

6/12/40

Dear Cameron,

Last week I referred to several studies being made for the TNEC by the SEC. The titles of these studies are Distribution of Ownership in 200 Large Non-Financial Corporations and Distribution of ownership in 1600 Listed Corporations. There is tentatively scheduled a committee document to be entitled Concentration of Ownership of American Enterprise. This will be, if published, Monograph 16. At the moment it is not possible to predict whether the trend of the country and international affairs will change the committee's mind.

One American industry that stands to loose business as a result of Italy's entry into the war is the maritime industry. Although with the passage of the Neutrality Act late last year many American seamen were beached, little by little American shipowners cut into the Mediterranean business so much that last week they had between 70 and 80 ships plying between Mediterranean and non-American ports, many in Africa and South America. The business they got, evidently, had belonged to the Allies. These ships were of American registry, not ships that had been transferred to foreign registry in order to evade the Neutrality Act.

The secretary of the joint legislative council of the CIO maritime unions tells me that the government pays up to 68% in subsidies to owners of American ships. There is a subsidy of approximately 40 percent granted because, the shipowners allege, it costs that much more to build in American yards. There is an additional subsidy of 28 percent for building

fast tankers. Most countries build fast tankers exclusively because of the resulting economy but here such large outfits as Standard Oil, I was told, say they are going to build the slower tankers so they can get the government's dough. William Standard, counsel for the National Maritime Union, is quite an authority on the ship-subsidy scandal. There is a move on the Hill to make a new study to be used as the basis for the estimate of the cost of construction in foreign countries. A copy of this proposal is included in a large bunch of proposed legislation I mailed ( slow mail) today. Also in the same package are additional State Department releases some of which may interest you. If you are keeping these releases you will not have a copy of No. 123. It was withdrawn and never released. they say at the Department. Included among the releases are statements of money collected and sent to belligerents, statements of munitions purchased and ordered, etc.

By this time you should have received either three or four parts of the report of the Railroad Investigating Committee of which Bert Wheeler is chairman and Max Lowenthal secretary. These reports constitute about the best history of the American Railroads yet. You will receive the other parts as they are made and released. This committee has received authority to continue through the entire 77th. ( the next ) Congress and power to draw upon the contingent fund of the Senate for expenses. Wheeler is also chairman of the Senate Committee Investigating the Telegraph Industry. It, too, has been authorized to continue. The resolution providing this, which I sent you some time ago, was passed.

Very quietly reactionaries in the Senate killed a proposal to authorize the Bureau of Labor Statistics of the Department of Labor to "make a study of productivity and labor costs in industry", a study that, in the "national defense", might be considered necessary by sincere legislators. The knife was in the hands of Republican Senator Wiley of Wisconsin.

The Republicans are in a ticklish position now. They are forced to go along on almost everything because they fear criticism as opponents of national defense. They don't like the role a bit and everythings once in a while it flares up. Several days ago a major bill was being debated and the Republicans offered an amendment. It was defeated on a voice vote. The Republican handler of the bill was furious and he demanded ~~the~~ tellers. On a teller vote the amendment was again defeated. Purple with rage he demanded the yeas and nays, which would have been a record vote. The vote up to this point was strictly on party lines. While the Speaker of the House was putting the question Minority Leader Joe Martin of Mass. hastened to the handler's side and argued with him, attempting to get him to withdraw the request. In his own defense, loud enough for ~~ke~~ to hear it in the gallery although they were far from the microphones, he told Martin, "Let's put 'em on the spot." Martin, also loudly, said no, and the Congressman apologized and withdrew his request.

