

Homer J. Swope; without amendment (Rept. No. 1060). Referred to the Committee of the Whole House.

Mr. WICKERSHAM: Committee on Claims. S. 1709. An act conferring jurisdiction upon the United States District Court for the Western District of North Carolina to hear, determine, and render judgments upon the claims against the United States to I. M. Cook, J. J. Allen, Radiator Specialty Co., and the R. & W. Motor Lines, Inc.; without amendment (Rept. No. 1061). Referred to the Committee of the Whole House.

Mr. MASON: Committee on Immigration and Naturalization. H. R. 4604. A bill for the relief of Doris Mongol Rai; without amendment (Rept. No. 1066). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CARTER:

H. R. 5425. A bill to permit the steamship *Port Saunders*, official No. 220150, and the steamship *Hawk*, official No. 220149, to engage in the fisheries; to the Committee on the Merchant Marine and Fisheries.

By Mr. COLLINS:

H. R. 5426. A bill to exempt salaries of persons in military or naval forces from income tax; to the Committee on Ways and Means.

By Mr. MAY:

H. R. 5427. A bill to authorize the payment of a donation to and to provide for the travel at Government expense of persons discharged from the Army of the United States on account of fraudulent enlistment; to the Committee on Military Affairs.

By Mr. TENEROWICZ:

H. R. 5428. A bill making eligible for citizenship any alien not racially ineligible to naturalization heretofore admitted to the United States for permanent residence under special act of Congress; to the Committee on Immigration and Naturalization.

By Mr. VOORHIS of California:

H. R. 5429. A bill to provide for the payment, after the termination of service, of additional compensation to certain persons on account of service in the land or naval forces of the United States, and for other purposes; to the Committee on Military Affairs.

By Mr. MAGNUSON:

H. R. 5430. A bill amending the Nationality Act of 1940 to permit certain aliens whose childhood was spent in the United States, if eligible to citizenship, to become naturalized without filing declaration of intention; to the Committee on Immigration and Naturalization.

By Mr. RANDOLPH:

H. R. 5431. A bill to consolidate the police and municipal courts of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. WICKERSHAM:

H. R. 5432. A bill to amend Public Law No. 74 of the Seventy-seventh Congress relating to wheat-marketing quotas under the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. WEISS:

H. J. Res. 223. Joint resolution redistricting congressional Representatives of the several States; to the Committee on the Census.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Illinois, memorializing the President and the Congress of the United States to consider their Senate Joint Resolution No. 40 with reference to the Brooks' Lincoln holiday bill; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRY:

H. R. 5433. A bill for the relief of the guardian of Charles Jirinec, an infant; to the Committee on Claims.

By Mr. ROLPH:

H. R. 5434. A bill for the relief of the East Asiatic Co., Inc.; 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:

1694. By Mr. CROWTHER: Petition of sundry citizens of Fulton County, N. Y., protesting against the retention of the selectees beyond the 1-year period; to the Committee on Military Affairs.

1695. By Mr. JOSEPH L. PFEIFER: Petition of the Brooklyn Botanic Garden, Brooklyn, N. Y., opposing consideration and passage of the Murdock bill, H. R. 2675, to open the Organ Pipe Cactus National Monument, Ariz., to prospecting and mining; to the Committee on the Public Lands.

1696. By Mr. LUDLOW: Petition of Arthur W. Macy, president of the Indianapolis Association of Credit Men, for an estimated \$2,031,000,000 saving for national defense; to the Committee on Military Affairs.

1697. By Mr. CASE of South Dakota: Resolutions adopted by the South Dakota State Livestock Committee at the annual meeting in Pierre on June 17, 1941, relating to problems of concern to agricultural and livestock interests; to the Committee on Agriculture.

1698. By Mr. ROBERTSON of North Dakota: Petition of the Townsend Club, No. 1, of Bismarck, N. Dak., urging enactment of House bill 1024, which would abolish payment of poll taxes as a requirement for voting; to the Committee on the Judiciary.

1699. By the SPEAKER: Petition of the city of Cleveland, Ohio, petitioning consideration of their resolution with reference to the problem of decentralization of the large industrial cities; to the Committee on Public Buildings and Grounds.

SENATE

TUESDAY, JULY 29, 1941

(Legislative day of Monday, July 28, 1941)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Hunter M. Lewis, B. D., assistant rector, Church of the Epiphany, Washington, D. C., offered the following prayer:

O Thou Creator and Giver of Life, Thou Spirit of Wisdom and Source of all Thought, Who dost inspire Thy children to yearn for Thee, and hidest not Thyself from those who seek for Thee: Look down from the habitation of Thy holiness, O Lord, and teach us the things that belong to Thy peace. For Thy thoughts are not our thoughts, neither are our ways Thy ways; and as the heavens are higher than the earth, so are Thy ways higher than our ways, and Thy thoughts than our thoughts. Lift us up, we beseech Thee, to Thy presence, O Lord, that we may see Thee more clearly, love Thee more fully, serve Thee more faithfully and build Thee more surely Thy Kingdom upon earth. We ask it in the name of the Master

Builder, who in lowly service revealed to us the fullest life, Thy Son, Jesus Christ, our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day of Monday, July 28, 1941, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its clerks, announced that the House had passed a bill (H. R. 5412) making supplemental appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 49) providing for the printing of additional copies of the bill and report on the bill H. R. 5417, Revenue Act of 1941, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 505. An act making provision for payment of employees of the United States Government, its Territories or possessions, or the District of Columbia, for accumulated or accrued annual leave when ordered to active duty with the military or naval forces of the United States; and

S. 1580. An act to supplement the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, to authorize appropriations during the national emergency declared by the President on May 27, 1941, for the immediate construction of roads urgently needed for the national defense, and for other purposes.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate by the Vice President, or presented by a Senator, and referred as indicated:

By the VICE PRESIDENT:

A letter in the nature of a petition from Mrs. Minnie Klepper, of South Euclid, Ohio, praying that the United States immediately engage in war against Germany; to the Committee on Foreign Relations.

A letter in the nature of a petition from Pvt. Charles Taylor, Company L, Fifty-third A. M. Regiment, Fort Bragg, N. C., a draft selectee, praying that he be released from military service on account of his age, stated as 36 years; to the Committee on Military Affairs.

Petitions of sundry citizens of the United States, 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; to the table.

By Mr. CAPPER:

A petition, numerous signed, of sundry citizens of McPherson, Kans., 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; to the table.

RESOLUTION OF MAYOR AND COUNCIL
OF MANITOWOC, WIS.

Mr. WILEY. Mr. President, I present and ask unanimous consent to have printed in the RECORD and appropriately referred a resolution by the mayor and Common Council of the City of Manitowoc, Wis., relating to the aluminum situation.

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

Whereas the aluminum industry in the United States has been hard hit because of shortage of aluminum in our country, thus throwing many thousands of people out of work in our city and county; and

Whereas the aluminum plants in Manitowoc and Two Rivers are equipped to manufacture many other defense products not requiring the use of aluminum metal; and

Whereas the O. P. M. of the Federal Government has had several representatives in Manitowoc and Two Rivers for the purpose of meeting with the representatives of the various aluminum industries in these communities, with a view of aiding these plants in securing defense contracts which do not require the use of aluminum metal: Now, therefore, be it

Resolved by the mayor and Common Council of the City of Manitowoc, That we urge upon the Federal Government to do everything within their power to give our aluminum plants contracts to manufacture defense products needed by our Government which do or do not require the use of aluminum metal, so that the employees of these plants may be able to put their employees now out of work back to work, which otherwise may require many of these employees to go on relief; be it further

Resolved, That a copy of this resolution be sent to the O. P. M. of the Federal Government and to our representatives at Washington.

Introduced July 21, 1941.
Adopted July 21, 1941.

W. C. RANDOLPH,
JOHN J. ZAGRODNIK.

RESOLUTION OF GREEN BAY (WIS.)
ASSOCIATION OF COMMERCE

Mr. WILEY. I also present a resolution of the Green Bay (Wis.) Association of Commerce, relating to the Social Security Board, which I ask to have printed in the RECORD and appropriately referred.

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

Be it resolved by the Green Bay Association of Commerce by action of its board of directors in its regular meeting on July 11, 1941, That there should be no action taken by the Congress of the United States or the Social Security Board which would—

(1) Eliminate or in any way reduce or hinder the free action of individual employer experience rating which provides the most effective incentive to reduce seasonal and cyclical fluctuations in volume of employment.

(2) Impose Federal control of State benefit payments through introduction of benefit standards in the Federal Unemployment Tax Act.

(3) In any way tend toward nationalizing our present Federal-State systems of unemployment compensation; be it further

Resolved, That copies of this resolution be sent to the Green Bay representatives in the Congress.

GREEN BAY ASSOCIATION OF COMMERCE,
EARL S. WARD, Executive Secretary.

RESOLUTIONS OF FARMERS EQUITY
UNION OF ST. CROIX COUNTY, WIS.

Mr. WILEY. I also present resolutions of the Farmers Equity Union, of St. Croix County, Wis., relating to several matters, which I ask to have printed in the RECORD and referred.

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

Resolved by the Farmers Equity Union of St. Croix County, That we ask for passage of the dairy bill (H. R. 6500) to provide all-around parity for the farmer. And that a copy of this resolution be forwarded to our representatives in Congress, urging them to actively support this bill.

Mrs. WALTER RICHTER,
Secretary, St. Croix County
Farmers Equity Union,
Clear Lake, Wis.

Be it resolved, we reaffirm our stand of nonintervention in foreign wars.

Mrs. WALTER RICHTER,
Secretary, etc.

We, the St. Croix County Farmers Equity Union, reaffirm our stand on the farmers union debt adjustment bill, which would enable our farmers to retain possession of their homes by providing flexible credit and repayment.

Mrs. WALTER RICHTER,
Secretary, etc.

Whereas the private electric-power organizations are actively opposing the expansion of the R. E. A., which may constitute a menace to the R. E. A. cooperatives.

Therefore, we, the Farmers Equity Union, assembled in convention, oppose any such action and urge whole-hearted support of rural electrification through cooperatives. And urge our Congressmen to at all times do all possible in behalf of rural-electrification cooperatives.

Resolved, That a copy of this resolution be forwarded to our Congressmen and Senators.

Mrs. WALTER RICHTER,
Secretary, etc.

RECOGNITION OF CIVILIAN OFFICIALS
AND EMPLOYEES ENGAGED IN CON-
STRUCTION OF PANAMA CANAL—RE-
PORT

Mr. PEPPER, from the Committee on Interocceanic Canals, submitted a report (No. 574) to accompany the bill (S. 1481) to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal, heretofore reported by him from that committee without amendment.

ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that today, July 29, 1941, that committee presented to the President of the United States the enrolled bill (S. 1580) to supplement the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, to authorize appropriations during the national emergency declared by the President on May 27, 1941, for the immediate construction of roads urgently needed for the national defense, and for other purposes.

BILLS INTRODUCED

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

By Mr. BAILEY:

S. 1794. A bill to declare abandoned the title of the city of Marquette, Mich., to certain land in the county of Marquette, and to vest control of such land in the Secretary of the Treasury for Coast Guard purposes; to the Committee on Commerce.

By Mr. WALSH:

S. 1795. A bill to provide for the security of United States naval vessels, and for other purposes; and

S. 1796. A bill to authorize transfer of enlisted men of the Naval and Marine Corps Reserve to the Regular Navy and Marine Corps; to the Committee on Naval Affairs.

By Mr. BANKHEAD (for himself, Mr. BARKLEY, Mr. HUGHES, Mr. HERRING, Mr. SMATHERS, Mr. DOWNEY, Mr. WHEELER, Mrs. CARAWAY, Mr. BELBO, Mr. STEWART, Mr. BUNKER, Mr. PEPPER, Mr. MEAD, Mr. SCHWARTZ, Mr. HILL, Mr. LA FOLLETTE, and Mr. LEE):

S. 1797. A bill to provide for improving the functioning of the cooperative features of the Federal Land Bank System; to establish a method for relieving Federal land-bank borrowers of stock liability, for organizing the Federal land banks and the national farm-loan associations as membership corporations, and for placing Federal land banks on a self-supporting basis and increasing the functions and responsibilities of national farm-loan associations; to establish a method for determining the interest rates on Federal land-bank and the Land Bank Commissioner loans; to provide for refunding and guaranteeing certain bonds of such banks; to establish a method for adjusting and refinancing agricultural indebtedness; to provide for limiting the taking of deficiency judgments by Federal land banks and by the Federal Farm Mortgage Corporation; and for other purposes; to the Committee on Banking and Currency.

HOUSE BILL REFERRED

The bill (H. R. 5412) making supplemental appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

EXTENSION OF SELECTIVE SERVICE—
AMENDMENT PROVIDING ADDITIONAL
COMPENSATION TO CERTAIN MEMBERS
OF THE ARMED FORCES

Mr. DOWNEY submitted an amendment intended to be proposed by him to the joint resolution (S. J. Res. 95) declaring the existence of a national emergency, and for other purposes, which was ordered to lie on the table and to be printed.

LETTER AND STATEMENT FROM JESSE H.
JONES REGARDING BRITISH LOAN

Mr. GLASS. Mr. President, I ask unanimous consent to insert in the CONGRESSIONAL RECORD a letter and statement from Mr. Jesse H. Jones, Administrator of the Federal Loan Agency.

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

FEDERAL LOAN AGENCY,
Washington, July 23, 1941.

HON. CARTER GLASS,
United States Senate, Washington, D. C.

DEAR SENATOR GLASS: I enclose a statement given to the press concerning the \$425,000,000 loan authorized by the Reconstruction

Finance Corporation to the United Kingdom of Great Britain and Northern Ireland, together with a list of the collateral to be pledged as security for the loan.

You will note that the value of the securities pledged is estimated at \$500,000,000, although their going-concern value is estimated to be approximately \$600,000,000. In addition, the loan will be secured by assignments of the earnings of the United States branches of 41 British insurance companies whose net asset values above obligations to policyholders, aggregate approximately \$200,000,000.

Sincerely,

JESSE H. JONES,
Administrator.

With the approval of the President, and at the request of the Federal Loan Administrator, the Reconstruction Finance Corporation has authorized a loan to the United Kingdom of Great Britain and Northern Ireland of \$425,000,000. The loan is made under specific authority granted the R. F. C. by Congress in an act approved by the President June 10, 1941, for the purpose of providing the British with dollar exchange without having to sell their securities and investments at forced sale. The proceeds will be used by Great Britain to pay for war supplies in this country contracted for prior to the enactment of the lend-lease bill.

The collateral includes securities of United States corporations listed on the New York Stock Exchange having an aggregate value at present quoted prices of approximately \$205,000,000, unlisted securities of United States corporations estimated to be worth approximately \$115,000,000, and capital stock of 41 British-owned United States insurance companies estimated to have an aggregate net worth of something over \$180,000,000. The going-concern value of the insurance companies is substantially more than this figure. There will be no change in the control or management of these direct investments, including the insurance companies. Their financial position and stability will continue unaffected.

In addition to the foregoing, there will be assigned to the R. F. C. the earnings of the United States branches of 41 British insurance companies not incorporated in this country. The net assets of these branches in this country, evidenced by investments in the United States over and above reserves necessary to meet their policy obligations in this country is approximately \$200,000,000, consisting largely of cash and United States Government securities.

The collateral will be pledged to the R. F. C. and deposited with a Federal Reserve bank as in the case of other loans made by the R. F. C.

The interest and dividends on the collateral, together with the earnings of the United States branches of the 41 British insurance companies, have averaged approximately \$36,000,000 a year for the past 5 years, all of which will be applied to the payment of interest and principal of the loan.

The loan will bear interest at the rate of 3 percent per annum and mature in 15 years, provided that an extension for 5 years may be made if two-thirds of the principal has been repaid by the end of 15 years.

On the basis of the past 5 years, the available income would amortize the loan in approximately 15 years.

The funds will be available to the British as needed to meet their commitments at the approximate rate of \$100,000,000 a month.

The listed and unlisted securities pledged include the stock or other securities of the corporations enumerated in the accompanying schedules:

LISTED SECURITIES

Thirty-five thousand shares Allied Stores Corporation, 5-percent cumulative preferred.

Nineteen thousand shares of Allis-Chalmers Manufacturing Co., common.

One hundred and thirty-three thousand shares Amerada Corporation, capital.

One hundred thousand shares American & Foreign Power Co., Inc., \$7 first cumulative preferred.

Four thousand eight hundred shares American Locomotive Co., 7-percent cumulative preferred.

Ten thousand shares American News Co., capital.

One hundred and thirty-three thousand shares American Rolling Mill Co., common.

Fifty-six thousand shares American Smelting & Refining Co., common.

Four thousand shares American Sugar Refining Co., 7-percent cumulative preferred.

Seventy thousand shares American Telephone & Telegraph Co., capital.

Thirty-four thousand shares American Tobacco Co., B common.

Six thousand shares Arkansas Power & Light Co., \$7 cumulative preferred.

Fifty thousand shares Barnsdall Oil Co., capital.

Thirty-five thousand shares Briggs Manufacturing Co., capital.

Thirty-six thousand shares Chrysler Corporation, common.

Nineteen thousand shares Columbia Gas & Electric Corporation, 6-percent cumulative preferred A.

Fifty-nine thousand shares Commercial Investment Trust Corporation, common.

Fifty thousand shares Commonwealth & Southern Corporation, \$6 cumulative preferred.

Eleven thousand shares Consolidated Gas Electric Light & Power Co., of Baltimore, common.

Twelve thousand shares Continental Baking Co., 8-percent cumulative preferred.

Fifty-seven thousand shares Eastman Kodak Co., common.

Fifteen thousand shares Electric Power & Light Corporation, \$6 cumulative preferred.

