds you not only save for the future, but you also help our Government to provide for national defense.

C. E. Wilson

President

V

DEFENSE SAVINGS PLAN

As Amended, Effective December 1, 1941

1. Eligibility

a. United States Defense Savings Bonds and Defense Postal Savings Stamps, described on pages 5, 6, 7 and 8, may be purchased by any employee on the payroll of the Company, in accordance with the amended plan set forth below:

(1) Only Series E bonds may be purchased on the installment basis.

(2) Series E, Series F, and Series G bonds, and Defense Postal Savings Stamps, may be purchased for cash in full at time of purchase.

2. Installment Purchases—Series E

a. An employee who desires to purchase Defense Savings Bonds, Series E, may *at any time* fill in and sign an authorization form (TD-130V), and deliver it to his foreman, department head or to the payroll department.

b. Deductions will be made from employee's earnings each pay period on the bases shown below, and such deductions will continue until the authorization is cancelled as hereinafter provided.

Weekly payroll .... $ .50 cents or multiples thereof.
Semimonthly payroll .... $1.00 or multiples thereof.
Monthly payroll .... $2.00 or larger amounts in multiples of $1.00.

In addition to the above an employee may authorize deduction each pay period of the exact purchase price of a bond, i.e.—$18.75 for a $25.00 bond or $37.50 for a $50.00 bond, etc.

c. The authorization form must specify the denomination of bond desired (i.e. $25, $50, $100, $500 or $1000) and the amount to be deducted each pay period. The form must also be completed properly in all other respects before it will be accepted.

d. Once a month the Company will purchase a bond, in the denomination authorized, for each employee whose accumulated deductions, on the third Friday in that month, are sufficient for the purpose. Any balance remaining after the purchase of a bond will be applied to the purchase of the next bond, deductions continuing until the authorization is cancelled in writing by the employee.

e. Bonds so purchased will be mailed direct by the Treasury Department of the United States or one of its agencies to the address given in the authorization. The Company will notify the

employee when a bond is purchased for him. If the bond is not received within 30 days of the date of such notice, he should report its non-receipt to the payroll department promptly so that the Company can notify the issuing agent. As bonds will be mailed to home addresses, employees should notify payroll departments promptly of changes in address.

f. As soon as a bond is received, the employee should verify the name and denomination and see (1) that the bond is dated the first day of the month in which it was purchased, and (2) that the dating stamp of the Treasury Department of the United States or one of its agencies is imprinted in the lower left-hand corner of the bond. In case of error the employee should take the bond to the payroll department with a signed statement giving the nature of the correction to be made.

g. As the Company will notify the employee each time a bond is purchased, periodic statements of accumulated balances will not be issued.

h. An employee may increase or decrease the amount of deductions being made from his earnings, change the denomination of the bonds to be purchased for him, or change the form of registration, by filling in and signing another authorization form (TD-130V) and delivering it to his foreman, department head or to the payroll department. Any accumulated installments to the employee's credit will be applied to the latest authorization, and the previous authorization will be deemed to be cancelled.

i. An employee may, at any time, cancel his authorization by written notice to the payroll department. In this event, any accumulated installments to his credit which have not been used for the purchase of bonds will be refunded. While bonds may be purchased by an employee for other persons, accumulated installments until used for the purchase of bonds shall be considered the property of the employee only.

j. When an employee leaves the service of the Company, his authorization will be cancelled, and any balance to his credit which has not been used for the purchase of bonds will be refunded.

k. Installment collections will be segregated from the general funds of the Company, and no interest will be allowed on accumulated installments as none will be earned by the Company.

3. Cash Purchases

a. Defense Savings Bonds, Series E, Series F, and Series G may be purchased by employees through payroll departments or cashiers' offices where employed, or through the Bond Office at Schenectady, N. Y., for cash in full at time of purchase.

b. An employee who desires to purchase these bonds for cash should fill in and sign authorization form (TD-130VA) and deliver it in person or mail it with check or money order to cashier or payroll department where employed, or to the Bond Office at Schenectady, N. Y. Checks or money orders should be made payable to General Electric Company. Bonds purchased for cash will be delivered to the purchasers by the Company, after which the Company's responsibility ceases.

4. **Forms of Registration of Bonds**

a. Defense Savings Bonds may be registered in the names of individuals in any of the following ways:*

(1) In the name of one person, for example:
John H. Brown

(2) In the names of two persons as co-owners, for example:
John H. Brown or Mrs. Mary A. Brown

(3) In the name of one person and another person as a beneficiary, for example:
John H. Brown, Payable on Death to Mrs. Mary A. Brown.

b. The full name of the owner, the co-owner or the beneficiary, if any, should be shown in the authorization form, except that if there are two given names, an initial may be substituted for one, for example:

John Henry Brown may be shown as *John H. Brown* or *J. Henry Brown*.

c. The name of a woman should always be preceded by "*Mrs.*" or "*Miss.*" A married woman's own given name should be used and not that of her husband, for example:

Mrs. Mary A. Brown, not *Mrs. John H. Brown*

d. Nicknames and abbreviations of given names, such as "*Tony*" for "*Anthony*" or "*Ed.*" for "*Edward*," etc., should not be used in the authorization, as this might cause delay in obtaining payment of the bond in case of death of the owner.

e. Home addresses should be filled in completely on the authorization form. Names of cities and streets should not be abbreviated.

f. Defense Savings Bonds may be registered in the name of a minor as sole owner, co-owner, or beneficiary, except that if the funds used for the purchase of the bonds already belong to the minor, the bonds must be registered in the minor's name *alone* without co-owner or beneficiary.

If bonds are being purchased by an employee for a minor and a guardian of the minor has been appointed by a Court, the words "a minor under legal guardianship" should be added, for example:

* Additional forms of registration are available for Series F and Series G bonds for fiduciaries, associations, partnerships or corporations.

(1) *John A. Jones, a minor under legal guardianship*

(2) *John A. Jones, a minor under legal guardianship, or Mrs. Mary A. Jones*

(3) *John A. Jones, a minor under legal guardianship, payable on death to Mrs. Mary A. Jones*

5. **Bonds Lost, Stolen, or Destroyed**

a. In case a bond is lost, stolen, or destroyed, the United States Treasury Department, Division of Loans and Currency, Washington, D. C., should be notified. Reference should be made to the series, the year of issue, date and serial number of the bond, and the name and address of the registered owner.

6. **Safekeeping of Bonds**

a. Defense Savings Bonds will be accepted for safekeeping from employees at works and principal offices of the Company where safekeeping facilities are available, or they may be deposited for safekeeping at any Federal Reserve Bank. An employee wishing to take advantage of the Federal Reserve Bank safekeeping service, for which there is no charge, should consult his Paymaster, Cashier, or the Bond Office, Schenectady, N. Y.

7. **United States Defense Postal Savings Stamps**

a. These stamps may be purchased through the Company for cash by any employee at payroll departments or cashiers' offices, and at the Bond Office, Schenectady, N. Y. The stamps are in denominations of \$.10, \$.25, \$.50, \$1.00 and \$5.00.

b. A savings card will be furnished for mounting the \$.10 stamps. Purchasers of stamps in denominations of \$.25 or more will be given Defense Stamp albums in which to mount stamps. An album containing 75 of the \$.25 stamps has a cash value of \$18.75 and may be exchanged for a United States Defense Savings Bond, Series E, which at the end of ten years will be redeemed by the Government for \$25.00. There are similar albums for mounting the \$.50, \$1.00, and \$5.00 stamps, exchangeable for \$50 and \$100 Series E bonds.

8. **General**

a. Further details of procedure under this plan will be posted on bulletin boards and published in works papers.

b. This plan may be amended or terminated by the General Electric Company at any time, and notice thereof will be published.

UNITED STATES DEFENSE SAVINGS BONDS—SERIES E

TYPE OF BOND: Appreciation bond. Registered. Not transferable.

INTEREST RATE: 2.9 per cent a year, compounded semiannually, when bond is held to maturity.

REGISTRATION: This bond can be registered in any of the forms shown on page 4 of the amended plan.

LIMITATION ON HOLDINGS: Owner is limited to $5000 of Series E bonds (maturity value) issued in any one calendar year.

REDEMPTION: Owner may redeem bond at any time after 60 days from issue date of bond. Instructions for redeeming bonds are printed on the back of each bond.

TABLE OF REDEMPTION VALUES AND INVESTMENT YIELDS

Table showing: (1) How Defense Savings Bonds of Series E, by denominations, increase in redemption value during successive half-year periods following issue and (2) the approximate investment yield on the purchase price from issue date to the beginning of each half-year period. Yields are expressed in terms of rate per cent per annum, compounded semiannually.

MATURITY VALUE.. / ISSUE PRICE..........	$25.00 / $18.75	$50.00 / $37.50	$100.00 / $75.00	$500.00 / $375.00	$1000.00 / $750.00	(2) Approximate investment yield on purchase price from issue date to beginning of each half-year period
Period after issue date	(1) Redemption values during each half-year period					
						Per Cent
First ½ year	$18.75	$37.50	$75.00	$375.00	$750.00	....
½ to 1 year	18.75	37.50	75.00	375.00	750.00	0.00
1 to 1½ years	18.87	37.75	75.50	377.50	755.00	.67
1½ to 2 years	19.00	38.00	76.00	380.00	760.00	.88
2 to 2½ years	19.12	38.25	76.50	382.50	765.00	.99
2½ to 3 years	19.25	38.50	77.00	385.00	770.00	1.06
3 to 3½ years	19.50	39.00	78.00	390.00	780.00	1.31
3½ to 4 years	19.75	39.50	79.00	395.00	790.00	1.49
4 to 4½ years	20.00	40.00	80.00	400.00	800.00	1.62
4½ to 5 years	20.25	40.50	81.00	405.00	810.00	1.72
5 to 5½ years	20.50	41.00	82.00	410.00	820.00	1.79
5½ to 6 years	20.75	41.50	83.00	415.00	830.00	1.85
6 to 6½ years	21.00	42.00	84.00	420.00	840.00	1.90
6½ to 7 years	21.50	43.00	86.00	430.00	860.00	2.12
7 to 7½ years	22.00	44.00	88.00	440.00	880.00	2.30
7½ to 8 years	22.50	45.00	90.00	450.00	900.00	2.45
8 to 8½ years	23.00	46.00	92.00	460.00	920.00	2.57
8½ to 9 years	23.50	47.00	94.00	470.00	940.00	2.67
9 to 9½ years	24.00	48.00	96.00	480.00	960.00	2.76
9½ to 10 years	24.50	49.00	98.00	490.00	980.00	2.84
MATURITY VALUE (10 years from issue date)	$25.00	$50.00	$100.00	$500.00	$1000.00	2.90

UNITED STATES SAVINGS BONDS—DEFENSE SERIES F

TYPE OF BOND: Appreciation bond. Registered. Not transferable.

INTEREST RATE: 2.53 per cent a year, compounded semiannually, when bond is held to maturity.

REGISTRATION: This bond can be registered in any of the forms shown on page 4 of the amended plan.

LIMITATION ON HOLDINGS: Owner is limited to $50,000 of Series F bonds (cost price) or to $50,000 of Series F and Series G, combined, issued in any one calendar year.

REDEMPTION: Owner may redeem bond on one month's written notice after six months from issue date of bond. Instructions for redeeming bonds are printed on the back of each bond.

TABLE OF REDEMPTION VALUES AND INVESTMENT YIELDS

Table showing: (1) How United States Savings Bonds of Defense Series F, by denominations, increase in redemption value during successive half-year periods following issue and (2) the approximate investment yield on the purchase price from issue date to the beginning of each half-year period. Yields are expressed in terms of rate per cent per annum, compounded semiannually.

MATURITY VALUE.. / ISSUE PRICE..........	$100.00 / $74.00	$500.00 / $370.00	$1000 / $740	$5000 / $3700	$10000 / $7400	(2) Approximate investment yield on purchase price from issue date to beginning of each half-year period
Period after issue date	(1) Redemption values during each half-year period					
						Per Cent
First ½ year	Not redeemable					....
½ to 1 year	$74.00	$370.00	$740	$3700	$7400	0.00
1 to 1½ years	74.20	371.00	742	3710	7420	.27
1½ to 2 years	74.50	372.50	745	3725	7450	.45
2 to 2½ years	74.90	374.50	749	3745	7490	.61
2½ to 3 years	75.40	377.00	754	3770	7540	.75
3 to 3½ years	76.00	380.00	760	3800	7600	.89
3½ to 4 years	76.70	383.50	767	3835	7670	1.03
4 to 4½ years	77.60	388.00	776	3880	7760	1.19
4½ to 5 years	78.60	393.00	786	3930	7860	1.34
5 to 5½ years	79.70	398.50	797	3985	7970	1.49
5½ to 6 years	80.90	404.50	809	4045	8090	1.63
6 to 6½ years	82.20	411.00	822	4110	8220	1.76
6½ to 7 years	83.50	417.50	835	4175	8350	1.87
7 to 7½ years	84.80	424.00	848	4240	8480	1.96
7½ to 8 years	86.10	430.50	861	4305	8610	2.03
8 to 8½ years	87.40	437.00	874	4370	8740	2.09
8½ to 9 years	88.70	443.50	887	4435	8870	2.14
9 to 9½ years	90.00	450.00	900	4500	9000	2.19
9½ to 10 years	91.40	457.00	914	4570	9140	2.24
10 to 10½ years	92.90	464.50	929	4645	9290	2.29
10½ to 11 years	94.50	472.50	945	4725	9450	2.34
11 to 11½ years	96.20	481.00	962	4810	9620	2.40
11½ to 12 years	98.00	490.00	980	4900	9800	2.46
MATURITY VALUE (12 years from issue date)	$100.00	$500.00	$1000	$5000	$10000	2.53

DEFENSE SAVINGS BONDS

Now

GEQ-146

Subscribe For

DEFENSE SAVINGS BONDS

NOW

By Payroll Deductions

GENERAL ELECTRIC

GENERAL ELECTRIC

Commentator

This is one of a series of bulletins issued for the purpose of keeping G-E employees informed on matters affecting the Company and its operations.

DECEMBER 1941

NATIONWIDE DEFENSE BOND CAMPAIGN GETS UNDER WAY

EVER SINCE LAST April we've been hearing appeals to buy Defense Savings Bonds. Every day for the last eight months radio announcers have mixed bond-buying appeals with their descriptions of "tasty-wasty flapjack flour" or "Gilbey's girlish girdles." Magazine ads have made the Concord Minute Man a familiar figure to millions of Americans. Billboards and posters have appealed to our patriotism—newspaper articles have pointed out the "reasons why." And for eight months most of us have agreed wholeheartedly with everything that was being said but have gone blissfully on our way, resolving to buy some Defense Bonds the first time we got around to it.

And so the actual sale of Defense Bonds has been disappointing to the U. S. Treasury Department, and something is being done about it. Full-time regional directors have been established throughout the country, and business firms, civic organizations, schools, and hundreds of other groups are now ready to contact every single person in the country.

MR. BISBEE BUYS BONDS

APRIL, 1941

Mr. Bisbee becomes conscious of Government Defense Savings Bond Campaign. Is glad something is being done to head off inflation.

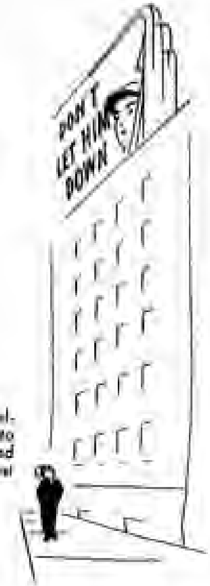
JUNE

Makes mental note to buy a Defense Savings Bond the next time he is near the post office.

JULY

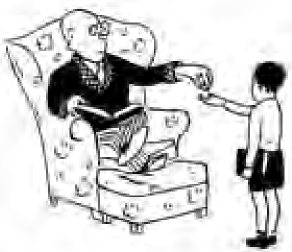
Decides he'd better buy a new car as old one will probably not outlast the emergency. Feels glad that he has not tied up the money in Defense Savings Bonds.

AUGUST



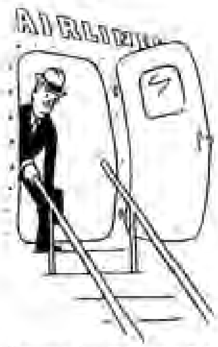
Realizes with sinking feeling that he has neglected to buy Defense Savings Bond yet. Resolves to do so at first opportunity.

SEPTEMBER



Junior asks for 25 cents a week to buy Defense Savings Stamps at school. Bisbee gives Junior a quarter with feeling of relief that he is at last contributing to defense effort. Is proud of Junior's patriotic spirit.

OCTOBER



On business trip, he gets off plane in Washington, wondering whether any Government officials will notice that he has not yet bought any Defense Savings Bonds.

NOVEMBER

Listens to speaker urge purchase of Defense Savings Bond at Luncheon Club. Feels slightly bored. Resolves to go to bed early tonight.

DECEMBER, 1941

Campaign Worker finally calls on Mr. Bisbee and hands him pen and application blank. Wave of embarrassment sweeps over Mr. Bisbee. He gladly signs up to purchase bonds regularly on payroll deduction plan.

AND FOR THE DURATION . . .

Grand and glorious feeling that he is a full-fledged partner in his nation's defense effort. Wife and Junior beam with pride on their bond-buying hero.

NATIONAL CAMPAIGN EFFORT TO BE MADE IN DECEMBER

The magnitude of this effort can be judged by the number of workers who will be engaged in making personal solicitations. During the "Liberty Loan" campaigns of 1917–1918, a maximum of two million workers were active. Today, the Treasury Department estimates that six times as many people will be working to sell Defense Bonds.

All large and medium-sized companies are being asked to establish payroll deduction plans for the purchase of these bonds. Smaller companies are asked to provide for the sale of Defense Savings Stamps to their employees regularly each payday. Schools are urging students to bring 25 cents or more each week for the purchase of Defense Stamps. Newspaper delivery boys will urge the purchase of stamps as they make their regular weekly collections from door to door. Stores will suggest that customers take their change in Savings Stamps.

WHAT G.E. CAN DO DEPENDS ON US

Last April, when the Treasury Department announced the Defense Savings Bond Program, General Electric was among the first to co-operate. A Defense Savings Plan was adopted to make the purchase of Defense Bonds as convenient as possible for all G-E people.

In order to tie in with the U.S. Treasury's present efforts to expand its bond-selling program, General Electric has just announced a revised Defense Savings Plan. One of your fellow employees will soon call on you as a Defense Bond Campaign worker, ready to answer any questions you may have on this program—and to give you an opportunity not only to help defend America, but also to provide for your own future security by making purchases of Defense Savings Bonds by payroll deductions.

GEQ-149

INSTRUCTIONS TO CAMPAIGN WORKERS

DEFENSE SAVINGS BOND CAMPAIGN

★ ★ ★

December 1941

To All Campaign Workers:

The Government has called on us to speed the sale of U.S. Defense Savings Bonds. Savings today are vital to our National Defense, and every individual can make a real contribution to national safety by purchasing bonds now.

Our job is to see to it that every man and woman in the General Electric Company is given this story and urged to start the purchase of a bond now. In doing your part in this program you are contributing to National Defense in a very real way.

Yours very truly,

Campaign Committee

Defense Savings Bond Campaign

December 1941

GENERAL ELECTRIC

INSTRUCTIONS TO CAMPAIGN WORKERS

The U.S. Treasury Department has suggested that we conduct a program for the sale of Defense Savings Bonds throughout the Company. Therefore, we have planned such a program for December. Many companies have completed similar campaigns and report participation up to as high as two thirds of all employees. We are anxious to make as good a showing as possible.

Your campaign manager has given you an authorization form for each person you have agreed to contact. Please talk to each person as soon as possible, and turn the forms in to your campaign manager as soon as they are filled out.

In contacting each person, explain first that this program has been suggested by the Government, that similar programs are being run all over the country, and that participation is already high. Emphasize the patriotic necessity for helping the defense program by buying bonds regularly, and that the easy way to do it is by payroll deductions.

Each G-E employee will be given a copy of the booklet describing the Defense Savings Plan as amended, effective December 1, 1941. Be prepared, however, to answer any questions that may come up by reading this booklet thoroughly before you start your contacts. Be sure to keep a copy with you so that you can refer to it.

Let each person decide how much he wishes to subscribe. If, after you have talked to him, he does not seem anxious to make a subscription, ask him if he would like to subscribe for the minimum amount. This is 50 cents each payday for those paid weekly, one dollar each payday for those paid semimonthly, and two dollars each payday for those paid monthly. Or he may be willing to buy bonds for cash.

After he has filled out an authorization form (or as soon as you realize that he is unwilling to do so), ask him if he would care to fill out an income accumulation order so that future profit sharing payments to him, or future interest on any G-E Employee Bonds he may hold, will be accumulated toward the purchase of Defense Savings Bonds, Series E.

If you have any questions yourself, or if any question comes up during your contacts that you cannot answer, see your campaign manager, who will be glad to help you.

WHO IS ELIGIBLE

Any employee of General Electric is eligible to purchase Defense Savings Bonds, Series E, by payroll deductions.

TYPE OF BONDS OFFERED

United States Defense Savings Bonds, Series E, are being offered for purchase by payroll deductions. Practically all employees will prefer the Series E bonds to either Series F or G, which the government also offers. Series F and Series G bonds cannot be purchased by payroll deductions but can be purchased for cash in full.

DENOMINATIONS

Series E bonds are offered in five denominations—$25, $50, $100, $500 and $1000. The cost of these bonds is $18.75, $37.50, $75.00, $375.00 and $750.00 respectively.

DEDUCTIONS

Deductions will be made from the employee's earnings each pay period according to the amounts which he authorizes. These amounts may be as follows:

Weekly payroll—50 cents or multiples thereof
Semimonthly payroll—$1.00 or multiples thereof
Monthly payroll—$2.00 or multiples thereof

In addition to the above an employee may authorize a deduction each pay period of the exact purchase price of a bond, i.e., $18.75 for a $25.00 bond or $37.50 for a $50.00 bond, etc.

FORM OF REGISTRATION

Be particularly careful to see that the registration is exactly as prescribed. Series E Bonds may be registered in the names of individuals or in any of the ways prescribed on page 4 of the booklet, "Defense Savings Plan," as amended, effective December 1, 1941.

Be sure that the authorization forms are completely filled out with

(1) Name of employee
(2) Home address of employee
(3) Amount to be deducted each pay period
(4) Denomination of bond desired
(5) Name(s) in which bond should be registered
(6) Indicate whether under 21 years of age

Each Dollar Saved Is A Shot For Freedom

WHY EMPLOYEES SHOULD BUY DEFENSE SAVINGS BONDS

1. SAVING RETARDS INFLATION

If we try to spend all we earn today, inflation—high costs of living—will inevitably follow. This is true because our factories are busy turning out armaments and cannot produce all the things we would like to buy. Unless we save a good share of our income we will force prices up until we shall find it hard to get along.

2. SAVINGS HELP PAY FOR DEFENSE

Billions of dollars are needed by the Government to pay for the ships, planes, guns, tanks, and other armaments so urgently needed today. This money is obtained in two ways—taxes and borrowing. Unless we are willing to lend our money to the Government, the result will be higher taxes than would otherwise be necessary.

3. SAVINGS WILL CUSHION THE READJUSTMENT PERIOD

When the war ends, a large part of industry will have to switch from the production of armaments to the production of peacetime goods. This period of readjustment will be hard on many people unless they have savings to tide them over. When the war is over, we must all be ready to purchase peacetime goods in larger quantities than ever before in order to keep industry busy during the readjustment period. We must save more now so that we can spend more then.

Saving Is Vital to National Defense

NATIONWIDE DEFENSE BOND CAMPAIGN GETS UNDER WAY

EVER SINCE LAST April we've been hearing appeals to buy Defense Savings Bonds. Every day for the last eight months radio announcers have mixed bond-buying appeals with their descriptions of "tasty-wasty flapjack flour" or "Gilbey's girlish girdles." Magazine ads have made the Concord Minute Man a familiar figure to millions of Americans. Billboards and posters have appealed to our patriotism—newspaper articles have pointed out the "reasons why." And for eight months most of us have agreed wholeheartedly with everything that was being said but have gone blissfully on our way, resolving to buy some Defense Bonds the first time we got around to it.

And so the actual sale of Defense Bonds has been disappointing to the U.S. Treasury Department, and something is being done about it. Full-time regional directors have been established throughout the country, and business firms, civic organizations, schools and hundreds of other groups are now ready to contact every single person in the country.

MR. BISBEE BUYS BONDS

APRIL, 1941

Mr. Bisbee becomes conscious of the Government Defense Savings Bond Campaign. He's glad something's being done to head off inflation.

JUNE

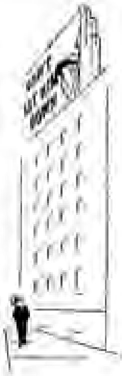
Makes mental note to buy a Defense Savings Bond the next time he's near the post office.

JULY

Decides he'd better buy a new car as old one will probably not outlast the emergency. Feels glad that he has not tied up the money in Defense Savings Bonds.

AUGUST

Realizes with sinking feeling that he has neglected to buy Defense Savings Bonds yet. Resolves to do so at first opportunity.

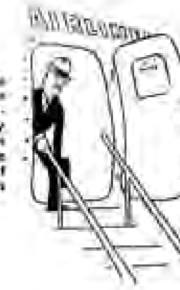


SEPTEMBER

Junior asks for 25 cents a week to buy Defense Savings Stamps at school. Bisbee gives Junior a quarter with feeling of relief that he is at last contributing to defense effort. Is proud of Junior's patriotic spirit.

OCTOBER

On business trip, he gets off plane in Washington, wondering whether any Government officials will notice that he has not yet bought any Defense Savings Bonds.



NOVEMBER

Listens to speaker urge purchase of Defense Savings Bond at Luncheon Club. Feels slightly bored. Resolves to go to bed early tonight.

DECEMBER, 1941

Campaign Worker finally calls on Mr. Bisbee and hands him pen and application blank. Wave of embarrassment sweeps over Mr. Bisbee. He gladly signs up to purchase bonds regularly on payroll deduction plan.

NATIONAL CAMPAIGN EFFORT TO BE MADE IN DECEMBER

The magnitude of this effort can be judged by the number of workers who will be engaged in making personal solicitations. During the "Liberty Loan" campaigns of 1917–1918, a maximum of two million workers were active. Today, the Treasury Department estimates that six times as many people will be working to sell Defense Bonds.

All large and medium-sized companies are being asked to establish payroll deduction plans for the purchase of these bonds. Smaller companies are asked to provide for the sale of Defense Savings Stamps to their employees regularly each payday. Schools are urging students to bring 25 cents or more each week for the purchase of Defense Stamps. Newspaper delivery boys will urge the purchase of stamps as they make their regular weekly collections from door to door. Stores will suggest that customers take their change in Savings Stamps.

AND FOR THE DURATION

Grand and glorious feeling that he is a full-fledged partner in his nation's defense effort. Wife and Junior beam with pride on their bond-buying hero.

WHAT G.E. CAN DO DEPENDS ON US

Last April, when the Treasury Department announced the Defense Savings Bond Program, General Electric was among the first to co-operate. A Defense Savings Plan was adopted to make the purchase of Defense Bonds as convenient as possible for all G-E people.

In order to tie in with the U. S. Treasury's present efforts to expand its bond-selling program, General Electric has just announced a revised Defense Savings Plan. One of your fellow employees will soon call on you as a Defense Bond Campaign worker, ready to answer any questions you may have on this program—and to give you an opportunity not only to help defend America, but also to provide for your own future security by making purchases of Defense Savings Bonds by payroll deductions.

