

House of Representatives

MONDAY, MARCH 9, 1942

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The House met at 12 o'clock noon. The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou who art perfect in love, purity, and power, we thank Thee that Thy providence abides through every change. Pity us if from our hearts no prayers arise and no thanks are returned for the bounties which Thou dost bestow upon us. Have mercy upon us if we fail to give out charity and sympathy and are unmindful that religion and morality are the dominant supports of our country. Blessed Lord, we would know that the fadeless virtues are those we contribute in self-forgetting service for God and native land.

Heavenly Father, we earnestly pray for our own America that in this hour she may break every chain of earthly indulgence, of vain ambition, and of callous indifference as becomes a free Christian people. Forgive us our pride, our vaunted boasting, and bring all men to their intelligence, to their self-control, that the spirit of unity and the desire to serve shall become imperative and the doorway of hope shall be thrown wider and wider to all men. Oh, let us lay aside every weight and the sin that doth so easily beset us and let us run with patience the race that is set before us.

"Lord God of hosts, be with us yet,
Lest we forget, lest we forget."

Through Jesus Christ, our Lord. Amen.

THE JOURNAL

The Journal of the proceedings of Saturday, March 7, 1942, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

EXTENSION OF REMARKS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD, and to include therewith an editorial.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

THE HOLDING COMPANY ACT

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

The SPEAKER. Without objection, it is so ordered.

Mr. PADDOCK. Mr. Speaker, I am today introducing a bill authorizing the Securities and Exchange Commission to suspend during the existing emergency

the so-called death-sentence provisions of the Public Utilities Holding Company Act.

This is desirable legislation for several important reasons, and since it authorizes without compelling the suspension of the death-sentence provisions, there is no possibility of harmful results.

These provisions, if rigidly enforced, would force the public sale, under present adverse conditions, of numerous utility operating companies. Such sales would necessarily be at distress prices, resulting in excessive and unjust losses to the many thousands of investors, including large numbers of persons of small means who own stock in the holding companies now owning these properties. There is no good reason for Congress to create such losses.

Another strong argument against compelling these sales of operating-company stocks at bargain-counter prices is the resultant damage to market values of other operating-company stocks. Whenever a stock of a well-known company is marked down excessively the stocks of similar companies inevitably suffer.

A third and equally forcible argument against forcing the immediate sale of these operating-company stocks under the death-sentence requirements is that public funds would be absorbed which could find much better employment in Government bonds or other investments really needed in our war activities.

I believe that this authorization to the Securities and Exchange Commission will enable that body to act wisely and helpfully in the existing emergency.

[Text of bill as introduced on March 9, 1942.

Referred to Committee on Interstate and Foreign Commerce. By Mr. PADDOCK.]

Be it enacted, etc., That, notwithstanding the provisions of section 11 of the Public Utility Holding Company Act of 1935 (which requires the taking of action to bring about the simplification of public-utility holding-company systems), the Securities and Exchange Commission is hereby authorized to suspend the exercise of its functions and duties under such section to such extent as, in its judgment, will be not inconsistent with the public interest.

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include excerpts from two newspapers.

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

There was no objection.

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

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter from Judge R. V.

Fletcher, vice president and general counsel of the Association of American Railroads.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

EXTENSION OF REMARKS

Mr. ELIOT of Massachusetts. I have two requests to submit: First, to extend my remarks in the Appendix of the RECORD and include certain editorials; and, second, to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter first referred to appears in the Appendix.]

THE DIES COMMITTEE

Mr. ELIOT of Massachusetts. Mr. Speaker, I read from the printed copy of the hearings before the Rules Committee, February 11, 1942, at page 47:

Mr. DIES. * * * Do you know that Hitler and the Nazi government filed a protest with the Department of State against the Dies committee, asking for its discontinuance? That was comparatively recent.

And on page 48:

Mr. DIES. The Government of Germany protested against the work of the Dies committee, asking for its discontinuance before we became involved in war.

I now read from a letter sent to me by Sumner Welles, Acting Secretary of State, on February 24, 1942:

With reference to the question contained in the postscript of your letter, whether the German Government protested to our Government against the activities of the Dies committee and requested its discontinuance, the Department has been unable to find any record of such a protest.

Let us never forget that the chairman of the Dies committee is the man who is so frequently and so favorably quoted on the propaganda broadcasts of our deadly enemies.

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

Mr. ELIOT of Massachusetts. I yield.

Mr. RANKIN of Mississippi. Does not the gentleman believe that Hitler would like to have the Dies committee abolished?

Mr. ELIOT of Massachusetts. Replying to the gentleman, I may say that the Nazi propaganda broadcasts quote the gentleman from Texas favorably and frequently.

Mr. Speaker, I yield back the balance of my time.

EXTENSION OF REMARKS

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent to ex-