The Republicans are also opposed to the Administration's determination to adjourn on the 22nd. This date is the approximate date set. It is the date on which the House administration leadership plan to offer the

adjournment resolution. Whether or not they will offer the companion resolution in the Senate the same day or a day or so earlier or later I haven't learned. There are thus far a few antiadministration Democrats who have indicated that they might join the Republicans in opposing the early adjournment of Congress. The minority play will probably be to recess until after the conventions. However, it is not now likely that they will attempt to keep Congress continually in session. They, too, have to stand for reelection and being kept from their districts would be a distinct disadvantage. Most Congressmen place reelection as the most important thing they have to accomplish. This is true even of the liberals. Lee Ceyer, Democrat, of California, who has one of the best records in the House, father of the anti-poll tax bill, bluntly so told Jack McMichael, chairman of the American Youth Congress several days ago. He has also abandoned this bill and followed completely on all the so-called national defense bills, even those to which labor is opposed, and for this reason. Ceyer "ducked" the Bridges bill last week ( see below). He is a good example of this, because the conservative Members actually consider him a Communist! The forces opposed to adjournment may be able to rally enough strength in the next ten days to win. If they ~~can~~, there will be serious consequences.

If Congress adjourns soon there is practically no chance that the Smith amendments to the National Labor Relations Act ( in the mail) will come up in the Senate. Elbert Thomas of Utah, a Democrat with a new deal record, is chairman of the Committee on Education and Labor of the Senate.

He has been one of the staunchest opponents of any amendments, and his committee held a long series of hearings on all proposals to amend last session. Thomas was superb in this and as a result of these hearings he killed Senate action. It was this which made necessary the Smith committee for the reactionaries. He can and undoubtedly will sit on these amendments until Congress adjourns if it adjourns soon. If he doesn't, it is a safe assumption that he got orders from the Great White Father to let them come out. He is a great admirer of the G.W.F. In addition, the Senate Committee on Education and Labor is about the best, from a liberal point of view, in either house. Among its members are La Follette, Walsh, Lee, Hill, Murray of Montana, Ellender, Pepper and "Puddler Jim" Davis, Republican and former Secretary of Labor. Uninstructed, all of these men can be expected to do nothing to force the bill out and to sit on it. However, at least Hill, Pepper and Lee can be expected to fight to bring the bill out if FDR says so, and in that event the other members of the committee, Holt and Taft will undoubtedly join them.

If Congress adjourns soon most of the nastiest bills and resolutions will not have a chance to get far up on the calendar and will automatically die, unless there is a special session. This includes just about all the anti-alien legislation not already enacted and the "Oppressive Labor Practices Act", with the vicious amendments tacked on by Senator Reynolds of North Carolina. On the other hand, the longer Congress stays in the better the chance that these will pass. Just about none of them would be defeated with the present state of mind of our

legislators. Hysteria is really worse here than out in the country, and here it is worse on the Hill. The opinions and attitudes of some of the Members of both Houses are astounding and some of the speeches would have been considered insanity two months ago.

Reaction to Italy's entry followed the President's intemperate blast in spite of the fact that for months here as elsewhere the only question was one of time. The difference in the attitude to Italy's entry is different than anything thus far in that it has resulted in definite anti-Italian feeling, even extending to anti-American Italian sentiment. This is really only an extension of the growing feeling against peoples other than ~~from~~ the countries of the ~~the~~ Allies. ~~XXXXXXXX~~ I don't know anything about this, but I heard the opinion expressed on the Hill today that, if we are importing raw materials from the eastern end of the Mediterranean that might be used in the manufacture of munitions or war products Italy, because of our pro-Ally conduct, might ~~seize~~ these ships which haven't yet left the Mediterranean. I know that we import manganese from the Soviet, and this leads me to believe that there might be something in it. There were very few who, in commenting on Mussolini's speech, pointed out his honesty in saying that others had what he wanted so he was going after it.

The CIO took a "no head on collision" attitude at its board meeting. In this ~~xxxx~~ sense they called off the Kearney strike. They now have an arrangement that all situations leading to strike votes must be referred to the national office before the vote is taken. They are going to do their best to prevent strikes. However, I know definitely that there is

going to be a test with the administration on this issue, whether or not the national office sanctions it. It is not going to be in the "national defense" industries and is going to be in a union make as solidly behind its leaders as any of the liberal new unions in the CIO, and it will be the local of the President of the International.