THE VARIOUS WORKS NEWSPAPERS AROUSED ENTHUSIASM AMONG EMPLOYEES BY TELLING THE STORY OF THE CAMPAIGN WITH WORDS AND PICTURES.

To All Employees Of General Electric:

Last Sunday morning war came to the United States in a treacherous and unprovoked attack on the Hawaiian Islands. By that base act the enemy rekindled that unquenchable flame of resolution that burns nowhere else as it does in the hearts of free Americans. From that moment on no American was working for himself alone, but for the whole of our country, for the future of that country and of humanity.

Charles E. Wilson

The first and most natural reaction of each one of us to the awful impact of this event has been to act, to strike back in the full force of righteous anger and of our armed might.

But there are many ways of inflicting damage on our enemy, and of helping to hasten the inevitable triumph of our cause.

We do this when we perform the job that is our responsibility better and quicker than anyone else could do it.

Of course, there are taxes to pay, there are bonds to buy. But, above all else, we have to deliver to our own sons and our neighbors' sons the machines and equipment that will destroy the forces that have attacked us. That can be done only by doing more work each hour and each day than has ever been done before in any place in the world.

The skills and spirit of G-E men and women will be unstintingly devoted to the task before us. Seven-day-a-week operation of plants will be the rule rather than the exception whenever this will produce more weapons for those fighting on the front line for us. This is the job, the fighting job, for every one of General Electric's one hundred and twenty thousand people.

We know the job before us. We know that our cause is the greatest for which man has ever fought. Let us remember that our every thought and act is vital to that cause. We are producing for victory.

[illegible]

Defense Bond Campaign Offers Every Employee An Opportunity To Help Our Country To Victory

Several days ago, in his frank statement over the radio to the people of our country, President Franklin D. Roosevelt said: "We are now in this war. We are all in it—all the way. Every single man, woman and child is a partner in the most tremendous undertaking of our American history. We must share together the bad news and the good news, the defeats and the victories—the changing fortunes of war."

Yes, we are all in it. In the crisis which we are now facing, every citizen of the United States must do his part. We all, as loyal Americans, know that and are prepared to do our part.

Our Government requires huge sums of money to finance the sinews of our defense program. Some of the money for these expenditures is being raised by the sale of United States Defense Bonds, to which many of us have already subscribed.

These bonds give each person an opportunity to express his loyalty to his country, and to do his share as an individual in the gigantic struggle to come. They also give him an opportunity to provide for his own security in the future by investing, and saving his money with the best security in the world, namely the integrity of our own country.

The General Electric Company is now offering a plan to its employees whereby these bonds may be purchased through payroll deductions. Every employee of the Fort Wayne Works will be given an opportunity to purchase one or more Defense Bonds, through an organized campaign by a committee of employees. They may be purchased through weekly deductions of 50 cents per week or multiples thereof.

We all realize the vital importance of doing our part in this program. The employees of the General Electric have always gladly done what the need of the hour requires. The need now is pressing! Let each of us do his part!

— REMEMBER PEARL HARBOR —

Defense Bond Campaign Under Way

37 Per Cent of Employees In Works Subscribe for Bonds in First Three Days

Bonds May Be Purchased By Payroll Deductions

It's Happening Everywhere . . .

INVEST IN FREEDOM TO-DAY!

GENERAL ELECTRIC NEWS
FORT WAYNE WORKS

PUBLICATION COMMITTEE

Friday, December 5, 1941

• Invest In Freedom

Next week there will start in all Works and offices of the Company a campaign to interest all employes in the purchase of United States Defense Bonds. It will be an orderly, reasonable campaign based upon common sense. There will be no forcing the issue. The program will be presented to each and every employe on its merits and the final decision of whether or not to buy bonds will be left entirely with the individual employe.

What a difference in this way of raising money as contrasted with the way they raise money in the war-blighted lands of Europe. Over there they stick a gun in your face and say "Give . . . or else!" Over there, they take and don't even ask! Over there, the people have no rights. Only the state has them and it guards them with guns. Over there, they don't pay interest on money they take from the people either!

... Defense Savings Bonds are not only excel... they are an investment in freedom. ... help the government provide the sinews of ... defend that freedom. Men, women and children all over ... are asking "What can I do to help?"

... "Buy Defense Savings Bonds!" It's ... and YOUR FREEDOM you are investing

Regraded Unclassified

GENERAL ELECTRIC NEWS

FORT WAYNE WORKS

FORT WAYNE, INDIANA, DECEMBER 19, 1941

Yes — They "Remember Pearl Harbor" . . .

V FOR VICTORY GENERAL ELECTRIC V FOR VICTORY

Defense Bond Campaign Under Way

"I'm An American Citizen"

One of the first responses in the campaign for the sale of Defense Savings Bonds at the Fort Wayne Works came from W. "Pete" Kindt, 94, who retired in 1928 after completing forty years of service. Pete is shown giving his application to Helen Gellert, Bldg. 18-3. Why did Pete buy bonds? He gives the answer: "I'm an American citizen. I'll help all the way through to the best of my ability."

United Support Is Given By G-E Family

Incomplete returns from General Electric's first real U. S. Defense Bond Campaign among its 130,000 employees reveal that approximately 26,000 employees have subscribed for a total of $3,602,709 worth of these securities. Only three Works, [illegible] Pittsfield Works, [illegible] complete returns and [illegible] Works. All the rest are in the midst of their campaigns or are about to finish them. Complete returns will probably be available for next [illegible] News.

[illegible] Works reported a total of 8460 subscribers for a grand total maturity value of $1,223,000 worth of bonds. Pittsfield plastics came through with 1144 subscribers for a total of $42,425. [illegible] reported 92.1 [illegible] employees subscribing.

From Philadelphia Works comes word that 85 percent of the plant has subscribed to the sale with a total of 4811 employees signing up.

Incomplete returns from both Lynn Works show that $2,260,000

Defense Savings Plan Amendments Announced

Series E Bonds May Be Purchased At Any Time Through Payroll Deductions

Under terms of the amended Defense Savings Plan, all employees of the Company may purchase on the payroll deduction plan, at any time, Series E, United States Defense Bonds.

The denominations of the Series E bonds are $25, $50, $100, $500, and $1,000. Announcement of the amended plan was made last week by Charles E. Wilson, president of the Company.

A copy of the amended plan in pamphlet form, GEQ-136, will be delivered to every employee. In a foreword in the pamphlet Mr. Wilson says: "You will recall that last April announcement was made of the adoption by our Company of a Defense Savings Plan which made it as convenient as possible for you, as employees, to acquire United States Defense Savings Bonds on an installment basis, as well as for cash.

"The plan is being continued, on the amended basis described in this pamphlet, and I therefore wish to take this opportunity again to express my hope that all of you will take advantage of its provisions and thus acquire more United States Defense Savings Bonds.

"Please remember that by investing in such bonds, you not only save for the future, but you also help our Government provide for national defense."

Only Series E bonds may be bought on the payroll deduction plan. All bonds including Series E, Series F and Series G, as well as Defense Postal Savings Stamps, may be purchased for cash.

Authorizations for the purchase of Series E bonds on the payroll deduction plan will be accepted at any time. Deductions will begin as soon as possible after the authorizations, properly filled in and signed, are received by the payroll department. Deductions will continue until the authorization is cancelled in writing by the employee, or until the employee leaves the service of the Company. The authorization must specify the denomination of bonds desired and the amount to be deducted each pay period.

Each employee will receive an authorization form and additional ones may be secured from department heads, foremen, payroll departments, or from the Bond Office in Schenectady. Bonds will be delivered to home addresses, hence employees should notify payroll department promptly of any changes in address.

Employees may cancel their authorizations in writing at any time and their accumulated installments, which have not been used for the purchase of bonds, will be refunded.

For full and complete particulars regarding any and all purchases of Defense Savings Bonds, the attention of all employees is invited to the special pamphlet, GEQ-136.

Eighty-Three Percent Subscribe For Bonds

Total Matured Value At Close Of Third Week Is $20,141,210

General Electric's Defense Savings Bond campaign at the end of its first three weeks, found 83 percent of the Company's employees subscribing for a total paid in annual value of $15,100,000. This total is increasing daily. This is an average of $150 for each employee. The total matured value of these bonds is $20,141,210.

During and following World War No. 1, the highest participation in all four Liberty Loan drives and in the Victory Loan drive by General Electric employees was attained during the fourth drive when the total reached 90 percent. In all five drives, General Electric employees bought bonds totaling $17,207,350. The highest average subscription per employee was $100, reached during the fourth drive.

MATERIAL NOW

GENERAL ELECTRIC NEWS

PITTSFIELD WORKS

WASTE HINDERS DEFENSE

GENERAL ELECTRIC PUBLICITY DEPT 1 RIVER ROAD SCHENECTADY N Y

Vol. 27 PITTSFIELD, MASSACHUSETTS, DECEMBER 5, 1941 No. 49

Bond Sale to Start Here Monday

Smith Announces Plans For Pittsfield Campaign

Payroll Deduction Slips, Pamphlet On Program to Go to Employees

Over 200 men and women in the Pittsfield General Electric works will open an intensive Defense Savings Bond sale here on Monday under the direction of Harry A. Smith, Pittsfield Works paymaster, as part of a company-wide program.

Simultaneously throughout the Company every employee will be given a chance to purchase defense savings bonds by means of payroll deductions. Only plant not planning to start its campaign on Monday is Schenectady where the sales program will be opened on Dec. 15. The local drive will end on Dec. 13.

Under terms of the amended Defense Savings Plan, all employees of the Company may purchase on the payroll deduction plan, at any time, Series E, United States Defense Bonds. The denominations of the Series E bonds are $25, $50, $100, $500 and $1000.

Announcement of the amended plan was made last week by Charles E. Wilson, President of the Company. A copy of the plan in ...

... Bond Sale

Continued from Page One

Series F and Series G as well as Defense Postal Savings Stamps may be purchased for cash.

Authorizations for the purchase of Series E bonds on the payroll deduction plan will be accepted at any time. Deductions will begin as soon as possible after the authorizations properly filled in and signed are received by the payroll department. Deductions will continue until the ... [illegible] ... the employee ... of the Company. The authorization must specify the denomination of bonds desired and the amount to be deducted each pay period.

Each employee will receive an ...

BUY U. S. BONDS

GENERAL ELECTRIC NEWS

PITTSFIELD WORKS

BUY STAMPS

Vol. 27 — PITTSFIELD, MASSACHUSETTS, DECEMBER 19, 1941 — No. [illegible]

U.S. Bond Sale Here Huge Success

Pittsfield Employees Give Full Support to Drive

Over 95 Percent Here Subscribe; Plastics Report 97.1 Have Participated

Employees in General Electric [illegible] have purchased United States Defense [illegible] which will amount to a total maturity value [illegible] one-half million dollars in 1951, it was announced [illegible] Harry A. Smith of the Pittsfield Works [illegible] of the Plastics department [illegible]

In the Pittsfield Works [illegible] representing 95.8 percent of the total employment subscribed for [illegible] worth of bonds at cost price. [illegible] annual rate will have [illegible]

GENERAL ELECTRIC

1775 — 1941

PROTECT THAT FREEDOM SO GLORIOUSLY WON BY THE MINUTEMEN

BUY U. S. DEFENSE SAVINGS BONDS

Facts About Defense Savings Bonds

SERIES E DEFENSE SAVINGS BONDS

DENOMINATIONS

WHAT YOU GET AT MATURITY

$25.00	$50.00	$100.00	$500.00	$1000.00

WHAT THE BONDS COST YOU

$18.75	$37.50	$75.00	$375.00	$750.00

Your savings grow 33 1/3 % in ten years

PAYROLL DEDUCTIONS

WEEKLY INSTALLMENTS

50 cents, $1.00 or more in multiples of 50 cents

MONTHLY INSTALLMENTS

$2.00 or more in multiples of $1.00

Or you may buy a bond each pay period

HOW TO BUY BONDS

Simply fill out authorization form, making sure to specify denomination of bond desired and amount to be deducted. Form must also be complete in other respects. (NOTE SAMPLE BELOW) Then give form to solicitor, supervisor or Payroll Dept.

INTEREST

2.9% if held to maturity.

REDEEMABLE

Any time after 60 days for full amount paid plus interest due you.

F and G BONDS

May be purchased through Payroll Dept. for cash in full at time of purchase.

ADVANTAGES

(1) Save some of your earnings for post war period
(2) Security backed by U. S. Government
(3) Aid National Defense
(4) Help prevent inflation

LIFE

Mature in ten years.

CASH PURCHASES

E Series bonds may be purchased for cash at any time through Payroll Dept.

REGISTRATION

Must state name of either:
(1) One person
(2) Two persons as co-owners
(3) One person and beneficiary

Follow This Sample Form When Making Out Your Authorization

Weekly Payroll:
50 cents, $1.00, $1.50, $2.00, etc.

Monthly Payroll:
$2.00, $3.00, $4.00, etc.

In addition an employee may authorize deduction each pay period of the exact purchase price of a bond.

If a co-owner or beneficiary is named, the bond must be registered as follows:
Co-owner — John H. Brown or Mrs. Mary A. Brown.
Beneficiary — John H. Brown payable on death to Mrs. Mary A. Brown.

Series E Bonds purchased by employees under 21 years of age cannot be registered with co-owner or beneficiary.

Series E Bond denominations:
$25 $50 $100 $500 $1000

"Mr., Miss or Mrs." should be indicated before each name, by crossing out two titles which do not apply. A married woman should use her own name, for example: "Mrs. Mary A. Brown not Mrs. John W." No nicknames or abbreviations should be used.

Address should include: house number, complete name of street, city and state, with the street name followed by St., Ave. or exact designation. The Payroll Dept. should be notified immediately of change of address — bonds are mailed to home.

After properly filling out and signing form give it to your solicitor, supervisor or payroll department.

FOR PAYROLL USE ONLY

Works or Office
Pay Period
Date of First Deduction

AUTHORIZATION FOR INSTALLMENT PURCHASE OF UNITED STATES DEFENSE SAVINGS BONDS—SERIES E

Date 12 - 8 1941

To General Electric Company:

[illegible] $ 25 [illegible]

Deduct $ 2.50 from my earnings each pay period.

Please read instructions on back before filling in below. Type or Print Information Plainly

MARY R BROWN
123 HILLSIDE AVE.
LYNN MASS.

Are you under 21 years of age? NO

Register bonds in the name of and mail to:

John A BROWN
123 HILLSIDE AVE.
LYNN MASS.

Employee's Department MOTOR Bldg. 74 Pay No. 13507

Signature of Employee John A. Brown

GENERAL ELECTRIC NEWS
SCHENECTADY WORKS
SCHENECTADY, N. Y., WEDNESDAY, DECEMBER 24, 1941

Merry Christmas

90 Per Cent of Employees Subscribe for $8,101,669 In Defense Savings Bonds

Final Figures Will Be Higher—Returns Are Still Coming in

Approximately 90 per cent of Schenectady Works employees have subscribed for Defense Savings Bonds which have a maturity value on an annual basis of $8,101,669, H. W. Wilson, Paymaster for the Works, reported yesterday. Final figures on the tremendous response of Schenectady Works employees will be even higher, for returns are still coming in.

Figures are still incomplete for other plants of the Company which participated in the Company-wide campaign. But returns show that employees in several other Works have subscribed 90 per cent or better.

At Pittsfield Works, 95.8 per cent of the employees subscribed and at the Pittsfield Plastics plant 97.1 per cent of the workers participated. At [illegible] 97.1 per cent responded. Philadelphia Works employees, late last week, had subscribed 88 per cent.

Final reports on the sale among the [illegible] employees of the Company are expected soon.

Many Groups 100 [illegible]

General Office employees responded with like enthusiasm to Uncle Sam's call, but results of their campaign have not yet been tabulated [illegible].

Many departments in the Works [illegible] 100 per cent [illegible]

GENERAL ELECTRIC NEWS
SCHENECTADY WORKS
Vol. 24 — SCHENECTADY, N. Y., WEDNESDAY, DECEMBER 31, 1941 — No. 53

HAPPY NEW YEAR

Bond Subscription Totals $8,520,920

95.12 Per Cent of Works Employees Buying Bonds

Final reports on the sale of Defense Bonds during the campaign in Schenectady Works show that 95.12 per cent of the employees subscribed for bonds which have a maturity value on an annual basis of $8,520,920.

Nearly Nine Million

With the General Office subscription for $475,878 in bonds, the total is $8,996,798.

Results of the drive in the Works were far beyond original estimates. Schenectady Works was not only outstanding among the Works which participated in the Company-wide campaign on the total amount subscribed, but its per cent of employees subscribing was among the best, and the average weekly deduction here, $4.79, is high.

These are the results of the campaign in the Works, but the sale is still going on. Authorizations to begin deductions to buy the Series E bonds will be accepted at any time.

In fact, Paymaster H. W. Wilson has already received authorizations from employees who have decided to buy bonds since the campaign ended.

The [illegible]

and the Victory Loan campaign [illegible]

[illegible]

TIME IS SHORT BUILD FOR DEFENSE

GENERAL ELECTRIC NEWS
SCHENECTADY WORKS

"The chief concern of General Electric will be to serve our country well."
—CHARLES E. WILSON

Vol. 24 SCHENECTADY, N. Y., FRIDAY, DECEMBER 5, 1941 No. 49

Savings Bond Campaign Planned Here

U.S. Savings Bond Campaign To Begin December 15

(Continued from page 1)

Next Thursday and Friday all employees will receive two pamphlets with their pay envelopes. One will give details of the Company's Amended Defense Savings Plan and the other will tell something about the bonds.

To See Every Employee

During the week of December 15 to 19, committee members will approach every G.E. worker, giving him the story on the bonds and reasons for buying them, and ask employees to fill in an authorization slip to allow for the installment purchase of the Series E bonds through payroll deductions.

In the foreword to the pamphlet on the Amended Savings Plan, Mr. Wilson says: "You will recall that last April announcement was made of the adoption by the Company of a Defense Savings Plan which made it convenient for you, as employees, to acquire United States Defense Savings Bonds on an installment basis, as well as for cash.

"The plan is being continued on the amended basis described in the pamphlet, and I therefore wish to take this opportunity again to express my hope that all of you will take advantage of its provisions and thus acquire more United States Defense Savings Bonds.

"Please remember that by investing in such bonds you not only save for the future, but you also help our Government provide for national defense."

Only Series E bonds may be bought on the payroll deduction plan. All bonds including Series E, Series F [illegible] purchased for cash.

Authorizations for the purchase of Series E bonds on the payroll deduction plan will be accepted at any time. Deductions will begin as soon as possible after the authorizations, properly filled in and signed, are received by the payroll department.

Deductions to Continue

Deductions will continue and bonds will be issued as their purchase price is reached until the authorization is cancelled in writing by the employee, or until the employee leaves the service of the Company. The authorization must specify the denomination of bonds desired and the amount to be deducted each pay period.

Each employee will be given an authorization form by their department committee. Bonds will be delivered to home addresses, hence employees should notify the payroll [illegible] in address.

Employees may cancel authorizations in writing at any time and their accumulated installments, which have not been used for the purchase of bonds, will be refunded.

[illegible] will be accepted at any time.

Defense Savings Week to Be Held December 15 to 19

Defense Savings Week, with a campaign to encourage Schenectady Works and General Office people to subscribe for Defense Savings Bonds, will begin Monday, December 15.

Employees will be urged to start purchase of these bonds under terms of the amended Defense Savings Plan, which allows employees of the Company to buy on the payroll deduction plan, at any time, Series E, United States Defense Bonds. Denominations of the Series E bonds are $25, $50, $100, $500, and $1000. Announcement of the amended plan was made last week by Charles E. Wilson, President of the Company.

Form Committees

The General Electric campaign will coordinate with the campaign of the Schenectady County Committee, which is headed by W. W. Trench, Secretary of the Company, and with a nation-wide campaign sponsored by the United States Treasury Department.

Sale of these defense bonds is of great importance to the nation and to individuals. By raising funds to pay defense costs from the savings of individuals, taxes can be kept lower and the danger of inflation, which might mean extremely high living costs and depreciation in the value of savings, will be lessened.

Committees are now being formed in all departments and sections of the General Office and Works whose job it will be to see that every employee is given the story on defense bonds.

These departmental committees are all part of the General Electric Employees Committee, which will meet next week in two sections to hear speakers and get detailed information. One division of the Employees Committee will meet Tuesday afternoon in Rice Hall at 3:10 o'clock and the other will meet Wednesday afternoon in Bldg. [illegible] at 3:10 o'clock. Members will be given a booklet containing details of the campaign. They will receive authorization slips, which they will give employees later on December 15. Each member of the departmental groups will be informed as to which of the large groups he will meet with.


THE IMPORTANT THING
WHAT HAPPENED YESTERDAY....
—OR WHAT MAY HAPPEN TOMORROW....
—BUT
WHAT WE ARE DOING ABOUT IT.
TODAY!
GENERAL ELECTRIC
EVERY
MAN, WOMAN
AND CHILD
CAN
ENLIST!
-BUY DEFENSE
BONDS
Jim Barstow

ALL OUT FOR AMERICA!

INVEST IN FREEDOM TO-DAY!

GENERAL ELECTRIC NEWS

LYNN WORKS

FOR DEFENSE BUY UNITED STATES SAVINGS BONDS STAMPS

WEST LYNN, MASS., FRIDAY, DECEMBER 5, 1941 — No. 49

G-E Defense Bond Plan Announced

Motor Dept. Maps Bond Campaign

The sale of Defense Savings Bonds in the Motor Dept. will be guided by, left to right: [illegible], Hector MacKay, Tim Reardon and F. J. Rudd. They are shown talking over plans for the campaign which is part of a national drive to sell Defense Savings Bonds.

Bonds To Be Available By Payroll Deduction

—V—

Authorization Forms To Be Distributed To All Employees Of Company Next Week

—V—

Under terms of the amended Defense Savings Plan all employees of the Company may purchase on the payroll deduction plan at any time Series E, United States Defense Bonds. The denominations of the Series E bonds are $25, $50, $100, $500 and $1,000. Announcement of the amended plan was made last week by Charles E. Wilson, President of the Company.

[illegible]

Lynn Hospital Construction Is Started

—V—

Greater Lynn Labor And G.E. Equipment To Be Used In New Wing

—V—

[illegible]

Lt. Col. Codd Addresses The R.W. Foremen

—V—

[illegible] Expert Tells Of [illegible] Problems; N. L. [illegible] Man Speaks

—V—

[illegible]

RW Engineers Hear Lecture

—V—

National Sports Figure Shows Colorful Films

—V—

[illegible]

Savings Bond Campaign To Open Monday

—V—

Each Of 23,000 Employees At Lynn Works Will Be Contacted Personally

—V—

[illegible]

Employees Should Notify Pay Office Of Address Change

Employees of the Lynn Works are urged to notify the clerk or supervisor in their departments if they change their home address so that the information may be forwarded to the Pay Office. Calls and other matters needing immediate attention are often referred to the Pay Office and it is helpful to have an up to date residence list.

GENERAL ELECTRIC NEWS
LYNN WORKS

New Jobs For Tomorrow

INVEST IN FREEDOM TO-DAY!

Next week there will start in all works and offices of the Company a campaign to interest all employees in the purchase of United States Defense Savings Bonds. It will be an orderly, reasonable campaign, based upon common sense. There will be no forcing the issue. The program will be presented to each and every employee on its merits and the final decision of whether or not to buy bonds will be left entirely with the individual employee.

What a difference in this way of raising money as contrasted with the way they raise money by the ... hands of Europe. Over there, they stick a gun in your face and say "give ... or else". Over there, they take and don't even ask. Over there, the people have no rights. Only the state has them and it guards them with guns. Over there, they don't pay interest on money they take from the people either.

United States Defense Savings Bonds are not only excellent savings mediums; they are an investment in freedom. Their purchase helps the government provide the ... to defend that freedom. Men, women and children all over the United States are asking, "What can I do to help?"

The answer is clear — buy Defense Savings Bonds — it's YOUR COUNTRY and YOUR FREEDOM you are investing in.

Elissa Landi, Motion Picture Star, To Address Members Of A. I. E. E.

ELISSA LANDI

WE THE PEOPLE . . .

THAT AMONG AMERICANS THERE SHOULD BE A REASONABLE UNIFORMITY OF SACRIFICE.

Huge Navy Gear Job Shipped

Late last week the biggest ... from the River Works — ... gears and two complete gear ... This picture shows ... huge ... gear.

Conspicuous Air

APPRENTICE

West Lynner Wins Award

John J. Baine Of West Lynn Works Honored

Shop Early For Best Christmas Selections

J. R. Neet On Active Duty

Designs Part In Thomson Club At Lynn Works

West Lynn Foremen Meet Next Tuesday

Scientific Exhibits To Be Shown In Texas

Jottings by Scottie

[illegible]

G-E EMPLOYEES' OPPORTUNITIES

FOR SALE:

[illegible]

TO LET

[illegible]

WANTED

[illegible]

LOST

[illegible]

FOUND

[illegible]

Cupid's Capers

By M. Flaherty Nadeau, Phone W. L. 480

[illegible]

[illegible]

W. L. Men's Glee Club

[illegible], well known Lynn musical director, will address the members of the West Lynn Men's Glee Club at a meeting in [illegible] Auditorium next Wednesday evening at 8 o'clock. Employees interested in Glee Club work are cordially invited to be present.

Bonds

(Continued from Page 1)

[illegible]

Defense Bonds

(Continued from Page 1)

[illegible]

Engineers

(Continued from Page 1)

[illegible]

Foremen

(Continued from Page 1)

[illegible]

WEST LYNN RALLY

Program

Monday noon, Dec. 8 — 9 Yard. Musical program — 12 to 12:30 p. m.

Speakers: Mrs. Arthur [illegible], Chairman, Lynn Committee Defense Bonds; Mr. Daniel J. Doherty, State Administrator Defense Savings and former National Commander American Legion. Retail Lynnettes — Girl Scouts Boy Scouts.

Bond Committees At Lynn Works

[illegible]

NEWSY BITS FROM THE WEST LYNN WORKS

Transformer Folks Enjoy Thanksgiving Party

Earl Brown Given Testimonial Dinner

Sparkhaus Thrown Open To Marblehead Grid Team

Screw Machine League Resumes Its Schedule

Voices Wanted In Mendelssohn Chorus

Many Upsets In 2-C Bowling Tournament

HERE AND THERE AROUND THE RIVER WORKS

Clarence Dupuis Of Bldg. 77 Celebrates Birthday

"Old Timers" Of Bldg. 64 Turbine Test

News Of The River Works Guard Force

Snowchasers Plan Trip To Their New Ski Lodge

Stray Bits Of News From 3-74 Aircrafters

Walnut Cracker Bldg. 42 Being Sought By F.B.I.

G-E Pinfalls

The GEEAA plans to hold another basketball meeting on Tuesday, Dec. 9, at 7.00 p. m. in First G auditorium at West Lynn. Manager are urged to attend this meeting and arrange schedules for the season which starts January 1. Time is short.

One of the best gyms in the city has been obtained by the GEEAA again this year and we should make good use of it. Let's make G-E basketball bigger and better than ever this year.

* * *

The boys in Bldg. 77 are still fishing around for some bowling competition. This is the second week they have asked the NEWS to try and arrange a match. Surely there must be some bowlers at West Lynn or Everett who would like to test their skill against the boys from Bldg. 77. If so—the number is R. W. 271, L. Borders.

* * *

The mighty Die Room Bowling Team after many failures and disappointments in their matches with other teams in the Forge Shop have decided that they might possibly be able to win a match with the girls in the office and are trying very hard to arrange a meeting, so that they can redeem themselves. However bets are already being placed on this "match" and the girls are a heavy favorite. You better brush up boys and really get in some practice before you attempt this game.