Twenty-seven thousand shares Flintkote Co., common.

One thousand three hundred shares First National Bank of the City of New York.

Ten thousand shares General American Transportation Corporation, common.

Four hundred and thirty-four thousand shares General Motors Corporation, common.

Thirty thousand shares Gillette Safety Razor Co., \$5 cumulative preference convertible.

Eleven thousand eight hundred shares W. T. Grant Co., common.

Forty-four thousand shares Great Northern Railway Co., preferred.

Fifty-four thousand shares Ingersoll-Rand Co., common.

Thirty-four thousand shares Loew's, Inc., common.

Twelve thousand five hundred shares P. Lorillard Co., common.

Seven thousand shares Marlin-Rockwell Corporation, common.

Twenty-two thousand shares McGraw Electric Co., common.

Fifty-three thousand shares Monsanto Chemical Co., common.

Sixty thousand shares National Biscuit Co., common.

Eight thousand five hundred shares New York Air Brake Co., common.

Twenty-five thousand shares Oxford Paper Co., \$5 cumulative preference.

Twenty-four thousand shares Public Service Corporation of New Jersey, common.

One hundred and seventy-seven thousand shares Radio Corporation of America, common.

Eight thousand shares Radio Corporation of America, \$3.50 first cumulative convertible preferred.

Ten thousand shares St. Joseph Lead Co., capital.

Forty-seven thousand shares Sears, Roebuck & Co., capital.

Thirty thousand shares Servel, Inc., common.

Nine hundred thousand shares Shell Union Oil Corporation, common.

Seventeen thousand five hundred shares Simmons Co., capital.

One hundred and thirty thousand shares Socony-Vacuum Oil Co., Inc., capital.

One hundred and seventy thousand shares Standard Brands, Inc., common.

Three hundred and fifteen thousand shares Standard Oil Co. (Indiana), capital.

Thirty-six thousand shares Sterling Products, Inc., capital.

Nineteen thousand shares Timken Roller Bearing Co., common.

Thirty thousand shares Tri-Continental Corporation, \$6 cumulative preferred.

Fifteen thousand shares United Shoe Machinery Corporation, common.

Twenty-one thousand shares United States Steel Corporation, 7-percent cumulative preferred.

Ten thousand shares Vick Chemical Co., capital.

Forty thousand shares Westinghouse Air Brake Co., capital.

Seven thousand shares Wheeling Steel Corporation, \$5 cumulative convertible prior preferred.

Two hundred and forty-seven thousand shares F. W. Woolworth Co., capital.

Seventy-five thousand shares Youngstown Sheet & Tube Co., common.

Two million seven hundred and fifty thousand dollars par value American & Foreign Power Co., Inc., 5-percent debentures, March 1, 1930.

Three hundred and fifty thousand dollars par value Cities Service Power & Light Co., 5½-percent debentures, November 1, 1932.

Fifty thousand shares Celanese Corporation of America, 7-percent cumulative prior preferred.

Forty thousand shares Celanese Corporation-par-value Cities Service Power & Light Co., participating preferred.

Two hundred and thirty thousand shares Celanese Corporation of America, common.

Thirty thousand shares Chicago Pneumatic Tool Co., \$3 cumulative convertible preference.

One million two hundred and fifty thousand dollars par value Cities Service Co., 5-percent convertible gold debentures, June 1, 1950.

Eighty thousand shares Climax Molybdenum Co., common.

Three hundred thousand shares Congoleum Nairn, Inc., common.

Three million eight hundred thousand shares Dividend Shares, Inc., capital.

Four thousand seven hundred shares W. R. Grace & Co., 8-percent cumulative "A" preferred.

Four thousand one hundred shares W. R. Grace & Co., 8-percent noncumulative "B" preferred.

Three thousand four hundred shares W. R. Grace & Co., cumulative preferred.

Twenty-six thousand four hundred shares W. R. Grace & Co., common.

Seventy thousand shares Great Northern Iron Ore Properties, certificates of beneficial interest.

Fifty thousand shares International Paper & Power, 5-percent cumulative convertible preferred.

Fifty-seven thousand shares John Morrell & Co., common.

Nine thousand shares Pure Oil Co., 5-percent cumulative convertible preferred.

Ninety-five thousand shares Singer Manufacturing Co., capital.

One hundred and eighty thousand shares Standard Oil Co., Inc. (New Jersey), capital.

Thirty thousand shares United States & International Securities Corporation, \$5 cumulative first preferred.

One million nine hundred and seventy-four thousand dollars par value Virginian Corporation, 5-percent collateral trust serial notes M, January 1, 1952.

UNLISTED SECURITIES

Six hundred and fifteen shares United States Potash Co., Inc., preferred stock, 6 percent.

Two hundred eighty-eight thousand seven hundred and fifty shares United States Potash Co., Inc., common stock.

Two thousand nine hundred and eighty shares Delta & Pine Land Co. of Mississippi, capital stock.

Three million dollars par value Delta & Pine Land Co. of Mississippi, first-mortgage bonds.

One million eight hundred thousand dollars par value Delta & Pine Land Co. of Mississippi, second-mortgage bonds.

Three thousand four hundred and thirty-four shares Delta Planting Co., capital stock.

Seventy-eight thousand seven hundred and twenty-two shares Linen Thread Co., Inc., capital stock.

Thirty thousand five hundred and ninety-five shares Yardley of London, Inc., 4½-percent preferred.

Eighty-seven thousand two hundred and forty-seven shares Yardley of London, Inc., common.

Six thousand shares Ferguson-Sherman Manufacturing Corporation, class A common.

One thousand five hundred shares Ferguson-Sherman Manufacturing Corporation, class B common.

Thirty-five thousand shares R. T. French Co., capital stock.

Fifty shares Atlantic Sales Corporation, capital stock.

Eight thousand four hundred shares Oldbury Electro-Chemical Co., capital stock.

Two thousand one hundred and seven shares Lea & Perrins, Inc., class A stock.

Five shares Lea & Perrins, Inc., class B stock.

Seven thousand shares Arkwright Finishing Co., capital stock.

Twenty thousand shares Interlaken Mills, capital stock.

Eight hundred fifty thousand two hundred and fifty shares Distillers Co., Ltd. (Delaware), capital stock.

Seven thousand five hundred shares Morganite Brush Co., Inc., capital stock.

Two thousand five hundred shares B. Priestley & Co., Inc., capital stock.

Two thousand six hundred and thirty-six shares Firth-Sterling Steel Co., 7-percent cumulative preferred.

Ten thousand one hundred and seventy-three shares Firth-Sterling Steel Co., common.

Twenty thousand one hundred and forty shares Keasbey & Mattison Co., capital stock.

Twelve thousand shares Funch, Edye & Co., Inc., capital stock.

Eleven thousand three hundred shares Twenty-five Broadway Corporation, capital stock.

One thousand and fifty-one shares Baker Perkins, Inc., 7-percent cumulative preferred.

Sixty-five thousand eight hundred and fifty-one shares Baker Perkins, Inc., common stock.

Three thousand seven hundred and fifty shares Pacific Molasses Co., Ltd., capital stock.

Five hundred shares A. J. White, Ltd., capital stock.

One thousand five hundred and fifty shares Menley & James, Ltd., capital stock.

Two thousand three hundred and ninety-eight shares Hecht, Levis & Kahn, Inc., capital stock.

Five thousand shares Crown Mills, Inc., 7-percent cumulative preferred.

Ten thousand shares Crown Mills, Inc., common.

One hundred shares F. W. Berk & Co., Inc., capital stock.

One hundred fifty-eight thousand three hundred and twenty-five shares American Association, Inc., capital stock.

One million four hundred eighty-six thousand seven hundred and fifty dollars par value American Association, Inc., income debentures.

Five thousand three hundred and ninety-four shares Mica Insulator Co., capital stock.

Seven thousand one hundred and sixty-four shares C. Tennant Sons & Co. of New York, capital stock.

Four hundred thirty-seven thousand three hundred and seventy-five shares American Thread Co., 5-percent cumulative preferred.

One million one hundred ninety-seven thousand three hundred and seventy-five shares American Thread Co., common.

Four thousand five hundred and eighty shares Joseph Tetley & Co., Inc., preferred stock, 8 percent.

Four thousand shares Joseph Tetley & Co., Inc., common stock.

Six hundred and ten shares Dunlop Tire & Rubber Corporation, 8-percent cumulative first preferred.

Thirty-one thousand six hundred shares Dunlop Tire & Rubber Corporation, 8-percent second preferred.

One hundred ninety-seven thousand three hundred shares Dunlop Tire & Rubber Corporation, common.

One hundred forty-five thousand shares J. & P. Coats (Rhode Island), Inc., capital stock.

One hundred eighty thousand shares Clark Thread Co., capital stock.

Eighteen thousand six hundred and seven shares Clark Thread Co. of Georgia, capital stock.

Eight hundred shares North Georgia Processing Co., Inc., capital stock.

Four thousand three hundred and ninety-nine shares Stowell-MacGregor Corporation, capital stock.

Two thousand five hundred shares Spool Cotton Co., capital stock.

One hundred shares Jonas Brook & Bros. (United States of America), capital stock.

One hundred thousand seven hundred and sixty-five shares Dentists Supply Co. of New York, common.

One thousand and five shares F. W. Cook Co., capital stock.

Seven thousand and twenty-nine shares Norma-Hoffman Bearings Corporation, 6-percent cumulative preferred.

Ninety-thousand shares Norma-Hoffman Bearings Corporation, common.

Ten thousand seven hundred and seventy-nine shares Ensign-Bickford Co., common stock.

One thousand shares Okonite-Callender Cable Co., Inc., 6-percent noncumulative preferred.

Seven thousand five hundred shares Okonite-Callender Cable Co., Inc., common.

Two hundred seventy-five thousand dollars par value Okonite-Callender Cable Co., Inc., 5-percent first-mortgage debentures.

Two hundred and fifty-five shares Pembroke Chemical Corporation, capital stock.

Two hundred and fifteen shares Josiah Wedgwood & Sons, Inc., of America, B capital stock.

UNITED STATES INSURANCE COMPANIES

American & Foreign Insurance Co.

Capital Fire Insurance Co. of California.

Eagle Indemnity Co.

Federal Union Insurance Co.

Globe Indemnity Co.

Newark Fire Insurance Co.

Queen Insurance Co. of America.

Royal Indemnity Co.

Seaboard Insurance Co.

Star Insurance Co. of America.

American Central Insurance Co.

California Insurance Co.

Columbia Casualty Co.

Commercial Union Fire Insurance Co. of New York.

Commonwealth Insurance Co. of New York.

Homeland Insurance Co. of America.

Mercantile Insurance Co.

Pennsylvania Fire Insurance Co.

Columbia Insurance Co. of New York.

Imperial Assurance Co.

Phoenix Indemnity Co.

United Firemen's Insurance Co. of Philadelphia.

Potomac Insurance Co. of the District of Columbia.

London & Lancashire Indemnity Co. of America.

Orient Insurance Co.

Safeguard Insurance Co.

Eureka-Security Fire & Marine Insurance Co.

Monarch Fire Insurance Co.

Sun Indemnity Co. of New York.

Sun Underwriters Insurance Co.

American Union Insurance Co. of New York.

Central Union Insurance Co.

Provident Fire Insurance Co.

Manhattan Fire & Marine Insurance Co.

Seaboard Fire & Marine Insurance Co. of New York.

Yorkshire Indemnity Co.

Eagle Fire Co. of New York.

Norwich Union Indemnity Co.

Albany Insurance Co.

Prudential Insurance Co. of Great Britain, located in New York.

Caledonian-American Insurance Co.

UNITED STATES BRANCHES OF BRITISH INSURANCE COMPANIES

British & Foreign Marine Insurance Co., Ltd.

Liverpool & London & Globe Insurance Co., Ltd.

Royal Insurance Co., Ltd.

Thames & Mersey Marine Insurance Co., Ltd.

British General Insurance Co., Ltd.

Commercial Union Assurance Co., Ltd.

Ocean Accident & Guarantee Corporation, Ltd.

Palatine Insurance Co., Ltd.

Union Assurance Society, Ltd.

North British & Mercantile Insurance Co., Ltd.

Ocean Marine Insurance Co., Ltd.

London Guarantee & Accident Co., Ltd.

Phoenix Assurance Co., Ltd.

The Union Marine & General Insurance Co., Ltd.

General Accident Fire & Life Assurance Corporation, Ltd.

Employers' Liability Assurance Corporation, Ltd.

Law Union & Rock Insurance Co., Ltd.

London & Lancashire Insurance Co., Ltd.

Marine Insurance Co., Ltd.

Standard Marine Insurance Co., Ltd.

Pearl Assurance Co., Ltd.

Sun Insurance Office, Ltd.

Maritime Insurance Co., Ltd.

Scottish Union & National Insurance Co.

Car & General Insurance Corporation, Ltd.

Royal Exchange Assurance.

State Assurance Co., Ltd.

London Assurance.

London & Provincial Marine & General Insurance Co., Ltd.

Yorkshire Insurance Co., Ltd.

Indemnity Marine Assurance Co., Ltd.

London & Scottish Assurance Corporation, Ltd.

Northern Assurance Co., Ltd.

Norwich Union Fire Insurance Society, Ltd.

Atlas Assurance Co., Ltd.

Eagle Star Insurance Co., Ltd.

Caledonian Insurance Co.

Century Insurance Co., Ltd.

Sea Insurance Co., Ltd.

Alliance Assurance Co., Ltd.

Reliance Marine Insurance Co., Ltd.

IMPORTATION OF ARGENTINE BEEF

Mr. CAPPER. Mr. President, I ask to have printed in the RECORD a statement received by myself from F. E. Mollin, of Denver, secretary of the American Na-

tional Livestock Association, commenting on a news dispatch from Buenos Aires under date of July 19. The dispatch is as follows:

The action of the United States in lifting the ban on the importation of Argentine beef, which was greeted with great satisfaction here, was believed connected with the recent visit to Argentina of a group of qualified American stockmen.

From all I can learn, Mr. President, the dispatch from Buenos Aires was erroneous, or, at least, premature. The ban on imports of cattle and fresh beef, and other livestock and livestock products, from countries where foot-and-mouth disease is prevalent, including Argentina, apparently still is in effect. But it seems that the Attorney General of the United States wrote an opinion that the ban could be lifted on shipments of certain animal products from some area in Argentina at the discretion of the Secretary of Agriculture. Why information of this opinion came to people in the United States by way of Argentina before the Secretary of Agriculture had issued any order concerning the matter I do not know. I understand the whole matter is now under restudy in both the Department of Justice and the Department of Agriculture.

Before asking unanimous consent to have the letter from Mr. Mollin placed in the RECORD as a part of my remarks I desire to say that there were very good reasons for the action of Congress in placing the ban on imports of animals and fresh meats from countries where the foot-and-mouth disease is prevalent. Once that disease gets a foothold in the United States the livestock industry of the United States faces ruinous losses—losses so heavy that they will be reflected in very high prices for poor quality meat for the consumers of the United States. I do not believe the Senate or the Congress would consider lifting the sanitary embargo against imports from foot-and-mouth disease countries. Such being the case, I wish to protest vigorously against what looks like a back-door effort to lift the embargo by executive opinions and orders.

I ask unanimous consent to have Mr. Mollin's statement printed in the RECORD at this point.

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

STATEMENT OF F. E. MOLLIN ON IMPORTATION OF ARGENTINE BEEF

Wishful thinking only can be responsible for the dispatch from Buenos Aires, dated July 19, stating that "the action of the United States in lifting the ban on the importation of Argentine beef, which was greeted with great satisfaction here, was believed connected with the recent visit to Argentina of a group of qualified American stockmen," according to F. E. Mollin, secretary of the American National Live Stock Association.

Mollin said that the ban against importation of Argentine beef has not been lifted, and, in his opinion, will not be lifted. Apparently, he said, the dispatch is based upon the opinion of the Attorney General dated May 16 and released in Buenos Aires on June 27. This opinion attempted to define the Province of Tierra del Fuego as a separate country under the meaning of the embargo provision of the Tariff Act of 1930, and there-

fore stated that importations of lamb and mutton from this newly defined "country" could be permitted within the discretion of Secretary of Agriculture Wickard.

"The decision when released to the American public by the Argentine friends of our diplomatic officials in the State Department raised such a storm of protest," Mollin declared, "that the Attorney General is now reconsidering it, and after conference with Treasury Department officials Secretary Wickard announced that the bars were still up and would remain so until he gave official declaration that the embargo against Tierra del Fuego was lifted. Such declaration is necessary according to the terms of the Tariff Act, and since then Secretary Wickard has announced that the matter is now being restudied by his Department along with the reconsideration by the Attorney General's office."

So far as there being any connection between the action of the Attorney General and the visit of the American committee, of which J. Elmer Brock, of Kaycee, Wyo., president of the American National Live Stock Association, was a member, attention should be called to the fact that this committee did not return to the United States until Monday, June 16, a month after the opinion was rendered by the Attorney General, Secretary Mollin said. He added that statements by members of the committee since their return have been to the effect that they were convinced that the foot-and-mouth disease in cattle in South America constitutes a real threat to the health of our livestock.

Foot-and-mouth disease was found wherever cattle were found in Argentina, according to advices from President Brock, Mollin said, and he and the other members of the committee were unanimous in the opinion that the sanitary embargo, long maintained against Argentina and all other countries—some fifty-odd in all—which harbor foot-and-mouth disease, should be maintained in full force and effect, and they so advised Washington officials immediately upon their return to this country.

The committee found, according to President Brock, that not only was foot-and-mouth disease prevalent but that cattle and sheep scab were common and that little effort was made to control any of these diseases and no effort to stamp them out.

