

8/30/41

RECESS

The middle of August 1941, found the Congress preparing for a 30-day recess after an almost uninterrupted session of 8½ months. It recessed on a high note with many controversial things still ahead. The echoes of the Roosevelt-Churchill conference were still in the air. The House had just completed action on the Draft Extension Act by the slender margin of one vote. A bill to seize materials and machines had been twice rejected by the House and was sent back to a conference committee of the two houses. The huge 3½ billion dollar tax bill had already been passed by the House and was now receiving the careful scrutiny of the Senate Finance Committee. Lodged in the Banking Committee of the House was the highly controversial bill to fix price ceilings, fix rents in defense housing areas and give the President power to license industries. Still to come were additional billions for lease-lend aid to countries whose defense is deemed vital to the defense of the United States. Doubtless there will also be additional funds for the Army and Navy. Much therefore still remains to be done by the nation's lawmakers.

THE RECORD

But what has Congress contrived during the last eight and one half months? First it might be said that the Appropriations Committee, the Ways & Means Committee, the Committee in Naval Affairs and the Committee on Military Affairs handled the bulk of the legislation since the major emphasis was on national defense. Perhaps the Committee on Foreign Affairs should be included because of its work on the lease-lend measure. A vast amount of testimony was taken before the major measures were reported to the floor for action and most of the time devoted to a major measure is taken up with this work of preparation. Let us then list some of the measures which have been passed and inscribed upon the statute books.

DEFENSE AND DEFENSE AID

(1) The lease-lend act provides for such aid to foreign countries as the President may direct; (2) the personnel strength of the Navy was expanded to 232,000 with emergency authority in the President to lift it to 300,000; (3) authority was given the Maritime Commission to build hundreds of cargo vessels; (4) pay of parachute troops was placed at a maximum of \$100; (5) the draft act was amended to include certain exemptions which were omitted from the original act; (6) provision was made for the construction of housing in congested defense areas; (7) the Navy was authorized to construct necessary auxiliary vessels; (8) the priorities act was extended to apply to lease-lend operations so that materials and supplies can be placed under priority if needed to aid foreign countries now resisting aggression; (9) the President was authorized to take over title or to take over the use of certain foreign merchant vessels in our ports; (10) payments on the debt owed this country by Finland were postponed; (11) the Navy was authorized to carry out a very substantial program of public works including yards, docks, training facilities etc; (12) training and service of draftees was extended to 30 months.

MEASURES OF STATE.

To safeguard the sovereignty of this hemisphere, Congress implemented the historic doctrine of President Monroe by declaring invalid any transfer of territory in this hemisphere from one non-American power to another. This was designed to prevent axis powers from transferring or securing territory in this hemisphere. Certain passport restrictions were imposed in addition to those now provided by law to better control the movements of persons who might be unfriendly to this country. Consulates were also empowered to refuse the issuance of passport visas to certain persons who might prove inimical to the welfare of the United States.

AGRICULTURE.

(1) For practical purposes, peanuts were made a basic crop under the provisions of the Farm Act of 1938 and made subject to certain marketing provisions and quotas; (2) the benefit of crop insurance was extended to cotton so that wheat and cotton production is now insured against weather hazards; (3) the original Farm Act of 1938 was further amended with respect to marketing quotas on wheat and corn and the penalties for excess production substantially increased.

BILLS IN PROCESS.

Several measures have passed the House or the Senate or both houses and are either in conference or in a state of disagreement, or awaiting action by one of the two bodies. The 1941 Revenue Act to provide about 3½ billions in new income, estate, gift, and excise taxes is awaiting Senate action after having passed the House. A bill to authorize the President through the War Department to commandeer machinery, materials or supplies deemed indispensable to national defense has passed both houses and was subsequently rejected by the House of Representatives in the form of a conference report.

THE VETO

By overwhelming majorities both House and Senate enacted a measure to expand the strategic net work of highways, improve access roads, provide for airplane landing strips along highways and for other purposes. This bill authorized the appropriation of more than 250 million dollars. It was vetoed by the President. The Senate overrode the veto but by a few votes the House sustained the veto. Both House and Senate passed a measure to freeze stocks of cotton and wheat in which the Commodity Credit Corporation has an interest and keep these commodities from the market for the duration of the war and thereafter until released by Congress. Only method of releasing them for consumption would be for relief or national defense. This measure passed the House by a narrow vote and has been vetoed by the President. It is unlikely that Congress will re-enact this measure over the veto.

APPROPRIATIONS AND BUDGET MEASURES

This Congress authorized an increase in the statutory debt limit from 49 billion to \$65 billion dollars. Present annual interest outlay is 1275 million dollars. Appropriations for general governmental purposes other than national defense for the year which began on July 1, 1941

were approximately 7145 million dollars Army appropriations for this fiscal year were 12 billion and Navy 5 billion. Seven billion was appropriated for lease-lend aid to other countries. This will be increased by an amount ranging between 5 and 10 billion. Total defense appropriations for the two fiscal years of 1941 and 1942 including completion of the two-ocean Navy and 7 billion for lease-lend aid will total 53 billion.

RESULTS.

Total active strength of army, navy and marine Corps including officers and enlisted men 1,872,731. Defense plant expansion totals 2023 projects as of June 30 1941. Total number of persons enrolled in all forms of defense training totals 1,500,000. Number of defense housing units allocated to August 3rd totals 123,433 dwellings and trailers. Plane production of all types including trainers, combat, interceptors, service and bombing planes is presently on a basis of about 18,000 per year. Powder and shell loading plants are going into production. Quantity production of tanks is about to begin. Small arms production is speeding up. The program is moving.