* * *

The "Ladies in Red" in the West Lynn Girls' League captured all the honors this week on the shiny lanes. Captain Phyllis Cohn was tied with a member of her own team, Barbara Surette, for high total of 273 while Barbara scored high single of 101 and Phyllis, second best, 98. Fine work girls.

Apprentice Alumni Officers

Newly elected Apprentice Alumni Officers for the 1941-42 season are Albert Masters, financial secretary, and Edward De Lamourvaux, treasurer; rear, L. G. Dickerman, recording secretary, Winthrop H. Davis, president, and Joseph Deveney, vice president in the front row.

The girls in Bldg. 74 are taking their bowling seriously this year. Their averages have been creeping up from week to week lately. The standing of the various members of the league a week or so ago was as follows:

Gaudet, C.	84	Green, R.	72
Dodge, C.	80	Quinn, R.	69
Johnson, G.	79	Zaleckas, M.	65
Kelly, D.	78	Hill, E.	65
Robertson	76	Butler, D.	61
Cole, M.	73	Casey, M.	60
Allen, B.	72	Bourque, L.	58

* * *

Girls, here is our chance to play basketball for the West Lynn Works. All sport enthusiasts report to Second G Girls' Club room tonight. Ruth Godautis who is in charge of the Basketball program for the year will be on hand both at 4:15 and 5:15 to tell you all about the schedule for the season. Let's get together, girls, in sports, friendship and loads of fun!

U. S. Army Air Corps Pictures To Be Shown

—V—

The entertainment at the River Works on Thursday during the noon hour will be featured by an official U. S. Army Air Corps film entitled "Wings of the Army." The movie reproduces the Wright Brothers first flight, and other interesting highlights in the growth and development of the aviation branch of the armed service.

For the remainder of the week there will be the usual features. On Monday a news reel and short features will make up the program while the Tuesday and Wednesday shows will include comedies and shorts. On Thursday the seven series of "King of the Royal Mounted" will be shown in addition to the official Air Corps film.

Bowling Scores

BLDG. 3-49 LEAGUE

	Won	Lost	Points
Unknowns	[illegible]	[illegible]	[illegible]
Splinters	[illegible]	[illegible]	[illegible]
Cards	[illegible]	[illegible]	[illegible]
Miscellaneous	[illegible]	[illegible]	[illegible]
Foremen	[illegible]	[illegible]	[illegible]
Aces	[illegible]	[illegible]	[illegible]
Jokers	[illegible]	[illegible]	[illegible]
Deadwoods	[illegible]	[illegible]	[illegible]

High Single—Joe Sousa—139
High Game—Joe Sousa—[illegible]
High Team—Deadwoods—1373

BLDG. 77 LEAGUE

	Won	Lost	Pinfall
Wood Workers	27	1	15960
Laborers	21	13	15596
Lynn Workers	20	14	15313
Pipe Fitters	16	20	14860
Electricians	14	20	14702
Carpenters	4	40	13233

High Single—King—138
High Game—Knowlton—Hughes—349
High Team—Laborers—1497

BLDG. [illegible] LEAGUE

Team	Won	Lost	Pinfall
Cowpers Yankees	29	11	16141
Freeman's Athletics	[illegible]	[illegible]	[illegible]
Browns White Sox	[illegible]	[illegible]	[illegible]
Bangals Tigers	[illegible]	[illegible]	[illegible]
Maglis Indians	[illegible]	[illegible]	[illegible]
Bishops Senators	[illegible]	[illegible]	[illegible]
McMahons Red Sox	[illegible]	[illegible]	[illegible]
Bagnulos Browns	[illegible]	[illegible]	[illegible]

High Single—McGuinness—139
High Team—Tigers—1483
High Game—H. Anderson—317

MINOR BOWLING LEAGUE

	Won	Lost	Pinfall
Valve	[illegible]	11	[illegible]
Nozzle	[illegible]	[illegible]	[illegible]
Production	[illegible]	[illegible]	[illegible]
General Office	[illegible]	[illegible]	[illegible]
Chargers	[illegible]	[illegible]	[illegible]
Gear	[illegible]	[illegible]	[illegible]
Supers	[illegible]	[illegible]	[illegible]
Loose Parts	[illegible]	[illegible]	[illegible]
Welders	[illegible]	[illegible]	[illegible]
Planning	[illegible]	[illegible]	[illegible]
Diaphragm	[illegible]	[illegible]	[illegible]
Winding	[illegible]	[illegible]	[illegible]

High Single—Dreyer—Val—130
High Game—Dreyer—Val—337
High Team—Valve—1470

BLDG. 30 OFFICE LEAGUE

	Won	Lost	Pinfall
Inspection	[illegible]	[illegible]	[illegible]
Foremen	[illegible]	[illegible]	[illegible]
Production	[illegible]	[illegible]	[illegible]
Planning	[illegible]	[illegible]	[illegible]
Cage	[illegible]	[illegible]	[illegible]
Stock	[illegible]	[illegible]	[illegible]

High Average—Miller—[illegible]
High Team—Inspectors—1413

M & E LEAGUE

	Won	Lost	Pinfall
I-Beams	[illegible]	[illegible]	[illegible]
Millwrights	[illegible]	[illegible]	[illegible]
Stillsons	[illegible]	[illegible]	[illegible]
Sparks	[illegible]	[illegible]	[illegible]
Grids	[illegible]	[illegible]	[illegible]
Bolts	[illegible]	[illegible]	[illegible]

High Single—Mosley-Cuthbert—[illegible]
High Game—Stevens—[illegible]
High Team—Stillsons—[illegible]—1517

BLDG. 47 LEAGUE

League No. 1

	Won	Lost
Eight	[illegible]	[illegible]
Six	[illegible]	[illegible]
Five	[illegible]	[illegible]
Four	[illegible]	[illegible]
Two	[illegible]	[illegible]
One	[illegible]	[illegible]
Three	[illegible]	[illegible]
Seven	[illegible]	[illegible]

League No. 2

	Won	Lost
Eight	[illegible]	[illegible]
Three	[illegible]	[illegible]
Four	[illegible]	[illegible]
Six	[illegible]	[illegible]
One	[illegible]	[illegible]
Two	[illegible]	[illegible]
Seven	[illegible]	[illegible]
Five	[illegible]	[illegible]

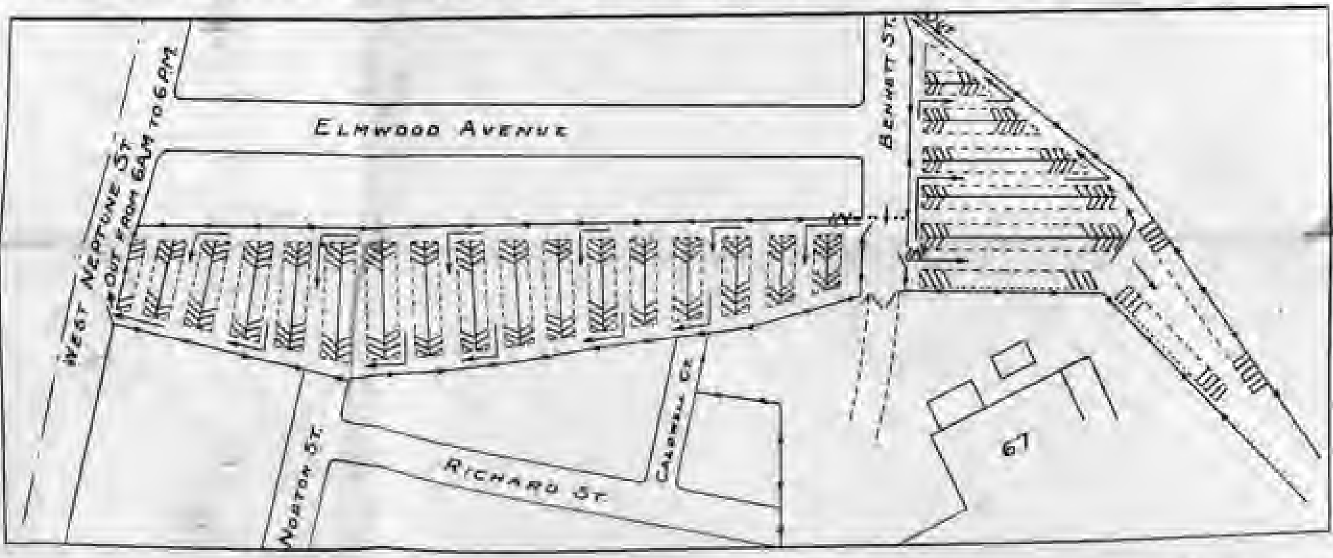
League No. 3

	Won	Lost
One	[illegible]	[illegible]
Five	[illegible]	[illegible]
Three	[illegible]	[illegible]
Six	[illegible]	[illegible]
Two	[illegible]	[illegible]
Four	[illegible]	[illegible]
Seven	[illegible]	[illegible]
Eight	[illegible]	[illegible]

On Friday a dancing program is planned. For the benefit of those employees who like to dance, a more varied program of music will be presented in the future.

Tuesday of this week at the West Lynn Works there will be a short featuring Brahm's "Candle Song", a cartoon "Chimp's Adventures" and the 11th episode of "Hurricane Express." The main feature for Wednesday and Thursday is "Calling of Dan Matthews" with Richard Arlen. Dancing as usual is planned for Friday.

Bennett Street Parking Area To Be Rearranged At The River Works



When the rearrangement of the Bennett St. parking area has been completed (January 1 is the date set) new parking stickers marked BENNETT 67 will be issued and only cars bearing this tag will be allowed to park there.

Assignments will be by length of service and 600 cars will be accomodated. Applications close Dec. 13 and payroll deduction slips for the $3 annual charge will be presented Dec. 20. New stickers will be exchanged for payroll slip by guard on Dec. 27.

The accompanying plan shows the method of parking to be put into effect. From 6.00 a. m. to 6.00 p. m. in the area between Bennett and West Neptune Streets, the only entrance will be from Bennett St. while the exit will be at West Neptune St. From 6.00 p. m. to 6.00 a. m. night cars will enter and leave the Bennett St. entrance.

NO CARS WILL ENTER BY WAY OF WEST NEPTUNE ST AT ANY TIME.

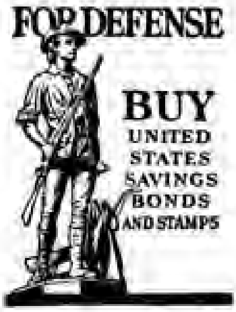
In the area south of Bennett St. to the B & M tracks, traffic will move counter clockwise. The entrance will be near the gate house and the exit at the east end of the B & M freight house.

The roadways will be kept clear at all times and violations of this rule or any other improper parking will mean the loss of parking privileges for the offenders.

GENERAL ELECTRIC COMPANY

DEFENSE SAVINGS PLAN

AS AMENDED, EFFECTIVE DECEMBER 1, 1941



Schenectady, N. Y., December 1, 1941

To all General Electric Employees:

You will recall that last April announcement was made of the adoption by our Company of a Defense Savings Plan which made it as convenient as possible for you, as employees, to acquire United States Defense Savings Bonds on an installment basis, as well as for cash.

The Plan is being continued, on the amended basis described in this pamphlet, and I therefore wish to take this opportunity to express again my hope that all of you will take advantage of its provisions and thus acquire more United States Defense Savings Bonds.

Please remember that by investing in such Bonds you not only save for the future, but you also help our Government to provide for national defense.

C. E. Wilson

President

V

DEFENSE SAVINGS PLAN

As Amended, Effective December 1, 1941

1. Eligibility

a. United States Defense Savings Bonds and Defense Postal Savings Stamps, described on pages 5, 6, 7 and 8, may be purchased by any employee on the payroll of the Company, in accordance with the amended plan set forth below:

(1) Only Series E bonds may be purchased on the installment basis.

(2) Series E, Series F, and Series G bonds, and Defense Postal Savings Stamps, may be purchased for cash in full at time of purchase.

2. Installment Purchases—Series E

a. An employee who desires to purchase Defense Savings Bonds, Series E, may *at any time* fill in and sign an authorization form (TD-130V), and deliver it to his foreman, department head or to the payroll department.

b. Deductions will be made from employee's earnings each pay period on the bases shown below, and such deductions will continue until the authorization is cancelled as hereinafter provided.

Weekly payroll .... $ .50 cents or multiples thereof.
Semimonthly payroll .... $1.00 or multiples thereof.
Monthly payroll .... $2.00 or larger amounts in multiples of $1.00.

In addition to the above an employee may authorize deduction each pay period of the exact purchase price of a bond, i.e.—$18.75 for a $25.00 bond or $37.50 for a $50.00 bond, etc.

c. The authorization form must specify the denomination of bond desired (i.e. $25, $50, $100, $500 or $1000) and the amount to be deducted each pay period. The form must also be completed properly in all other respects before it will be accepted.

d. Once a month the Company will purchase a bond, in the denomination authorized, for each employee whose accumulated deductions, on the third Friday in that month, are sufficient for the purpose. Any balance remaining after the purchase of a bond will be applied to the purchase of the next bond, deductions continuing until the authorization is cancelled in writing by the employee.

e. Bonds so purchased will be mailed direct by the Treasury Department of the United States or one of its agencies to the address given in the authorization. The Company will notify the employee when a bond is purchased for him. If the bond is not received within 30 days of the date of such notice, he should report its non-receipt to the payroll department promptly so that the Company can notify the issuing agent. As bonds will be mailed to home addresses, employees should notify payroll departments promptly of changes in address.

f. As soon as a bond is received, the employee should verify the name and denomination and see (1) that the bond is dated the first day of the month in which it was purchased, and (2) that the dating stamp of the Treasury Department of the United States or one of its agencies is imprinted in the lower left-hand corner of the bond. In case of error the employee should take the bond to the payroll department with a signed statement giving the nature of the correction to be made.

g. As the Company will notify the employee each time a bond is purchased, periodic statements of accumulated balances will not be issued.

h. An employee may increase or decrease the amount of deductions being made from his earnings, change the denomination of the bonds to be purchased for him, or change the form of registration, by filling in and signing another authorization form (TD-130V) and delivering it to his foreman, department head or to the payroll department. Any accumulated installments to the employee's credit will be applied to the latest authorization, and the previous authorization will be deemed to be cancelled.

i. An employee may, at any time, cancel his authorization by written notice to the payroll department. In this event, any accumulated installments to his credit which have not been used for the purchase of bonds will be refunded. While bonds may be purchased by an employee for other persons, accumulated installments until used for the purchase of bonds shall be considered the property of the employee only.

j. When an employee leaves the service of the Company, his authorization will be cancelled, and any balance to his credit which has not been used for the purchase of bonds will be refunded.

k. Installment collections will be segregated from the general funds of the Company, and no interest will be allowed on accumulated installments as none will be earned by the Company.

3. Cash Purchases

a. Defense Savings Bonds, Series E, Series F, and Series G may be purchased by employees through payroll departments or cashiers' offices where employed, or through the Bond Office at Schenectady, N. Y., for cash in full at time of purchase.

b. An employee who desires to purchase these bonds for cash should fill in and sign authorization form (TD-130VA) and deliver it in person or mail it with check or money order to cashier or payroll department where employed, or to the Bond Office at Schenectady, N. Y. Checks or money orders should be made payable to General Electric Company. Bonds purchased for cash will be delivered to the purchasers by the Company, after which the Company's responsibility ceases.

4. **Forms of Registration of Bonds**

a. Defense Savings Bonds may be registered in the names of individuals in any of the following ways:*

(1) In the name of one person, for example:
John H. Brown

(2) In the names of two persons as co-owners, for example:
John H. Brown or Mrs. Mary A. Brown

(3) In the name of one person and another person as a beneficiary, for example:
John H. Brown, Payable on Death to Mrs. Mary A. Brown.

b. The full name of the owner, the co-owner or the beneficiary, if any, should be shown in the authorization form, except that if there are two given names, an initial may be substituted for one, for example:
John Henry Brown may be shown as *John H. Brown* or *J. Henry Brown.*

c. The name of a woman should always be preceded by "*Mrs.*" or "*Miss.*" A married woman's own given name should be used and not that of her husband, for example:
Mrs. Mary A. Brown, not *Mrs. John H. Brown*

d. Nicknames and abbreviations of given names, such as "*Tony*" for "*Anthony*" or "*Ed.*" for "*Edward*," etc., should not be used in the authorization, as this might cause delay in obtaining payment of the bond in case of death of the owner.

e. Home addresses should be filled in completely on the authorization form. Names of cities and streets should not be abbreviated.

f. Defense Savings Bonds may be registered in the name of a minor as sole owner, co-owner, or beneficiary, except that if the funds used for the purchase of the bonds already belong to the minor, the bonds must be registered in the minor's name *alone* without co-owner or beneficiary.

If bonds are being purchased by an employee for a minor and a guardian of the minor has been appointed by a Court, the words "a minor under legal guardianship" should be added, for example:

* Additional forms of registration are available for Series F and Series G bonds for fiduciaries, associations, partnerships or corporations.

(1) *John A. Jones, a minor under legal guardianship*

(2) *John A. Jones, a minor under legal guardianship, or Mrs. Mary A. Jones*

(3) *John A. Jones, a minor under legal guardianship, payable on death to Mrs. Mary A. Jones*

5. **Bonds Lost, Stolen, or Destroyed**

a. In case a bond is lost, stolen, or destroyed, the United States Treasury Department, Division of Loans and Currency, Washington, D. C., should be notified. Reference should be made to the series, the year of issue, date and serial number of the bond, and the name and address of the registered owner.

6. **Safekeeping of Bonds**

a. Defense Savings Bonds will be accepted for safekeeping from employees at works and principal offices of the Company where safekeeping facilities are available, or they may be deposited for safekeeping at any Federal Reserve Bank. An employee wishing to take advantage of the Federal Reserve Bank safekeeping service, for which there is no charge, should consult his Paymaster, Cashier, or the Bond Office, Schenectady, N. Y.

7. **United States Defense Postal Savings Stamps**

a. These stamps may be purchased through the Company for cash by any employee at payroll departments or cashiers' offices, and at the Bond Office, Schenectady, N. Y. The stamps are in denominations of $.10, $.25, $.50, $1.00 and $5.00.

b. A savings card will be furnished for mounting the $.10 stamps. Purchasers of stamps in denominations of $.25 or more will be given Defense Stamp albums in which to mount stamps. An album containing 75 of the $.25 stamps has a cash value of $18.75 and may be exchanged for a United States Defense Savings Bond, Series E, which at the end of ten years will be redeemed by the Government for $25.00. There are similar albums for mounting the $.50, $1.00, and $5.00 stamps, exchangeable for $50 and $100 Series E bonds.

8. **General**

a. Further details of procedure under this plan will be posted on bulletin boards and published in works papers.

b. This plan may be amended or terminated by the General Electric Company at any time, and notice thereof will be published.

TYPE OF BOND: Appreciation bond. Registered. Not transferable.

INTEREST RATE: 2.9 per cent a year, compounded semiannually, when bond is held to maturity.

REGISTRATION: This bond can be registered in any of the forms shown on page 4 of the amended plan.

LIMITATION ON HOLDINGS: Owner is limited to $5000 of Series E bonds (maturity value) issued in any one calendar year.

REDEMPTION: Owner may redeem bond at any time after 60 days from issue date of bond. Instructions for redeeming bonds are printed on the back of each bond.

TABLE OF REDEMPTION VALUES AND INVESTMENT YIELDS

Table showing: (1) How Defense Savings Bonds of Series E, by denominations, increase in redemption value during successive half-year periods following issue and (2) the approximate investment yield on the purchase price from issue date to the beginning of each half-year period. Yields are expressed in terms of rate per cent per annum, compounded semiannually.

MATURITY VALUE.. / ISSUE PRICE.........	$25.00 / $18.75	$50.00 / $37.50	$100.00 / $75.00	$500.00 / $375.00	$1000.00 / $750.00	(2) Approximate investment yield on purchase price from issue date to beginning of each half-year period
Period after issue date	(1) Redemption values during each half-year period					
						Per Cent
First ½ year	$18.75	$37.50	$75.00	$375.00	$750.00	....
½ to 1 year	18.75	37.50	75.00	375.00	750.00	0.00
1 to 1½ years	18.87	37.75	75.50	377.50	755.00	.67
1½ to 2 years	19.00	38.00	76.00	380.00	760.00	.88
2 to 2½ years	19.12	38.25	76.50	382.50	765.00	.99
2½ to 3 years	19.25	38.50	77.00	385.00	770.00	1.06
3 to 3½ years	19.50	39.00	78.00	390.00	780.00	1.31
3½ to 4 years	19.75	39.50	79.00	395.00	790.00	1.49
4 to 4½ years	20.00	40.00	80.00	400.00	800.00	1.62
4½ to 5 years	20.25	40.50	81.00	405.00	810.00	1.72
5 to 5½ years	20.50	41.00	82.00	410.00	820.00	1.79
5½ to 6 years	20.75	41.50	83.00	415.00	830.00	1.85
6 to 6½ years	21.00	42.00	84.00	420.00	840.00	1.90
6½ to 7 years	21.50	43.00	86.00	430.00	860.00	2.12
7 to 7½ years	22.00	44.00	88.00	440.00	880.00	2.30
7½ to 8 years	22.50	45.00	90.00	450.00	900.00	2.45
8 to 8½ years	23.00	46.00	92.00	460.00	920.00	2.57
8½ to 9 years	23.50	47.00	94.00	470.00	940.00	2.67
9 to 9½ years	24.00	48.00	96.00	480.00	960.00	2.76
9½ to 10 years	24.50	49.00	98.00	490.00	980.00	2.84
MATURITY VALUE (10 years from issue date)	$25.00	$50.00	$100.00	$500.00	$1000.00	2.90

UNITED STATES SAVINGS BONDS—DEFENSE SERIES F

TYPE OF BOND:	Appreciation bond. Registered. Not transferable.
INTEREST RATE:	2.53 per cent a year, compounded semiannually, when bond is held to maturity.
REGISTRATION:	This bond can be registered in any of the forms shown on page 4 of the amended plan.
LIMITATION ON HOLDINGS:	Owner is limited to $50,000 of Series F bonds (cost price) or to $50,000 of Series F and Series G, combined, issued in any one calendar year.
REDEMPTION:	Owner may redeem bond on one month's written notice after six months from issue date of bond. Instructions for redeeming bonds are printed on the back of each bond.

TABLE OF REDEMPTION VALUES AND INVESTMENT YIELDS

Table showing: (1) How United States Savings Bonds of Defense Series F, by denominations, increase in redemption value during successive half-year periods following issue and (2) the approximate investment yield on the purchase price from issue date to the beginning of each half-year period. Yields are expressed in terms of rate per cent per annum, compounded semiannually.

MATURITY VALUE.. ISSUE PRICE..........	$100.00 $74.00	$500.00 $370.00	$1000 $740	$5000 $3700	$10000 $7400	(2) Approximate investment yield on purchase price from issue date to beginning of each half-year period
Period after issue date	(1) Redemption values during each half-year period					
						Per Cent
First ½ year..........	Not redeemable					....
½ to 1 year..........	$74.00	$370.00	$740	$3700	$7400	0.00
1 to 1½ years..........	74.20	371.00	742	3710	7420	.27
1½ to 2 years..........	74.50	372.50	745	3725	7450	.45
2 to 2½ years..........	74.90	374.50	749	3745	7490	.61
2½ to 3 years..........	75.40	377.00	754	3770	7540	.75
3 to 3½ years..........	76.00	380.00	760	3800	7600	.89
3½ to 4 years..........	76.70	383.50	767	3835	7670	1.03
4 to 4½ years..........	77.60	388.00	776	3880	7760	1.19
4½ to 5 years..........	78.60	393.00	786	3930	7860	1.34
5 to 5½ years..........	79.70	398.50	797	3985	7970	1.49
5½ to 6 years..........	80.90	404.50	809	4045	8090	1.63
6 to 6½ years..........	82.20	411.00	822	4110	8220	1.76
6½ to 7 years..........	83.50	417.50	835	4175	8350	1.87
7 to 7½ years..........	84.80	424.00	848	4240	8480	1.96
7½ to 8 years..........	86.10	430.50	861	4305	8610	2.03
8 to 8½ years..........	87.40	437.00	874	4370	8740	2.09
8½ to 9 years..........	88.70	443.50	887	4435	8870	2.14
9 to 9½ years..........	90.00	450.00	900	4500	9000	2.19
9½ to 10 years..........	91.40	457.00	914	4570	9140	2.24
10 to 10½ years..........	92.90	464.50	929	4645	9290	2.29
10½ to 11 years..........	94.50	472.50	945	4725	9450	2.34
11 to 11½ years..........	96.20	481.00	962	4810	9620	2.40
11½ to 12 years..........	98.00	490.00	980	4900	9800	2.46
MATURITY VALUE (12 years from issue date)..............	$100.00	$500.00	$1000	$5000	$10000	2.53

TYPE OF BOND:	Current income bond. Registered. Not transferable.
INTEREST RATE	2.5 per cent a year. Interest paid semiannually by United States Treasury check.
REGISTRATION:	This bond can be registered in any of the forms shown on page 4 of the amended plan.
LIMITATION ON HOLDINGS:	Owner is limited to $50,000 of Series G bonds (cost price) or to $50,000 of Series G and Series F, combined, issued in any one calendar year.
REDEMPTION:	Owner may redeem bond on one month's written notice after six months from issue date of bond. Instructions for redeeming bonds are printed on the back of each bond.

TABLE OF REDEMPTION VALUES AND INVESTMENT YIELDS

Table showing: (1) How United States Savings Bonds of Defense Series G (paying a current return at the rate of 2½ per cent per annum on the purchase price, payable semiannually) change in redemption value, by denominations, during successive half-year periods following issue and (2) the approximate investment yield on the purchase price from issue date to the beginning of each half-year period. Yields are expressed in terms of rate per cent per annum, compounded semiannually, and take into account the current return.

MATURITY VALUE.. / ISSUE PRICE.........	$100.00 / $100.00	$500.00 / $500.00	$1000 / $1000	$5000 / $5000	$10000 / $10000	(2) Approximate investment yield on purchase price from issue date to beginning of each half-year period
Period after issue date	(1) Redemption values during each half-year period					*Per Cent*
First ½ year..........	Not redeemable..........					....
½ to 1 year..........	$98.80	$494.00	$988	$4940	$9880	0.10
1 to 1½ years..........	97.80	489.00	978	4890	9780	.30
1½ to 2 years..........	96.90	484.50	969	4845	9690	.44
2 to 2½ years..........	96.20	481.00	962	4810	9620	.61
2½ to 3 years..........	95.60	478.00	956	4780	9560	.75
3 to 3½ years..........	95.10	475.50	951	4755	9510	.88
3½ to 4 years..........	94.80	474.00	948	4740	9480	1.04
4 to 4½ years..........	94.70	473.50	947	4735	9470	1.20
4½ to 5 years..........	94.70	473.50	947	4735	9470	1.35
5 to 5½ years..........	94.90	474.50	949	4745	9490	1.51
5½ to 6 years..........	95.20	476.00	952	4760	9520	1.66
6 to 6½ years..........	95.50	477.50	955	4775	9550	1.79
6½ to 7 years..........	95.80	479.00	958	4790	9580	1.89
7 to 7½ years..........	96.10	480.50	961	4805	9610	1.98
7½ to 8 years..........	96.40	482.00	964	4820	9640	2.05
8 to 8½ years..........	96.70	483.50	967	4835	9670	2.12
8½ to 9 years..........	97.00	485.00	970	4850	9700	2.18
9 to 9½ years..........	97.30	486.50	973	4865	9730	2.23
9½ to 10 years..........	97.60	488.00	976	4880	9760	2.27
10 to 10½ years..........	97.90	489.50	979	4895	9790	2.31
10½ to 11 years..........	98.20	491.00	982	4910	9820	2.35
11 to 11½ years..........	98.60	493.00	986	4930	9860	2.39
11½ to 12 years..........	99.20	496.00	992	4960	9920	2.44
MATURITY VALUE (12 years from issue date)..........	$100.00	$500.00	$1000	$5000	$10000	2.50

[illegible]
Filing No. [illegible]

Exhibit Q

TREASURY DEPARTMENT

WASHINGTON

DEFENSE SAVINGS STAFF

FIELD MEMORANDUM #184

Subject: Direct Reporting on Participation Payroll Savings Plans

January 21, 1942

TO ALL STATE ADMINISTRATORS AND STATE CHAIRMEN:

There is attached a copy of a letter over the signature of the Secretary of the Treasury to all business concerns and other organizations identified in the weekly payroll savings reports submitted in accordance with Mr. Graves' telegram of December 27 and Field Bulletin No. 17. With this letter there is enclosed the first of a series of monthly report forms on which it is requested that employee participation be shown and mailed to the Secretary in a self-addressed franked envelope.