Another member of the committee, Howard Hill, of Iowa, said that the party saw evidence of foot-and-mouth disease on every one of the cattle ranches visited in Argentina, Uruguay, and Brazil. He furthermore said he saw no evidence of any effort to control the disease. "One operator of an estancia in Uruguay told us that we should take every precaution against the disease if our cattle are now free of it," he said. Harry Terrell, also a member of the five-man committee, agreed with Hill's remarks.

Dr. T. W. Schultz, another member of the committee, said that "the Argentine leaders must be confronted with the facts of foot-and-mouth as a disease. They need to be told to quit talking discrimination and get to work and clean up their disease-ridden, infected herds. They have done and are doing nothing."

The executive committee of the American National Live Stock Association, meeting in Colorado Springs on Saturday, July 19, after listening to a detailed explanation by President Brock of his trip to Argentina, adopted a resolution declaring that the opinion of the Attorney General "violates the plain meaning of the Tariff Act of 1930, is contrary to the long established policy of our Bureau of Animal Industry, and establishes a very dangerous precedent."

The resolution ended in this fashion: *Resolved*, That we condemn this effort as a subterfuge to break down the sanitary embargo by administrative action, though the matter of the Argentine sanitary convention is now

pending before the Senate Foreign Relations Committee; and be it further

Resolved, That we deplore the tactics employed in allowing the facts of the action taken to become known here only by press dispatch from Argentina many weeks after the opinion was given."

"The misleading, inaccurate statement referred to, similar to many which have emanated from Buenos Aires," Mollin declared, "indicates that Argentina will go to any length in attempting to force beef from territory infected with disease onto the markets of the United States."

COOPERATION OF STATES HELD NECESSARY TO WORLD PEACE

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an article by Dr. Clarence A. Berdahl, Dr. Kenneth Colegrove, Dr. Walter Rice Sharp, and Dr. Quincy Wright, entitled "Cooperation of States Held Necessary to World Peace," which appears in the Appendix.]

ARTICLE BY REV. CHARLES M. SHELDON ON THE WORLD'S PROBLEM

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an article by Rev. Charles M. Sheldon entitled "The World's Problem," which appears in the Appendix.]

INVESTIGATION OF THE NATIONAL DEFENSE PROGRAM

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD the script of a radio program relating to the investigation of the national-defense program, which appears in the Appendix.]

WHEAT-MARKETING QUOTAS

The Senate resumed the consideration of the bill (H. R. 5300) to amend Public Law No. 74 of the Seventy-seventh Congress, relating to wheat-marketing quotas under the Agricultural Adjustment Act of 1938, as amended.

The VICE PRESIDENT. The clerk will state the first committee amendment.

Mr. BARKLEY. Mr. President, I suppose the sponsor of the bill ought to be present.

Mr. TAFT. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

| | | |
|----------|-----------------|---------------|
| Adams | Glass | Radcliffe |
| Aiken | Green | Rosier |
| Andrews | Guffey | Russell |
| Austin | Gurney | Schwartz |
| Bailey | Hatch | Shipstead |
| Bankhead | Hayden | Smathers |
| Barkley | Hill | Smith |
| Bone | Hughes | Taft |
| Brewster | Johnson, Calif. | Thomas, Idaho |
| Bunker | Johnson, Colo. | Thomas, Okla. |
| Burton | La Follette | Thomas, Utah |
| Byrd | Langer | Tobey |
| Capper | Lee | Truman |
| Caraway | Lodge | Tunnell |
| Chavez | Lumpkin | Tydings |
| Connally | McCarran | Vandenberg |
| Danaher | McFarland | Van Nuys |
| Davis | McKellar | Walsh |
| Downey | Maloney | Wheeler |
| Eastland | O'Mahoney | Wiley |
| George | Overton | Willis |
| Gillette | Pepper | |

Mr. HILL. I announce that the Senator from South Dakota [Mr. BULOW] and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Mississippi [Mr. BILBO], the Senator from Michigan [Mr.

BROWN], the Senator from Kentucky [Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], the Senator from Louisiana [Mr. ELLENDER], the Senator from Rhode Island [Mr. GERRY], the Senator from Iowa [Mr. HERRING], the Senator from West Virginia [Mr. KILGORE], the Senator from Illinois [Mr. LUCAS], the Senator from New York [Mr. MEAD], the Senator from Utah [Mr. MURDOCK], the Senator from Montana [Mr. MURRAY], the Senator from Arkansas [Mr. SPENCER], the Senator from Tennessee [Mr. STEWART], and the Senator from Washington [Mr. WALLGREN] are necessarily absent.

Mr. AUSTIN. The Senator from Oregon [Mr. McNARY], the Senator from Nebraska [Mr. BUTLER], the Senator from New Jersey [Mr. BARBOUR], the Senator from Minnesota [Mr. BALL], the Senator from Illinois [Mr. BROOKS], the Senator from Oregon [Mr. HOLMAN] and the Senator from Kansas [Mr. REED] are necessarily absent.

The VICE PRESIDENT. Sixty-five Senators have answered to their names. A quorum is present.

The clerk will state the first committee amendment.

The CHIEF CLERK. On page 2, after line 8, it is proposed to insert the following new section:

SEC. 2. That the Commodity Credit Corporation is authorized and directed to acquire title to all cotton of the 1940 and previous crops on which loans have been made or arranged for by such Corporation, as soon as it has the right to do so in accordance with the terms and conditions on which such loans were made: *Provided*, That upon acquiring title to any such cotton in which the producer has an equity, the Commodity Credit Corporation shall pay to the producer a sum equal to the amount by which the market price of such cotton (determined on the basis of the place where it is located and as of the date the Corporation acquires title) exceeds the amount of the loan on such cotton, including accrued interest and accrued carrying charges.

During the continuation of the present European war, and thereafter until the Congress shall otherwise provide, no cotton of the 1940 crop, or any previous crop, title to which is now held or hereafter acquired by the Commodity Credit Corporation shall be sold or otherwise disposed of by such Corporation; except that—

(a) Such cotton may be disposed of for use for relief purposes (pursuant to authority contained in other provisions of law) in any case in which the Secretary of Agriculture determines that the use of such cotton for such purposes will not interfere with the sale or distribution of cotton or cotton products in the normal channels of trade and commerce;

(b) Such cotton may be disposed of for use by other departments or agencies of the Government for purposes important to the national defense in any case in which the Secretary of Agriculture determines that the use of such cotton for such purposes will not interfere with the sale or distribution of cotton or cotton products in the normal channels of trade and commerce; and

(c) Such cotton may be exchanged for other cotton in any case in which the Secretary of Agriculture finds that such exchange is necessary in order that sufficient quantities of cotton of particular grades, types, or staples may be made available to meet the needs of trade and commerce for such particular grades, types, or staples.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

Mr. VANDENBERG. Mr. President, may we have an explanation of the amendment?

Mr. SMITH. Mr. President, this amendment incorporates the substance of a bill which has already passed the Senate, but upon which the House has not acted. The House has acted on the wheat portion of the bill.

About 6,000,000 bales of cotton are owned by the Government. I have here telegrams from the commissioners of agriculture of all the cotton-growing States. I asked them in a telegram what they thought was the prospect for the cotton crop, and what price they thought the farmer ought to get in order to break even—not to make a profit but merely to break even. Without reading the telegrams, I ask that they be incorporated in the RECORD.

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

The telegrams are as follows:

BIRMINGHAM, ALA., July 24, 1941.

Senator SMITH, of South Carolina,
Senate Office Building,
Washington, D. C.:

With prices for shoes and leather goods advancing approximately 100 percent, Henderson puts a ceiling on hides which have declined 2 cents from last year. This don't make sense by any rule. Unless you gentlemen impound Henderson, he is likely to wreck entire agricultural markets. What Senator THOMAS reported as saying about Henderson playing the markets may be worthy of investigation before he pulls another Jardine.

R. A. HINSON,
Fayette, Ala.

OKLAHOMA CITY, OKLA., July 24, 1941.

Senator E. D. SMITH,
Senate Office Building:

Outlook for Oklahoma cotton crop this year is poor due to wet spring, late planting, and heavy boll-weevil infestation. At this time it appears that farmers should receive 20 cents a pound for cotton this fall to assure Oklahoma farmers a living rate on their investment.

GEO. C. SCOTT,
President, State Board of Agriculture.

RALEIGH, N. C., July 23, 1941.

Senator E. D. SMITH,
Senate Office Building,
Washington, D. C.:

July conditions unfavorable for cotton production. Weevil infestation general. On July 17 I testified before subcommittee of Senate Agricultural Committee that in my opinion cotton should be from 22 to 25 cents this fall to be in line with what farmers had to buy on the markets.

W. KERR SCOTT.

ATLANTA, GA., July 23, 1941.

Hon. E. D. SMITH,
United States Senator,
Senate Office Building,
Washington, D. C.:

Cotton crop very short. Farmers would have to receive on this short crop 30 cents for cotton and \$60 for seed to break even.

TOM LINDER,
Commissioner of Agriculture.

BATON ROUGE, LA., July 23, 1941.

Hon. E. D. SMITH,
United States Senator,
Washington, D. C.:

Re telegram: Cotton outlook extremely poor; excessive rains and boll weevil have

made great inroads; and if weather conditions do not improve, our crop will be smaller than last year. Farmers should receive at least 20 cents for cotton under present conditions.

HARRY D. WILSON,
Commissioner.

DILLON, S. C., July 24, 1941.

Hon. E. D. SMITH,

Senate Office Building:

I am ready join you in march on Washington. Try put an end to damaging and unwarranted statements made to depress price cotton and cottonseed. Would be glad testify before Senate Agricultural Committee.

M. S. STACKHOUSE,
GINNERS' ASSOCIATION OF
SOUTH CAROLINA.

AUSTIN, TEX., July 23, 1941.

Senator ELLISON D. SMITH,
Senate Office Building,
Washington, D. C.:

Re telegram: Texas cotton crop very poor and insects numerous. Think Texas crop will be shortest in 15 years. Texas farmers must have parity price for cotton if able to meet taxes, avert mortgage foreclosures, and live decently. Parity price for cotton based on 1920-29 period, currently 26¼ cents a pound.

J. E. McDONALD,
Commissioner of Agriculture.

JACKSON, MISS., July 24, 1941.

Hon. E. D. SMITH,

United States Senator:

Commissioner Corley out of State. Present outlook cotton crop Mississippi good; final result will depend on insect damage, weather. Cotton should bring parity price at least to assure living rate on investment.

J. M. DEAN,
Chief, Publications and Inspection.

DILLON, S. C., July 23, 1941.

Hon. E. D. SMITH,
Chairman, Senate Agricultural Committee:

Due continued rains, heaviest weevil infestation in years. South Carolina now facing shortest cotton crop since 1921. Complete survey points to crop of 400,000 bales. Dire distress this fall if cotton does not sell at minimum 20 cents pound. Market broke 50 points today on article appearing New York papers stating C. C. C. plans release additional cotton loan holding. Urgent you call your committee together, point out disaster we are facing. Oppose release loan cotton under 20 cents. Urgent you take prompt action.

M. S. STACKHOUSE,
Secretary, Ginnners' Association of South Carolina.

AUSTIN, TEX., July 23, 1941.

Senator ELLISON D. SMITH,
Senate Office Building,
Washington, D. C.:

President Roosevelt says South the Nation's economic problem No. 1. Cotton is South's major crop. Price advancing because of increased consumption. Leon Henderson proposes throwing Government-held cotton on market, which will prevent cotton price reaching parity levels. Unless South can obtain full parity price for its cotton crop, it will continue to be Nation's economic problem No. 1. Using 1920-29 as base period for determining price relationship, current parity price is 26¼ cents per pound. I respectfully urge you sponsor and support congressional action which will prohibit sale of Government-held cotton at price less than 26¼ cents per pound.

J. E. McDONALD,
Commissioner of Agriculture.

NEW YORK, N. Y., July 24, 1941.

HON. E. D. SMITH,

Senate Office Building,
Washington, D. C.:

The proposal to release 300,000 bales Government cotton in order depress price of cotton or keep it below parity caused semi-demoralization in cotton market yesterday and broke price more than 40 points. In interest of our cotton farmers and the country, I hope for following reasons you will demand that Government cotton not be sold below 25 cents: First, the object of Congress in authorizing Government loans on cotton was to try and obtain fair price for cotton farmer; second, 25 cents per pound means only 25 cents per hour to the farmers for their labor, and I know you will agree they are entitled to this amount; third, because curtailed acreage and poor growing conditions, our cotton farmers are faced with crop less than 10,000,000 bales. Therefore, to sell Government cotton in competition with the farmers' cotton crop, which is just coming on market, at less than 25 cents is certainly contrary to intent of Congress, will do our farmers a great injustice, and retard sound economic recovery as well as adequate national preparedness.

ROBERT HARRISS.

FLORENCE, ALA., July 24, 1941.

HON. "COTTON ED" SMITH,

United States Senator:

Four and ninety-one one-hundredths was low on our cotton prices during Hoover and Jardine administration, and the book had no such word as "flooding" then. The sheriffs were very busy selling our farms, and we did not have a friend this side of heaven.

LISTER and JOHN are doing a real job in representing we cotton farmers, and we feel sure you and your Oklahoma friend will go the limit in supporting them.

The mills are clamoring for our cotton at decent prices now, and this crop should be allowed to move without any "ceilings" being placed over it. We are being asked buy United States bonds. We cannot do this on 8-cent cotton and 60-cent wheat and corn.

PATRICK HENRY PERRY.

COLUMBIA, S. C., July 24, 1941.

Senator E. D. SMITH,

Washington, D. C.:

Re telegram: State-wide survey reveals our crop off 40 to 50 percent, and if rains continue as at present, more than that. Feel that cotton this fall should bring a minimum of 20 cents per pound for break even, more if farmer is to receive a profit. See absolutely no need for release of Government cotton for immediate mill demand and believe that agitation for release is purely speculative. Consider farming conditions this State most critical in last 25 years, as living cost jumping by leaps and bounds. If ever farmer needed Government protection, it is now, and I urge immediate resolution prohibiting release of Government cotton and also resolution curbing Leon Henderson dabbling in fixing price ceiling on farm commodities, as everything else is running wild. We are looking to Congress for immediate protection and earnestly urge your every effort to this effect.

J. ROY JONES.

LITTLE ROCK, ARK., July 24, 1941.

HON. E. D. SMITH,

United States Senator:

Arkansas cotton crop fair. Due to increased living conditions and prices also drastic cut in cotton acreage I think from present levels to 18 cents per pound should be fair investment to farmer.

WALDO FRAZIER,
Executive Director, Farm
Bureau Federation.

LOS ALTOS, CALIF., July 24, 1941.

E. D. SMITH,

United States Senate,
Washington, D. C.:

Congratulations on your expressions regarding agricultural prices. California's prunes and apricots must secure greatly changed attitude by Department of Agriculture if they are to survive rapidly rising labor and material costs after long unprofitable period growers' efforts to improve situation largely futile owing to their own lack of effective organization and flat refusals of Department to recognize need of taking them out of continuing distressed position.

K. BATCHELDER.

MONTGOMERY, ALA., July 24, 1941.

HON. E. D. SMITH,

United States Senate:

Excessive rains have caused some shedding of cotton and weevils are reported in considerable numbers. Cannot undertake to suggest proper price. Probably parity would be acceptable. First official report August 8.

MAYGOOD PATERSON,
Commissioner of Agriculture.

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

Mr. SMITH. I yield.

Mr. BARKLEY. I have just this moment received a telegram from Mr. Edward A. O'Neal, president of the American Farm Bureau Federation. I am not certain what amendment his telegram has reference to, but it may refer to the committee amendment that is in the bill. I should like to read the telegram and ask the Senator from South Carolina to what amendment he thinks it refers:

Respectfully urge you oppose amendments to H. R. 5300, particularly proposals to reduce penalties to noncooperators or permit them to escape penalties by feeding excess wheat, as these proposals would break down program. Great majority of farmers favor present program. We do not favor proposed amendment to freeze cotton stocks. We favor, instead, prohibiting sales at less than parity except for export or relief, with a 10-percent margin above parity before any stocks are released.

Mr. SMITH. Mr. President, the first part of the telegram refers to the action of the House of Representatives on the wheat proposition. The House has already passed the bill. The explanation in regard to wheat was that when the parity price of wheat was raised in order to protect the cooperatives the penalty was also raised from 15 cents to 49 cents. The loan price was raised and it was thought there should be a severer penalty. That is for the wheat interests to decide.

As to cotton, Mr. O'Neal's position is somewhat stronger than the proposed amendment. As I was saying, we are faced with perhaps the shortest cotton crop we have had in 30 years or more. As an indication, on my own farm I went through a hundred acres which ordinarily made from 75 to a hundred bales, and I will sell it to any man for 25 bales, and cheat him if he takes it. I did not know how the cotton crop was throughout the Cotton Belt, so I sent a telegram to every agricultural commissioner, and I have here the replies. Outside the State of Mississippi, I think the cotton crop is a comparative failure this year.

When we consider that it costs just as much, outside the gathering, to produce

a very small cotton crop as to produce a large one, I think it is time for us to have some consideration for the man in the field. I do not want him shown any special favors to offset the digging to which he has been subject from the time Cain and Abel had their misunderstanding, but it is a fact that now there is prospect for a "break" for the cotton farmer in the price he is to receive for his cotton. The market has been going up steadily, and those who run the market do not run it for fun. Every time it goes up some official of the Government issues a statement which breaks it. It was broken a hundred points today, I understand, on the statement that this august body is to consider a bill providing for price fixing. I do not think the unorganized farmer needs anything but just an open chance.