Nothing has been said of it, but Harry Bridges has his hands full on the West Coast these days. The ILWU contracts are up for renewal and there are some points in dispute. The M employers ( they are far ahead of anti labor employers elsewhere ) have proposed Sidney HILLMAN as arbitrator. The union refused and before Bridges came east he told the negotiators to take a strike vote if the employers representatives stalled. This was before Hillman's appointment to the National Defense Board.

Bridges is still in the country by virtue of parliamentary manoeuvres. When the bill to deport him finally came up, it came up on the "private calendar" and required unanimous consent of all members present except two. Of all the so-called liberals in the House, only Marcantonio, Coffee of Washington and Havanner of California arose to oppose the bill. When it was defeated all save Marc. left the floor, and then Shaffer of Wisc., who ran for his seat with open Silver Shirt support, requested unanimous consent to reconsider. Marc. objected

and the bill was stricken from the calendar. However, the Rules committee has granted a rule on the bill, providing for its consideration in the very near future. Really, the Rules committee has nothing to do with it now, because the bill, after its defeat the other night, was returned to the Committee on Immigration, which yesterday reported it back to go in its calendar. When the bill comes up, Marc. undoubtedly will prevent its consideration again on the parliamentary ground and it will have to wait for the Immigration calendar, and there isn't going to be one of them for some time, so far as I can find out. Today should have been one and yesterday the House leadership had it cancelled for the consideration of other business. If and when it does come up and passes it will still require Senate concurrence, which, in this late hour, is not very likely unless the session is extended.

The Communist Party candidate for governor in West Virginia has been arrested. This is but the latest manifestation of perhaps the most intense drive against the CP any place in the country. First 8 then about 40 people whom had signed the petitions to get the CP on the ballot and who subsequently voted in the Democratic primary were arrested and held under \$5,000 bail. They were denied everything, and once when their attorney went to see them he was denied permission by the sheriff. They were fed nothing but black unsweetened coffee for breakfast and beans and bread for the other two meals. They didn't even all have mattresses.

Quite recently two men have resigned from the Department of Justice in the past week. They are Gordon Dean, administrative assistant to the attorney general. He is going into private practice, and Welly K. Hopkins, an



assistant to the attorney General. Dean is one of the most popular men to have served in the Department since the beginning of the new deal. He tried ~~xxx~~ several important cases before the supreme court and was highly regarded by liberals. He was extremely popular with the press, and he handled press relations. His resignation, although nothing has been said about it, most likely indicates a falling out over policy. Hopkins went to the United Mine Workers, ~~xxxxxxxx~~ where he will be assistant general counsel. He was a liberal when a Texas State legislator. In the Department of Justice he was in charge of the Springfield case, where the Progressive Miners were sent to the klink for indiscriminate dynamiting of UMW men, bridges, railway cars and anything else that struck their fancy, and he was second in charge on the Harlan case.

There is now pending legislation which has a fine chance for passage providing for ~~for~~ 1000 additional G-men, outside the Immigration Service. Five hundred were requested by FDR, 500 others are the idea of Jack Nichols, Democrat Congressman from Oklahoma. If these two pass, the force will be 2,500!

In spite of all the talk and appropriations, there have still been no cases of sabotage. Yet there was a good case presented to the Department of Justice, which refused to act. It was in an aircraft factory and involved Nazis. I think I can get this stuff if you are interested. Let me know either way, please.

Also in the Department of Justice, Lemuel B. Schofield was appointed

to a specially created position, ~~not~~ as administrator of the Immigration Service. This does not place him over Commissioner Houghtelling, the President's relative, but does short-circuit Houghtelling. H. has been fairly decent, Unless my information is wrong-and I dont think it is-Schofield will not be moderate. I believe that when he was ~~director~~ director of Public safety in Philadelphia he was booted out because of the indignation of the righteous Republican taxpayers who ~~was~~ disapproved of his administration and called it dishonest.

I still haven't received the check for the Pittman stuff. I want it.

Yours,

Harold