If this direct request for statistical information accomplishes the purpose intended, State Administrators will be relieved of much detailed clerical work. It is possible that copies of tabulations compiled by the Treasury Division of Research and Statistics will be furnished to State Administrators monthly. This matter is now under consideration.

This reporting procedure in no way lessens the responsibility of State Administrators for adequate follow-up activities to assure broad employee participation in each payroll savings plan installed.

R. W. SPARKS
Field Director
Defense Savings Staff

Attachments

TREASURY DEPARTMENT

WASHINGTON

In order that the war financing program may be conduced with the greatest facility, it seems to me essential that the Treasury be provided with periodic detailed information on the sales of Defense Savings Bonds under payroll savings plans. I have been advised through the Defense Savings Staff Administrator of your state that you have established, or have agreed to establish, a payroll savings plan for your employees. I am writing you at this time, therefore, to ask if you would be kind enough to submit to me monthly the data provided for in the enclosed schedule. This schedule has been prepared with the intention of making the reporting of the desired information as simple as possible. I shall arrange to send you a new schedule during the last week of each month for the purpose of bringing the information up to date.

The enclosed schedule, you will note, provides for (1) the number of persons employed by you last month, (2) the aggregate amount of their monthly pay, (3) the number of employees pledged to purchase bonds under the payroll savings plan, (4) the amount of aggregate deductions from pay under the payroll savings plan during the last month (including amounts deducted from pay but not yet applied to the purchase of bonds), and (5) the amount of bonds (at issue price) actually purchased last month under the payroll savings plan. The figures submitted may be approximate or rounded if you find that such a procedure is more convenient for you.

I shall appreciate it if you will forward the enclosed schedule to me at the Treasury Department, Washington, D. C. in the enclosed envelope which requires no postage. Please send your reply as soon as possible.

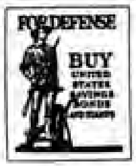
I should like to take this opportunity to thank you in advance for your cooperation.

Sincerely,

H Morgenthau Jr.

Secretary of the Treasury.

Enclosure



Defense Savings Bonds
Payroll Savings
Sales Report

December 1941

1. Total number of employees Dec. 31, 1941 (Approx.) __________
2. Amount of pay during Dec. 1941 (Approx.) ______ $________
3. Number of employees pledged to purchase bonds under the payroll savings plan (Approx.) __________
4. Amount of aggregate deductions from pay under payroll savings plan during Dec. 1941 (Approx.) ___ $________
5. Amount of bonds (issue price) purchased by employees under payroll savings plan during Dec. 1941 (Approx.) ______ $________

Note: If your payroll savings plan is not yet in operation, please indicate the approximate date when it will be installed.

Unfilled Orders for Savings Bonds at the
Federal Reserve Banks and the Post Office Department
January 20 to date

(In thousands of pieces)

	Unfilled orders at opening of business	New orders received this day	Bonds manufactured this day	Unfilled orders at close of business	Stock of bonds on hand*	IBM deliveries this day
Jan.						
20	202	204	800	86	1,184	1,000
21	86	411	800	59	1,546	575
22	59	697	800	86	1,676	1,000
23	86	569	800	50	1,871	1,000
24	50	727	800	28	1,922	1,000
25	28	none-no mail	none-closed	28	1,922	-
26	28	490	1,000 1/	7	2,011	2,000
27	7	434	1,000 1/	7	2,177	-
28	7	474	1,000 2/	6	2,102	2,000
29	6	407	1,000 2/	8	2,097	-
30	8	426	800 2/	6	1,869	2,000
31	6	404	800 1/	9	1,868	-
Feb.						
1	9	none-no mail	none-closed	9	1,868	-
2	9	402	800 2/	11	1,668	-
3	11	428	800 2/	6	1,435	-
4	6	441	800 2/	0	1,188	2,500
5	0	344	800 2/	0	1,044	-
6	0	346	800 1/	0	1,098	2,500
7	0	226	none-closed	0	872	-

Office of the Secretary of the Treasury,
Division of Research and Statistics.

February 9, 1942

* Bonds in Washington vaults only.
1/ Includes 400 thousand pieces manufactured for inventory in the field.
2/ Includes 600 thousand pieces manufactured for inventory in the field.

CONFIDENTIAL

Stock of Series E Savings Bonds on Hand 1/
January 20, 1942 to date

(In thousands of pieces)

	Stock on hand beginning of day	Sales this day	Bonds manufactured this day	Stock on hand close of day	IBM deliveries this day
Jan.					
20	8,101	218	800	8,683	1,000
21	8,683	337	800	9,146	875
22	9,146	381	800	9,565	1,000
23	9,565	377	800	9,988	1,000
24	9,988	263	800	10,525	1,000
25	10,525	none-closed	none-closed	10,525	-
26	10,525	487	1,000	11,038	2,000
27	11,038	186	1,000	11,852	-
28	11,852	251	1,000	12,601	2,000
29	12,601	265	1,000	13,336	-
30	13,336	283	800	13,853	2,000
31	13,853	139	800	14,514	-
Feb.					
1	14,514	none-closed	none-closed	14,514	-
2	14,514	505	800	14,809	-
3	14,809	158	800	15,451	-
4	15,451	262	800	15,989	2,500
5	15,989	250	800	16,539	-
6	16,539	341	800	16,998	2,500
7	16,998	159	none-closed	16,839	-

Office of the Secretary of the Treasury,
Division of Research and Statistics.

February 9, 1942

1/ Includes stock in hands of (1) Federal Reserve Banks and branches, (2) Post offices, (3) Federal Reserve Bank issuing agents, and (4) Treasury vaults in Washington.

UNITED STATES SAVINGS BONDS

Comparative Statement of Sales During
First Six Business Days of February and January 1942 and December 1941
(February 1-7, January 1-7, December 1-6)
On Basis of Issue Price

(Amounts in thousands of dollars)

Item	Sales			Amount of Increase or Decrease (-)		Percentage of Increase or Decrease (-)	
	February 1942	January 1942	December 1941	February over January	January over December	February over January	January over December
Series E - Post Offices	$ 28,490	$ 36,385	$ 11,142	-$ 7,895	$ 25,243	- 21.7%	226.6%
Series E - Banks	108,273	86,171	20,364	22,102	65,807	25.6	323.2
Series E - Total	136,763	122,555	31,506	14,208	91,049	11.6	289.0
Series F - Banks	21,136	13,573	5,360	7,563	8,213	55.7	153.2
Series G - Banks	97,261	60,150	40,922	37,111	19,228	61.7	47.0
Total	$255,160	$196,279	$ 77,788	$ 58,881	$118,491	30.0%	152.3%

Office of the Secretary of the Treasury, Division of Research and Statistics. February 9, 1942.

Source: All figures are deposits with the Treasurer of the United States on account of proceeds of sales of United States savings bonds.
Note: Figures have been rounded to nearest thousand and will not necessarily add to totals.

UNITED STATES SAVINGS BONDS

Daily Sales - February 1942
On Basis of Issue Price

(In thousands of dollars)

Date	Post Office Bond Sales	Bank Bond Sales				All Bond Sales			
	Series E	Series E	Series F	Series G	Total	Series E	Series F	Series G	Total
February 1942									
2	$ 8,435	$ 34,150	$ 6,191	$ 19,795	$ 60,136	$ 42,585	$ 6,191	$ 19,795	$ 68,571
3	3,572	7,887	2,793	19,518	30,199	11,459	2,793	19,518	33,770
4	4,893	16,537	3,937	18,515	38,989	21,430	3,937	18,515	43,882
5	4,257	16,149	2,367	14,640	33,156	20,406	2,367	14,640	37,413
6	4,310	23,510	3,829	18,620	45,958	27,820	3,829	18,620	50,269
7	3,023	10,039	2,019	6,174	18,233	13,062	2,019	6,174	21,256
Total	$ 28,490	$108,273	$ 21,136	$ 97,261	$226,670	$136,763	$ 21,136	$ 97,261	$255,160

Office of the Secretary of the Treasury, Division of Research and Statistics. February 9, 1942.

Source: All figures are deposits with the Treasurer of the United States on account of proceeds of sales of United States savings bonds.

Note: Figures have been rounded to nearest thousand and will not necessarily add to totals.

February 9, 1942

Dear Werner:

I am very sorry to have to report to you that Mr. Walter Toscanini has informed us that his father will not be able to play any of your compositions. The reason he gives is that it would take his father months to memorize any new scores and he is too advanced in age to do so. Under these circumstances, there is nothing more that I can do.

I am sorry to have raised your hopes, but unfortunately Mr. Arturo Toscanini has reached that time of life where he cannot memorize any new scores.

Yours sincerely,

(Signed) Henry

Mr. Werner Josten,
95 Round Hill,
Northampton, Mass.

File W.M.C

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE February 2, 1942

TO Secretary Morgenthau

FROM Vincent F. Callahan

Mr. Rainey reports that he has talked with Mr. Walter Toscanini and the maestro has looked over all the compositions of Mr. Werner Josten which were submitted to him.

The maestro says that the music is dull and mechanical. He states further that in order to play any of the numbers he would have to memorize the entire score and at his advanced age it would take him months to do this. He also says that the numbers would require many hours of rehearsal.

Because of these circumstances the maestro will not play any of Mr. Josten's compositions.

Vincent F. Callahan

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE February 9, 1942

TO Secretary Morgenthau

FROM George Buffington

I thought you might be interested in the attached letter from Monroe Greenthal.

G.B.

War Activities Committee

Motion Picture Industry

1501 Broadway, New York

Telephone: Wisconsin 7-4633

Publicity and Advertising Division
Office of the Chairman
729 Seventh Avenue
New York City

February 6, 1942.

Mr. George Buffington,
Assistant to Sécretary of the Treasury,
192 Treasury Building,
Washington, D. C.

Dear Mr. Buffington:

I want to thank you for coming to New York for our meeting of the War Activities Committee. I want to assure you that everything that was promised you at the meeting will be delivered 100% and that between now and March 15th, we will try to redouble our efforts in behalf of "THE NEW SPIRIT" and payment of income taxes.

We will try to prove in the future, by actual performance, that we can do a publicity job, and everybody who attended that meeting has since called me on the phone and assured me again and again that they are proud to be on the War Activities Committee, and anxious to be of service to our Treasury Department.

With kindest personal regards,

Sincerely,

Howard W Greenthal

Chairman, Publicity & Advertising Division

MWG/hmt

2/9/42 **108**

The man who was doing this work for Mr. Morris had to have an operation on his eyes, and now Mr. Morris has to turn it over to some one in his office.

Follow up 2/20/42 - In process

" " 3/20/42 - Mills is working on

" " 4/6/42 - File 5/12/42 -

November 7, 1941

FOLLOW-UP FOR THE SECRETARY:

Sometime ago you asked Mr. Bell to consider and report to you on the possibility of cutting the interest rates on Postal Savings, FDIC, and Philippines Trust Fund?

Is this a closed matter?

Carbon of this follow up
given to ~~Bell~~ Morris today by
Hngs to hold onto for awhile -

11/14/41 - Morris brought this to Hng's attention
~~Follow up 11/17/41~~ and he said he should bring it
up again -
Follow up 12/1/41 - Mr. Morris says "Still in process"
" " 12/8/41 - Still in working
" " 12/29/41 - Followed up with Morris - Still in
process -
" " 1/10/42 - not ready
" " 1/18/42 - [illegible]
2/2/42 -

October 30, 1941

FOLLOW-UP FOR THE SECRETARY:

Sometime ago you asked Mr. Bell to consider and report to you on the possibility of cutting the interest rates on Postal Savings, FDIC, and Philippines Trust Fund? Is this a closed issue?

THE UNDER SECRETARY OF THE TREASURY

October 22, 1941

MEMO TO MRS. McHUGH:

Re: Phone conversation on September 12th between the Secretary and the Under Secretary relative to considering the possibility of cutting the interest rate on Postal Savings, FDIC, and Philippines Trust Fund.

Mr. Bell talked to the Secretary at a private conference and after going over the matter, the Secretary decided to let it rest for the time being.

C. Epps

October 21, 1941

Miss Epps:

In a phone conversation on September 12th the Secretary asked Mr. Bell to consider the possibility of cutting the interest rate on Postal Savings, FDIC, and Philippines Trust Fund?

Could you find out whether Mr. Bell has taken this up with the Secretary? Thanks.

Mrs. McHugh

10/21/41

Miss Epps reported that Mr. Bell
did take this up with HM Jr once,
but the Secretary told him to bring
it up again.

September 25, 1941

FOLLOW-UP FOR THE SECRETARY:

Has Mr. Bell reported to you on the possibility of cutting the interest rate on Postal Savings, FDIC, and Philippines Trust Fund?

9/12/41

In phone conversation today HM Jr asked Bell to give him a report on possibility of cutting interest rate on Postal Savings, FDIC and Philippines Trust Fund.

Follow up 9/19/41

THE WHITE HOUSE
WASHINGTON

February 9, 1942

TO THE HEADS OF ALL DEPARTMENTS, ESTABLISHMENTS AND AGENCIES OF THE FEDERAL GOVERNMENT:

It is essential that an equitable and uniform practice be followed in applying the provisions of the Selective Service and Training Act of 1940 to officers and employees in the Federal service.

The policy with respect to deferment from military training and service on occupational grounds recommended in the attached memorandum, dated February 5, 1942, has my approval, and all concerned will be governed accordingly.

F D R

THE WHITE HOUSE
WASHINGTON

February 5, 1942

MEMORANDUM FOR THE PRESIDENT:

We recommend that you issue to the heads of all departments and establishments the following regulations to govern their actions on all requests for deferment of officers and employees from military training and service on occupational grounds:

1. Request for the deferment from service under the Selective Training and Service Act, approved September 16, 1940, as amended, of any officer or employee of the United States government shall be made only by the head of the appropriate department, independent establishment or other agency, or by a person designated by such head to take such action. Such request must be made on the form or forms prescribed by the Selective Service system.

2. No such request for deferment shall be made except when the head of the appropriate agency, or a person designated by him, shall certify that

(a) The officer or employee is in a position, the duties of which are clearly related to the war effort or to essential supporting activities, and that

(b) The officer or employee is in a type of position listed by the Selective Service system as one in which it is difficult to obtain replacements, or a type of position in which he can not be readily replaced except by the training of a successor through work experience for a period of at least six months.

3. The initial request for deferment will, in accordance with Selective Service regulations, be for a period of not to exceed six months. If the duties of the position occupied by the officer or employee are of a type which require work experience of less than two years to attain a reasonable competence in their performance, the appropriate agency will take immediate steps to train a successor.

4. Request for deferment beyond the initial six month period will not be made except when the head of the department shall certify that one of the following conditions exists:

(a) That to attain reasonable competence in the performance of the duties of the position occupied by the officer or employee requires work experience of two years or more.

(b) That a replacement has been secured but that a further period of training is required before the trainee is qualified to assume the responsibilities of the position.

(c) That the Selective Service system has found that a shortage of persons with the qualifications required in the position exists and it has been impossible to secure a replacement.

5. The heads of all departments, independent establishments and other Federal agencies will immediately make an inventory of officers and employees who, in all probability, will be placed in class I-A and, where necessary, recruit and begin the training of persons who, when the officers or employees now holding the positions are inducted into the military service, will be ready to assume the duties and responsibilities of the positions thus made vacant.

Henry Morgenthau Jr
Secretary of Treasury

Henry L Stimson
Secretary of War

Frank Knox
Secretary of Navy

Lewis B Hershey
Director, Selective Service System

Wm H McReynolds
Administrative Assistant to the President

February 9,1942

MONTHLY REPORT OF NATIONAL DEFENSE CASES

JANUARY 1942

Applications received as of December 31, 1941	9181		
Applications received during January	-		
Previously reported cases reopened	9		
Total received as of January 31, 1942			9190

* * * *

Completed investigations as of December 31	5049		
Completed investigations during January	598		
Total completed investigations as of January 31		5647	
Applications withdrawn as of December 31	466		
Applications withdrawn during January	-		
Applications delivered to Department of Justice	2852		
Total applications withdrawn as of January 31		3318	
Total cases closed as of January 31, 1942			8965
Applications pending in office as of January 31	-		
Applications pending in field as of January 31	225		
Total applications pending as of January 31, 1942			225
Total cases disposed of and pending as of January 31			9190

* * * *

Agents engaged on this work under direction of this office close of January 1942

Alcohol Tax Unit	-	57
Secret Service	-	-
Customs Service	-	3
Narcotics Service	-	9
Intelligence Unit	-	38

119

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE
February 9, 1942

TO Secretary Morgenthau

FROM Ferdinand Kuhn, Jr.

You might like to see the attached list of paintings and sculptures which have been removed from the National Gallery of Art for safekeeping at Biltmore House, Asheville, North Carolina. They all arrived intact and are now under constant guard.

The rest of this bulky document consists of formal resolutions and reports adopted at today's annual meeting of the Board of Trustees which I attended as your representative.

F. K.

AGENDA

OF

MEETING OF THE BOARD OF TRUSTEES OF THE NATIONAL GALLERY to be held in the Board Room of the National Gallery of Art, Monday, February 9, 1942, at 9:30 A. M.

Bylaws. Article V, Section 1:
"The annual meeting of the Board for the election of committees and officers and the transaction of such other business as may come before the meeting shall be held . . . . on the second Monday of February at 9:30 o'clock A. M."

Chairman of the Board - Bylaws. Article VII, Section 2: "Chairman of the Board. The Chief Justice of the United States, ex officio, shall be Chairman of the Board and as such shall be the honorary executive officer of the National Gallery of Art."

(The persons presently serving as Secretary, the Treasurer, the Director, the Administrator, the Assistant Director, and Chief Curator were elected by and now hold office at the pleasure of the Board. (Article VII, Sections 5, 6, 7, 8 and 9.) No action with regard to the election of these officers appears to be necessary.)

Quorum:
Bylaws: Three members of the Board shall constitute a quorum.

1. Minutes of last meeting.
(Copy of the minutes of the special meeting held Monday, December 29, 1941, has been sent to each Trustee. Unless there are objections or corrections suggested, motion is in order to dispense with the reading thereof, and that such minutes are to stand approved.)

2. Election of Officers.
A. President
Bylaws. Article VII, Section 3. "The President shall be elected by and from the Trustees at the

2. (Cont'd)

annual meeting and shall serve until the next annual meeting and the election and qualification of his successor."

Mr. David K. E. Bruce was elected President of the Board and is now serving in that capacity.

Motions are in order for the election of a President.

B. Vice President
By-Laws. Article VII, Section 4. "The Vice President shall be elected by and from the Trustees at the annual meeting and shall hold office until the next annual meeting and the election and qualification of his successor."

Mr. F. Lammot Belin was elected Vice President of the Board and is now serving in that capacity.

Motions are in order for the election of Vice President.

C. Associate Vice President
The office of Associate Vice President is not provided for in the by-laws of the Trustees. However, Article VII, Section 10, relating to Executive Officers, provides for the election of:

> "Such other Executive Officers as the Board from time to time may deem it necessary or advisable to elect shall have such respective titles, authorities and duties as from time to time the Board shall prescribe."

It has been suggested that such an office be created if the Board so decides.

Motions are in order for the election of an Associate Vice President.

3. Election of members of the Executive Committee.

By-Laws. Article VI, Section 1: "The Executive Committee shall consist of the Chairman of the Board, the President, the Vice President and the Secretary of the Smithsonian Institution, ex officio,

3. (Cont'd)

and of one other Trustee elected by the Board at the annual meeting to serve until the next annual meeting and the election and qualification of his successor . . . . The Chairman of the Board shall be the Chairman, and the President the Vice Chairman, of the Executive Committee."

The present members are:

Chairman and member ex officio	Chief Justice Harlan F. Stone Chairman of the Board.
Vice Chairman	Mr. David K. E. Bruce, President
Member ex officio	Dr. Charles G. Abbot, Secretary of the Smithsonian Institution
Member ex officio	Mr. F. Lammot Belin
Member	Mr. Duncan Phillips

Mr. Duncan Phillips was elected a member of the Executive Committee and is now serving in that capacity.

Motions are in order for the election of a Trustee to serve on the Executive Committee.

4. Election of members of the Finance Committee.

By-Laws. Article VI, Section 3: "The Finance Committee shall consist of the Secretary of the Treasury and the President, ex officio, and of three other Trustees who shall be elected by the Board at the annual meeting to serve until the next annual meeting and the election and qualification of their successors . . . . The Secretary of the Treasury, ex officio, shall be Chairman of the Finance Committee."

The present members are:

Chairman	Secretary Henry Morgenthau, Jr., Secretary of the Treasury.
Vice Chairman and member ex officio	Mr. David K. E. Bruce
Member	Mr. Samuel H. Kress
Member	Mr. F. Lammot Belin
Member	Secretary Cordell Hull

4. (Cont'd) 123

Secretary Hull and Messrs. Belin and Kress were elected as members of the Finance Committee and Mr. Bruce as Vice Chairman, and are now serving in their respective capacities.

Motions are in order for the election of three Trustees to serve as members of the Finance Committee and a Vice Chairman.

5. Election of members of the Acquisitions Committee.

By-Laws. Article VI, Section 5. "The Acquisitions Committee shall consist of the President, the Vice President and the Director, ex officio, and of two other Trustees who shall be elected by the Board at the annual meeting to serve until the next annual meeting and the election and qualification of their successors . . . . The President shall be Chairman of the Acquisitions Committee."

The present members are:

Chairman	Mr. David K. E. Bruce
Member ex officio	Mr. F. Lammot Belin
Member	Mr. Duncan Phillips
Member	Mr. Joseph E. Widener
Member ex officio	Mr. David E. Finley

Messrs. Duncan Phillips and Joseph E. Widener were elected as members of the Acquisitions Committee and Mr. Belin as Vice Chairman, and are now serving in their respective capacities.

Motions are in order for the election of two Trustees to serve on the Acquisitions Committee.

6. Reports of Committees.

A. Reports of standing committees.

1. Executive Committee. (a) Gifts of property other than works of art, monies and securities.

2. Finance Committee.

3. Acquisitions Committee.

   a. Portrait of former Chief Justice Charles Evans Hughes, by Augustus Vincent Tack, given to the Gallery by Duncan Phillips to be hung in the Board Room.

6. (Cont'd)

b. Offer of Mr. Philip Hofer to give print "Saint Sebastian" by Hans Baldung (Grien) to Gallery.
c. Offer of Mrs. Ralph Harman Booth to bequeath works of art to Gallery.
d. Portrait of Dona Teresa Sureda by Goya given to the Gallery by Mrs. Peter H. B. Ferlinghuysen.
e. Offer of Mrs. Albert J. Beveridge to bequeath painting to Gallery.
f. Loans of works of art to Gallery:
   (1) Loan by Mr. Chester Dale of additional paintings.
   (2) Loan by Mrs. Harold Peabody and other children of the late Rt. Rev. William Lawrence of portrait of Amos Lawrence by Chester Harding.
   (3) Loan by French Government and museums of French paintings.
g. Restoration of works of art since last annual meeting.

B. Reports of special committees and officers of Gallery.

1. Report regarding evacuation of certain works of art from Gallery.

2. Report of gift of colored reproductions of works of art in the Gallery to Army Camps.

3. Report on Publications Fund.

4. Report on contributions to the Gallery by The A. W. Mellon Educational and Charitable Trust for various purposes.

5. Report re bonding of certain officers of the Gallery.

7. Other Business.

A. Use of space in the National Gallery of Art building for defense purposes.

B. Authorities and duties of Assistant Treasurer.

7. (Cont'd)

C. Appointment of Assistant Administrator, and authorities and duties of.

C. Acceptance of gifts of monies and securities.

E. Any other business proposed at meeting.

[illegible]

[illegible] of Associate Vice President

[illegible] Chairman stated that because of the interest which Mr. [illegible] Dale of New York has shown in the Gallery by the loan of [illegible] of his important paintings to the Gallery; also because of [illegible] knowledge of and experience in the art world, particularly as [illegible] French and American paintings, he felt that Mr. Dale was in [illegible] position to render valuable assistance to the Gallery and therefore recommended for the Board's consideration his election as an [illegible] officer of the National Gallery of Art. The Chairman advised that under the bylaws the Board is vested with authority to elect executive officers other than those named in the bylaws and give them such titles, authorities and duties as it may prescribe. He suggested that the Board, if it desired, might create the office of Associate Vice President, and elect Mr. Dale as such officer, to serve without compensation in an advisory capacity to the Board on matters of art, inviting and granting him the authority [illegible] to attend meetings of the Board so that it might have the [illegible] of his advice on questions which might arise.

On motion duly made and seconded, it was

R E S O L V E D

That Mr. Chester Dale of New York, be, and he hereby is, elected Associate Vice President of the National Gallery of Art, to serve without compensation and to act in an advisory capacity to the Board of Trustees on matters of art, particularly as regards French and American painting, and to meet with the Board of Trustees from time to time so that the Board might have the benefit of his advice on questions which might arise in connection with such matters.

Resolved Further, that Mr. Dale be officially advised of his election as Associate Vice President of the Gallery as here in this resolution of the Board is provided and that the thanks of the Board be conveyed to Mr. Dale for his generous loan of paintings to the Gallery.

Agenda C-A-3-a

Report of the Acquisitions Committee with reference to the acceptance of a portrait of former Chief Justice Hughes, for the Board Room

Mr. Belin reported that the members of the Acquisitions Committee had viewed a portrait of former Chief Justice Hughes, which the Committee had authorized to be painted by Mr. Augustus Vincent Tack and recommended be placed in the Board Room, in accordance with the generous offer of Mr. Duncan Phillips to defray any expenses which might be involved. The members of the Committee approved highly of the portrait, which had also been approved by former Chief Justice Hughes. The Committee also approved of the frame, which had been made in the Gallery and placed on the portrait. The acceptance of the gift will, therefore, not involve the Board of Trustees in any obligations which have not been met from funds available. The Committee recommends that the portrait be accepted, to be hung in the Board Room but not with the Permanent Collection.

On motion duly made and seconded, it was

R E S O L V E D

That the Board of Trustees approve the report of the Acquisitions Committee recommending the acceptance of a portrait of former Chief Justice Hughes, which has been painted by Mr. Augustus Vincent Tack and given to the Gallery through the generosity of Mr. Duncan Phillips;

Resolved Further, That the portrait be hung in the Board Room of the National Gallery as not with the permanent collection and that the Director appropriately advise Mr. Hughes of the acceptance by the Board of the portrait, and the place where it will be hung; and

Resolved further, that the thanks of this Board are hereby conveyed to Mr. Duncan Phillips for his generosity in giving the portrait of its first Chairman of the Board to the National Gallery of Art.

Agenda 6-A-3-b

Report to the Board of the Acquisitions Committee on the offer of Mr. Philip Hofer of Cambridge, Massachusetts to give a woodcut of "Saint Sebastian" by Hans Baldung (Grien).