According to Mr. Hutson, who was in my office this morning, we have on hand, accumulated from 1934 to 1935, about 6,000,000 bales of Government cotton. He frankly admitted to me that he was ready to cooperate. He is president of the Commodity Credit Corporation. He said, "I am ready to cooperate with you in every way that will benefit the farmers of this country, without too great a drain on other people." I said, "I take you at your word. We would like to have you come before the conference." We will have to have a conference committee.

Mr. BARKLEY. This telegram relates to two different propositions.

Mr. SMITH. Yes.

Mr. BARKLEY. The wheat proposition is contained in the language of the bill as it passed the House.

Mr. SMITH. Yes.

Mr. BARKLEY. The Senate committee amendment deals only with cotton?

Mr. SMITH. Only with cotton.

Mr. BARKLEY. I should like to ask the Senator first about the wheat situation. I suppose Mr. O'Neal is speaking for the American Farm Bureau Federation, and they propose "to reduce penalties to noncooperators or permit them to escape penalties by feeding excess wheat as these proposals would break down the program." What is the meat in the coconut he is trying to arrive at?

Mr. SMITH. There are amendments to be offered to the bill reducing the penalty.

Mr. BARKLEY. So that this telegram, so far as wheat is concerned, relates to amendments which are to be offered, and not to anything in the bill at present?

Mr. SMITH. Yes; nothing in the bill now touches the penalty.

Mr. BARKLEY. Does the remainder of the telegram relate to the committee amendment in regard to cotton? He says, "Great majority of farmers favor present program. We do not favor proposed amendment to freeze cotton stocks."

Mr. SMITH. Yes.

Mr. BARKLEY. That is the language which is already in the amendment?

Mr. SMITH. Yes. I think Mr. O'Neal represents the wheat farmer and grain farmer more than the cotton farmer, though he comes from Alabama. I do not think he knows too much about the

situation. I have a telegram here from Alabama, and since Mr. O'Neal is from Alabama, I think perhaps I shall read it. Certain farm experts farm the farmer and do not farm the land. Here is one telegram I have received:

Excessive rains have caused some shedding of cotton, and weevils are reported in considerable numbers. Cannot undertake to suggest proper price. Probably parity would be acceptable. First official report August 8.

I have another telegram, from Little Rock, Ark.:

Arkansas cotton crop fair. Due to increased living conditions and prices also drastic cut in cotton acreage I think from present levels to 18 cents per pound should be fair investment to farmer.

Mr. BARKLEY. While the Senator is looking for the telegram he desires to read, let me see if I understand properly the latter part of the telegram from Mr. O'Neal:

We favor instead—

That is, instead of freezing the cotton to which he had referred—

We favor instead prohibiting sales at less than parity except for export or relief.

Mr. SMITH. We provide for relief in the bill.

Mr. BARKLEY. "With a 10-percent margin above parity before any stocks are released." Does he mean that while he objects to any sales for amounts below parity except for export or relief, he does not want any of this cotton released for other purposes except on a 10-percent margin above parity?

Mr. SMITH. I think that is what he is driving at.

Mr. BARKLEY. There seems to be some little inconsistency in the language.

Mr. SMITH. The farmers are faced with a failure in the cotton crop. They do not want any attempt to interfere with the laws of nature, where the supply will be short of the demand, and they will get a reasonable price for what little they do make. I am not so much personally interested that I would have them given undue favors, but I think the cotton on which the Government has loaned, and which the Government now has on hand, should not be turned loose on the market.

The Government made loans on cotton to help the farmer obtain a better price, and now that he has an opportunity to obtain a better price it is said in the public press that the Government is releasing cotton. Mr. Hutson says his organization has not released a bale, and indicates that he will cooperate with me in obtaining a reasonable return for the farmer.

Mr. President, I hope the bill may be passed. Some modifications of it may be made in conference. I would never stand for any modification providing that the Government may release cotton for a less price than is indicated by every commissioner of agriculture. Ninety percent of the commissioners of agriculture say the farmers will not get out under anything less than 20 cents a pound minimum.

I do not know how many Senators understand the production of cotton, but I hope they have sufficient confidence in

me to believe that I would not be asking for that which I did not believe would directly and immediately affect the man in the field. In view of the tremendous tax bill which is now imminent I think we should do everything we can to help the producer make something with which to meet the enormous taxes which will be levied.

Mr. President, I think the committee did not understand the marked significance of the bill which was recently passed by the Senate and is now in the House. That bill was passed in addition to a House bill which had previously been passed, in order that we may obtain extra action on the matter.

Mr. VANDENBERG. Mr. President, may I ask the Senator a further question?

Mr. SMITH. Yes.

Mr. VANDENBERG. Do I understand the first paragraph of section 2 to mean not only that the cotton previously owned by the Commodity Credit Corporation shall not be released but also that the cotton producers shall be paid the difference between the market price and the loans which the producers have received upon cotton heretofore?

Mr. SMITH. Yes. We amended that bill before it went to the House, to provide that when a farmer had an equity in cotton and he still held partial ownership, if the Government took it over, and at the time the Government took it over the price was greater than the farmer's loan, together with overhead charges, the farmer should be given the difference. That is what the language in question means.

Mr. VANDENBERG. Has the Senator any idea how much this would amount to in dollars and cents?

Mr. SMITH. I was informed by Mr. Hutson this morning that the farmers had reclaimed practically all their cotton which was under loan to which the Senator has reference. So there is practically no cotton that would fall under the provisions of section 2. It will be noted that section 2 provides:

That the Commodity Credit Corporation is authorized and directed to acquire title—

And so forth—

as soon as it has the right to do so in accordance with the terms and conditions on which such loans were made.

There was a deadline provided in the previous bill which passed the Senate that after the cotton has been under loan for a certain length of time the Corporation has the right to notify the producer that it is going to sell the cotton or acquire title. That is the reason this language is placed in section 2:

As soon as it (the Commodity Credit Corporation) has the right to do so in accordance with the terms and conditions on which such loans were made—

It may acquire title.

I understand from Mr. Hutson that practically all the 1939 and 1940 cotton has been released by the farmers. The price was sufficient to guarantee the farmers sufficient money to pay their loans and the overhead charges, and they sold their cotton.

Mr. VANDENBERG. So the Senator from South Carolina is now saying that there will be practically no payments under the first paragraph of section 2.

Mr. SMITH. I do not think there will be any substantial payments made under that provision, according to Mr. Hutson.

Mr. VANDENBERG. Does the Senator object, then, to removing this particular provision from the amendment, since it does not mean anything?

Mr. SMITH. Yes, I do. No matter how small the amounts may be, they should be provided for. The provision is:

That the Commodity Credit Corporation is authorized and directed to acquire title to all cotton of the 1940 and previous crops on which loans have been made or arranged for by such Corporation.

I understand there are a few bales of cotton in which there is an equity from as far back as 1935 and 1936. To what extent that obtains I do not know. I do not think it amounts to much. But the subsequent arrangement that the farmer shall be settled with I think is nothing but fair. If I put my cotton in a loan, and accept the overhead charges and insurance and storage, and the price goes up sufficiently high to indemnify me for the loan and charges, and leave me a profit, and the law allows me to withdraw my cotton, I think I would be a fool if I should not do so.

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

Mr. SMITH. Yes.

Mr. AUSTIN. Will the Senator say that under the existing law the owner of the equity would not be able to recover the value of the equity in the circumstances to which the Senator alludes?

Mr. SMITH. Yes. That is what this language provides.

Mr. AUSTIN. No; Mr. President—

Mr. SMITH. It provides that if on the day the Government takes it over the market is sufficient to reimburse the Government for all the expenses, and leave a profit, the profit goes to the producer.

Mr. AUSTIN. Mr. President, my question is: Is there any necessity at all for section 2? Under existing law would not the Government be bound to turn over to the owner of the equity the value of the net equity?

Mr. SMITH. I do not think so.

Mr. AUSTIN. That surprises me somewhat. I cannot conceive of the Government taking away from the owner of the equity its value under any circumstances at all.

Mr. SMITH. It has been done. Mr. Hutson said to me this morning:

What little cotton is left we propose to place in a pool, and when we have sold it, if there is any equity, we will distribute that amongst those who have an equity in the pool.

Mr. AUSTIN. Mr. President, is not that an affirmative answer to my question, namely, that when the property is sold, if there is a net equity, it shall be returned to the owner of the equity?

Mr. SMITH. There is quite a good deal of confusion about the situation of those who own cotton which is now held by the Government. I wish I had brought with me a letter received from a con-

stituent of mine, in which he said, in effect:

I had 39 bales, and I have asked for release of those bales, and the Government agency said that the time of release had passed, and that the cotton belonged to the Government.

Of course, that farmer made his request after the price of cotton had gone up to the point where he would have a profit. He did not sell it on the day the Government took it.

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

Mr. SMITH. I yield.

Mr. LANGER. I am very sympathetic with the cotton farmer, but I wish to know why the wheat farmer is not included with the cotton farmer.

Mr. SMITH. I am willing to do anything I can for the wheat farmers. I know nothing about the wheat situation. Those who know the least about cotton seem to have most to say about cotton. That is what has been the trouble here. I understand that the wheat price—and if I am wrong about it I wish some Senator would correct me—is about up to parity now, and I am told 180,000,000 bushels of wheat is about all that is in loans, and the Government has prospects of selling that at a profit.

Mr. LANGER. Would the Senator have any objection to including wheat with cotton?

Mr. SMITH. No. If the wheat farmers think it would relieve them, I would be willing to do so.

Mr. LANGER. I think the Senator from Oklahoma [Mr. THOMAS] would be in favor of such an amendment. I ask the Senator from Oklahoma if he is not in favor of such an amendment.

Mr. THOMAS of Oklahoma. Mr. President, the Department says it now has about 180,000,000 bushels of wheat in loans. The Department says that the parity price on wheat is 114 cents a bushel. The 85-percent loan makes the amount the farmer can borrow about 95 cents. The Department further says that the cash price to the farmer is not as high as the loan value of the wheat.

The Department further states that, there being so little wheat in the loan, it does not think there would be any effect upon the market if it were frozen. Personally I should favor freezing it if such an amendment were offered.

Mr. VANDENBERG. Mr. President, reverting to the question submitted by the Senator from Vermont, as I understand the situation, while under existing law the Government would return the equity to the producer whenever an equity was produced through sale by the Government, under the pending proposal the quota would be paid regardless of whether or not the Government should sell. On the contrary, the Government would be refused permission to sell, but the quota would be paid on the basis of the quotation. Is not that the situation?

Mr. SMITH. Mr. President, the Senator must understand that on July 1 the Government had the right to take all this cotton, and I presume it did so; but until July 1 the farmers had the right to withdraw, and I understand that most of the cotton has been withdrawn. I have received letters from all over the Cotton

Belt complaining of the fact that the cotton was taken, and that the producers were not permitted to repossess it after the Government took it. I can see the Government's side. The Government wanted the settlement made as of the date when the release was requested. When the Government took the cotton in 1935 or 1936 the growers would not have had a profit. They would have a profit now.

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

Mr. SMITH. I yield.

Mr. BYRD. I should like to ask the Senator from South Carolina to what extent he thinks the bill would raise the price of cotton?

Mr. SMITH. I am not afraid of the price of cotton going too high. I do not know. The commissioners say that the price would be about 20 cents a pound.

Mr. BYRD. The actual influence in raising the price would be the fact that the 6,000,000 bales on which the Government has made loans would be withheld from the market.

Mr. SMITH. That is correct.

Mr. BYRD. That is the thing which would raise the price.

Mr. SMITH. The report was that the cotton held by the Government was being put on the market, though the president of the Commodity Credit Corporation says that none has been sold. I do not know who is telling the truth.

Mr. BYRD. When does the Senator think the restriction would be released? Would the Government permanently own the 6,000,000 bales, which it could not sell?

Mr. SMITH. No. The restriction would remain until Congress should see fit to repeal the act. If export trade should revive, and a regular market should be restored, I should expect the restriction to be removed.

Mr. BYRD. If an effort should ever be made to sell the cotton, the argument would be made that such action would depress the price. Of course, it would.

Mr. SMITH. I think, after the present crop is disposed of, which will not take very long, we can take such action as the Senate sees fit.

Mr. President, it is not a very pleasant task to try to plead for the man in the field. I know he is not considered, except on election day. Then he is a great man. Otherwise he is not considered at all. I think that freezing the cotton at this juncture would be the best indication of the feeling of the Senate toward the wheat, cotton, corn, and tobacco farmers.

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

Mr. SMITH. I yield.

Mr. HUGHES. I do not understand that the amendment designated as section 2 applies to wheat.

Mr. SMITH. The first part of the bill applies to wheat.

Mr. HUGHES. The language in section 2 is:

During the continuation of the present European war—

which may be a very long and indefinite time—

and thereafter until the Congress shall otherwise provide—

the cotton crop may not be marketed.

Mr. SMITH. That is correct.

Mr. HUGHES. But that does not refer to the wheat crop.

Mr. SMITH. I am referring to the Government-owned crop.

Mr. LANGER. Mr. President, in view of the statement of the chairman of the Committee on Agriculture and Forestry, and the statement of the Senator from Oklahoma [Mr. THOMAS], I move that in section 2, on page 2, line 10, after the word "cotton", there be inserted the words "and wheat", and that those words be inserted at every place in the measure where the word "cotton" appears.

Mr. SMITH. Mr. President, if that is the desire of the wheat growers I am perfectly willing to accept the amendment and let it go to conference.

Mr. THOMAS of Oklahoma. Mr. President, I suggest to the author of the amendment that instead of using the words "and wheat" he use the words "or wheat."

Mr. LANGER. Mr. President, I accept that modification.

Mr. THOMAS of Oklahoma. If the amendment offered by the Senator from North Dakota to the committee amendment should be adopted, it would appear on page 2 in line 10, line 15, line 18, line 20, and line 24; and on page 3, in line 3, line 6, twice in line 8, in line 10, line 14, twice in line 15, twice in line 17, and in line 20.

The VICE PRESIDENT. The question is on agreeing to the modified amendment offered by the Senator from North Dakota [Mr. LANGER] to the amendment reported by the committee on page 2, after line 8.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The question now is on agreeing to the committee amendment, as amended.

Mr. BARKLEY. Mr. President, I doubt if we understand what we are doing. Sometimes, perhaps, I do not know what I am doing. That may be a chronic situation with me. However, the amendment offered by the Senator from North Dakota has been adopted by two Senators voting for it and none voting against it. In my opinion a little confusion has been created. I should like to ask the Senator from North Dakota what the amendment does. I suppose it is too late, but there was no discussion about it, and I expected that there would be.

Mr. LANGER. The amendment treats wheat in the same way in which cotton is treated. It freezes wheat, as cotton is frozen.

Mr. VANDENBERG. If there is any iniquity in the one, it is multiplied by two.

Mr. LANGER. Yes.

Mr. BARKLEY. The House language deals with wheat, and not with cotton. The committee amendment deals with cotton, and not with wheat.

Mr. LANGER. That is correct.

Mr. BARKLEY. So the Senator wants the committee amendment to deal with wheat in the same way it deals with cotton, although the House language which we are considering deals only with wheat.

Mr. LANGER. That is correct.

Mr. BARKLEY. That clears up the situation marvelously. [Laughter.]

Mr. SMITH. Mr. President, any legislation for the farmers is always a great joke. Nobody understands it. But when we begin to appropriate billions of dollars for other purposes, it is all right.

Mr. BARKLEY. Mr. President, the amendment to the committee amendment has been agreed to. I am not opposing it. I am trying to understand it. If it is such a virtuous proposal, why did not the Committee on Agriculture and Forestry put it in the bill without waiting to have the amendment offered on the floor of the Senate, so that we could have had the benefit of the judgment of the committee?

Mr. SMITH. The committee considered the amendment, and thought it best not to put it in. It was the judgment of certain witnesses who appeared before the committee that it should not be included. However, I am perfectly willing to try to help the wheat farmers.

Mr. BARKLEY. As the Senator well knows, I am as much interested in the wheat farmer as I am in the cotton farmer. If I were dealing with the question purely from a geographical standpoint I should consider the fact that in Kentucky we produce more wheat than cotton. However, I am interested in the cotton farmer as a national matter. I have always voted for legislation to help all the farmers, regardless of their products and regardless of geography. In this case the committee has considered the House bill and reported an amendment which it thinks is adequate. An amendment to the committee amendment was offered on the floor. Nobody discussed it, and it was agreed to without debate.

Mr. SMITH. The Senator from Oklahoma [Mr. THOMAS] indicated that only about 180,000,000 bushels of wheat are involved, and that conditions are not such as to justify our freezing such a small amount of wheat.

Mr. BARKLEY. But the amendment which has been adopted does freeze it.

Mr. SMITH. Yes.

Mr. THOMAS of Oklahoma. Mr. President, the Department is in favor of the House bill. The Senate Committee on Agriculture and Forestry has heretofore considered a bill in the language of the amendment designated as section 2, and reported the bill to the Senate, and the Senate has passed the bill. A few days ago the committee decided that it would take no chances on the bill which heretofore passed the Senate, but it would offer as section 2 the exact bill that heretofore passed the Senate. In the committee, during consideration of this amendment, questions were asked as to the status of wheat. The committee had before it departmental officials who testified that they did not have in the loan sufficient wheat to make any particular difference in the price—only some 180,000,000 bushels. That is only a few months' supply for the United States.

So reason No. 1 as to why we did not modify this amendment was that it has heretofore passed the Senate, and we did not want to take a chance on having to open it up with a new amendment. So amendment No. 2 is the exact language

the Senate has heretofore approved of in the passage of the Smith bill.

Now a motion has been made to add wheat to cotton so far as freezing is concerned. The testimony before the committee was that we did not have very much so-called free cotton in the loan. That means that the Government does not have title to very much of this cotton that it can sell. Hereafter it may acquire the title, but it does not now have the title. This amendment provides that it may acquire the title later on.

The amendment which has been suggested and which has been adopted puts wheat on the same basis in this bill as cotton. Whatever wheat we have title to is frozen in the department of the Government which holds it, which means the Commodity Credit Corporation.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. TAFT. Merely to get the matter clear, am I to understand that this cotton and wheat then will be held by the Government, and cannot be sold at any time during the existence of the entire European war?

Mr. THOMAS of Oklahoma. The amendment provides how it shall be sold.

Mr. TAFT. The first purpose is for relief. The second one is for use by other departments and agencies of the Government. What I am particularly curious about is whether the Government could sell this cotton, let us say, under the Lend Lease Act to the British Government. The authority to sell seems to be confined solely to the departments of the Government. Is it the intention that the wheat shall not be sold for export, either?

Mr. THOMAS of Oklahoma. No; that is not the intention. It is the intention to make this cotton susceptible of use under the Lend Lease Act, if we can find a purchaser who has the money to buy it. If that intention is not clear, in conference it can be made clear.

Mr. TAFT. It seems to me to be questionable whether the amendment provides that, because it says, "other departments or agencies of the Government," meaning the United States Government; and it seems doubtful whether it can be sold for export.

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

Mr. THOMAS of Oklahoma. Yes; I yield.

Mr. AUSTIN. I suggest that the words following that clause, "for purposes important to the national defense," take the cotton right into the provisions of the Lend Lease Act, so that any department of the Government having jurisdiction of the cotton could either loan it or give it away or sell it to any country whose aid is deemed necessary in the defense of the United States.

Mr. THOMAS of Oklahoma. I think that is the intent of the section—to make all proper use of this cotton. If we can sell it abroad at any time, we may sell it where we can get the cash money for it. If we give it away, of course, Congress must make provision for making restitution.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. WALSH. I have not had an opportunity to study the bill; but before the debate is closed I should like to inquire what effect, if any, this legislation will have upon the consumers of cotton and wheat products.

Mr. THOMAS of Oklahoma. Mr. President, the best information the committee can secure is that if cotton should go up to 25 cents a pound there would be no necessity for increasing the price of any ordinary garment. An increase in the price of cotton to 25 cents a pound would not cost an additional amount to the consumer, let us say, for a shirt, of more than 5 cents, and about the same amount for a pair of work overalls; so at that price there would be no material increase.

Wheat is now selling on the cash market for less than 90 cents a bushel to the farmer. The parity price is \$1.14 a bushel. The loan price is about 95 cents a bushel. We hope that this bill will raise the price of wheat up to parity. If that can be done, there will be no occasion for making loans, and we can save the money that would otherwise be devoted to loans to the farmer. If the cotton price goes above 85 percent of parity, the farmers will sell instead of making a loan, so that that would save money to the Treasury.

Mr. WALSH. So it appears that the committee, in bringing forward this proposed legislation, had in mind and took into consideration the effect of the bill on the consumers of these products.

Mr. THOMAS of Oklahoma. The price these basic commodities will go to need not and should not affect the retail price of finished products in any way whatever until cotton goes above 25 cents a pound and wheat goes above \$1.25 a bushel. There should be no increase whatever in the price of an ordinary cotton garment or in the price of bread.

Mr. WALSH. Of course, it is possible to control any abuses that may result from exorbitant increases in prices.

Mr. THOMAS of Oklahoma. The committee is not at all worried about prices going too high now. We have too great a surplus on hand. The world is covered with wheat and cotton, and we are just trying to do something to help the farmer get enough to live on during this period of emergency.

Mr. VANDENBERG. Mr. President, will the Senator yield before he takes his seat?

Mr. THOMAS of Oklahoma. Yes; I yield.

Mr. VANDENBERG. Is the opinion of the Department of Agriculture available respecting the pending proposition?

Mr. THOMAS of Oklahoma. As to section No. 1, I will state affirmatively that the Department favors section No. 1. As to section No. 2, I cannot answer the question.

Mr. SMITH. Mr. President, I should like to state that Mr. Hutson, the man who, I suppose, is the real representative of the Department, was in my office this morning, and he stated that he had no idea of opposing section 2.

Mr. VANDENBERG. I find nothing in the report of the committee dealing with the attitude of the Department of Agri-

culture, and it seems to me it has some importance, inasmuch as the Department is in general charge of our agricultural economy.

Mr. SMITH. I am only stating to the Senator what occurred this morning. I am not trying to hide anything. I am only trying to help the farmers of the country. Those who do not want to do so may do what to them seems best.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. I have just talked over the telephone to the Secretary of Agriculture. I did not ask him with reference to the amendment offered by the Senator from North Dakota [Mr. LANGER], because I did not know it was going to be offered; but I think I am correct in stating that the attitude of the Secretary generally is opposed to the absolute, rigid freezing of these crops, and he is opposed to the amendment which will be offered later, I think, to permit the diversion of the excess wheat for feeding. I know that definitely. In that respect he is in line with the opinion expressed by Mr. O'Neal, of the Farm Bureau, because he thinks that will break down the wheat program entirely or substantially so. But whether the Secretary of Agriculture has given any thought to the amendment offered by the Senator from North Dakota [Mr. LANGER] I do not know, because I did not discuss it with him.

Mr. VANDENBERG. Before the amendment offered by the Senator from North Dakota is adopted, am I now to understand the Senator from Kentucky to say that he thinks the attitude of the Department of Agriculture is adverse to section 2?

Mr. BARKLEY. No; I do not think that, because section 2 provides a way by which the cotton can be sold for certain purposes. The Secretary's attitude, as I gathered it over the telephone, was that he is opposed to the absolutely unconditional freezing of the cotton held by the Government under all circumstances; that there might be conditions under which it would be wise to distribute some of it.

Mr. VANDENBERG. And apparently that is also the attitude of the American Farm Bureau Federation.

Mr. BARKLEY. Yes.

Mr. VANDENBERG. Would that objective be reached through an amendment to section 2?

Mr. BARKLEY. I have not studied the language of an amendment that would carry out that particular thought. It would seem that the telegram of Mr. O'Neal is in opposition to certain amendments which are to be offered. I understand that the Senator from Indiana [Mr. WILLIS] is to offer one which does what the Secretary and also Mr. O'Neal say they object to.

Mr. AUSTIN. Mr. President, will the Senator yield to me?

Mr. BARKLEY. I yield to the Senator from Vermont.

Mr. AUSTIN. I understand the Senator from Indiana [Mr. WILLIS] does not intend to offer his amendment to the pending amendment and that it does not

affect the pending amendment in a parliamentary way at all. Whether it affects it in legal result, I am not sure.

Mr. BARKLEY. The amendment has not as yet been proposed, but it is the general understanding that the amendment, if proposed and adopted, would permit those who have excess quantities of wheat on hand to divert it to the feeding of livestock, and that the penalties which are carried under the Agricultural Adjustment Act would also be reduced or at least authority would be given for their reduction. That is what the Secretary opposes, and that is what the Farm Bureau opposes.

Mr. AUSTIN. It is limited entirely to the feeding of livestock on the farm of the owner of the wheat.

Mr. BARKLEY. That is true, yes; but they still insist that that will break down the wheat program. That is their view about it.

Mr. GILLETTE. Mr. President, I should like to ask the distinguished chairman of the Committee on Agriculture and Forestry a question with reference to the effect of this amendment, as amended, if it should be adopted. By the Lease Lend Act we clothed the President with plenary power to dispose of war materials, defense materials of any kind in any way he might see fit for the direct or indirect benefit of the defense of the United States. With the inclusion of wheat in this proposal and with the adoption of the amendment as suggested by the Senator from North Dakota the bill will read:

Such cotton or wheat may be disposed of for use by other departments or agencies of the Government for purposes important to the national defense in any case in which the Secretary of Agriculture determines—

certain things to be necessary and proper.

Is it the thought of the committee that this is to be a limitation on the power of the President under the Lease Lend Act?

Mr. SMITH. No. The reading of the entire amendment indicates that the different departments of the Government, if the stuff does not go into the channels of trade, may use it as they please.

Mr. GILLETTE. But there must be a finding and determination by the Secretary of Agriculture before any of the commodity may be disposed of for national-defense purposes.

Mr. SMITH. Yes; of course.

Mr. GILLETTE. Will not that, in effect, be a limitation on the plenary powers of the President conferred by the Lease Lend Act?

Mr. SMITH. If the Senator wants to turn over everything to him, very well. I think that is a mere form.

Mr. GILLETTE. As the Senator well knows, I opposed the lease-lend bill as strenuously as I knew how. I am merely asking for information as to the effect of the proposal.

Mr. SMITH. My information is that no law we have passed for defense purposes would be interfered with by this amendment.

Mr. SHIPSTEAD. Mr. President, this bill was considered by the committee when I was unable to be present, but I have talked with the Senator from North

Dakota as to the purpose of the amendment, and from what discussion I have heard this morning I am glad it has been adopted. I understand, if the bill will have any effect on cotton, it will have the same effect on wheat. Is that so?

Mr. LANGER. That is correct.

Mr. SHIPSTEAD. I think that is a very important arrangement. I very distinctly remember during the last war the Food Administration was given power to fix the price of wheat, and they fixed the minimum at \$2.25 at the terminal market. After they assumed jurisdiction, they decided that that was the maximum price at the terminal market, and the wheat farmer had to sell his wheat on the terminal market, pay the freight from the place of shipment to the terminal market, and take whatever was left of the \$2.25. No provision such as that was made as to cotton. Cotton went to 40 cents a pound during the war. If cotton should sell for 40 cents a pound, wheat should sell for \$4 a bushel to be on a parity with cotton. I think under this bill that such an arrangement as existed in the last war should not be permitted to be put into practice. If we are to have price fixing at this time, we are not going to put over anything on the grain farmer. I think that every man who believes in equality should serve notice upon the conferees, and that this amendment should remain in the bill.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee as amended.

Mr. LEE. Mr. President, is the bill open to amendment?

The VICE PRESIDENT. No; the Senate is still considering committee amendments.

Mr. AIKEN. Mr. President, I may say that the purpose of the proposed amendment to the bill is to prevent any official of the Government from using the threat of putting 6,000,000 bales of cotton on the market in order to depress the cotton market. The other day Mr. Henderson appeared before the committee and some of the members of the committee advised him that they felt he did not have the authority to fix prices on farm products at this time. As he left the committee room, he inferred that he was going to do it, anyway, authority or no authority. Quite naturally, that did not sit too well with the members of the committee.

Then the other day, when the price of cotton was working up toward parity but had not reached parity, Mr. Henderson threatened to throw 3,000,000 bales of Government cotton on the market; by what authority nobody knows; but the result of the threat was to start the price of cotton downward again. When the committee met the other day and proposed this amendment to the wheat bill the price of cotton went up about 2 cents a pound, as I remember, although the supply of cotton and the ordinary demand for cotton probably did not change at all in the meantime.

In regard to the Farm Bureau attitude on the wheat bill, I have been advised by the Farm Bureau Office that they have no objection to the House bill relating to

the marketing of wheat and that the Department of Agriculture also approves it; but the Farm Bureau Federation does oppose certain amendments which they fear might be offered on the floor of the Senate.

In regard to the Farm Bureau attitude as to the second part of the bill, they state they would give their approval to the sale of 6,000,000 bales of cotton at any time when the market reaches 10 percent above parity. That would mean that at this time they would approve the Government's sale of any of this cotton when the price of cotton reaches 17.73 cents. In view of the increasing cost to the farmer, it is apparent that the parity price of cotton will increase, and it is not unreasonable to believe that if the Farm Bureau's suggestion is adopted the Government would be prohibited from disposing of any of this cotton unless it reaches a price of approximately 20 cents a pound.

Personally, I think either the amendment of the Senator from South Carolina [Mr. SMITH] or the proposed amendment of the Farm Bureau would have the effect of maintaining cotton prices so that the cotton farmer would not find himself in a disastrous position.

As for the suggestion of the Senator from Iowa that the President would have to get the approval of the Secretary of Agriculture before disposing of any of this cotton, I, for one, do not worry about the Secretary of Agriculture undertaking to use his power to curb the President.

The VICE PRESIDENT. The question is on agreeing to the committee amendment, as amended.

On a division, the amendment, as amended, was agreed to.

Mr. McCARRAN. Mr. President, I have at the desk an amendment which I ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from Nevada will be stated.

The LEGISLATIVE CLERK. On page 1, line 3, after the word "That", it is proposed to insert "(a)."

On page 2, between lines 8 and 9, it is proposed to insert the following new subsection:

(b) The penalty provided for in paragraph (2) of such act of May 26, 1941, shall not be applicable during the marketing year commencing July 1, 1941, with respect to winter wheat harvested during the calendar year 1941.

Mr. McCARRAN. Mr. President, I have discussed this matter slightly with the chairman of the Committee on Agriculture and Forestry; but I wish to say, by way of explanation, that at the time the present law became effective winter wheat had been planted. That winter wheat would have carried with it only the then-existing 15-cent penalty. After we enacted the existing law the winter wheat either had to be plowed up or destroyed, or to bear the additional penalty, amounting to 49 cents.

It seemed fair and it seems fair to those engaged in raising winter wheat, who had planted winter wheat, had invested in the seed and in the necessary expense of planting before Congress enacted the existing law, that they should be exempt

from the penalty for the winter wheat sold in 1941. That is the object of this amendment, so that the existing law shall not be retroactive as against the winter-wheat raisers.

Mr. SMITH. Mr. President, that subject, of course, was brought up before the committee. Representatives of the Department appeared to inform us that in keeping faith with those who had planted prior to the action of the Congress they had raised the loan price very much above the previous loan price, and therefore they had raised the penalty, in order to protect those who cooperated.

As between 15 and 49 cents there is quite a difference in the penalty. To a cooperative who is keeping his pledge in good faith it makes no difference whether the penalty is 1 cent or \$1; he will not be subject to the penalty. But this question was pretty thoroughly worked out in the committee on the ground of the increase in the loan price and then the increase in the penalty. So far as I am concerned, I will accept the amendment and let it go to conference.

Mr. GILLETTE. Mr. President, will the Senator from Nevada yield for a question?

Mr. McCARRAN. I yield.

Mr. GILLETTE. If the amendment proposed by the Senator from Nevada is adopted, does not the Senator feel that it will be discriminatory against the spring-wheat producers? The present penalty provisions were enacted on May 26. Spring wheat was all sowed by that time, I think, everywhere in the United States. Now it is proposed to take out of the provisions of the penalty the winter-wheat producers and to leave the spring-wheat producers within the provisions of the penalty.

Mr. McCARRAN. I do not regard it as discriminatory. The Senator from Iowa may be correct as to his locality, that the spring wheat had been planted at that time. I am not familiar with the planting season; but the spring wheat in many other sections of the country had not been planted at that time, and the planters had ample opportunity not to plant after the bill was enacted carrying the 49-cent penalty. What I am interested in is a very small group of wheat producers who plant winter wheat, and who had their winter wheat planted at the time the 49-cent penalty was enacted.

Let me be a little more specific. The amendment applies largely to the intermountain farmers, to those who plant winter wheat quite regularly because of climatic conditions. The area affected will not exceed about 2,000,000 acres, as I am advised by the Agricultural Department.

Mr. GILLETTE. Mr. President, will the Senator yield for just a further observation?

Mr. McCARRAN. Certainly.

Mr. GILLETTE. It is true, of course, that winter wheat is sowed in the fall of the preceding year, and matures in the spring of the succeeding year; but in Iowa, the section of the country from which I come, the northern section of the country, and also in Minnesota, there is no question that all the spring wheat is sowed before the first of May. It seems

to me it is utterly unfair to the spring-wheat producers to leave them subject to the penalty, and try to take out one group from the provisions of the bill.

Mr. McCARRAN. Mr. President, I do not see the unfairness. Nevertheless, the Senator has his views on the subject, for which I have great respect; but there is in America today a small group of producers who were really penalized unless they destroyed their then-planted wheat. They were penalized by the act of Congress. It seems to me we should not have made the present penalty retroactive against those who took a chance with the known penalty, then existing, of 15 cents per bushel.

Mr. SHIPSTEAD. Mr. President, will the Senator yield at that point?

Mr. McCARRAN. I yield.

Mr. SHIPSTEAD. I sympathize with the views of the Senator from Nevada as to the penalty, but I must say that, in my opinion, the Senator from Iowa has stated the case absolutely correctly. As far north as the Canadian border, spring wheat was seeded before the passage of the act inflicting the penalty. There is merit in what the Senator from Iowa states. I am very confident of that.

Mr. McCARRAN. It may be that even in that section they are doing what we read of their doing elsewhere—burning their wheat rather than put up with the law.

Mr. SHIPSTEAD. I think something should be done about the penalty, because it was imposed long after the crops had been seeded.

Mr. McCARRAN. That is correct.

Mr. SHIPSTEAD. I think it is an injustice.

Mr. McCARRAN. I am glad to have the Senator with me on that point.

Mr. SHIPSTEAD. Yes; I agree with the Senator.

Mr. McCARRAN. I understand that the chairman of the committee says he is willing to take the amendment to conference, and I am willing to have it go that way.

Mr. SMITH. Yes.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. McCARRAN].

On a division (requested by Mr. McCARRAN) the amendment was agreed to.

Mr. TAFT. Mr. President, I will not at the present time offer the amendment I had intended to offer, because of the adoption of the amendment presented by the Senator from Nevada [Mr. McCARRAN]. But I have quite a fear that this amendment will be taken to conference and promptly thrown out by the conferees, and I wish to say a word in behalf of our conferees insisting on some such amendment.

The amendment I was about to offer differs from that of the Senator from Nevada in that it proposes to reduce the penalty to 15 cents instead of wiping it out entirely, and to apply to all wheat, instead of only to winter wheat. Of course, the suggestion that this applies only to a few intermountain farmers is far from the fact, because more than half the wheat raised in the United States is winter wheat, and all the wheat raised in

the State of Ohio, which I in part represent, is winter wheat.