Mr. Phillips of the Acquisitions Committee reported that at a meeting of the Committee held on December 17th, 1941, the Committee viewed a woodcut of Saint Sebastian by Hans Baldung (Grien), which had been offered to the Gallery by Mr. Philip Hofer of Cambridge, Massachusetts, as a gift; that there are no conditions attached to the gift and its acceptance would involve the Gallery in no financial obligation which could not be met out of available funds; that in the judgment of the Committee the print is of a similar high standard of quality as works of art in the permanent collection and the Committee recommended to the Board of Trustees that the gift of this print be accepted for the permanent collection.

On motion, duly made and seconded, it was

R E S O L V E D

That the Board approves the report of the Acquisitions Committee recommending the acceptance of the offer of Mr. Philip Hofer to give to the National Gallery of Art a woodcut, "Saint Sebastian" by Hans Baldung (Grien), to be included in the permanent collection, and does hereby accept such offer, and

Further Resolved, that the Director be instructed to express the thanks of the Board to Mr. Hofer for his generous gift.

Agenda C-A-3-c

Report to the Board of Trustees from the Acquisitions Committee regarding a possible gift or bequest from Mrs. Ralph Harman Booth of Grosse Pointe, Michigan

Mr. Finley made the following report on behalf of the Acquisitions Committee:

The Acquisitions Committee, at a meeting held on November 10th, 1941, considered the offer of Mrs. Ralph Harman Booth of Grosse Pointe, Michigan, to give to the Gallery, either by bequest or by gift, certain works of art in her Collection. No conditions were attached to the offer.

The Committee agreed to recommend the acceptance, if and when such a gift should be received from Mrs. Booth, of the following works of art:

PAINTINGS

Artist	Painting
Gianantone Boltraffio	Portrait of Girolamo Casio
Giovanni Bellini	Madonna and Child
Jacopo Robusti, called Tintoretto	Madonna and Child
Lucas Cranach, The Elder	Portrait of a Prince of Saxony
Lucas Cranach, The Elder	Portrait of a Princess of Saxony
Bernhard Strigel	Portrait of a Man, probably Mayor of Memmingen
Bernhard Strigel	Portrait of a Lady, Wife of the Mayor of Memmingen
Nicolas Kremer	Portrait of a German Nobleman
Ambrosius Benson	Cornelius Duplicius de Scheppere (Scepperus)
Ambrosius Benson	Elizabeth (Isabell Douche), Wife of Cornelius Duplicius de Scheppere
Jan Gossaert, called Mabuse	Madonna and Child
Jacob Jordaens	Holy Family

SCULPTURE

Greek (4th Century B.C.)	Head of a Youth
Middle Rhenish School	Pieta
Nottingham School	Painted alabaster, Christ supported by an Angel

At a subsequent meeting, on December 17th, 1941, the Committee agreed to recommend to the Board of Trustees the acceptance of a bequest, if and when made, by Mrs. Booth of the following works of art:

PAINTINGS

Artist	Painting
Cezanne, Paul	Landscape
Cotes, F.	Miss Frances Lee
Cuyp, Aelbert	Landscape with Horsemen
Derain, Andre	Landscape
Gauguin, Paul	Invocation
Gauguin, Paul	Still Life with Fruit
Guys, C.	Single Figure (drawing)
Matisse, Henri	Still Life
Monet, Claude	Flowers
Pater, J. B.	Fete Champetre
Picasso, Pablo	Children at a Pool
Redon, Odilon	Still Life with Flowers in a Vase and Butterflies
Renoir, August	Madame Renoir at the Gate
Renoir, August	Still Life with Melon
Segonzac, Andre de	Bridge of Joinville
Van Gogh, Vincent	Flowers
Van Gogh, Vincent	Landscape (drawing)

SCULPTURE

Haller, Herman	Portrait of Tilla Durieux
Kolbe, Georg	The Dancer Nijinski
Kolbe, Georg	Girl Dancing
Renoir, August	Bronze Blacksmith
Scheibe, Richard	Madonna and Child (seated)
Scheibe, Richard	Christ Entering Jerusalem

TAPESTRY

Flemish tapestry, "Wedding Scene", Brussels, 16th century. (about 1520)

There were no conditions attached to the offer, and in the judgment of the Committee all of the above works of art are of a similar high standard of quality as those in the Gallery's Collection and should be accepted for the Permanent Collection, to be exhibited or stored until eligible under the twenty-year clause.

At this meeting, the Committee also agreed to recommend the acceptance of a further bequest by Mrs. Booth of a 15th century Florentine mantelpiece and two carved marble doorways, for the use of the National Gallery or for the use of the National Collection of Fine Arts if, in the opinion of the Trustees of the National Gallery, these doorways and mantelpiece should be considered more suitable at that time for installation in the National Collection of Fine Arts, it being understood that after their receipt at the National Gallery, these objects would be received and cared for by the Gallery until such decision could be made.

The Committee understood that Mrs. Booth had advised the Director that she would provide in her will the sum of $000 to cover the cost of dismantling the doorways and mantelpiece, and packing and shipping them to Washington, but expected that any further expense in connection with these objects or other bequests to the Gallery which she might make, as listed above, would be met by the Gallery.

The Committee has agreed to recommend the acceptance of the mantelpiece and the two carved doorways on the above terms, with the expectation that they can be installed as part of the decoration of the National Gallery building, if desired, and, if not, that they can be used by the National Collection of Fine Arts.

In the opinion of the Committee, any costs beyond the amount provided in Mrs. Booth's will for packing and transportation can, undoubtedly, be met out of funds which will be available at that time.

On motion duly made and seconded, it was

R E S O L V E D

That the Board of Trustees approve the report of the Acquisitions Committee recommending the acceptance of a bequest from Mrs. Ralph Harman Booth of Grosse Pointe, Michigan, if and when made, of the works of art as listed in the Committee's report, to be included in the Permanent Collection, and also the two carved doorways and carved marble mantelpiece (15th century Florentine) for the use of the National Gallery of Art or the National Collection of Fine Arts, in the direction of the Trustees of the Gallery, under the conditions that the National Gallery of Art will pay for the costs of transportation of the works of art and the dismantling and transportation of the doorways and mantelpiece in excess of $600, and

Resolved Further, that the Director be, and hereby he is, authorized and directed to advise Mrs. Booth that her generous offer to make such a bequest is greatly appreciated by the Trustees of the Gallery.

Action 8-A-3-d

Report to the Board of David E. Finley, Director, on the gift to the National Gallery from Mrs. Peter H. B. Frelinghuysen of a portrait of Dona Teresa Sureda by Goya.

Mr. Finley reported that Mrs. Peter H. B. Frelinghuysen on January 16th, 1942, had presented to the Gallery the Goya portrait of Dona Teresa Sureda which had arrived at the Gallery and has been hung in one of the exhibition rooms.

This painting is the companion to the Goya portrait of Don Bartolome Sureda which was accepted by the Board at its meeting held on September 8, 1941. At that time the Board authorized the acceptance of the portrait of Dona Teresa Sureda at such time in the future as Mrs. Frelinghuysen might make a gift of this portrait, she having then offered to bequeath it to the Gallery.

Mr. Finley also said there were no conditions attached to this gift and its acceptance by the Gallery would not involve the [illegible] in any financial obligation for which adequate provision for the discharge thereof had not been made in the existing budget.

On motion, duly made and seconded, it was

R E S O L V E D

That the Board of Trustees approve the report.

of the Director on the gift to the Gallery from Mrs. Peter H. B. Frelinghuysen of a portrait of "Dona Teresa Sureda" by Goya, and the exhibition of the painting in the permanent collection; and

Further Resolved, that the Director be instructed to express the thanks of the Board to Mrs. Frelinghuysen for her generous gift and in making the painting available for the enjoyment of the public now.

Agenda 6-A-3-e

Report of the Acquisitions Committee with reference to the acceptance of a pastel portrait by Degas offered as a bequest by Mrs. Albert J. Beveridge

The President stated that the Acquisitions Committee, at its meeting on February 7th, considered the offer of Mrs. Albert J. Beveridge to bequeath to the National Gallery a pastel portrait of Madame Dietz-Monin (known also as "Femme au Chapeau Rose") by Degas. The Committee agreed to recommend the acceptance of this bequest, if and when made, as being of a similar high standard of quality as works of art in the Permanent Collection and involving the Gallery in no expense which cannot be met out of available funds. It is understood that no conditions will be attached to the bequest, with the exception that it will be requested that the portrait be marked as a gift from Mrs. Beveridge in memory of her aunt, the late Mrs. Marshall Field.

On motion duly made and seconded, it was

R E S O L V E D

That the Board of Trustees approve the report of the Acquisitions Committee recommending the acceptance of a bequest of a pastel portrait of Madame Dietz-Monin (known also as "Femme au Chapeau Rose") by Degas, if and when made by Mrs. Albert J. Beveridge.

Further Resolved, That the Director be, and hereby he is, authorized and directed to advise Mrs. Beveridge that her generous offer to make such a bequest is greatly appreciated by the Trustees of the Gallery.

Agenda C-A-3-f-2

Report of the Acquisitions Committee regarding the loan of a portrait of Amos Lawrence by Chester Harding

The Director reported that the Acquisitions Committee, at a meeting held on December 15, 1941, had approved the acceptance of the offer of Mrs. Harold Peabody and the other children of the late Bishop William Lawrence of Massachusetts, to lend to the Gallery, for a period of not less than ten years, the full-length portrait of Amos Lawrence by Chester Harding.

In the judgment of the Committee, the painting is of a high standard of quality and has been hung with other paintings of the American School in the Permanent Collection.

Annex 5-A-3-f-3

Report to the Board of Trustees from the Acquisitions Committee with reference to the loan of paintings from the French Government and museums.

The Director reported:

The Acquisitions Committee on January 6, 1942, instructed Mr. Finley to accept the offer of Mr. Rene Batigne, representing the French Government and French museums, of the loan of a collection of approximately 174 French 19th century paintings belonging to the French Government, French museums and certain non-French museums and private individuals. This exhibition has been on view at the Metropolitan Museum in New York, the Chicago Art Institute, and, more recently, at the M. H. De Young Memorial Museum in San Francisco. The Committee agreed to accept the loan of the exhibition for one year, with the understanding that at that time further arrangements will be discussed as to whether the collection should remain here, either in storage or on exhibition, until the end of the war and on what terms.

Mr. Batigne expected that the National Gallery would pay the cost of transportation and insurance in transit from San Francisco to Washington on all the paintings, and that it would maintain insurance for a period of one year, after arrival here, on the paintings owned by private individuals and foreign (non-French) museums. No insurance would be carried on the paintings owned by French museums while the collection is in the National Gallery.

The cost of such transportation and insurance will be approximately [illegible]. As no public funds are available for this purpose, The A. W. Mellon Educational and Charitable Trust has generously agreed to contribute these funds.

The paintings will be packed at the De Young Memorial Museum in San Francisco and will arrive at the Gallery, it is expected, about February 11th, when the paintings will be installed in Galleries 59, 60, 67, 71, 72 and 76. It is expected that the exhibition will be opened to the public about March 1st.

Agenda 6-A-g

Restoration of Works of Art since last annual meeting

Mr. Walker, Chief Curator, reported to the Trustees of the National Gallery of Art that during the last twelve months Mr. Stephen S. Pichetto, Consultant Restorer, had completed restoration work on one hundred and eighteen paintings. Though the number of paintings requiring restoration may seem large, this was to be expected in view of the effect on the more delicate panels of the change of temperature and humidity during the transfer of the Kress and Mellon Collections to the National Gallery of Art. Also in many cases it was necessary to reduce the amount of varnish on the pictures so that their surfaces would be more suitable for the natural light of the Gallery. None of the work necessary for the preservation of the pictures, however, was of a serious nature and the panels are rapidly becoming acclimated to a degree of temperature and humidity which, in the Gallery, will now remain constant. A detailed report of the work done on the paintings in the collections has been submitted to and approved by the Acquisitions Committee.

Since the opening of the Gallery, all of the work of restoration on the collections has been done in the building except for the following two pictures:

No. [illegible] Madonna and Child with St. Mary Magdalen and St. Catherine, by Pietro Lorenzetti, given by Mrs. Warburg;

No. [illegible]-106 Thomas Macdonough, by Gilbert Stuart, belonging to The A. W. Mellon Educational and Charitable Trust, on loan to the National Gallery of Art.

It was necessary to send these paintings to Mr. Pichetto's studio, 745 Fifth Avenue, New York City, since the equipment for these repairs had not yet been installed at the National Gallery. Both paintings are at present at the above address. The Lorenzetti triptych is insured for $100,000 and the receipt for the insurance has been given to the Secretary and Treasurer of the National Gallery of Art. The Portrait of Thomas MacDonough is insured by The A. W. Mellon Educational and Charitable Trust and permission for the restoration of this picture to be done in New York has been secured.

A record is kept of all paintings which have been wiped to remove dust and freshen their appearance. This work does not require the paintings to be taken from the wall, and is done by Mr. Pichetto, or one of his assistants, under the supervision of the Chief Curator. In the last twelve months one hundred and four paintings have been cleaned in this way.

One piece of sculpture in the collection, No. A-46, Saint Catherine of Siena, by Mino da Fiesole, has also required restoration. In this case a small area of the gesso filler at the back of the bust had become detached and it was necessary to insert a new filler.

Agenda 6-B-1

Report from the Chief Curator regarding the evacuation of certain works of art from the National Gallery of Art to Biltmore.

The Chief Curator reported:

In accordance with the resolution of the Board of Trustees of December 29th, the paintings and sculpture on the attached lists have been evacuated to Biltmore House, Biltmore, North Carolina, in space made available through the courtesy of the Biltmore Company, and put in condition for the storage of the works of art with funds supplied by the Trustees of The A. W. Mellon Educational and Charitable Trust. All of these paintings and sculpture were carefully inspected before they were packed and found to be in good condition. The packing of the paintings and sculpture was done under the supervision of Mr. John Walker, the Chief Curator, Mr. Charles Seymour, Curator of Sculpture, and Mr. Stephen Pichetto, Consultant Restorer and Technical Advisor. They were assisted by Mr. James, Mr. Parkhurst and Mr. Smyth. The actual packing was done by Mr. Rieth and three of Mr. Pichetto's expert packers. Arrangements for the transfer of the works of art to Biltmore and the payment of costs were made by the offices of the Secretary-Treasurer and the Administrator.

Special boxes were prepared, and the method of packing these works of art is described in Mr. Walker's memorandum of January 5th to the executive officers.

The paintings and sculpture to be evacuated were removed from exhibition after the Gallery had closed on the evening of December 31st. All but three of the galleries were rehung while the building was closed on New Year's Day. The rehanging system has been reported to the Acquisitions Committee in the Chief Curator's memorandum of January 6th. On January 6th the greater part of the paintings and sculpture was packed in two large lift vans which were purchased by the Mellon Trust. Those pieces which were too large or too heavy to be placed in the lift vans were packed in specially prepared boxes, and handled separately. On January 7th the two life vans and the boxes were loaded in a special express car, which was sealed and kept under the constant supervision of guards from the National Gallery staff. Mr. Finley, Mr. Pichetto and Mr. Walker were on the same train and inspected the car on its arrival at Biltmore.

On January 8th and 9th the lift vans and other boxes were transported to Biltmore House and all the works of art unloaded. On January 10th and 11th the paintings and sculpture were unpacked and carefully inspected by Mr. Finley, Mr. Pichetto and Mr. Walker, who is very happy to be able to report that everything arrived in excellent condition.

Pursuant to the Gallery's request, the Trustees of the Mellon Trust have advanced the sum of $20,000 to cover certain expenses of the evacuation of these works of art, out of which the following expenses have been defrayed.

Purchase of three Bowling Green lift vans and the transportation of same and other works of art to Biltmore, N. C.	$1,342.88
Transportation of one lift van to express car and incidental expenses	138.00
Purchase of one second-hand automobile, Chrysler four door sedan, for use at Biltmore, N. C.	925.00
Insurance on "Biltmore" automobile, one year	150.00
Gas and oil and necessary services, Biltmore automobile	100.00
Storage of two empty steel lift vans at Alexandria, Virginia	240.00
Traveling and incidential expenses, John Walker, Biltmore, N. C.	12.58

The use of an automobile to transport the guards and members of the staff from Biltmore House to their quarters was found to be most necessary.

The paintings and sculpture now at Biltmore House are under constant guard by members of the guard force of the National Gallery. A member of the curatorial department is in residence at a house which has been leased for one year with funds advanced by the Mellon Trust. He inspects all of the paintings and sculpture twice a day, and reports daily on the temperature and humidity, which is maintained, so far as possible, at a level decided upon by Mr. Pichetto and Mr. Walker as being most suitable for the works of art.

Funds for living accommodations for one member of the curatorial staff at Biltmore have been provided from the funds advanced by the Mellon Trust. In this connection, the following expenses have been defrayed to date from this fund:

Advance to cover purchase of china, silverware, blankets, etc., at the Curatorial Residence, Biltmore, N. C.	$100.00
Advance to cover purchase of household supplies, exclusive of food, telephone, gas, water, etc., at the Curatorial Residence, Biltmore, N. C.	100.00
Lease of Curatorial Residence at Biltmore, N.C., one year	1,500.00

On motion, duly made and seconded, it was

R E S O L V E D

That the report of the Chief Curator covering the evacuation of certain works of art from the National Gallery of Art to Biltmore House, Biltmore, North Carolina, be, and hereby it is, accepted and approved, and

Further Resolved, that the action of the officers of the Gallery in effecting such evacuation, in accordance with the said report, be, and hereby is, approved.

WORKS OF ART EVACUATED

Paintings

Artist	Title
Masaccio	The Madonna of Humility
Duccio di Buoninsegna	Nativity, with the Prophets Isaiah and Ezekiel
Masaccio	Profile Portrait of a Young Man
Masolino da Panicale	The Annunciation
Pollaiuolo, Antonio	Portrait of a Man
Botticelli	The Adoration of the Magi
Pisanello	Profile Portrait of a Lady
Raphael	The Alba Madonna
Raphael	The Niccolini-Cowper Madonna
Raphael	St. George and the Dragon
Perugino	The Crucifixion with the Virgin, St. John, St. Jerome, and St. Mary Magdalen
Antonello da Messina	Madonna and Child
Antonello da Messina	Portrait of a Young Man
Titian	Venus with a Mirror
Jan van Eyck	The Annunciation
Petrus Christus	The Nativity
Hans Memling	Madonna and Child with Angels
Gerard David	The Rest on the Flight into Egypt
Rogier van der Weyden	Portrait of a Lady
Van Dyck, Sir Anthony	Marchesa Balbi
Van Dyck, Sir Anthony	Philip, Lord Wharton
Vermeer, Jan	The Girl with a Red Hat
Vermeer, Jan	The Lacemaker
Vermeer, Jan	The Smiling Girl
Holbein, Hans, the Younger	Edward VI as Prince of Wales
Holbein, Hans, the Younger	Sir Brian Tuke
Hals, Frans	Balthasar Coymans
Rembrandt van Ryn	Self Portrait
Rembrandt van Ryn	A Woman Holding a Pink
Rembrandt van Ryn	A Polish Nobleman
Velazquez	Pope Innocent X
Velazquez	The Needlewoman
Goya	The Marquesa de Pontejos
Goya	Senora Sabasa Garcia
Chardin	The House of Cards

[illegible]

Paintings

Artist	Title
Masaccio	The Madonna of Humility
Duccio di Buoninsegna	Nativity, with the Prophets Isaiah and Ezekiel
Masaccio	Profile Portrait of a Young Man
Masolino da Panicale	The Annunciation
Pollaiuolo, Antonio	Portrait of a Man
Botticelli	The Adoration of the Magi
Pisanello	Profile Portrait of a Lady
Raphael	The Alba Madonna
Raphael	The Niccolini-Cowper Madonna
Raphael	St. George and the Dragon
Perugino	The Crucifixion with the Virgin, St. John, St. Jerome, and St. Mary Magdalen
Antonello da Messina	Madonna and Child
Antonello da Messina	Portrait of a Young Man
Titian	Venus with a Mirror
Jan van Eyck	The Annunciation
Petrus Christus	The Nativity
Hans Memling	Madonna and Child with Angels
Gerard David	The Rest on the Flight into Egypt
Rogier van der Weyden	Portrait of a Lady
Van Dyck, Sir Anthony	Marchesa Balbi
Van Dyck, Sir Anthony	Philip, Lord Wharton
Vermeer, Jan	The Girl with a Red Hat
Vermeer, Jan	The Lacemaker
Vermeer, Jan	The Smiling Girl
Holbein, Hans, the Younger	Edward VI as Prince of Wales
Holbein, Hans, the Younger	Sir Brian Tuke
Hals, Frans	Balthasar Coymans
Rembrandt van Ryn	Self Portrait
Rembrandt van Ryn	A Woman Holding a Pink
Rembrandt van Ryn	A Polish Nobleman
Velazquez	Pope Innocent X
Velazquez	The Needlewoman
Goya	The Marquesa de Pontejos
Goya	Senora Sabasa Garcia
Chardin	The House of Cards

NGA Number	Artist	Title
106	Reynolds, Sir Joshua	Lady Caroline Howard
107	Gainsborough, Thomas	Landscape with a Bridge
252	Duccio di Buoninsegna	The Calling of the Apostles Peter and Andrew
325	Baldovinetti	Madonna and Child
328	Bellini, Giovanni	St. Jerome Reading
330	Roberti, Ercole	Giovanni II Bentivoglio
331	Roberti, Ercole	Ginevra Bentivoglio
332	Domenico Veneziano	Madonna and Child
335	Bellini, Giovanni	Portrait of a Condottiere
366	Gentile da Fabriano	Madonna and Child
367	Giotto	Madonna and Child
369	Giorgione and Titian	Portrait of a Venetian Gentleman
370	Titian	Allegory (Alfonso d'Este and Laura Dianti?)
400	Giorgione	The Adoration of the Shepherds
401	Fra Filippo Lippi	Madonna and Child
403	Titian	Portrait of a Lady (Giulia di Gonzaga-Colonna?)
404	Sassetta	The Meeting of St. Anthony and St. Paul
405	Pintoricchio	Portrait of a Youth
447	Carpaccio, Vittore	A Lady Reading
488	Savage, Edward	The Washington Family
490	Stuart, Gilbert	Mrs. Richard Yates
492	Stuart, Gilbert	George Washington
502	Verrocchio	Madonna and Child
534	Raphael	Bindo Altoviti
535	Botticelli	Madonna and Child
538	Bellini, Giovanni	Madonna and Child with Saints
546	Daumier, Honore	Advice to a Young Artist

SCULPTURE

A-2	Desiderio da Settignano	Bust of a Little Boy
A-3	Desiderio da Settignano	Madonna and Child
A-4	Desiderio da Settignano	The Young Christ with St. John
A-5	Agostino di Duccio	Madonna and Child
A-6	Mino da Fiesole	Charity
A-7	Mino da Fiesole	Faith
A-8	Laurana, Francesco da	Bust of a Princess of the House of Aragon

NGA Number	Artist	Title
A-16	Verrocchio	Giuliano de' Medici
A-19	Donatello	Bust of St. John the Baptist
A-30	Desiderio da Settignano	Bust of a Lady (Isotta da Rimini)
A-31	Rossellino, Antonio	Madonna and Child
A-46	Mino da Fiesole	St. Catherine of Siena
A-47	Lombardo, Pietro	A Singing Angel
A-49	Pollaiuolo, Antonio	Bust of a Warrior
A-51	Civitale, Matteo	St. Sebastian
A-54	Rossellino, Antonio	The Young St. John the Baptist
A-56	Verrocchio	David

Agenda 6-B-2

Report to the Board from David E. Finley, Director, regarding anonymous gift of framed color reproductions of paintings in the National Gallery to U. S. Army Camps.

The Director reported that through the generosity of an anonymous donor, the National Gallery of Art has sent 600 framed color reproductions of paintings in the Gallery to 60 U. S. Army Camps, for the decoration of libraries and recreation halls in the various camps. Each of the 60 camps received one reproduction of the following paintings:

N.G.A. No.	Artist	Title
105	Romney	Mrs. Davenport
88	Goya	Senora Sabasa Garcia
488	Savage	Washington Family
72	Rembrandt	Polish Nobleman
400	Giorgione	Adoration of the Shepherds
368	Bartolommeo Veneto	Portrait of a Gentleman
490	Gilbert Stuart	Mrs. Richard Yates
Dale 25	Manet	The Old Musician
Dale 31	Renoir	Girl with a Watering Can
26	Raphael	St. George and the Dragon

Agenda 6-B-3

Report of Custodians on the Publications Fund Covering the Period March 17, 1941 - December 31, 1941

The President reported:

The Publications Fund of the National Gallery of Art was established under the terms of an agreement dated February 28, 1940, between the Trustees of The A. W. Mellon Educational and Charitable Trust and the Custodians of the Publications Fund, $40,000.00 being advanced by the Trust for the purpose of providing the Gallery with catalogues, color reproductions and similar publications to be of the highest possible quality but which at the same time might be offered to the public at unusually low prices.

Since the opening of the Gallery on March 17, 1941, to December 31, 1941, the total expenditures from this fund were $39,574.92, and the total sales amounted to $53,487.50, thus showing a profit of $13,912.58. On September 9, 1941, the Custodians repaid $15,000.00, and on January 17, 1942, $5,000.00, of the original $40,000.00 loan.

The percentage of profit has been higher than was originally anticipated, due principally to advantageous purchasing and to the early amortization of costs of original halftones and color plates. This has resulted in a much lower unit cost for all reprinting.

It is felt that as soon as the original loan has been entirely repaid, a policy should be decided upon of (1) reducing cost prices to the public to a still lower figure; or (2) using the profit in further publications such as a quarterly publication or handbooks of the National Gallery.

The balance sheet of December 31, 1941, shows cash on hand of $21,744.93, and inventories valued, at cost, at $19,016.50.

A few of the sales figures may be of interest. From March 17th to December 31, 1941, 351,159 monotone postcards, 115,201 color postcards, and 48,677 11"x14" color reproductions, as well as 20,080 catalogues, have been sold.

The Custodians of the fund are D. D. Shepard, David E. Finley and Harry A. McBride.

Agenda 6-D-5

Report of the Treasurer on the matter of bonding all or any of the officers authorized to sign or certify checks on Gallery Trust funds, etc.

The Treasurer reported that following the instructions of the Board in a resolution passed at its last meeting he had made inquiries of bonding companies, other institutions, etc. regarding the nature of such bonds, the amounts of bonds, and the persons ordinarily bonded by other institutions, as well as the costs of such bonds, but, that owing to illness of persons to whom such inquiries have been addressed certain information solicited has not come to hand and he was not in a position to make a complete report to the Board or submit final recommendations in the matter. He stated, however, that he hoped to have the necessary information shortly but before making final recommendations he would like to have the advice of the Administrator, Mr. McBride, who will be absent for several weeks, as to certain administrative problems involved. In the meantime he suggested the desirability of the Board authorizing the Executive Committee to consider such recommendations and take any necessary action in the matter and, in its discretion, require the giving of a bond or bonds by the Executive officers or other officers or employees concerned in sum or sums or with one or more sureties, as it may consider desirable.

Upon motion, duly made and seconded, it was

R E S O L V E D

That the Treasurer submit a report and his recommendation regarding the matter of the bonding of certain officers or employees of the Gallery to the Executive Committee of this Board; and

Resolved Further, That the Executive Committee be, and hereby is, authorized and empowered, in its discretion, to require such Executive officers, other officers, representatives or employees as it may determine to be desirable to give the Board a bond in a sum to be determined by said Committee and with one or more sureties satisfactory to it for the faithful performance of the duties of his, her or their office or employment and to the extent provided in the bylaws of the Board.