There has been the most tremendous protest from Ohio farmers against the enforcement of the 49-cent penalty. They are holding meetings in every county in Ohio. They are resolving that they will not sell any of their wheat. There are places where wheat has been burned because of the feeling of unfairness produced by the attempt to impose a 49-cent penalty, when, at the time the wheat was planted, the penalty was only 15 cents.

I can present only the views of a layman; but, as I understand, for a number of years an acreage quota has been imposed on corn and wheat. There has never before been invoked a provision of law imposing a marketing quota. The marketing quota, as it comes into Ohio, for instance, says to the farmer, "You shall not sell any of your wheat whatever until you have paid a penalty of 49 cents a bushel on the acreage in excess of the acreage limitation to which you are subject." When those farmers got their acreage limitation, it was distinctly stated to them that they did not have to abide by the acreage limitation. There is no law requiring any farmer to abide by an acreage limitation. The law merely says, "If you do not abide by the acreage limitation, you shall not have various benefits from the Government. You shall not have the right to avail yourself of the loan provisions; you shall not have certain rights in the way of conservation payments." Any farmer had a perfect right, looking at the law, to say, "I will take a chance on a 15-cent penalty and plant as much wheat as I choose to plant."

I have stated what the farmer was told. Then on May 26 of this year Congress changed the law, and raised the penalty from 15 cents a bushel to 49 cents, of course, in many cases imposing a penalty away beyond the farmer's ability to pay, and as it has been administered, certainly in some places, it is a grossly unjust provision.

Mr. SHIPSTEAD. It was changed after the wheat was planted.

Mr. TAFT. Wheat is planted in Ohio in the fall, and this year it was all ready for harvesting by the time the change was made. The same situation existed in many other places. Of course, the spring wheat was planted in the spring.

I do not see why this proposal should apply only to winter wheat. As I have said, in Ohio all the wheat planted is winter wheat, so that it applies to all our wheat.

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

Mr. TAFT. I yield.

Mr. RUSSELL. I think the Senator might state that since the penalty has been increased the wheat farmers have voted on the question, and by an overwhelming majority, about 85 or 86 percent, approved the marketing quota with a 49-cent penalty.

Mr. TAFT. However, I do not think it was understood by the farmers. So far as the Ohio farmers are concerned, the Senator's statement does not apply, be-

cause in Ohio the farmers voted 51 to 49 percent against imposing the penalty.

Mr. RUSSELL. So the Senator would have the wheat farmers of Ohio impose their will on the wheat farmers of the rest of the country.

Mr. TAFT. No; I made no such argument. My only argument is that it is unjust, unfair, retroactive, ex post facto to impose a larger penalty after the wheat is planted.

The excuse is that because we raised the loan figure, and therefore may have raised the price of wheat, we are entitled to impose a larger penalty. The farmers would not get the benefit of that provision. When the wheat was planted in Ohio, for instance, the average price of wheat was 72 cents, and there was a very reasonable prospect that the price might go higher. War has nearly always resulted in an increase in the price of wheat. It may easily happen that the time may come when the English will have to come to this continent for all their wheat, as was the case during the World War. The submarine campaign during that war reduced shipping to such a point that the British could not afford to send ships to the Argentine or to Australia for wheat, to any of the ordinary sources of supply, and all of Europe was fed with American wheat. The same condition may occur again. Any farmer had the right to think the price of wheat might increase without further Government action, and no one can say that the increase from 72 cents to 90 cents has resulted necessarily from Government action. It might well have occurred anyway. So that if a farmer planted with the price at 72 cents, and paid a 15-cent penalty, he would get about 57 cents a bushel. We came along with a 49-cent penalty, and, with the loan price at 98 cents, the farmer gets 49 cents a bushel. Therefore that is clearly an indication of what the farmer was entitled to think he would get for wheat at that time.

Furthermore, there is this extraordinary fact: Of course, the farmers are forbidden even to feed the wheat to their own stock, on their own farms, or to feed the wheat to their own families. I think that provision will be unenforceable. I do not know how it will be possible to collect the penalty imposed on these farmers. I do not know whether the district attorney is to go out and sue them if they do not intend to market their wheat.

In Ohio the farmers voted against the proposal, while farmers farther west voted for it. The farmers voted against it in Pennsylvania, and it did not get a majority in Indiana. In Ohio we have all-purpose farms, finally resulting in rotation of crops, certain acres being planted to wheat, or grass, or clover. That rotation is frequently upset completely by an acreage limitation on wheat. Many of the farmers are perfectly able to market no wheat at all. They can feed all their wheat, and many of them have fed all their wheat in the past. Ohio produces about 37,000,000 bushels of wheat. It is the seventh wheat-producing State in the United States, and the fourth or fifth agricultural State.

What has happened is this: As a result of the holding back of wheat and the re-

duction in the penalty on feed wheat, a tremendous volume of feed wheat is now being imported from Canada, brought into this country and sold at prices above what the American farmer can get after he has paid the penalty.

The increase in the importation of feed wheat from Canada is well worth noting. The total imports of feed wheat from Canada in 1939 were 87,000 bushels. From July 1940 to April 1941 the importation of feed wheat amounted to 924,000 bushels. In the month of April alone this year the importation of feed wheat from Canada amounted to 234,000 bushels. In the month of May the importation of feed wheat from Canada amounted to 1,712,000 bushels of Canadian wheat, wheat which we are importing from Canada to go into feed, which has been sold back to the American farmer, while the American farmer himself is penalized to such an extent that he cannot even afford to sell his wheat for feed after paying the penalty, and, as a matter of fact, he is practically forbidden to use wheat for feed on his own farm.

Mr. President, that is a drastic provision. It seems to me perfectly clear that any reasonable and fair man will say that those farmers should not have to pay a penalty greater than 15 cents a bushel, to which they knew they were subject when they planted the wheat, which they intended to pay, if it were necessary, or not pay, and feed the stuff to their stock.

Of course, in addition, there is the fact that the Secretary of Agriculture says that today there are not enough hogs, there is not enough beef, there are not enough chickens. He is encouraging farmers to raise more livestock, and then forbidding farmers to use their own wheat on their own farms to feed to their own stock, or even to feed their own families.

The Senate has adopted an amendment offered by the Senator from Nevada [Mr. McCARRAN] abolishing the penalty. That is entirely satisfactory to me, except that while it has no direct concern to Ohio farmers, I think it should apply to spring wheat as well as to winter wheat. But certainly I believe that the Senate conferees should absolutely insist on the retention of this amendment, or some modification of the amendment, which will right the injustice which has been done to every wheat farmer in the United States.

Mr. LEE. Mr. President, I offer certain amendments.

Mr. SHIPSTEAD. I note the absence of a quorum.

Mr. LEE. Mr. President, I do not yield for that purpose. I ask that my amendments may be stated.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

| | | |
|----------|------------|----------|
| Adams | Brown | Connally |
| Aiken | Bulow | Danaher |
| Andrews | Bunker | Davis |
| Austin | Burton | Downey |
| Bailey | Byrd | Eastland |
| Bankhead | Capper | George |
| Barkley | Caraway | Gillette |
| Bone | Chavez | Glass |
| Brewster | Clark, Mo. | Green |

| | | |
|-----------------|-----------|---------------|
| Guffey | McFarland | Taft |
| Gurney | McKellar | Thomas, Idaho |
| Hatch | Maloney | Thomas, Okla. |
| Hayden | Nye | Thomas, Utah |
| Hill | O'Mahoney | Tobey |
| Hughes | Overton | Truman |
| Johnson, Calif. | Pepper | Tunnell |
| Johnson, Colo. | Radcliffe | Tydings |
| La Follette | Rosier | Vandenberg |
| Langer | Russell | Van Nuys |
| Lee | Schwartz | Walsh |
| Lodge | Shipstead | Wheeler |
| Lumpkin | Smathers | Wiley |
| McCarran | Smith | Willis |

The PRESIDENT pro tempore. Sixty-nine Senators having answered to their names, a quorum is present.

Mr. LEE. Mr. President, I offer certain amendments which I ask to have stated.

The PRESIDENT pro tempore. The amendments will be stated.

The LEGISLATIVE CLERK. On page 1, line 5, it is proposed to strike out "paragraph" and insert "paragraphs."

On page 2, line 8, it is proposed to strike out "producer." and insert "producer."

On page 2, after line 8, it is proposed to insert the following:

(13) Notwithstanding any of the foregoing provisions the penalty upon wheat shall not apply to that portion of the farm-marketing excess for any farm which the producer establishes in accordance with the regulations of the Secretary, which was or will be used as feed for livestock or poultry for any purpose or for seed or which was or will be consumed by the farmer's family or household. The amount of any penalty paid on that portion of the farm-marketing excess of wheat which was or will be used as feed for livestock or poultry for any purpose or for seed or which was or will be consumed by the farmer's family or household, shall be returned or allowed the producer.

Mr. LEE. Mr. President, the purpose of the amendment is clear from a reading of it. It simply provides that the farmer may feed the excess wheat without penalty.

Mr. HATCH. Mr. President, I think the amendment should be rejected. The amendment offered at this point would simply have the effect of adding an additional marketing quota to farmers who have not complied with the program. It is in effect destructive of the very purpose of the Agricultural Adjustment Act. It relieves the farmers who have refused to cooperate and to comply with regulations from the burdens under the act which it was anticipated and hoped would secure compliance with its provisions.

Mr. President, I am not speaking from the standpoint of trying to hold the reins tight on noncooperators. I am speaking in behalf of the millions of farmers who have cooperated with the program and have sustained the burdens throughout the years before we had marketing quotas. At this time, the only year in which a marketing quota has been voted, to relieve noncooperators from the burdens would be to destroy the very purposes of the act. If we wish to do that let us repeal the act in its entirety. Let us not place the burdens on the cooperators, and then come along and relieve the noncooperators.

The amendment should be rejected.

Mr. GILLETTE. Mr. President, in addition to the very powerful argument just advanced by the Senator from New Mexico against this amendment I should like

to add a few words relative to another phase of the matter.

The entire production-control program is based on a philosophy under the terms of which the producers of the five basic commodities limit their production in the hope of taking off the market a certain percentage of surplus, and by such co-operative effort seek to maintain a price level.

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

Mr. GILLETTE. I yield.

Mr. HATCH. I wish to point out that the producers have done so not only this year but during all the years the act has been in force.

Mr. GILLETTE. That is true. The farmers of the country have been wonderfully cooperative in all the legislation which has been presented relative to this matter. It has been my fortune to be either at this end of the Capitol or at the other end when all such legislation was proposed. Whenever a proposal has been presented farmers producing cotton, rice, wheat, corn, or tobacco—any of the five basic commodities—have been cooperative, and have approached the question in a spirit of comity.

In behalf of the farmers of my State, which I have the honor in part to represent in the Senate, let me say that ours is a corn-producing State. Eighty-five per cent of our corn is marketed, as we say, "on the hoof," in the form of beef or pork.

In this connection a controversy has arisen as to whether acreage taken out of production shall be used in competition with the producers of other commodities. The producers of the basic commodities have been fair in approaching the discussion of the controversy. The contention is made that a farmer should not take acreage out of corn production and put it into cotton production or take acreage from cotton and put it into corn.

The effect of this amendment would be that if we should allow the noncooperator to use the excess wheat which he has harvested above the quota limitation as feed for livestock, and put the livestock on the market in competition with the cooperator in corn or the cooperator in some other feed, we should destroy the whole foundational basis for the program. If we want to wreck the program from start to finish an amendment of this kind ought to be adopted. But if we wish to preserve it and preserve the farmers producing any of the basic crops, in fairness to all the other farmers in the country, and to attract as large a percentage of cooperators as possible, without which there can be no success in a program of this kind, then the amendment should be rejected.

I sincerely hope that the Senate will not adopt a proposal of this kind.

Mr. WILLIS. Mr. President, the able Senator from Iowa has presented a very alarming picture of what is to happen to the corn market, as well as to the whole agricultural program, if this amendment should be adopted. I think he has made much more out of the argument than is justified.

As a matter of fact, we shall have only about 60,000,000 bushels of surplus or penalty wheat. The amount to be used

on the producer's farm is a small fraction of that. The corn price is held up by the loan on the basis of 85 per cent of parity, so the corn market will hardly be affected even in a slight degree by this measure.

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

Mr. WILLIS. I yield.

Mr. HATCH. Today corn is selling for about 20 cents under parity.

Mr. WILLIS. Corn growers can obtain a loan of 85 per cent of parity.

Mr. HATCH. I was speaking about the market price.

Mr. WILLIS. I am not informed as to the market price today.

There are three ways in which the penalty wheat can be handled. A farmer may pay the penalty and market his excess wheat, or he may put it in storage and have the penalty deferred. Then when the next year's allotment is set up, he may take it out of that allotment. Why go through that process? Why not let him begin to feed it at once to the stock on his own farm, thus preserving the value and quality of the wheat and avoid useless technicalities?

In my State it is considered a fundamental American principle that a man should have the right to raise on his own farm crops to feed to the livestock which he raises on his farm, or to be consumed as food by his own family, which is the purport of this amendment.

I have supported the agricultural-adjustment program in its principal objectives. If those in charge of the program will recognize the fundamental principle which I have just outlined, they will obtain more universal cooperation from the farmers of America.

The Secretary of Agriculture has asked that we produce agriculture for defense. He has asked that we produce more dairy cattle, more hogs, and more poultry. Why not put the penalty wheat into defense wheat immediately, and begin to feed it into the avenues of production which the Secretary of Agriculture urges? Why delay the process for weeks in enforcing limitations on products raised wholly on the producer's farm?

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

Mr. WILLIS. I yield.

Mr. GILLETTE. The Senator has just referred to feeding wheat to stock on the farm. I am sure the Senator has in mind the fact that an acreage below 15 acres does not come within the provisions of the act. In addition, under the present limitations wheat may be fed to livestock for home consumption or use on the farm. The question to which I have just referred arises when we attempt to permit excess wheat to be fed to livestock for the market, in competition with cooperators in other basic commodities.

Mr. WILLIS. I understand. Has the Senator any estimate as to how much wheat would be affected by the pending amendment?

Mr. HATCH. Mr. President, let me answer the Senator's question. It makes no difference how much would be affected. It is the principle involved that concerns me, and whether the amount

be 1,000,000 bushels or 100 bushels, the principle remains the same.

Mr. WILLIS. The principle remains the same; and this principle is also the same for every American farmer. Whether he has 15 acres or 1,500 acres, he has a right to be heard and his fundamental rights should be protected.

Mr. HATCH. If that is the philosophy of the Senator, we should repeal the entire act. We should not wait until a man has gone through several years, accepting all the benefits and advantages of the program, and then, when the time comes for him to pay a little penalty, let him walk out from under it and place the penalty on the men who have made the program possible. That is what the Senator wants to do.

Mr. WILLIS. Not at all. The Senator from New Mexico understands, I presume, that the grievance of the wheat producers arises from the fact that the penalty was changed after the crop was planted. They have no grievance over the penalty in effect when the crop was planted. In this amendment, however, we refer only to the grievance felt because of the penalty charged on wheat raised and used on the producer's own farm and not to the whole crop of excess wheat.

Mr. HATCH. Not at all. The Senator from New Mexico does not understand that, because that is not the fact.

Mr. WILLIS. Was not the penalty changed after the crop was planted?

Mr. HATCH. The penalty was changed at the same time the advance in the loan price was made, and the advance in the loan price more than offset the penalty. The farmer is still gaining more than he has lost.

Mr. WILLIS. That may be true, I will say to the Senator from New Mexico, but the American people are against changing the rules in the midst of the game.

Mr. HATCH. Oh, no; the Senator from New Mexico is not going to change the rules in the midst of the game.

Will the Senator from Indiana be willing to put the loan price back to where it was?

Mr. WILLIS. Not in the face of present conditions.

Mr. HATCH. Oh, no; he will take the benefits, but he does not want to bear the burden.

Mr. WILLIS. Under present conditions, I cannot say I would be willing to have the loan price go back to where it was, but that evades the issue. It is not the loan rate on the great bulk of the crop raised by cooperators, the issue is: Should we not permit the feeding of excess wheat on the producer's own farm? And that is an almost insignificant portion of the crop, even of the penalty portion.

Mr. McCARRAN. Mr. President, will the Senator from New Mexico yield? I should like to ask him a question.

Mr. HATCH. The Senator from New Mexico is always delighted to reply if he can do so.

Mr. McCARRAN. To the producer who wants to sell, what difference will it make what the loan price may be? The loan price does not interest the man who wants to sell, because he is depend-

ent on the market and he is willing to take the market price.

Mr. HATCH. Will the Senator yield so that I may answer that statement?

Mr. McCARRAN. Yes.

Mr. HATCH. I will tell the Senator from Nevada what difference it will make. I wonder if anyone knows what the quotation on wheat is today. I guess September wheat in Chicago probably is worth \$1.06, and I will state that if it had not been for the loan price, September wheat in Chicago would be around 30 cents. That is the difference it makes to the man who wants to sell. The Senator can figure it out on that basis.

Mr. McCARRAN. No; I will not figure it out on that basis because the hypothesis of the Senator from New Mexico is incorrect.

Mr. HATCH. No; my hypothesis is absolutely correct.

Mr. McCARRAN. Had it not been for world conditions, neither the loan price nor the sale price would be what they are.

Mr. HATCH. The Senator from Nevada now is adopting the argument of Mr. Hoover in 1932.

Mr. McCARRAN. Oh, no; that is just another smear. Do not put it off on that.

Mr. HATCH. If that offends the Senator I withdraw it.