Agenda 7-A

Report of the President on the Matter of the Use of Space in the National Gallery Building for Defense Purposes

The President reported:

At a meeting of the officers of the Gallery, attended by Mr. Bruce, Mr. Delin, Mr. Shepard, Mr. Finley and Mr. McBride, on January 10, 1942, the matter of offering certain unused space in the Gallery building to the Government for defense purposes was considered. There had already been one unofficial and one official request for the use of space for Government agencies in this building, and it was felt that if a certain area could be set aside in such a way that it would interfere in no way with the operation of the Gallery, and if some unit engaged upon war work of a restricted and confidential nature would be interested in having this space, it would be desirable to make a voluntary offer of such space. The suggestion was made to one War agency and while it was received by the Head of the agency with great gratitude, nevertheless immediately following the suggestion word was received by the agency that the much needed space was being provided elsewhere. Approval of such a proposal has been obtained from the donors of works of art in connection with whose gifts the trust indentures or instruments of gift provide that the National Gallery of Art building shall be used exclusively for the housing, storage, and exhibition of works of art and the administration of the affairs of the Trustees. Such condition also occurs in the trust indenture under which the gift of the building was made by The A. W. Mellon Educational and Charitable Trust. It is requested that this question of the use of space in the Gallery for defense purposes be considered and the Board determine upon the policy which the officials of the Gallery should pursue.

Upon motion, duly made and seconded, the following resolution was adopted:

WHEREAS, in view of the national emergency and the urgent need by defense units of the Government for office space; and

WHEREAS, it appears that the Seventh Street lobby and entrance spaces, galleries GR-13, GR-14, and other adjoining galleries on the ground floor, as well as unfinished spaces G-15 and G-19 in the National Gallery of Art building may be isolated from the rest of the building and may, although with some inconvenience to the public and the administration of the Gallery, be made to serve as office space for some defense unit urgently in need of such space;

NOW THEREFORE BE IT RESOLVED by this Board that full power and authority be and hereby is given the Executive Officers of the Gallery, in their discretion, to permit such space to be used by a defense unit or agency for such purposes during the duration of the war and for a minimum period of time thereafter as may be necessary, consistent with the provisions of the several indentures or instruments of gifts or bequests, and as amended or qualified, restricting the use of the Gallery building for certain purposes.

FURTHER RESOLVED, That such officers shall not be required to charge a rental to such agency or unit for such use, but that all costs of installing such agency or unit in the space provided and in removing it from the building, shall be borne by the unit to which permission for the use of such space is granted; also that such unit shall provide all costs for the protection and care of such space and for repairs to the space used by such unit, as well as the maintenance of such space, as may be required in the discretion of the Executive officers; and that such space is to be restored to a condition satisfactory to the Executive officers of the Gallery at the cost of such unit after the use thereof as herein authorized is completed as aforesaid.

FURTHER RESOLVED, That the President or Vice President and Secretary or Director or Assistant Administrator or Assistant Treasurer of the Gallery be, and they hereby are authorized and empowered on behalf of the Board of Trustees to enter into an agreement with such agency or unit covering said use of such space under such terms and conditions as the Executive officers of the Gallery may in their discretion, and consistent with these resolutions, determine upon.

Agenda 7-D

Assistant Treasurer - Authorities and Duties of

The President stated that at the last annual meeting of the Board, February 10, 1941, a resolution was adopted providing for the authorities and duties of the Assistant Treasurer, which office is now held by Mr. Charles Zinsner. He said that under the resolutions of the Board the authorities and duties delegated to the Assistant Treasurer did not appear to be sufficiently comprehensive so that the Assistant Treasurer could carry on the duties and responsibilities of the Treasurer in the absence or temporary disability of the Treasurer, and suggested that the authorities and duties of the Assistant Treasurer be enlarged by action of the Board so as to take care of this situation.

Upon motion, duly made and seconded, it was

R E S O L V E D

That the resolution of this Board adopted at the meeting of the Trustees held February 10, 1941, relating to the authorities and duties of the Assistant Treasurer, to which office Mr. Charles Zinsner has been appointed by the President of the Gallery, is hereby amended and amplified so as to provide for the delegation of additional authorities and duties to the Assistant Treasurer, and in this connection,

Be it further resolved that in the event of a vacancy in the office of the Treasurer, or of the absence or temporary disability of the Treasurer, the Assistant Treasurer may exercise all of the powers and authorities and perform all of the duties of the Treasurer, and while so exercising such powers and authorities and performing such duties of the Treasurer, the Assistant Treasurer shall be designated and have the title of "Acting Treasurer".

Agenda 7-G

Appointment of Assistant Administrator

The President stated that the position held by Mr. George T. Heckert as Assistant to the Administrator has been reclassified by the United States Civil Service Commission to that of Assistant Administrator and therefore suggested the Board provide for the appointment of Mr. Heckert by the President as Assistant Administrator and that his duties and authorities as regards such office as reclassified be further defined. Mr. Bruce stated that in the opinion of the Executive officers of the Gallery, Mr. Heckert is well qualified by experience and training to perform the duties of the office of Assistant Administrator.

On motion, duly made and seconded, the following resolution was adopted:

Whereas, the United States Civil Service Commission has reclassified the position of Assistant to the Administrator to the position of Assistant Administrator, and

Whereas, Mr. George T. Heckert, who was appointed by the President to the position of Assistant to the Administrator and is now exercising the authorities and performing the duties of Assistant Administrator, and

Whereas, Mr. Heckert is well qualified by experience and training to perform the duties of the office of Assistant Administrator,

Now Therefore be it Resolved, that the President is hereby authorized and empowered to appoint Mr. Heckert as Assistant Administrator of the National Gallery of Art, and

Further Resolved, that upon the appointment by the President of Mr. Heckert as Assistant Administrator, in addition to the authorities and duties assigned to him under the resolution of this Board adopted at a meeting of the Trustees held December 10, 1940, he shall have such other authorities and shall perform such other duties, consistent with the character of the work for which he is retained as shall be assigned to him by the Administrator; and

Resolved Further, that in the event of a vacancy in the office of the Administrator, or the absence or temporary disability of the Administrator, the Assistant Administrator may exercise all of the powers and authorities and perform all of the duties of the Administrator, and while so exercising such powers and authorities and performing such duties of the Administrator, the Assistant Administrator shall be designated and have the title of "Acting Administrator".

Agenda - 7-D

Acceptance of Gifts to the National Gallery of Art of Monies or Securities

The President suggested the desirability of the Board adopting a simplified procedure for the acceptance of offers of gifts of monies or securities to the National Gallery of Art, and proposed that in instances where such offers of gifts are without condition, or in instances where such offers are for a particular purpose within the scope of the ordinary activities or operations of the Board, authority be given to the officers of the Board to accept such gifts on behalf of the Board without reference to it or the Finance Committee. By way of example, the President referred to certain gifts of monies which have been made for particular operations of the Gallery, such as improvements and betterments to the Gallery, purchase of books for the Library, expenses of special exhibitions, evacuation of works of art on account of the war emergency, etc., funds for which are not available from Government appropriations. He suggested that the Board designate a special committee consisting of the Secretary-Treasurer, the Director, and the Administrator, or in their absence, the Assistant Treasurer, the Assistant Director and the Assistant Administrator, to pass upon the question of the acceptance or rejection of gifts of monies or securities to the National Gallery of Art, and upon the recommendation of such committee, the Treasurer, or in his absence the Assistant Treasurer, be authorized and empowered to accept all such gifts on behalf of the Board and to deposit such gifts in the depositary of the Gallery which has been designated. He also suggested that if any unusual conditions are attached to such gifts by a donor, which, in the opinion of the committee might be undesirable on the part of the Board to agree to, such offers of gifts should be referred to the Finance Committee for its recommendations and instructions. The President also stated that in the absence of instructions from the Board, certain monies given to the Board for the purpose of the ordinary operations of the Gallery had been deposited by the Treasurer in the depositary of the Gallery and from time to time expended for such purposes, but that the Treasurer had recommended the adoption of the procedure outlined under specific authority of the Board in the case of such further gifts.

Upon motion, duly made and seconded, it was

R E S O L V E D

That a special committee consisting of the Secretary-Treasurer, the Director, and the Administrator of the Gallery, and in the absence of all or any of such officers to serve in their respective place or places, the Assistant Treasurer, the Assistant Director, and the Assistant Administrator, be, and hereby they are, appointed a special committee with full power and authority to make recommendations and to act upon the acceptance or rejection of offers of gifts of monies or securities on behalf of this Board.

Resolved Further, that such power and authority shall extend only to the acceptance or rejection of monies or securities offered to be given to the National Gallery of Art for the purposes of the ordinary operations of the Gallery, such as the storage or exhibition of works of art and the ordinary administration of the affairs of the Trustees, and in connection with which no unusual condition is imposed or made, and

Resolved Further, that in cases of offers of gifts of monies and securities for particular purposes without the scope of such activities of the Gallery and in cases where some unusual conditions are imposed in connection with the acceptance of such gifts, the said committee shall refer such offers to the Finance Committee of the Board for its consideration and instructions, and

Resolved Further, that the Secretary-Treasurer, or in his absence, the Assistant Treasurer, be, and hereby they are, empowered and directed, upon the recommendation of said committee, to accept gifts of monies and securities to the National Gallery of Art on behalf of this Board, and to give proper receipt therefor, and to deposit such monies or securities in the depositary of the Gallery, keeping full and accurate accounts of all such funds and securities, and

Resolved Further, that the Treasurer, or in his absence, the Assistant Treasurer, shall have full power and authority to expend such monies and apply such securities to and for the purposes for which such monies or securities are given, upon proper certificate provided for the discharge of any obligation or liability for which such funds or securities have been made available to the Board, making full accounting thereof to the extent and in the manner provided in the bylaws.

Resolved Further, that the action of the Treasurer in depositing gifts of monies heretofore made to the Gallery for the ordinary operations of the Gallery and in expending such funds for such purposes, be, and hereby is approved, subject to an accounting for such funds received and expended as contemplated by the bylaws.

Agenda 7-E

Report by the Director on the acceptance of gifts of personal property other than works of art, monies, and securities up to December 31, 1941, as well as library accessions.

The Director reported the acceptance of the following gifts of personal property other than works of art, monies, and securities to the Gallery up to December 31, 1941, as well as library accessions.

Summary

Gifts of Personal Property other than Works of Art, Monies, and Securities, offered to the National Gallery of Art

As of December 31, 1941.

Date	Gift	Donor
	BOOKS, PUBLICATIONS, REFERENCE MATERIAL:	
Oct. 31, 1939	Two Books	Miss Adelaide Milton de Groot
Dec. 28, 1939	Architectural Drawings and Books	Mrs. John Russell Pope
Oct. 31, 1940	Book on Courtauld Silver	Messrs. Augustine Courtauld and E. Alfred Jones
Oct. 31, 1940	Rubens, by Max Rooses	Mr. Henry Field
Mar. 5, 1941	Two publications	Henry C. Frick Educational Commission
Apr. 5, 1941	Gilbert Stuart, by Park	Miss Helen Frick
Apr. 15, 1941	Life of Hiroshige	Japanese Embassy
Apr. 18, 1941	21 volumes of art History; 3 Catalogues	Mrs. Helen Morton
Apr. 27, 1941	Rembrandt Catalogue	Mr. M. A. McDonald
May 6, 1941	Two Books	Mr. Reuben M. Head
May 20, 1941	Law Triumphant	Miss Violet Oakley
Oct. 18, 1941	422 Color Slides	Mr. Samuel H. Kress
Oct. 20, 1941	Rigaud Print	Mr. Pierre S. du Pont
Dec. 22, 1941	29 Color Slides	Mr. Samuel H. Kress

Date	Gift	Donor
	FURNITURE AND FURNISHINGS:	
Feb. 6, 1941	Persian Rug	Mrs. David Bruce
July 9, 1941	2 Wheel Chairs for Infants	Mr. David E. Finley
July 9, 1941	1 Mahogany Desk; 5 Mahogany Arm Chairs	Messrs. Donald D. Shepard and David E. Finley
July 15, 1941	China, Glassware, Silver, Table Linen	Mr. David E. Finley
	TREES AND PLANTS:	
Oct. 14, 1940	14 Bay trees	The A.W. Mellon Educational and Charitable Trust
Oct. 18, 1940	6 Bay trees	Same
Nov. 12, 1940	2 Bay trees	Mr. Pierre S. du Pont
Nov. 15, 1940	6 Oleander plants	Florida State Exhibit
Mar. 4, 1941	51 Fishtail Palms	The A.W. Mellon Educational and Charitable Trust
Mar. 5, 1941	20 Bay trees	Same
Mar. 13, 1941	35 Boston Fern	Mr. David E. Finley
Mar. 15, 1941	10 Boxwood plants	Mr. W. R. Coe
Apr. 12, 1941	25 Boston Fern	Mr. David E. Finley
Apr. 29, 1941	30 Oleanders; 31 Hibiscus	The A.W.Mellon Educational and Charitable Trust
May 17, 1941	27 Browallia; 19 Calceolaria	Dumbarton Oaks
May 20, 1941	117 Maidenhair Fern; 4 Sword Fern;	Same
May 22, 1941	4 Cibotium Fern	Same
May 29, 1941	10 Oleanders; 4 Pittosporum	Same
Sept.15, 1941	1 Dracaena Plant	Mr. and Mrs. J.L. McGrew
Oct. 15, 1941	5 Bay trees	Mr. F. J. Bonham
Oct. 18, 1941	8 Bay trees	Mr. Percy S. Straus
	MISCELLANEOUS:	
Nov. 1, 1940	Equipment and Material for Use in Operation and Maintenance of Gallery	The A.W. Mellon Educational and Charitable Trust
May 31, 1941	Miscellaneous Tools, Materials and Equipment	Same
Nov. 25, 1941	General Ledger	Same

LIBRARY ACCESSIONS THROUGH EXCHANGE AND GIFT

As of December 31, 1941.

	EXCHANGE	GIFTS	TOTALS
Gallery and Exhibition Catalogs	329	404	733
Sales Catalogs		121	121
Periodicals (In volumes)	103	27	130
Separate Bulletins	400		400
Other Art Publications	48	185	233
TOTALS	880	737	1617

OUTSTANDING GIFTS

55 Books from THE A. W. MELLON EDUCATIONAL AND CHARITABLE TRUST.
(Most of them are folio volumes containing fine plates.)

37 Books from PAUL MELLON.
Thieme-Becker Künstler-Lexikon.
Lugt. Les Marques de Collections de Dessins et d'Estampes.
Sir Joshua Reynolds, by Sir Walter Armstrong.
Thomas Gainsborough, by William Whitley.
Renoir, peintre du nu.
Formes, April 1931.

245 Catalogs and 14 Art Reference Books from MISS LEILA MECHLIN.

143 Catalogs and about 500 Art Magazines from ARTHUR LEE JAMES.

114 Art Magazines from MISS LEILA MECHLIN.

121 Sales Catalogs from MACGILL JAMES.

451 Lantern Slides from SAMUEL H. KRESS.

Agenda 7-E

Authorities and Duties of Administrator.

The President stated that in connection with the administration and operation of the National Gallery of Art the ordinary Government business of the Gallery necessitates the certification or approval of many actions by the "head of the department"; that the bylaws of the Board of Trustees provide that the President shall be the "active executive officer of the National Gallery of Art * * * , and, subject to the direction of the Board * * * , he shall have charge of the administration of the National Gallery of Art and of all affairs and matters pertaining to the Gallery * * * ." However, the President further stated that the bylaws also provide that the Administrator shall have charge of the Gallery building and the supervision, management, and maintenance thereof in accordance with policies from time to time adopted by the Board, shall have supervision of employees who have to do with the management and maintenance of the Gallery; also, by resolution of the Board adopted by the Trustees at their meeting held May 26, 1939, among other things, the Administrator was charged with the "general administration of the National Gallery of Art, in accordance with policies from time to time adopted by the Board and not in conflict with the authorities and duties imposed upon the other executive officers of the Board." The President further stated that among the matters of ordinary Government business requiring the certification or approval by the "head of the department" are such matters as the allotment changes in appropriation, extension of hours of labor to meet emergencies, detail of employees for temporary work out-of-grade, certifications that long distance telephone calls are official and necessary, and the appointment of personnel. He also said that there are a number of decisions by the Comptroller General of the United States to the effect that certain transactions may not be entered into without the "head of the department" making a certificate. Such matters, the President pointed out, fall within the ordinary authorities and duties of the Administrator, but on account of the wording of the bylaws and the resolution adopted by the Board on May 26, 1939, it was considered desirable to clarify the situation so that no question might arise in future as to the official who is authorized to perform these administrative acts wherein the Comptroller has decided that the law requires the certificate of the "head of the department". Otherwise, he said, it may cause difficulties to the executive officers in the matter of the payment of accounts being withheld by the General Accounting Office, or a bonded certifying officer of the Gallery may be held personally responsible for improper certification of vouchers and disbursement of Government funds.

Upon motion, duly made and seconded, the following resolution was adopted:

WHEREAS, certain laws, rules and regulations applicable generally to Government agencies contemplate that only the "head of the department", or an officer acting in like capacity, shall authorize, certify or approve certain administrative procedures or actions, which duties and authorities may not, in some instances, be delegated; and

WHEREAS, the executive officer of the National Gallery of Art charged with such authority and duties should be definitely determinable; and

WHEREAS, it is the judgment of this Board that such authorities and duties come within the scope of the administrative functions, which, under the bylaws of the Trustees, the resolutions adopted by the Trustees at meetings of this Board, and the policies of the Board adopted for the maintenance and administration of the National Gallery of Art and the site thereof, have been and should be exercised or performed by the Administrator,

NOW, THEREFORE, BE IT RESOLVED, that, in addition to the authorities and duties with which, under the by-laws of the Trustees, resolutions and policies duly adopted by the Trustees of this Board, the Administrator of the National Gallery of Art is charged, the Administrator be, and he hereby is, authorized and empowered, and it shall be his duty as Administrator, to authorize, execute, sign, certify and/or approve any and all administrative actions and procedure which, under Government law, rule or regulation applicable to the maintenance and administration of the National Gallery of Art and the site thereof, shall be authorized, executed, signed, certified and/or approved by the "head of the department" or in like capacity, namely, head of the National Gallery of Art and/or the Bureau directed by this Board, and, in this connection, the

Administrator, in the exercise of such authorities and duties, shall have full power and authority, and it shall be his duty, in his discretion, to take all such administrative action as he may deem necessary and desirable looking toward the discharge of such authorities and duties, as in his judgment shall be in accordance with the policies of the Trustees as regards the proper conduct of the National Gallery of Art and the administration of the affairs of the Bureau directed by this Board.

Report of the Treasurer regarding gifts other than works of art, library books, and catalogues to the National Gallery of Art during the calendar year 1941 and for prior years.

The Treasurer reported the following gifts other than works of art, library books, and catalogues for the calendar year 1941 and for prior years.

GIFTS
Other than works of art
and library books and catalogues
Calendar Year 1941

Donor	Particulars	Amount
Bonham, Frederick J.	5 Bay trees	$ 525.00
Bruce, Mrs. David K. E.	Persian rug 35 x 16	5,000.00
Coe, W. R.	10 Boxwood plants with tubs	- - *
du Pont, Pierre S.	2 Bay trees	200.00
Finley, David E.	Office furniture, plants, china, glassware, silverware and linen, etc.	428.16
Florida State Exhibit	6 Oleander plants	90.00
Kress, Samuel H.	Color slides	5,000.00
Mellon, Paul	Cash for purchase of library books	10.35
A. W. Mellon Educational and Charitable Trust, The	Salaries, operating expenses, materials, supplies and additional building and landscaping costs	223,731.12
Mourey, Mr. & Mrs. J.L.	Dracaena plant	10.00
Pope, Mrs. John Russel	20 Original architectural drawings	- - *
Straus, Percy S.	8 Bay trees	800.00
Shepard, Donald D.	Office furniture	42.00
Thatcher, John S.	Plants and shrubs	100.00
Widener, Joseph E.	Collection of Acacias plants	7,600.00
	Total	$243,537.63

* No value has been established in respect of these items.

The Treasurer also reported that in addition to gifts during 1941, aggregating $223,731.12, The A. W. Mellon Educational and

Charitable Trust has made contributions, exclusive of construction costs of $15,068,542.19, up to December 31, 1941, on account of the building and landscaping, to or on behalf of the National Gallery of Art, in the aggregate amount of $356,533.46, which, with the gifts made by the Trust during 1941, makes a total of such gifts of $580,264.58.

171

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

CONFIDENTIAL

DATE February 9, 1942

TO Secretary Morgenthau

FROM Mr. Haas

Subject: The Business Situation, Week ending February 7, 1942.

Summary

(1) Total sales by retail stores in 1941 increased 17 percent over 1940, according to Department of Commerce figures, approximately equalling the 18 percent rise in national income payments. To meet this increased demand, however, was an expansion of only 10 percent in the production of consumer goods, a shortage which has reflected itself in an 8 percent rise in retail prices.

(2) Still higher retail prices are indicated by the continuing rise in income payments and further curtailment in production of many consumers' goods, and by the fact that increases in wholesale prices have not yet been fully transferred to retail markets. National income payments rose in December to an annual rate of $99.9 billions, part of which, however, represented a non-recurring back-wage payment to railroad workers.

(3) Preliminary estimates indicate that industrial production in January was maintained at December levels in the face of a usual seasonal decline. As a result, the FRB adjusted index of industrial production is tentatively estimated by the Federal Reserve Board to have advanced to 170 last month from 168 in December.

(4) General commodity prices continue to rise. The BLS all-commodity index in the last week of January rose 0.4 point to 96.9, a new high since September 1929, and 27.9 percent above the pre-war level of August 1939. During the past week, however, the index of basic commodity prices showed no material change.

(5) Retail sales gains have recently moderated somewhat. The rate of year-to-year gain in department store sales narrowed to 29 percent in the last week of January, as compared with a gain of 36 percent for the month as a whole.

- - - - -

The general price situation

A view of 1941 in retrospect shows clearly the intimate relationship between national income payments, the supply of available consumer goods, and the commodity price level. Total income payments to individuals in 1941 (Department of Commerce figures) reached $89.4 billions, an increase of 18 percent over 1940. Total sales by retail stores increased by almost the same percentage, rising 17 percent to $53.6 billions, according to Department of Commerce estimates.

On the other hand, there was only a 10 percent increase in the production of consumer goods in 1941, both durable and non-durable. (Federal Reserve Bank of New York indexes). As a consequence, nearly half of the increase in buying was taken up in price increases. Retail prices of food, clothing, and household furnishings averaged 8 percent higher in 1941 than in 1940, according to BLS cost-of-living data.

These figures indicate that prices have followed their usual tendency to rise by the amount necessary to bring the increased demand into balance with the current supply of consumers' goods. It is apparent that consumers as a group might have bought the same amount of goods, with less cash expenditure, if they had been able to limit their purchases voluntarily, instead of being forced to do so by the higher prices resulting from their own competitive buying.

Higher retail prices indicated

The current rate of income payments points to still higher retail prices. Income payments to individuals in December were at a rate about 32 percent higher than in 1940, as compared with an 18 percent increase for 1941 as a whole. The production of many consumer goods, on the other hand, is sharply decreasing, although food production -- the most important item -- is tending to rise. The net result is that retail prices of food, clothing and housefurnishings in December were 16 percent higher than in 1940, as compared with an 8 percent gain for 1941 as a whole.

The inflationary price tendency, moreover, has not yet been fully reflected in retail prices, doubtless in part because accumulated stocks in retail and wholesale channels, priced on the basis of earlier costs, are still being used up.

National income payments at new high

National income payments continued to expand in December and reached a new high at an annual rate of $99.9 billions. (See Chart 1.) Part of this rise was due to retroactive payments of increased wages to railroad workers. Even if this non-recurring factor be excluded, income payments were running at an annual rate slightly in excess of $99 billions. The steady upswing in income payments since the defense program got under way carried the annual rate by the end of 1941 to a level 36 percent above the low of 1940, which was touched in March of that year.

Since living costs in December showed only a slight rise over the previous month, the purchasing power of national income expanded almost as rapidly as actual payments. Consequently, as will be seen by referring to Chart 1, the purchasing power of national income in December rose sharply to a new high. This has doubtless been a factor in the expansion of retail buying during January.

Industrial production fails to show usual seasonal decline

Preliminary estimates indicate that aggregate industrial production in January was maintained at the previous month's level in the face of a usual seasonal decline in output. As a result, the adjusted FRB index of industrial production for January is tentatively expected by the Federal Reserve Board to rise 2 points to a new high at 170. The unadjusted index, however, is estimated at 164, unchanged from the previous month. (See Chart 2.)

Activity in the armament and munitions industries continued to increase in January, and durable goods production as a whole rose moderately. Minerals output also gained moderately, largely as a result of increased production of coal and petroleum. On the other hand, non-durable goods output decreased somewhat, despite heavy activity at cotton, wool, and rayon textile mills.

Although complete production figures for January by individual industries are not yet available, reference to Chart 2 will disclose that the group of industries which have been expanding facilities since the defense program got under way reached new high output levels in December. New peaks in that month were attained in the production of iron and steel, machinery, transportation equipment (including ships and aircraft), and chemicals. These production gains in December, however, were offset in the aggregate by declines in other industries. However, the widest declines were due to exceptional factors, such as the curtailment of rubber production to conserve raw materials, and the seasonal cessation of iron ore shipments.

Commodity prices continue advance

The BLS all-commodity index in the week ended January 31 rose 0.4 percent, marking a total advance of 4.0 percent since our entrance into the war. The index now stands 27.9 percent above the August 1939 pre-war level. Despite the break in prices of speculative commodities, the group indexes for farm products and for textiles each advanced 1.0 percent during the week.

Basic commodity prices level out

Speculative commodity prices in the week ended February 6 were still depressed by (1) the Administration's support of the parity goal for farm products, rather than the high ceilings permitted under the Price Control Act, (2) release of Government stocks of wheat and corn, and (3) uncertainty concerning release of cotton stocks. Additional bearish influences were a joint statement by Secretary Wickard and Price Administrator Henderson concerning their agreement on price control objectives and methods, and a statement by President Hutson of the Commodity Credit Corporation that the Corporation planned to sell 20,000,000 bushels of wheat a month through June, and currently at the rate of 1,000,000 bushels a day.

In view of the above influences, the BLS index of basic commodity prices averaged unchanged in the week ended February 6. (See Chart 3.) Most of the individual changes resulted from Government action on prices and stocks, and from OPA revisions of ceilings to bring prices into line with provisions of the Price Control Act.

Thus the revision of the ceiling on lard allowed an advance of 6.4 percent during the week to a new high for the war period. The ceiling on wool was raised moderately. Flaxseed prices, not subject to a ceiling, reached new war-period highs. On the other hand, the revision of the price ceiling for cocoa resulted in a decline of 6.1 percent.

Cotton prices lower

After cotton prices had reached the season's high of 20.11 cents a pound on January 27, the break which began on the following day carried them down more than 1½ cents a pound, to 18.60 on February 2. (See Chart 4.) During the past week a part of the loss has been regained. In comparison with present quotations around 19.25 cents for 15/16 middling cotton in the 10 spot markets, no ceiling is permissible under the Price Control Act below a level of approximately 22.95 cents.

Uncertainty over the possible transfer of Commodity Credit Corporation cotton to other Government agencies for war uses remains a bearish threat, but thus far no announcement of transfers under this program has been made.

Grain prices lower

The actual release of Government grain stocks last week depressed prices of grains and of some other commodities. Low-priced Government wheat for feed was reported to be replacing feed grains offered by the trade, and some mills reduced bran prices as a result of the Government competition. Another bearish factor was the report that unless the Department of Agriculture announces that loans on the more than 350,000,000 bushels of 1941 wheat will be renewed when they fall due April 30, large quantities may be redeemed by producers and sold in the open market before the due date.

Hog prices at four-year high

Hog prices last week advanced to a new four-year peak at $12.55, a price which has been exceeded only for two brief periods in the last fifteen years, in the spring of 1929 and in the summer of 1937. In connection with the continued broad advance in the past two months, prices are rapidly approaching 110 percent of parity, where a price ceiling could be applied.

Farm income in 1941 exceeds estimates

In this connection, it may be noted that cash income received by farmers from livestock and livestock products in 1941 was the highest for any year since 1919, and exceeded the cash income from crops. As a whole, cash income from farm marketings for 1941 exceeded earlier expectations, owing to unusually high incomes in December, and with the exception of 1929, was the highest for any calendar year since 1920. Total cash farm income, which includes Government payments, amounted to $11,706,000,000, which was more than in any other year since 1920.

Futures trading in January

The amount of speculative activity during January is indicated by the volume of futures trading, as published by the Commodity Exchange Administration. The figures reveal that futures transactions in cotton during January were 53 percent greater than in December and nearly 225 percent greater than in January 1941. Futures transactions in corn were 69 percent greater than in December, and in rye, 200 percent greater. Of the products under price ceilings, futures trading in wool declined 73 percent from December, cottonseed oil, 23 percent, and lard, 25 percent.

Stock prices steady on small volume

Despite the generally unfavorable nature of the war news, industrial stock prices at New York recently have been moving in a narrow range, while railroad stocks have been creeping gradually higher. Meanwhile, industrial stock prices in London have shown a tendency to decline moderately. As will be seen by referring to Chart 5, this action contrasts with the situation prevailing during much of the latter half of 1941, when stock prices in London were rising quite steadily while the New York market was displaying persistent weakness.

Starting with the outbreak of war in the Pacific, the New York and London markets have been moving much more in unison. More recently the New York market has shown slightly greater resistance to adverse war news than the London market, probably in part because the 1941 decline has left the New York market less vulnerable to future selling.

Coincident with a steadying of prices, the volume of stock trading on the New York Exchange has fallen off noticeably since the first of the year. Whereas all but 2 full market sessions in December ran over 1,000,000 shares, only one trading session has run over 800,000 shares since the beginning of the year. Total shares traded dropped from over 36,000,000 in December to slightly less than 13,000,000 in January. The sharp contrast in these figures lends additional credence to the belief that an unusual amount of tax selling took place in December, although the outbreak of war also doubtless contributed to the heavy volume of trading in that month.

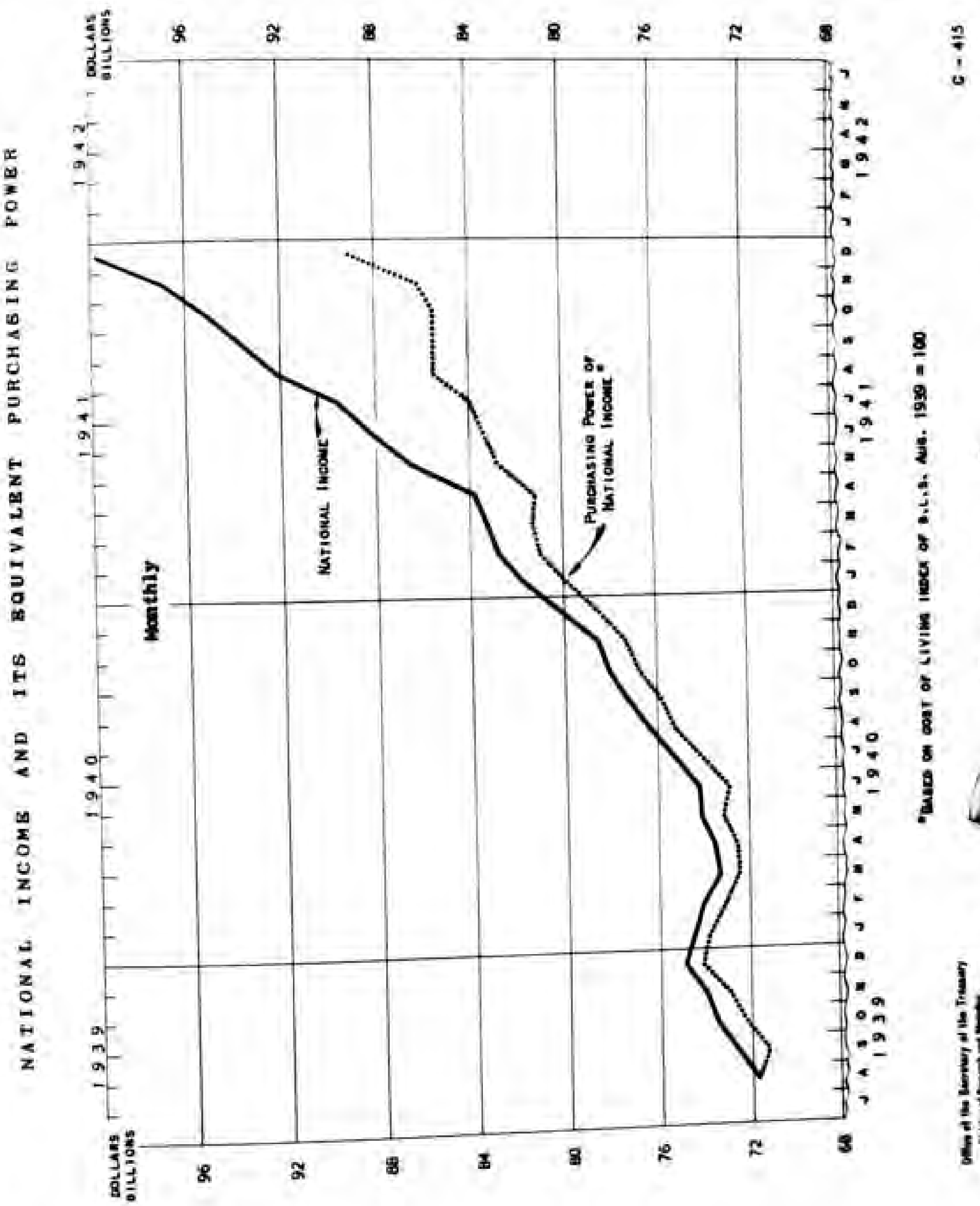
Retail sales gains abating slightly

The sharp gains in retail sales over year-earlier levels have recently moderated somewhat. Thus department store sales in the last week in January ran 29 percent above the corresponding week in 1941, as compared with a gain of 34 percent in the previous week. While figures are not yet available for the first week in February, a leading trade source reports a further slackening in anticipatory buying during the period.

Despite a slight slackening in the latter part of the month, department store sales in January ran 36 percent above January 1941 and showed a much smaller decline than usual from Christmas season levels. As a result, it is estimated that the adjusted index of department store sales for January soared to a new peak of 137 from only 111 in December. The previous peak figure of 134 was recorded last August. Current saving for income tax payments is believed to have been a factor tending to restrict sales recently.

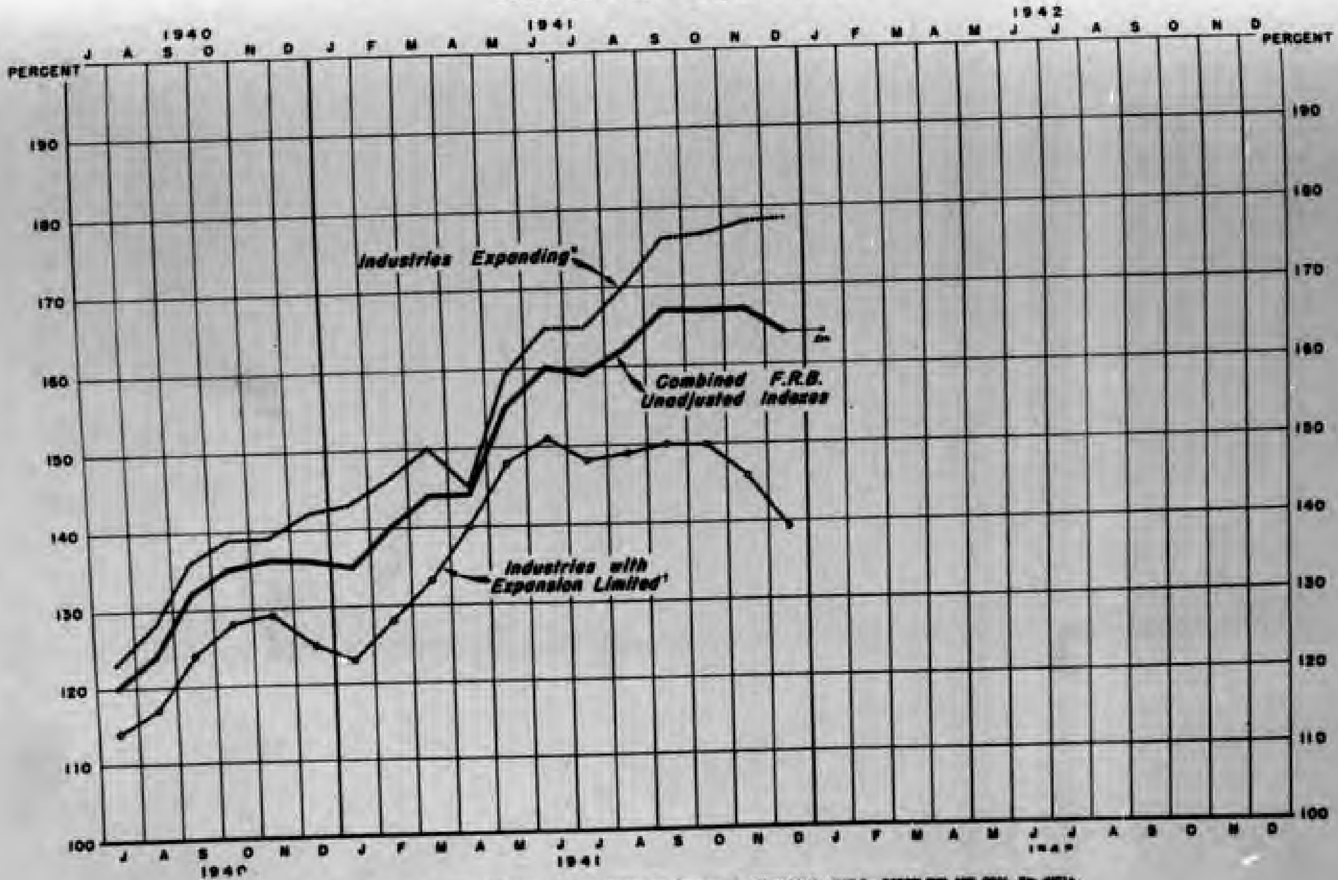
Chart 1

181


NATIONAL INCOME AND ITS EQUIVALENT PURCHASING POWER
Monthly
DOLLARS BILLIONS
96
92
88
84
80
76
72
68
J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J
1939
1940
1941
1942
NATIONAL INCOME
PURCHASING POWER OF NATIONAL INCOME*
*BASED ON COST OF LIVING INDEX OF B.L.S. AUG. 1939 = 100
C - 415
Office of the Secretary of the Treasury

PRODUCTION TRENDS BY SELECTED INDUSTRY GROUPS

Based on F.R.B. Unadjusted Indexes



*Includes iron and steel, machinery, transportation equipment, chemicals, fuels, petroleum and coal products, tobacco products, manufactured foods.

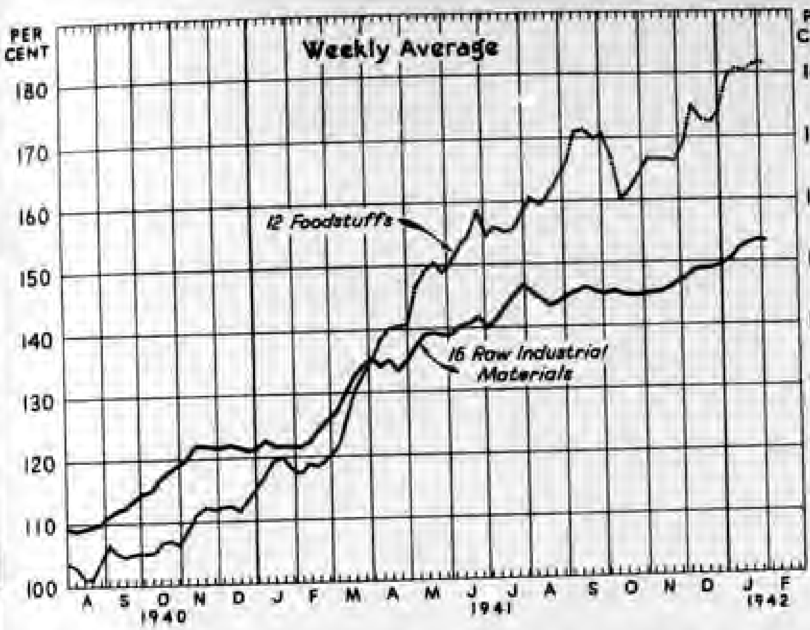
†Includes lumber and products, non-ferrous metals and products, metals (mining), stone, clay and glass, paper and products, printing and publishing, textiles and products, leather and products, rubber products, alcoholic beverages.

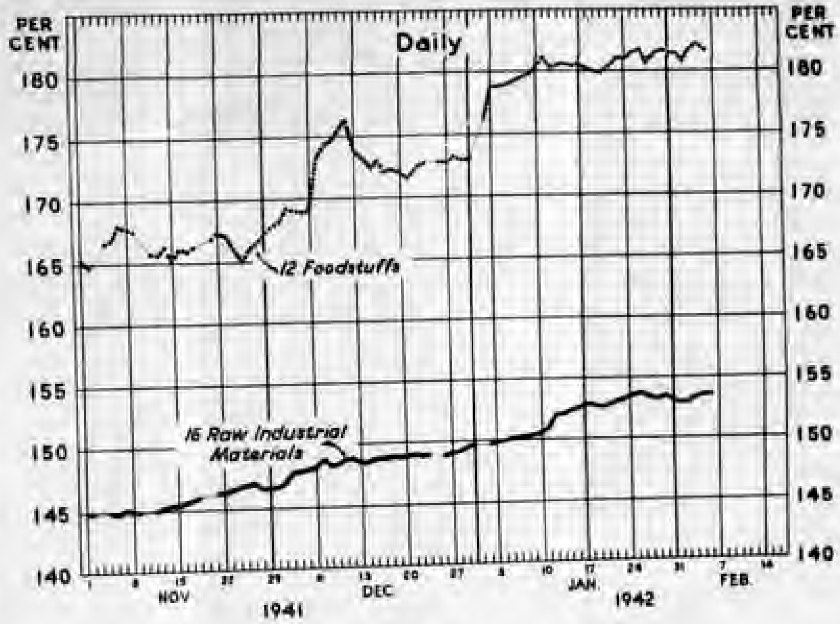
Office of the Secretary of the Treasury,
Division of Research and Statistics

C-416

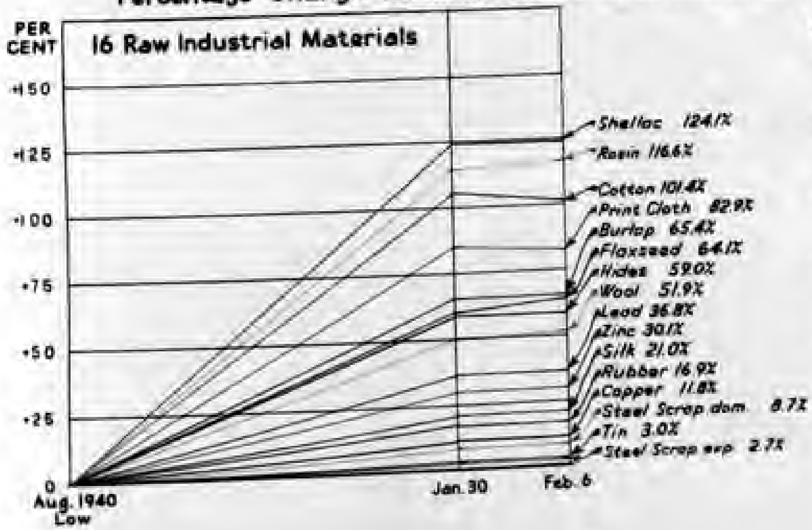
MOVEMENT OF BASIC COMMODITY PRICES

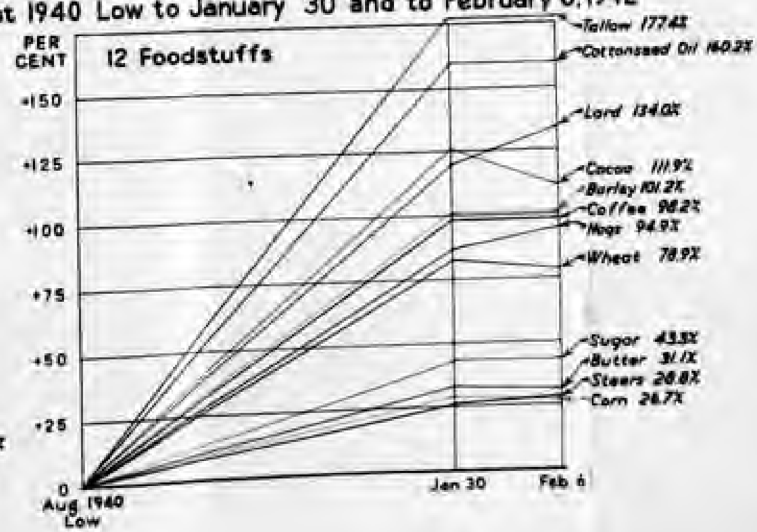
AUGUST 1939 = 100





Percentage Change for Individual Commodities, August 1940 Low to January 30 and to February 6, 1942

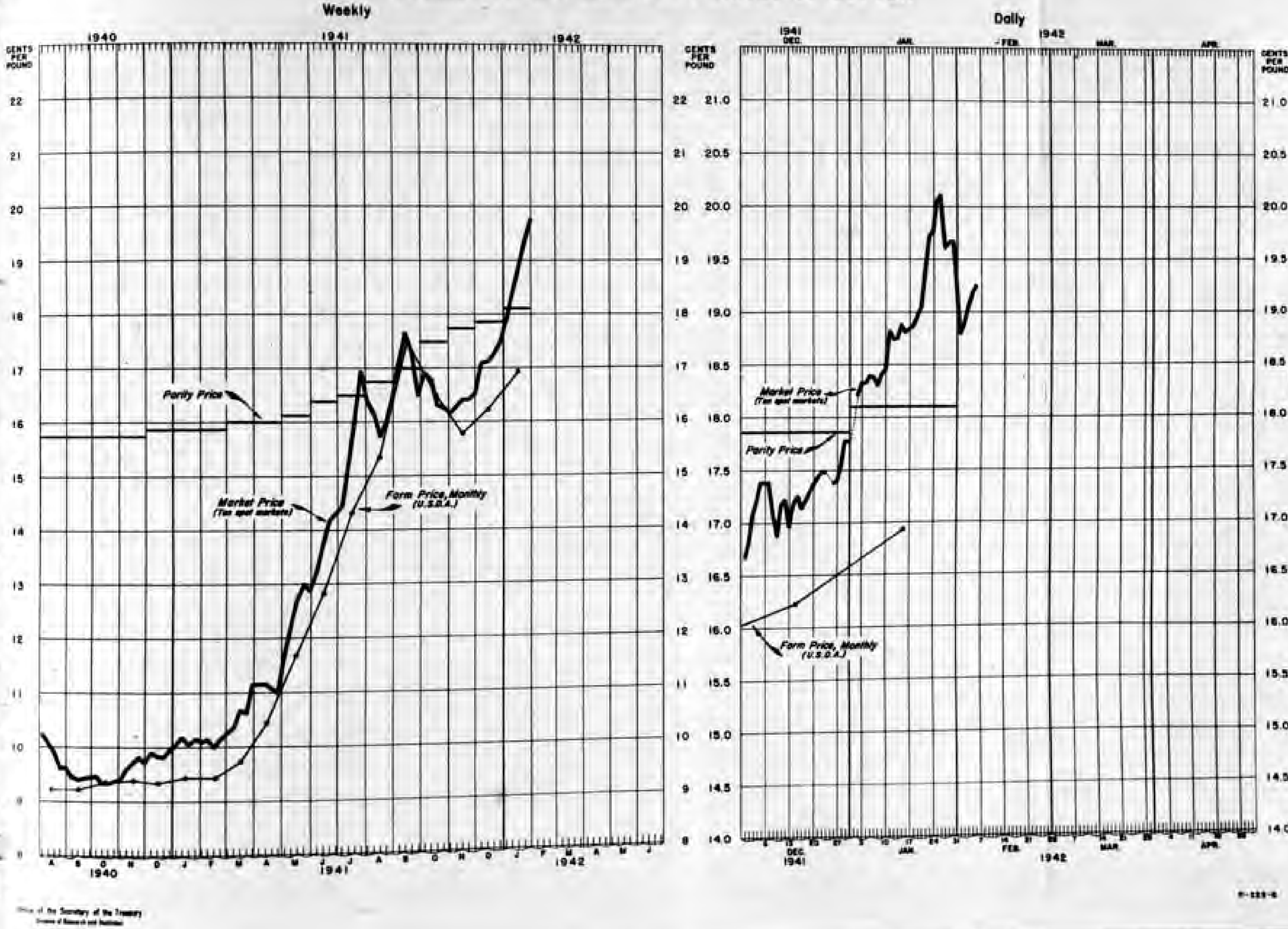


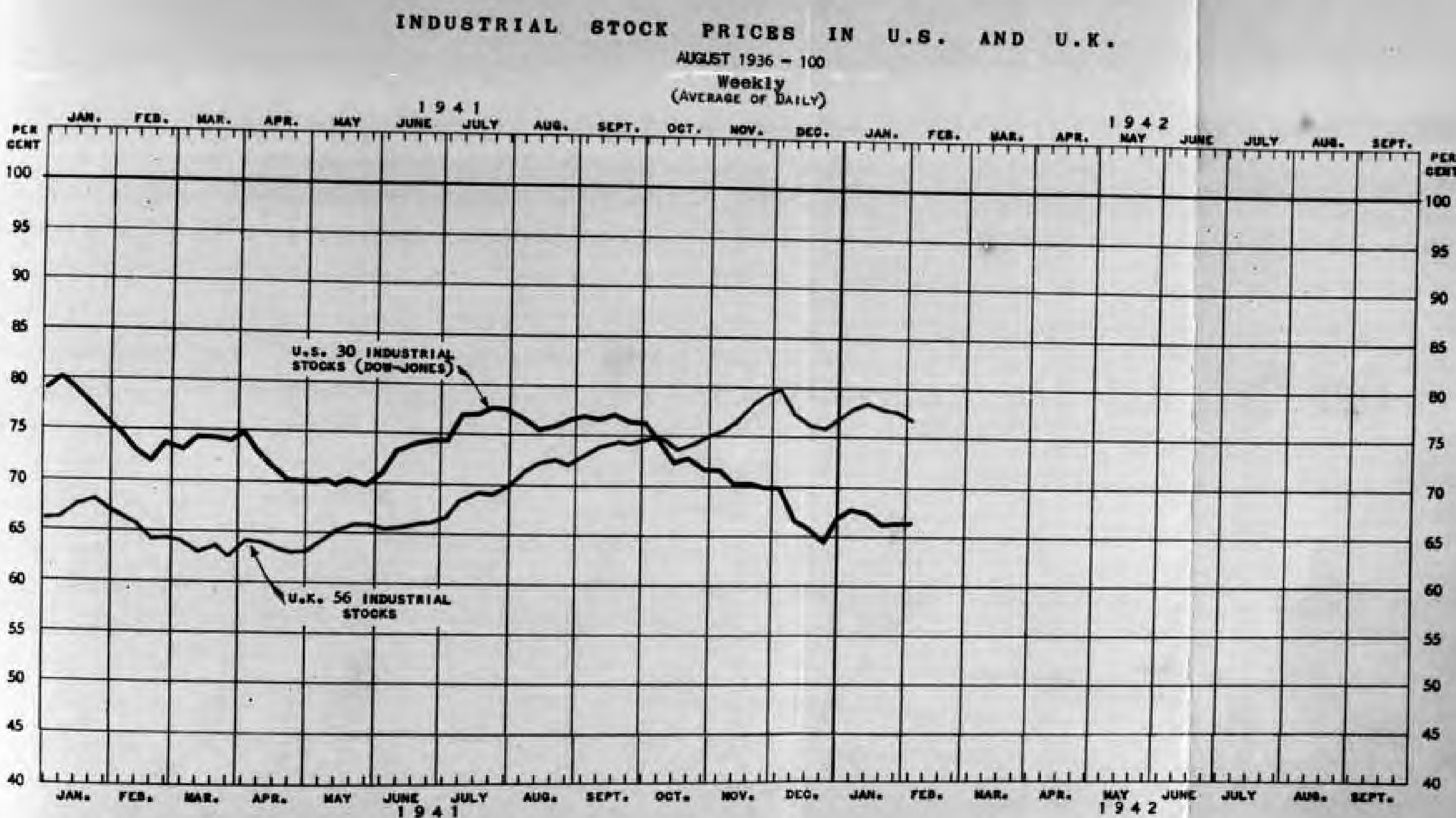


F-187-5-30

Chart 4

MARKET, FARM, AND PARITY PRICES OF COTTON





Office of the Secretary of the Treasury
Division of Research and Statistics

FO - 156

C
O
P
Y

WAR DEPARTMENT

WASHINGTON

WD 042.27
(12-22-41)MB

FEB -9 1942

The Honorable,

The Secretary of the Treasury.

Dear Mr. Secretary:

Further reference is made to your letter of December 22, 1941, concerning the adoption of measures looking toward compliance with the tariff laws respecting merchandise and baggage brought into the United States in military aircraft.

Instructions*have been issued by the Chief of the Army Air Forces, War Department, under date of January 19, 1942, with reference to customs declarations, copy inclosed, which are designed to effect compliance with tariff laws so as to be compatible with military operations and at the same time satisfactory to the Treasury Department. After the workability of these instructions has been tested by enforcement experience, any suggestions that it may be desired to make as to the practicability thereof, or as to revision of any feature thereof that may be required, will be welcomed.

Sincerely yours,

/s/ Henry L Stimson

Secretary of War.

1 Inclosure.
Customs Declaration.

*To be circularized in the same manner as Naval instructions. My note
LPA

C
O
P
Y

A.A.F. MEMORANDUM)
NO. 42-4)

WAR DEPARTMENT
HEADQUARTERS ARMY AIR FORCES
WASHINGTON, JANUARY 19, 1942.

CUSTOMS DECLARATION

1. All crew personnel and military or civilian passengers of military aircraft who bring into this country articles acquired outside of the United States, by purchase or otherwise, are subject to the laws of the United States requiring inspection of persons and baggage on arrival in the United States, whether or not such articles are dutiable or exempt from duty. Any cargo brought into the United States on such craft from any foreign country, the Virgin Islands, or the Panama Canal Zone is also subject to customs clearance.

2. In order that inspections of baggage and cargo required by customs laws will not interfere with operations of military aircraft, air base commanders of stations adjacent to borders of the United States will make such arrangements with local customs representatives as will insure availability of customs inspectors on short notice and availability of customs declaration blank forms.