Mr. McCARRAN. It does not offend me at all, because I regard Mr. Hoover as a very fine gentleman.

Mr. HATCH. I regard him as such, too; but the reason I refer to Mr. Hoover is that I myself sold wheat for 19 cents a bushel.

Mr. McCARRAN. I have no doubt of that.

Mr. HATCH. It was not a very pleasant experience.

Mr. McCARRAN. I sold wool for 8 cents.

Mr. HATCH. I sold it for 5 cents. [Laughter.]

Mr. McCARRAN. We were going down.

Mr. HATCH. We did not have an administration that was trying to take care of the situation.

Mr. McCARRAN. That is correct.

Mr. HATCH. We do have now; and under this administration we have fixed a loan price of 85 percent of parity, and that is the sole reason that wheat is selling today for the price at which it is selling. It is the sole reason why cotton is selling at as high a price. If we destroy that program we will destroy the very man we want to help. That is what I am trying to argue with the Senator.

Mr. McCARRAN. I do not propose to destroy the program.

Mr. HATCH. Well, these things are going to destroy the program, and I will say to the Senator from Nevada that his own amendment reducing the penalty from 49 cents to 15 cents, which was adopted during my absence, and which presently I shall ask to have reconsidered, will be destructive of the very man he wants to help.

Mr. McCARRAN. If 2,000,000 acres of wheat produced in this country will destroy a principle, then it should be de-

stroyed. The fact of the matter is that we have abandoned the fundamental law of supply and demand; we have gone away from it, and have again created an artificial law.

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

Mr. McCARRAN. If the Senator from New Mexico will permit me to make a statement, then I will desist. The Senator from Indiana has the floor.

Mr. HATCH. Very well.

Mr. McCARRAN. If we go back to the fundamental principle of supply and demand we shall have no necessity for programmed production.

Mr. HATCH. The Senator from Nevada asked that we go back to the fundamental principle of supply and demand. Let us see where that would place us. How many bales of cotton do we have in surplus?

Mr. THOMAS of Oklahoma. Over 6,000,000 bales.

Mr. HATCH. Over 6,000,000 bales of surplus cotton now. If the Senator from Nevada were to go back to the principle he advocates, I venture to say that cotton would not sell for 4 cents a pound.

Mr. BANKHEAD. Were we to go back to the law of supply and demand with respect to the farmer, I suppose we should have to do the same with respect to labor. That would force the Senator from Nevada to advocate the repeal of the Fair Labor Standards and Practices Act, and to let labor get what it could get and work what hours it would be required to work under the law of supply and demand.

Mr. McCARRAN. Oh, no; that rule does not apply at all.

Mr. HATCH. I am talking about the agricultural situation right now. If we were to go back to the law of supply and demand, with 6,000,000 bales of cotton on hand, cotton selling at 4 cents a pound would bankrupt every farmer in the country in 2 years. With many million bushels of wheat on hand, at the end of the crop this year there would be at least a 2-year supply thrown on the market, and it would bankrupt every wheat man. He would be worse than bankrupt.

Mr. McCARRAN. I am wondering what we have been passing bankruptcy laws for.

Mr. HATCH. The Senator from Nevada does not want every farmer in the United States to go into bankruptcy, does he?

Mr. McCARRAN. Certainly not; and that is the reason we have been preventing it.

Mr. HATCH. I desire to say we have been preventing it by artificial means, and I am for whatever means are necessary to prevent the poverty and the bankruptcy of the farmers of this country.

Mr. McCARRAN. So am I.

Mr. HATCH. That is the reason I am opposed to the Senator's amendment. That is the reason I am opposed to this amendment; because I know they are entering wedges by which the whole program will be destroyed, and we will go back to where we were in 1931 or 1932. That is all there is to it.

Mr. McCARRAN. If the Senator will yield again, I do not want to return to a

policy or a plan whereby the producer, losing everything he has, goes out and destroys that which he sowed. Today in America wheat producers are setting fire to wheat—wheat which is the staff of life and which this world is asking for and clamoring for and will be hungry for in no time.

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

Mr. McCARRAN. I yield.

Mr. HATCH. A most remarkable statement has just been made. The Senator from Nevada says the wheat producers of America are burning up their wheat fields.

Mr. McCARRAN. Why, there are pictures of that in the newspapers.

Mr. HATCH. In what place in the Union is any wheat field on fire?

Mr. WILLIS. Mr. President, do I have the floor?

The PRESIDENT pro tempore. The Senator from Indiana has the floor and has not yielded it.

Mr. WILLIS. Mr. President, the lifting of the penalty on the small amount of wheat that will be fed to stock raised on the producers' farms is not going to break the American wheat market. I want to emphasize the fact and to say that in all probability all the wheat we can produce is going to be needed, and we ought to encourage the farmer to produce all the wheat necessary to aid the Nation, which may be called upon to feed a war-devastated world.

I support the amendment of the Senator from Oklahoma [Mr. LEE], and I hope it will have the support of the Senate.

Mr. GILLETTE. Mr. President, before the Senator takes his seat, will he yield to me?

Mr. WILLIS. Yes; I yield.

Mr. GILLETTE. I should like to make one observation. With reference to any argument which has been made here or which will be presented relative to the passage of legislation providing an increased penalty, the act increasing the penalty on May 26, and the suggestion that it was adopted after the winter-wheat areas had been sowed—whatever merit there might be in that argument certainly does not apply to the amendments presented by the Senator from Indiana.

Mr. WILLIS. Will the Senator yield for just a minute?

Mr. GILLETTE. I yield.

Mr. WILLIS. I am speaking, I presume, on the amendment of the Senator from Oklahoma [Mr. LEE].

Mr. GILLETTE. The amendment of the Senator from Oklahoma?

Mr. WILLIS. Yes.

Mr. GILLETTE. Oh; I beg the Senator's pardon.

In July 1940 the United States Congress passed the act under which the use of excess wheat as feed is limited.

That act provides that "market" shall be defined as follows:

(6) (A) "Market," in the case of corn, cotton, rice, tobacco, and wheat, means to dispose of, in raw or processed form, by voluntary or involuntary sale, barter, or exchange, or by gift inter vivos, and, in the case of

corn and wheat, by feeding (in any form) to poultry or livestock which, or the products of which, are sold, bartered, or exchanged.

On May 26 of this year, when the penalty was increased, section 7 provided that no penalty should apply on wheat on a nonallotment farm "if the acreage of the commodity harvested on such nonallotment farm is not in excess of 15 acres or the acreage allotment for the farm, whichever is larger"; nor should there be a penalty for wheat harvested if the wheat was fed to livestock for home consumption or used for home consumption.

So the wheat farmer had full notice, he had more than a year's notice of what constitutes an illegal sale and marketing of excess wheat. To allow wheat to be used now to feed to livestock and thrown onto the market in competition with the producers of other feeds, I insist, as I stated before, is destructive of the whole philosophy and the whole framework of the act.

Mr. WILLIS. It is true, is it not, that the penalty was changed and a different penalty provided since last fall, since the 1941 crop was planted?

Mr. GILLETTE. So far as the penalty is concerned and the provision as to use as feed for livestock, it has been on the statute books for more than a year.

Mr. WILLIS. This penalty was more than tripled under the farm program.

Mr. GILLETTE. Of course, that is another question.

Mr. TAFT. Mr. President, the opinion of the Farm Bureau has been cited here. I should like to read a letter written by the master of the National Grange to the Secretary of Agriculture, who supports the amendment, or the principle of the amendment, which is now offered. The letter to the Secretary of Agriculture from Mr. Louis J. Taber, master of the National Grange, says in part:

The purpose of this letter is to thank you for your courtesy and also to suggest further action relative to the problem of so-called penalty wheat. I have received many long-distance telephone calls from Texas to New York on this question. Farmers feel that they planted their crop last September and October in good faith. They feel that a Canadian farmer has a 7-cent less penalty than themselves.

Senators will understand that the Canadian farmers can import feed wheat, pay a duty of only 4 cents, and obtain—

Mr. HATCH. Does the Senator contend that the Canadian farmer is better treated by our Government than are our own farmers?

Mr. TAFT. That is the effect or the result. Over all I should not say so, but in the month of May last 1,700,000 bushels of feed wheat were imported from Canada, sold and bought by American feed manufacturers in preference to American wheat because they could get the Canadian wheat cheaper. At the same time the Canadian farmer gets 49 cents for his feed wheat and the American farmer gets 42 cents for his feed wheat.

Mr. HATCH. Mr. President, I want to make this observation: The Senator is an excellent lawyer and an able statesman, but he takes one single fact and

makes the argument he is making now. If he wants to do that, it is all right, but I think it is entirely unfair and entirely incorrect.

Mr. TAFT. I entirely disagree with the Senator. It is not an unfair argument; it is not an all-compelling argument; but it is a perfectly sound objection to the present policy. I do not say on that ground alone the penalty should be repealed, but I say today the Canadian farmer can get more money by selling his feed wheat on the American market than the American farmer can when he pays the penalty on his excess wheat. His wheat has to be locked up under Government lock and key, while the Canadian farmer is invited to send his wheat to be sold ultimately to the American farmer himself; that is the effect; and I say that is an argument against the system. I do not say it is an all-compelling argument.

Mr. HATCH. If the Senator wants to argue against the system I think he can make plenty of argument on that score, but when he takes one isolated case and does not discuss the value of the loan and does not discuss the fact—

Mr. TAFT. If the Senator will sit down and stop asking me questions, I will go on and discuss the other questions.

Mr. HATCH. The Senator has the floor; I will not ask any more questions; I will take my seat; but I reserve the right to take the floor later.

Mr. TAFT. Reading further from the letter of the Master of the National Grange:

They feel that a Canadian farmer has a 7-cent less penalty than themselves. The farmer across the border can pay the 42-cent tariff, take back American money, exchange it for his own money, and have 10 to 20 cents more per bushel than the farmer who has grown so-called penalty wheat.

The Grange suggests that any farmer with penalty wheat who will agree to cut future acreage should be allowed to feed this wheat to poultry, dairy cows, or hogs, the three items on which you are asking for increased defense production. In other words, the Grange wants to transform this penalty wheat into defense wheat. We think this is good common sense, patriotic and sound.

The Grange wants to lead any other group in the Nation in patriotic support of your program for increased food, for balanced agriculture, and for economic justice that will allow the farmer to survive.

L. J. TABER,
Master, National Grange.

It is not true that the increase in penalty from 15 to 49 cents is justified by the increased loan. The difficulty with the argument of the Senator from Iowa, as I see it, is this: We have not imposed a compulsory acreage reduction on the farmer. If we had, and he violated it, then I should say he could be properly penalized. But we did not do that. We said, "Here is your acreage; if you will comply with it the Government will give you certain benefits, and if you do not comply with it you will not get those benefits, and you will get a 15-cent penalty." Knowing that, and with wheat at about 72 cents a bushel, when it was planted in Ohio last fall, he figured he could get 57 cents a bushel for any of his excess wheat, and he reasonably, I think,

could expect an increase in view of the war. Now he finds that a 49-cent penalty is imposed on a 90-cent price, and he gets something like 40 cents a bushel instead of the 50 cents a bushel on which he counted. I think that is a retroactive provision and unfair. If the Senate finally adopts the amendment of the Senator from Nevada [Mr. McCARRAN], and reduces the penalty, then, the argument for the feed amendment is not so strong; on the other hand, I am not sure but that permitting the use as feed will have as much effect on the market finally as the reduction of the penalty to 15 cents; but I am inclined to think that it will satisfy most of the farmers, at least, the three or four hundred from whom I have heard and those with whom I have been able to talk. It seems to me that this is a reasonable amendment, and that the committee in conference can choose later which one it is best to adopt, whether the feed-wheat provision or the reduction of the penalty.

Mr. HATCH. Mr. President, I shall not further discuss the amendments. I think I have made practically all the statements I care to make. Presently I shall ask that the Senate reconsider the vote by which the amendment of the Senator from Nevada was adopted, and shall ask that that amendment be rejected. In doing so and in taking the position which I take on the various amendments, I wish to discuss for just a moment the bill itself which is before the Senate.

This bill was passed by the House of Representatives after the House had discussed every single solitary amendment which has been offered on the floor of the Senate. These amendments were all considered by the Committee on Agriculture and Forestry; at least, they were mentioned, and they were discussed. Some members of the Committee on Agriculture and Forestry favored some of the amendments which had been offered and which have been discussed on the floor. They thought, perhaps, the penalty should be reduced from 49 cents to 15 cents. Some favored the amendment that has been offered by the Senator from Oklahoma to permit the feeding of wheat, but we all—I do not think there was a single exception—after discussing all these matters and considering the situation which exists in the House of Representatives, reached the conclusion that if any of these amendments were adopted, if they were tied to this bill, it would kill the bill. I say to the Senate now, with every positive assurance that I can give, being, of course, no prophet but at least being willing to make the prediction, that if any of these amendments are tied to this bill, we will never have a law on this subject. The amendments will never be adopted by the other House; they will never get out of conference, and all you are doing today is killing this bill. That is what you are doing. If you want to do it, go ahead; but that will be the effect; that will be the result.

The bill itself has some merit. There is an element of justice in the bill. It is simply to provide that a man who planted excess wheat acreage and had a bad year, had a drought—such as we have in New Mexico sometimes, or such

as sometimes occurs in South Carolina—and did not make his normal yield, may use the yield from his excess acreage to make up the normal yield which he would have made if he could have marketed his wheat without a penalty.

There is an element of justice and an element of fairness in that. Perhaps he should have taken his chances on the weather with the other man, but he had a little bad luck. The House of Representatives decided that that was as far as it could go and deal equitably with the situation, and it passed the pending bill. It came to our committee in this form, and we discussed all the amendments and decided that we should not tie them onto the bill, for they would destroy the little bit of justice that the unfortunate farmer has.

I know it is nice to stand up here and argue to relieve against penalties and to save the American farmer, and all that; but we passed the law. It was plain in its provisions. Everybody knew what it provided. We increased the penalty. It was not increased by the Department, as has been asserted in statements sent out over the country. I have had letters stating that a "dictator" in the Agricultural Department increased the penalty from 15 cents to 49 cents a bushel. That was an act of Congress. Senators did that.

Mr. McCARRAN. Mr. President, will the Senator yield at that point?

Mr. HATCH. Yes; I yield.

Mr. McCARRAN. Does the Senator believe the act of Congress was known to the farmers of the country when they voted on the penalty provision?

Mr. HATCH. It certainly was. It was a public law of the land.

Mr. McCARRAN. It may have been a public law of the land, but I venture the statement, on the basis of public expressions coming from the farm communities today, that it was not known what the penalty was. The farmers thought they were voting on the 15-cent penalty.

Mr. HATCH. Oh, no. I will tell the Senator what the farmers thought they were voting on; and I say this with no disrespect to them. I myself have been raising wheat. I am a cooperator. I have suffered these burdens in all the years, and I have benefited from the program, too. They voted to get the 85-percent-of-parity loan. That is what they voted for.

Mr. McCARRAN. Mr. President, will the Senator yield again?

Mr. HATCH. Yes; I yield. I may add that if they had not voted it, they would not have gotten the loan.

Mr. McCARRAN. How long was the 85-percent-of-parity loan in existence?

Mr. HATCH. It was in existence at just the same time that the 49-percent penalty was in existence.

Mr. McCARRAN. How long did the penalty provision exist prior to the enactment of the present law?

Mr. HATCH. What penalty provision does the Senator refer to?

Mr. McCARRAN. The 15-cent-penalty provision.

Mr. HATCH. That, as I recall, was included in the original act, passed 3 years ago.

Mr. McCARRAN. It was in effect 3 years and was never enforced.

Mr. HATCH. Oh, no; we never had a marketing quota before. The farmers never voted on it.

Mr. McCARRAN. There never was a threat of a surplus before.

Mr. HATCH. Oh, yes; there was.

Mr. McCARRAN. Oh, no.

Mr. HATCH. There was a surplus last year. Not only was there a threat of a surplus, but there was a surplus.

Mr. McCARRAN. That was the first year that there was even a threat of a surplus, and it was the first year that the quotas were enforced; and the Department officials came before Congress at that time and raised the penalty from 15 cents to 49 cents, and then went out to the farmer and induced him to vote for the 49-cent penalty.

Mr. HATCH. We raised the penalty and we also raised the benefits, and one corresponded to the other. If we compare the market figure, the loan values, the present penalty, and the penalty before the loan value was increased, it will be found that the situation has not changed at all. It is just about the same so far as the noncooperator is concerned.

The Senator from Iowa [Mr. GILLETTE] tells me—and I am sure the Senator speaks correctly, because he comes from a great farm State—that all the local committees went out and explained this exact situation to the farmers at the time they voted the quota; and I desire to say now that this penalty would not have been in effect if the farmers themselves had not voted for it. The great majority of the farmers of the country voted for this program. That is the reason why it is in effect. Now Representatives and Senators say we must relieve a man against the thing for which he himself voted.

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

Mr. HATCH. I yield to the Senator from Delaware.

Mr. HUGHES. Does the Senator from New Mexico mean to say that the farmers, when they voted, knew that the 49-cent penalty was there?

Mr. HATCH. Why, certainly.

Mr. HUGHES. I do not think so. I am sure that in my State, where we grow a large amount of wheat, they did not.

Mr. HATCH. The Senator may say he does not think they did. I do not know what the farmers of his State understood; but, as a matter of fact, the law was just as it is today at the time they voted the marketing quota.

Mr. HUGHES. What I say is that they did not realize that it would apply to the wheat crop which they had already planted; that it would have a retroactive effect.

Mr. HATCH. I venture to say to the Senator from Delaware that the majority of the farmers in his State voted against it.

Mr. HUGHES. No; they did not.