3. Military aircraft, personnel and baggage, and civilian personnel of such aircraft and their baggage, and cargo used in the military service, will not be detained to any extent interfering with military operations or requirements pending arrival of a customs inspector. If the inspection cannot be accomplished prior to scheduled time for take-off of such military aircraft or crew, passengers, or cargo, only personally owned articles acquired outside the United States will be required to be left for inspection at the station of arrival in the United States. Such articles will be duly declared on customs Forms and declarants will be liable to subsequent interrogation by customs officers concerning such articles.

By command of Lieutenant General ARNOLD:

CARL SPAATZ,
Brigadier General, Air Corps,
Chief of the Air Staff.

OFFICIAL:

/s/ Wm. W. Dick

WILLIAM W. DICK,
Colonel, A.G.D.,
Air Adjutant General.

DISTRIBUTION:
"A"

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE February 9, 1942

TO Secretary Morgenthau

FROM Mr. White

Subject: Exports to Russia, Free China, Burma and other blocked countries, as reported to the Treasury Department during the week ending January 24, 1942.

Beginning with this report information regarding exports to Hong Kong, Japan and Occupied China will be omitted.

1. Exports to Russia

Exports to Russia as reported to the Treasury during the week ending January 24, 1942 amounted to about $3,900,000, of which the chief items were motor trucks and chassis and military tanks and parts.

2. Exports to Free China and Burma

No exports to Free China and Burma were reported during the week under review.

3. Exports to France

No exports to France were reported during the week ending January 24, 1942.

4. Exports to other blocked countries

Exports to other blocked countries are given in Appendix A.

STRICTLY CONFIDENTIAL
NOT FOR PUBLICATION

SUMMARY OF UNITED STATES
DOMESTIC EXPORTS TO SELECTED COUNTRIES
AS REPORTED TO THE TREASURY DEPARTMENT
FROM EXPORT DECLARATIONS RECEIVED
DURING THE PERIOD INDICATED 1/

July 28, 1941 to January 24, 1942

(In thousands of dollars)

	July 28 to Jan. 10	Week ended January 17	Week ended January 24	Total Domestic Exports
U. S. S. R.	$88,795	$ 5,874	$ 3,880	$98,549
Free China	28,460	1,695	-	30,155
Burma 2/	8,075	447	-	8,522
France 3/	6	-	-	6
Occupied France	2	-	-	2
Unoccupied France	.4	-	-	.4
Spain	2,329	5	78	2,412
Switzerland	5,072	207	600	5,879
Sweden	11,516	4/	566	12,082
Portugal	4,643	824	6	5,473

Treasury Department, Division of Monetary Research — January 27, 1942.

1/ Many of the export declarations are received with a lag of several days or more. Therefore this compilation does not accurately represent the actual shipment of a particular week. The longer the period covered, the closer will these figures come to Department of Commerce revised figures.

2/ From September 11, 1941 to date -- It is presumed that a large percentage of material listed here, consigned to Burma, is destined for Free China.

3/ Includes both Occupied and Unoccupied France through week ending October 4, 1941. Occupied and Unoccupied France separated thereafter.

4/ Less than $500.

APPENDIX B

Exports from the U. S. to Free China, Burma and U.S.S.R. as reported to the Treasury Department
July 28, 1941 - January 24, 1942
(Thousands of Dollars) 1/

	Exports to Free China	Exports to Burma 3/	Exports to U.S.S.R.
July 28 - Aug. 2	395		4,523
Aug. 4 - Aug. 9	-		551
Aug. 11 - Aug. 16	309		986
Aug. 18 - Aug. 23	2		2,735
Aug. 25 - Aug. 30	1		1,023
Sept. 2 - Sept. 6	204		4,280
Sept. 8 - Sept. 13	2,281 2/		5,217
Sept.15 - Sept. 20	3,822 2/		752
Sept.22 - Sept. 27	110	449	2,333
Sept.29 - Oct. 4	1,225	684	323
Oct. 6 - Oct. 11	5,312	1,157	6,845
Oct. 13 - Oct. 18	5	35	1,924
Oct. 20 - Oct. 25	269	403	5,623
Oct. 27 - Nov. 1	4,772	58	4,484
Nov. 3 - Nov. 8	1,672	342	4,552
Nov. 10 - Nov. 15	2,851	88	2,677
Nov. 17 - Nov. 22	1,228	1,021	3,581
Nov. 24 - Nov. 29	3,239	1,364	2,436
Dec. 1 - Dec. 6	791	64	3,609
Dec. 8 - Dec. 13	2,337	18	12,040
Dec. 15 - Dec. 20	111	8	4,580
Dec. 22 - Dec. 27	1	196	1,829
Dec. 29 - Jan. 3	35	2	3,993
Jan. 5 - Jan. 10	91	1,073	8,247
Jan. 12 - Jan. 17	1,695	447	5,874
Jan. 19 - Jan. 24	-	-	3,885
Total	$32,758	$7,409	$98,902

1. These figures are in part taken from copies of shipping manifests.

2. Figures for exports to Free China during these weeks include exports to Rangoon which are presumed to be destined for Free China.

3. It is presumed that a large percentage of exports to Burma are destined for Free China.

Treasury Department, Division of Monetary Research February 7, 1942

APPENDIX C

Principal Exports from U.S. to U.S.S.R.
as reported to the Treasury Department
during the week ending January 24, 1942

(Thousands of Dollars)

TOTAL EXPORTS	$ 3,885
Principal items:	
Motor trucks and chassis	926
Military tanks and parts	640
Men's boots and shoes	263
Iso-octane pentane (anti-knock compound)	261
Insulated copper wire	174
Zinc slabs	128
Barbed wire	119
Ethyl fluid (anti-knock compound)	105
Machine and Heavy ordnance guns and carriages	99
Gun parts	98

Treasury Department, Division of Monetary Research   February 7, 1942.

CB

PLAIN

London

Dated February 9, 1942

Rec'd 11:50 a.m.

Secretary of State,

Washington.

594, ninth.

FOR TREASURY FROM CASADAY.

Please cable three hundred dollars to Casaday's account at Chase National Bank. Expense vouchers for January being forwarded. Per diem will more than cover this amount before spent.

WINANT

WSB

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, London, England.

DATE: February 9, 1942, 11 p.m.

NO.: 595.

The following message is for the Secretary of the Treasury from Sir Kingsley Wood.

You were so good to send me the message about the interim Lend-Lease Agreement. I have studied it with care. The force of what you say is fully appreciated by me and my most earnest desire has been to assist in attaining a satisfactory solution. The War Cabinet has again considered the matter at great length and as a result Lord Halifax has been forwarded new instructions. You will in all probability learn within a short time the terms of the proposal which he has been asked to put forward. It is my earnest hope that you will feel able to give your support to the proposal.

WINANT

~~Copy~~
Copy to Hull 2-11-42
(already had copy) 2-11-42

February 9, 1942.

NOTE FOR THE SECRETARY'S FILES

Mr. Irigoyen telephoned Mr. White from Buenos Aires to say that the newspapers down there had reported there was to be a conference of Ministers of Finance on the 15th of March to discuss the creation of the International Stabilization Fund. Mr. Irigoyen asked whether that was true. Mr. White replied that he knew nothing of it. Mr. Irigoyen said he was concerned because, as we knew, they would like to participate. Mr. White reiterated that he had heard nothing about it. Mr. Irigoyen said he thought if a conference was to be called that the Treasury would call it. He said that according to the press, the Pan-American Union had called the conference. Mr. White replied that as far as he knew the story was without foundation.

Mr. Irigoyen then mentioned that at the Rio conference it had been said that some kind of memorandum or agenda would be prepared and distributed long enough before the conference to give the various ministers an opportunity to study. Mr. White said that was his understanding also. Mr. Irigoyen wanted to know whether we were working on the material for discussion now and Mr. White replied that with the pressure of so many things, the matter had not yet been discussed with the Secretary and, as far as he knew, the Secretary had not discussed it with the President as yet.

Mr. Irigoyen wanted to know if the conference was going to be held in the immediate future. Mr. White said he didn't know but he didn't feel the matter was as urgent as some other problems confronting the Government during war time. Mr. Irigoyen said he was pleased that the meeting was not going to take place so soon as March 15.

Mr. Irigoyen replied in response to Mr. White's question as to how things were going down there that they were working on something and we ought to hear the results soon.

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Habana, Cuba.

DATE: February 9, 1942, 5 p.m.

NO.: 50.

There has been a decline of premium on peso to about one quarter of one per cent.

Announcement has been made by the Government of its intention to issue up to twenty million pesos in silver certificates. Reference is made to the last paragraph of the Embassy's telegram No. 47 under date of the 7th of February.

BRIGGS

EJ
This telegram must be paraphrased before being communicated to anyone other than a Governmental agency. (BR)

Calcutta

Dated February 9, 1942

Rec'd 4:39 p.m.

Secretary of State,

Washington.

RUSH

77, February 9, 4 p.m.

The Department's no. 26, January 31, 7 p.m. received today and the message contained therein from the Secretary of the Treasury has been delivered to Hewlett.

MERRELL

GW

TELEGRAM SENT

HRL
This telegram must be paraphrased before being communicated to anyone other than a Governmental agency. (BR)

January 31, 1942

7 p.m.

AMERICAN CONSUL,

CALCUTTA (INDIA).

26

TO CONSUL GENERAL FROM SECRETARY OF THE TREASURY.

QUOTE. Hewlett, Secretary to Mr. Fox, American member of the Chinese Stabilization Board, has recently arrived in Calcutta from Chungking for medical treatment. Please transmit following message to him and confirm to us that Hewlett has received it:

INNER QUOTE. Hewlett from the Secretary of the Treasury:

All possible steps being taken here to arrange for your passage home by clipper. It is advisable that you stay in Calcutta until the necessary arrangements have been made for your return home. END INNER QUOTE.

END QUOTE.

HULL
(FL)

FD:FL:EMcB

Noted
F. Dietrich

TELEGRAM SENT

EJ
This telegram must be paraphrased before being communicated to anyone other than a Governmental agency. (BR)

February 9, 1942

9 p.m.

AMLEGATION,

PRETORIA (SOUTH AFRICA)

11

FROM TREASURY.

QUOTE. With reference to cable no. 44 dated December 13, sent by the South African Reserve Bank, Pretoria, to Federal Reserve Bank of New York, the following procedure is suggested with respect to United States paper currency.

(One) Advise South African Reserve Bank, Pretoria, to list total amount U. S. paper currency by kinds and denominations, also by bank of issue in case of Federal Reserve notes, cut currency in half vertically and stamp or write name of bank on each half in ink; then deliver both halves and list in quadruplicate to the American Consul at Capetown.

(Two) American Consul at Capetown will verify amount of currency delivered to him against list prepared by bank and then he will wire Treasurer of United States (through State Department) the amount

of currency

-2-#11, February 9, 1942, 9 p.m. to Pretoria

of currency delivered to him. When Treasury receives this advice a corresponding dollar credit will be effected with the Federal Reserve Bank of New York in the account of the South African Reserve Bank, Pretoria. Upon receipt and examination Treasury reserves right to claim reimbursement for any currency which is not genuine. Each set of halves should be forwarded by separate carrier accompanied by a copy of the list. The third copy of list should be forwarded by still another carrier/ American Consul will retain fourth copy of list.

(Three) Because of the fact that shipments will be covered by Government Losses in Shipment Act, the American Consul will make no arrangements for insurance.

(Four) The South African Reserve Bank, Pretoria, is hereby designated a depositary of public moneys of the United States in order to carry out the procedure outlined in this telegram.

(Five) Please advise the South African Reserve Bank, Pretoria, the appropriate parts hereof as Treasury's reply to its cable no. 44 of December 13 to Federal Reserve Bank of New York. UNQUOTE.

The Department

-3-#11, February 9, 1942, 9 p.m. to Pretoria

The Department approves the foregoing. Any expense incurred in carrying out the instructions contained in this telegram should be included in regular accounts as separate item for billing Treasury in accordance Sec. V-45, Foreign Service Regulations. Inform Consul appropriately.

HULL
(FL)

FD:FL:BMcB FA DA

TREASURY DEPARTMENT 201

INTER-OFFICE COMMUNICATION

DATE February 9, 1942

TO Secretary Morgenthau

FROM Mr. Dietrich

CONFIDENTIAL

Registered sterling transactions of the reporting banks were as follows:

Sold to commercial concerns	£52,000
Purchased from commercial concerns	£ 6,000

Open market sterling was quoted at 4.03-3/4, and there were no reported transactions.

The Cuban peso was offered at a premium of 7/8% this morning, equaling the current high reached at the end of last week. Toward the close today, the quotation dropped to 1/2%. According to a cable received today from the American Embassy in Havana, the Cuban Finance Minister stated that tax-collecting agencies were ordered to accept dollars at par, while starting this week Treasury dollar accumulations would be used in paying government salaries and other expenses. To increase the available supply of pesos, the Government is also going to ask for authority to issue more silver certificates.

In New York, closing quotations for the foreign currencies listed below were as follows:

Canadian dollar	11-3/4% discount
Argentine peso (free)	.2364
Brazilian milreis (free)	.0516
Colombian peso	.5775
Mexican peso	.2065
Uruguayan peso (free)	.5310
Venezuelan bolivar	.2770

We sold $3,990,000 in gold to the Central Bank of the Argentine Republic, which was added to its earmarked account.

No new gold engagements were reported.

In London, spot and forward silver remained at 23-1/2d and 23-9/16d respectively, equivalent to 42.67¢ and 42.78¢.

The Treasury's purchase price for foreign silver was unchanged at 35¢. Handy and Harman's settlement price for foreign silver was also unchanged at 35-1/8¢.

We made no purchases of silver today.

The report of January 28 received from the Federal Reserve Bank of New York, giving foreign exchange positions of banks and bankers in its district, revealed that the total position of all countries was short the equivalent of $3,778,000, an increase of $342,000 in the short position since January 21. Net changes were as follows:

Country	Short Position January 21	Short Position January 28	Change in Short Position*
England**	$ 788,000 (Long)	$ 698,000 (Long)	+ $ 90,000
Europe	2,452,000	2,534,000	+ 82,000
Canada	685,000 (Long)	485,000 (Long)	+ 200,000
Latin America	24,000	32,000 (Long)	- 56,000
Japan	160,000	160,000	---
Other Asia	2,289,000	2,276,000	- 13,000
All Others	16,000 (Long)	23,000	+ 39,000
Total	$3,436,000	$3,778,000	+ $342,000

* Plus sign (+) indicates increase in short position, or decrease in long position. Minus sign (-) indicates decrease in short position, or increase in long position.

**Combined position in registered and open market sterling.

CONFIDENTIAL

BRITISH EMBASSY
WASHINGTON, D.C.

PERSONAL
AND SECRET

9th February, 1942.

Dear Mr. Secretary,

I enclose herein for your personal and secret information a copy of the latest report received from London on the military situation.

Believe me,

Dear Mr. Secretary,

Very sincerely yours,

Halifax

The Honourable
Henry Morgenthau, Jr.,
United States Treasury,
Washington, D.C.

BRITISH MOST SECRET

(U.S. SECRET)

OPTEL No. 46

Information received up to 7 A.M., 8th February, 1942.

1. NAVAL ATTACKS ON SHIPPING

By raider 5th/6th. Small Panamanian ship attacked 800 miles North East of BERMUDA. 25 survivors.

By submarine 7th. British vessel, 6,900 tons, reported being shelled off HALIFAX. Survivors have been landed at LISBON from a 9,000 ton Norwegian tanker outward bound in convoy for ARUBA.

By air. EMPRESS OF JAPAN 26,000 tons, DUCHESS OF BEDFORD, 20,000 tons and U.S. WAKEFIELD, 42,000 tons, damaged at SINGAPORE on 30th. At PADANG, NETHERLANDS EAST INDIES, on 29th January, 13,900 tons of Dutch shipping were sunk.

2. MILITARY

LIBYA. On the 6th, our armoured car patrols were operating on the general line TENGEDER to 40 miles due South while Infantry patrols to MEKILI and the area midway between MEKILI and MSUS reported no enemy movement. On the GAZALA front the enemy are digging in.

BURMA. The situation has been mainly quiet but there have been enemy concentrations of barges and considerable activity in the KADO area South of PAAN.

SINGAPORE. On the 7th, the enemy shelled our positions frequently but ineffectively. An A.I.F. boat patrol suffered slight casualties. One enemy craft with 30 men was sunk by our machine gun fire.

RUSSIA. The Russians are meeting with increased resistance in the KURSK area and in their advance towards DNIEPROPETROVSK.

3. AIR OPERATIONS

7th. 3 of our aircraft are missing from a mine laying operation. One German fighter was destroyed during the day.

LIBYA. 5th. Two squadrons of Blenheims scored many direct hits on M.T. in the MARTUBA area. It is estimated that about 100 vehicles were destroyed or damaged during the day.

5th/6th. 24 Wellingtons bombed BENGHAZI and covered a successful mine-laying operation by other aircraft. Two Liberators from EGYPT dropped 7 tons of bombs on TRIPOLI docks.

6th. Our fighters continued their attack on enemy motor transport. 3 Blenheims sent to attack two ships unloading at BOMBAT EL KRUM were shot down during their return.

6th/7th. One 600 ton merchant vessel was hit off CAPE BON and another 6,000 ton ship southbound was torpedoed off SFAX. One Swordfish is missing. 7 Wellingtons bombed SIRTE.

MALTA. 6th and 7th. A total of 99 enemy bombers and fighters attacked HAL FAR and damaged some buildings. One enemy fighter was destroyed by A.A. fire.

BURMA. 6th. 6 Lysanders, with fighter escort, bombed and machine gunned jetties and the railway station at MOULMEIN. On the 5th/6th, 13 enemy bombers attacked MINGALADOO without causing serious damage and on the 6th-7th RANGOON was raided. Our fighters destroyed 4 bombers and probably destroyed two more.

SINGAPORE. 7th. Heavy air raids reported on following areas: CHANGI R.E. Stores Depots. KALLANG - aerodrome and GEYLANG - Eastern suburbs. An R.E. explosives dump was hit and the railway station damaged. One enemy bomber was destroyed and one probably destroyed.

JAVA. 6th. SOURABAYA was again attacked and some damage caused.

4. There are indications of increased Japanese activity on the SALWEEN River about 100 miles north of MOULMEIN and on the SIAM-BURMA frontier north of CHIENG MAI. Also of Japanese troop convoys near the ANAMBAS ISLANDS, at BALIKPAPAN and off the south west promontory of the CELEBES.

5. On the 3rd and 4th, three French ships arrived at TUNIS and another was discharged there. All four have previously been reported as carrying lorries and supplies from MARSEILLE to TUNIS destined for LIBYA.

6. Passenger train services have recently been still further reduced throughout German occupied and controlled territory, the immediate reasons varying between operating difficulties due to severe weather, essential military movements and transportation of fuel and food and coal shortage. While these reasons are plausible and correct as short term explanations, the scale and extent of these reductions reflect the increasing strain upon the European railway system.

7. The recent arrival of two more enemy cargo ships at ISTANBUL and the accumulation there of cargo for both GERMANY and ITALY suggests a resumption of regular sea traffic between TRIESTE and ISTANBUL.

8. A German ship recently arrived at FERROL with a cargo of 6,900 tons believed to be rubber. It now seems clear that the Spanish have given permission to the Germans to tranship this cargo for transportation in German motor barges to BAYONNE.

CORRECTION TO OPTEL No. 41.

Page 4, para 4, line 4. Read "One of the biggest Cinemas".

206

BRITISH EMBASSY
WASHINGTON, D.C.

February 9th, 1942

PERSONAL AND SECRET

Dear Mr. Secretary,

I enclose herein for your personal and secret information a copy of the latest report received from London on the military situation.

Believe me,

Dear Mr. Secretary,

Very sincerely yours,

The Honourable
Henry Morgenthau, Jr.,
United States Treasury,
Washington, D. C.

Copy No. 13

207

BRITISH MOST SECRET

(U.S. SECRET)

OPTEL No. 45

Information received up to 7 A.M., 7th February, 1942.

1. NAVAL

On the afternoon of the 6th during an attack on an East Coast convoy two enemy aircraft were damaged by the escorting Naval units. The convoy was undamaged. A small British merchant vessel bombed on the 5th off the HUMBER is now presumed sunk. All crew safe. A British tanker torpedoed on the 3rd 30 miles West of COLOMBO has returned to port safely. The EMPRESS OF ASIA is practically burnt out but it is possible that contents of holds may be salvaged.

2. MILITARY

LIBYA. 6th morning. There was little enemy movement either North-West of GAZALA or in the MSUS area. Patrols were however reported at MEKILI and on the Coast road ten miles West of GAZALA. Our line runs Southward from GAZALA with fighting patrols and mobile columns operating to the West and North-West.

SINGAPORE. There has been increased enemy shelling of SELATAR naval base and aerodrome. Enemy dive bombing and machine gun attacks on our forward areas on the North shore of the Island caused only slight casualties.

BURMA. There has been increased enemy patrolling activity at PAAN. Enemy (?cavalry) and our carriers in action. Small enemy forces have crossed the River SALWEEN 120 miles North of MARTABAN and have engaged in the PAPUN area.

3. AIR OPERATIONS

WESTERN FRONT. 6th. One of our aircraft is missing from a mine-laying mission. 6th/7th. Sixty bombers were sent to attack the German ships at BREST. One is missing and two crashed on return. Three members of crews killed.

MALTA. 6th. 63 enemy aircraft attacked and caused much damage to property. Two were shot down by A.A. fire.

LIBYA. 5th. Our fighters attacked enemy motor transport near TMIMI. They also intercepted and dispersed three enemy formations which attacked EL ADEM aerodrome during the day destroying one, M.E. 110, probably destroying one JU 88 and damaging two others. One Tomahawk was destroyed on the ground. 5th/6th. Wellingtons again bombed the motor transport park south of TRIPOLI (L).

BURMA. 4th. Eleven Lysanders bombed and machine-gunned an enemy aerodrome damaging hangars and destroying one aircraft on the ground. 5th. PAAN was attacked by Blenheims and a building, thought to be Japanese Headquarters was hit. 6th. RANGOON was attacked by thirty enemy fighters, ten were destroyed and ten others probably destroyed without loss to ourselves.

SINGAPORE. 4th. Civilian casualties. 42 killed. Final total killed December, 178. January, 1494. 6th. The town was attacked by 20 heavy bombers escorted by fighters but little damage was caused. Our fighters destroyed one aircraft and damaged four others. Our losses, two Hurricanes, one pilot safe.

4. NETHERLANDS EAST INDIES

There are indications of imminent enemy action against MACASSAR, SUMBAWA and South-East SUMATRA.

Corrigendum to OPTEL No. 44. Paragraph 2, LIBYA. for "road" read "roads".

TREASURY DEPARTMENT

209

INTER OFFICE COMMUNICATION

DATE February 9, 1942

TO Secretary Morgenthau

FROM Mr. Kamarck

Subject: Summary of Military Reports

Far East

The Japanese have three divisions on the Burma Front; one in the south in the Moulmein area, one division about 150 miles farther north and one division in reserve with tank units concentrated in Bangkok.

There are indications that the Japanese are planning to occupy airdromes in the Palembang area in Sumatra. (This is the southeastern part of the island and is the center of the oil producing and refining industry of Sumatra.)

(U.K. Operations Report, February 5, 1942)

According to our army, the British have 80,000 soldiers in Singapore. The Japanese have 90,000 - 100,000 opposing them. The Japanese are using their crack Guards divisions in this drive. Around Singapore, the results of the air combats have been approximately equal. The Japanese, however, have been able to destroy more planes on the ground. On the other hand, over Rangoon, the American and British fliers have been inflicting heavy losses on the Japanese. The reason for the discrepancy in losses between the two fronts is the difference in the quality of the planes involved. The best Japanese planes are being used in the Singapore drive, while the planes opposing them are British and American second-line planes. Over Rangoon, second-line Japanese planes have been meeting second-line Allied planes and the latter have shown a definite superiority.

(M. I. D. Information)

Russo-German Front

The Russians have announced that American-made airplanes are operating with great effectiveness all along the front.

(M.I.D. Situations Report, February 9, 1942)

The Russian pressure is pinning down the German army and is obliging the Germans prematurely to send reinforcements to the Eastern Front, which they had hoped to rest and refit for the spring offensive. A member of the Swedish Foreign Office stated that only 7,000 Nazi soldiers are left in Denmark. (Formerly, the Germans kept about five divisions, or 75,000 men in this country.)

(O.C.I., "The War This Week", January 29-February 5,1942)

The "Voice of the Chief" Broadcast

(In the latest broadcast reported, February 6, 1942, the "Voice of the Chief" attacks the district leader of Eastern Prussia, who is also Reichs Commissioner for the Ukraine, Storm Troop Chief Leader Erich Koch.)

"Luxury Highway--"As far back as December, the Reich Health Bureau stated that spotted typhus, now claiming so many victims in Koengisberg, was brought in by lice-ridden Bolsheviks from the Thorn prison camp. Now these prisoners have been working on the 15 kilometer long private highway which Herr Koch with state money is building for himself from the terminal of Street-Car Line 7 to his splended castle of Friedrichsburg.

Koch the Great--"Thirteen millions of state money has Koch the Great already put into his Koenigsberg Sans-souci. And at a time when no building material and labor are available to construct for our comrades only the most wretched barracks for protection against the cold, the supposed model estate of Friedrichsburg is becoming a bombastic mixture of snobbish castle and museum for stolen church property...

"There are no transportation problems for Herr Koch. The old warrior leaves those worries to the comrades at the front who took Kiev for him...They cannot reach their rest billets because there is no transportation. They don't get any new clothes to change, because there is no transport.

"Common Soldier's Plight--"They haven't food enough, they don't see any mail from home, because there is no transport. Doctors, drugs, delousing materials don't arrive, because there's no transport. They lie under the Russian low-flying attacks without anti-aircraft defenses, because the pursuit squadrons don't receive enough fuel, due to transport shortage. But when it is a question of the community Pasha Koch wanting to send his pilfered pieces to his home, or having to fill his belly in Kiev, then High Command cars and the railway cars are available in great numbers."

(Federal Communications Commission, Foreign Broadcast Monitoring Service, February 6, 1942)

RESTRICTED

212

G-2/2657-220: No. 626 M.I.D., W.D. 11:00 A.M., February 9, 1942.

SITUATION REPORT

I. Pacific Theater.

Philippines: Heavy infantry fighting flared at various points along our line as enemy infiltration efforts continued. All of their efforts failed. Hostile batteries along the Cavite shore line were shelled yesterday, and direct hits were observed. Hawaii: No further reports of enemy activity. Malaya: The press reports that Japanese troops have made a landing in some force on the northwest corner of Singapore Island. Heavy Japanese air raids continue, as opposing artillery units duel across Johore Strait. Burma: It is reported that both sides are engaged in active patrolling along the Salween River. Sumatra: According to the press, the enemy yesterday carried out further air raids on Banka and on nearby southern Sumatra. Australasia: Small scale enemy air activity is reported in the Solomon and New Guinea areas. Hostile reconnaissance of Java and bombing of Surabaya continues. Batavia, capital of the Dutch East Indies, received its first air raid on February 9. No results were announced. West Coast: No further reports of hostile action.

II. Eastern Theater.

Ground: Russian pressure continues at various points on the front. There is no change in the general situation. (A situation map will not be issued today.)

Air: The Russian communique this morning stated that American made aircraft were operating with great effectiveness all along the Russo-German front.

III. Western Theater.

The German High Command claimed that the R.A.F. lost five planes on February 8.

IV. Middle Eastern Theater.

Ground: The Axis drive has slowed down in the vicinity of Gazala, according to the press. That source also states that British motor patrols are striking at Axis rear supply routes east of Gazala.

Air: Aerial activity of both forces seems to be concentrated against supply routes. The Italian High Command states that Fascist planes made hits on important military objectives during a raid yesterday on the harbor of Alexandria.

RESTRICTED