Mr. HATCH. Then I guessed wrong. I know the agricultural situation in the State, and I imagined that that was the case, because in the East generally the vote on the wheat quota was against it, I think. I may be wrong.

Mr. HUGHES. My State is both an industrial and an agricultural State, but the agricultural part of the State is much larger than the industrial part; and that is why we are quite as much interested in farming as we are in industry, or more interested.

Mr. HATCH. I will say to the Senator from Delaware that if he will go to the Agriculture Department and get the facts and the figures, he will find that the farmers in his State, by virtue of the increased benefits, are not injured by the increased penalty; that one offsets the other, and that if these amendments are adopted the farmer will get the benefit and escape the burden. I think that is wrong. That is the reason why I am arguing as I am. I think that when a person takes the benefits he ought to bear the burdens, whether he is a farmer or a Senator or a lawyer or anybody else.

That is about all I have to say, except that I am very much interested in the passage of the bill itself, and I do not want to see it killed. If for no other reason, I hope that all these amendments will be defeated, and that the House bill, with the simple provision giving as much fairness and justice as it does, will eventually become the law.

Mr. McCARRAN. Mr. President, I rise to a question of information. Will the Chair kindly state the question before the Senate?

The PRESIDENT pro tempore. The question before the Senate is on agreeing to the amendments proposed by the Senator from Oklahoma [Mr. LEE.] [Putting the question.] The Chair is in doubt.

Mr. McCARRAN. I call for a division.

Mr. HATCH. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

| | | |
|----------|----------------|---------------|
| Adams | Gillette | Radcliffe |
| Alken | Glass | Rosler |
| Andrews | Green | Russell |
| Austin | Guffey | Schwartz |
| Bankhead | Gurney | Shipstead |
| Barkley | Hatch | Smathers |
| Bone | Hayden | Smith |
| Brewster | Hill | Taft |
| Bunker | Hughes | Thomas, Idaho |
| Burton | Johnson, Colo. | Thomas, Utah |
| Byrd | La Follette | Tobey |
| Capper | Langer | Truman |
| Caraway | Lee | Tunnell |
| Chavez | Lodge | Tydings |
| Connally | McCarran | Vandenberg |
| Danaher | McFarland | Walsh |
| Davis | McKellar | Wheeler |
| Downey | Maloney | Willis |
| Eastland | Overton | |
| George | Pepper | |

The PRESIDENT pro tempore. Fifty-eight Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendments offered by the Senator from Oklahoma [Mr. LEE].

Mr. HATCH. I ask for the yeas and nays.

The yeas and nays were ordered, and the Legislative Clerk proceeded to call the roll.

Mr. DAVIS (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. CHANDLER]. Not knowing how he would vote if present, I transfer my pair to the

junior Senator from Kansas [Mr. REED], and will vote. I vote "yea."

The roll call was concluded.

Mr. BANKHEAD. I have a general pair with the senior Senator from Oregon [Mr. McNARY]. I transfer that pair to the junior Senator from Arkansas [Mr. SPENCER], and will vote. I vote "nay." I am not advised how either of the Senators mentioned would vote if present and voting.

Mr. THOMAS of Utah. I have a general pair with the Senator from New Hampshire [Mr. BRIDGES], which I transfer to the Senator from West Virginia [Mr. KILGORE], and will vote. I vote "nay." I am not advised how either Senator would vote if present and voting.

Mr. HILL. The Senator from Tennessee [Mr. STEWART] has a general pair with the Senator from Oregon [Mr. HOLMAN].

The Senator from North Carolina [Mr. BAILEY], the Senator from Mississippi [Mr. BILBO], the Senator from Michigan [Mr. BROWN], the Senator from Kentucky [Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], the Senator from Missouri [Mr. CLARK], the Senator from California [Mr. DOWNEY], the Senator from Louisiana [Mr. ELLENDER], the Senator from Rhode Island [Mr. GERRY], the Senator from Iowa [Mr. HERRING], the Senator from West Virginia [Mr. KILGORE], the Senator from Illinois [Mr. LUCAS], the Senator from South Carolina [Mr. LUMPKIN], the Senator from New York [Mr. MEAD], the Senator from Utah [Mr. MURDOCK], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Arkansas [Mr. SPENCER], the Senator from Tennessee [Mr. STEWART], the Senator from Oklahoma [Mr. THOMAS], the Senator from Indiana [Mr. VAN NUYS], and the Senator from Washington [Mr. WALLGREN] are necessarily absent.

The Senator from South Dakota [Mr. BULOW] and the Senator from New York [Mr. WAGNER] are detained by illness.

Mr. AUSTIN. The Senator from Oregon [Mr. McNARY], the Senator from Minnesota [Mr. BALL], the Senator from New Jersey [Mr. BARBOUR], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Nebraska [Mr. BUTLER], the Senator from Oregon [Mr. HOLMAN], the Senator from Kansas [Mr. REED], and the Senator from Maine [Mr. WHITE] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is temporarily absent on official business. If present, he would vote "yea."

The result was announced—yeas 34, nays 23, as follows:

| | | |
|----------|----------------|---------------|
| YEAS—34 | | |
| Adams | Eastland | Maloney |
| Alken | Glass | Shipstead |
| Austin | Gurney | Taft |
| Bone | Hughes | Thomas, Idaho |
| Brewster | Johnson, Colo. | Tobey |
| Bunker | La Follette | Tydings |
| Burton | Langer | Vandenberg |
| Byrd | Lee | Walsh |
| Capper | Lodge | Wheeler |
| Chavez | McCarran | Willis |
| Danaher | McFarland | |
| Davis | McKellar | |
| NAYS—23 | | |
| Andrews | Barkley | Connally |
| Bankhead | Caraway | George |

| | | |
|----------|-----------|--------------|
| Gillette | Overton | Smathers |
| Green | Pepper | Smith |
| Guffey | Radcliffe | Thomas, Utah |
| Hatch | Rosler | Truman |
| Hayden | Russell | Tunnell |
| Hill | Schwartz | |

NOT VOTING—38

| | | |
|--------------|-----------------|---------------|
| Bailey | Ellender | Nye |
| Ball | Gerry | O'Mahoney |
| Barbour | Herring | Reed |
| Bilbo | Holman | Reynolds |
| Bridges | Johnson, Calif. | Spencer |
| Brooks | Kilgore | Stewart |
| Brown | Lucas | Thomas, Okla. |
| Bulow | Lumpkin | Van Nuys |
| Butler | McNary | Wagner |
| Chandler | Mead | Wallgren |
| Clark, Idaho | Murdoch | White |
| Clark, Mo. | Murray | Wiley |
| Downey | Norris | |

So Mr. LEE's amendments were agreed to.

Mr. HATCH. Mr. President, earlier today an amendment offered by the Senator from Nevada [Mr. McCARRAN] was adopted. As I understand the amendment, it provided that the penalty should be reduced from 49 cents to 15 cents a bushel. I now move that the vote by which that amendment was adopted be reconsidered.

Mr. McCARRAN. Mr. President, I wonder if the Senator from New Mexico has been advised as to what the amendment was.

Mr. HATCH. The Senator from New Mexico was not on the floor when the amendment was discussed and acted upon. I simply have a general knowledge of it. I do not have accurate information of it. I will say to the Senator.

Mr. McCARRAN. Mr. President, I ask that the amendment be stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 1, line 3, after the word "That", it is proposed to insert "(a)"; and on page 2, between lines 8 and 9, it is proposed to insert the following new subsection:

(b) The penalty provided for in paragraph (2) of such act of May 26, 1941, shall not be applicable during the marketing year commencing July 1, 1941, with respect to winter wheat harvested during the calendar year 1941.

Mr. HATCH. Mr. President, I do not propose to argue this amendment. The same principle is involved in it that was involved in the amendments which the Senate just adopted. If the Senate wishes to take that course, it has the right to do so, and I would not quarrel for a moment about it. I think the amendment is wrong. I know it is destructive of the entire agricultural program. I know that if this procedure continues we will not have any program. If it continues, I know that next year we will not have a single cooperator in the wheat-growing sections, and if it continues with respect to cotton we will not have a single cooperator in the Cotton Belt. I know those things are true, and I know we shall get back to the law of supply and demand which the Senator from Nevada wants. If the Congress wants to do that, that is its privilege, of course. I think it would be perhaps a more honorable course simply to repeal the act outright rather than to do it in this fashion.

I think perhaps the amendment of the Senator from Nevada should be further amended, however, so that if the penalty

is reduced, then also that the added loan value be reduced equally. In other words, if we remove the penalty which was provided in the act which Congress passed, then let us also remove the benefits. Is that not fair? Is that not a reasonable proposition? If we give a benefit and at the same time increase a burden, and then later on we reduce the burden, then should we not also correspondingly reduce the benefit? So if my motion to reconsider prevails, I shall ask the Senate to do the fair and reasonable thing, and also reduce the loan value the same as the penalty is reduced, and put the whole situation back exactly where it was when the legislation was passed. I think that is a fair and a reasonable proposition. Would the Senator from Nevada accept such an amendment?

Mr. McCARRAN. Mr. President, I will pass on one amendment at a time.

The PRESIDENT pro tempore. The question is on the motion of the Senator from New Mexico [Mr. HATCH] to reconsider the vote by which the amendment of the Senator from Nevada [Mr. McCARRAN] was adopted.

Mr. HATCH. I suggest the absence of a quorum.

Mr. BARKLEY. Mr. President, will the Senator yield to me for a question?

Mr. McCARRAN. Mr. President, a point of order. No business has been transacted since the last quorum call.

Mr. HATCH. Mr. President, a record vote was had, but I withdraw my suggestion of the absence of a quorum at this time.

Mr. BARKLEY. Mr. President, I simply wish to ask the Senator from New Mexico if the only object of his motion to reconsider the vote by which the amendment was adopted is to offer an amendment reducing the benefits?

Mr. HATCH. No; I would not say that. That is a little strategy. I propose to offer an amendment reducing the benefits in the hope that I can kill the amendment itself.

Mr. BARKLEY. I wish to say frankly to the Senator that I am in sympathy with his position generally, as I indicated by my vote a while ago, but I would not vote to reconsider the vote by which the McCarran amendment was adopted simply in order to afford an opportunity to reduce the farmers' benefits.

Mr. HATCH. No; I do not want anyone to get that idea, and I did not mean to create that impression. I wish to kill the amendment offered by the Senator from Nevada. I think it is a vicious thing, and that it ought to be killed. But if it is to be adopted, if the Senate follows the same course and votes as it did a while ago, then it ought to reduce the benefits correspondingly. But even if my proposed amendment should be adopted I would vote against the McCarran amendment.

Mr. President, I now suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | |
|-------|---------|----------|
| Adams | Andrews | Bankhead |
| Alken | Austin | Barkley |

| | | |
|----------|-----------------|---------------|
| Bone | Hatch | Rosler |
| Brewster | Hayden | Russell |
| Bunker | Hill | Schwartz |
| Burton | Hughes | Shipstead |
| Byrd | Johnson, Calif. | Smathers |
| Capper | Johnson, Colo. | Smith |
| Caraway | La Follette | Taft |
| Chavez | Langer | Thomas, Idaho |
| Connally | Lee | Thomas, Okla. |
| Danaher | Lodge | Thomas, Utah |
| Davis | Lumpkin | Tobey |
| Downey | McCarran | Truman |
| Eastland | McFarland | Tunnell |
| George | McKellar | Tydings |
| Gillette | Maloney | Vandenberg |
| Glass | O'Mahoney | Walsh |
| Green | Overton | Wheeler |
| Guffey | Pepper | Wiley |
| Gurney | Radcliffe | Willis |

The PRESIDENT pro tempore. Sixty-three Senators have answered to their names. A quorum is present.

Mr. TAFT. Mr. President, I should like to ask the Senator from Nevada [Mr. McCARRAN] a question. Am I to understand that his amendment has the effect, or is intended to have the effect, of reducing the penalty from 49 cents to 15 cents, but not wiping it out entirely?

Mr. McCARRAN. So far as those who planted winter wheat are concerned, the amendment would restore the law to what it was when they planted the winter wheat. At that time the penalty was 15 cents a bushel.

Mr. GURNEY. Mr. President, I ask the Senator from Nevada if it would also reduce the penalty from 49 cents to 15 cents on spring wheat?

Mr. McCARRAN. My amendment does not go that far. It deals only with wheat known as winter wheat, which was planted the fall before we enacted the present law.

Mr. GURNEY. Is it not a fact that spring wheat was also planted before we increased the penalty?

Mr. McCARRAN. That depends on the locality. I am advised that there are localities in which spring wheat was planted, but in other localities spring wheat had not yet been planted.

Mr. GURNEY. I think the Territory of Alaska would be the only place that would come in the latter category.

Mr. McCARRAN. I cannot agree with that statement. Let me read the figures for the benefit of the Senator from South Dakota in answer to his inquiry.

The principal States growing winter wheat are Kansas, Oklahoma, Texas, Nebraska, Indiana, Illinois, and Washington. The principal States growing spring wheat are North and South Dakota, plus the States which grow winter wheat. The acreage of winter wheat planted was 40,316,000 acres; of spring wheat, 16,000,000 acres. The estimated yield of winter wheat is 682,000,000 bushels; and of spring wheat, 241,000,000 bushels.

Those figures come to me from the Department.

Mr. GURNEY. That does not answer my question.

Mr. McCARRAN. I do not want to evade the Senator's question.

Mr. GURNEY. My question was, Is there any spring-wheat State in the Union in which planting is not done previous to the 26th of May?

Mr. McCARRAN. I am unable to answer that question, because I do not know the custom in the respective localities. I know the custom only in my own locality.

Mr. GURNEY. I can answer the question by saying that in the Dakotas, which are about as far north as any other State, spring wheat is planted quite a while previous to May 26.

Mr. McCARRAN. I am so advised.

Mr. GURNEY. I give that information to the Senator from Nevada, feeling that spring-wheat growers are entitled to just as much consideration as are winter-wheat growers.

Mr. McCARRAN. That may be true. However, I wonder if the Senator has considered the fact that for 3 years prior to the time we enacted the present law the penalty was 15 cents a bushel. During the 3 years there was no attempt to enforce the law because there was no threat of a surplus. In 1941, when we enacted the present law, there was a very emphatic threat of a surplus.

Mr. GURNEY. Was the threat of surplus occasioned by the increased yield per acre in the Winter Wheat Belt, or in the Spring Wheat Belt?

Mr. McCARRAN. I am unable to answer that question. I wish I had the details.

Mr. GURNEY. I am quite sure it was in the Winter Wheat Belt, where already a large crop has been harvested, which has yielded a great amount per acre. At the moment the Spring Wheat Belt is subject to some very hot weather, which will decrease the yield per acre.

Mr. McCARRAN. That may be true. I would not argue with the Senator, because he comes from a great wheat-producing section. However, I wish to bring to the attention of the Senate the fact that there never was an attempt to enforce the law until we had a threat of a surplus; and as soon as there was a threat of a surplus there was not only a movement in Congress to enforce the penalty of 15 cents a bushel, which up to that date had not been enforced, but there was an increase in the penalty from 15 cents a bushel to 49 cents a bushel.

In the meantime farmers who had been accustomed to raising wheat had planted their wheat, and so the penalty came upon them.

It has been asserted that the benefits came upon them also. However, they knew but little about benefits on wheat which had not yet been harvested. They did know about the penalty of 15 cents, which was the law at that time.

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

Mr. McCARRAN. I yield.

Mr. HATCH. Will the Senator explain to me how they knew more about penalties on wheat which had not been harvested than they knew about benefits?

Mr. McCARRAN. Because the benefits had not yet been established, but the penalties had been established for 3 years.

Mr. HATCH. The benefits were established at the same time.

Mr. McCARRAN. The benefits were not established until after the law went into effect.

Mr. HATCH. Mr. President, although I have the highest regard for the Senator from Nevada, I disagree with him. I think he is as wrong as he can be.

Mr. McCARRAN. And I think the Senator from New Mexico is as wrong as he can be.

Mr. HATCH. Well, that is fair enough. I reserve the right to be wrong.

Mr. SHIPSTEAD. Mr. President, the Senator from Nevada [Mr. McCARRAN] has discussed the penalty on wheat, and that is one question. However, the question of reconsidering the amendment is an entirely different one. As the amendment was adopted by the Senate the penalty was removed from winter wheat, and that leaves a penalty on spring wheat.

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

Mr. SHIPSTEAD. I yield.

Mr. HATCH. The Senator from Minnesota is just as right as he can be, and the only thing I regret about his statement is that that is an argument I expected to use later on.

Mr. SHIPSTEAD. I am sorry to inconvenience the Senator from New Mexico.

The situation is that the Senate has said that those who raise winter wheat do not have to pay a penalty. I think that applies to about two-thirds of the wheat acreage of the United States. Those who raise spring wheat must pay the penalty of 49 cents a bushel. I do not see how a more inequitable piece of legislation could be passed. This amendment ought to be reconsidered; and then the question should arise as to whether we will remove the penalty on all wheat or restore the penalty on winter wheat, so that all wheat raisers shall stand on a basis of equality before the law.

I cannot understand how the Senate or the Congress can pass a bill, and have it become law, whereby we divide wheat farmers into two different categories, in one of which the farmers must pay a penalty and in the other the farmers do not have to pay a penalty.

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

Mr. SHIPSTEAD. I yield.

Mr. McCARRAN. In opposing the amendment which has been adopted by the Senate, is the Senator's reason based on his statement, as I understood it to be made, that all the penalty should be removed?

Mr. SHIPSTEAD. That is an entirely different question. I know that question may arise, but I am not discussing that now.

The Senator and the other supporters of this amendment have said it applies only to that wheat which was planted in the marketing year of 1940-41, I think it is. As a matter of fact, it applies to all wheat planted or harvested this year. It is true that in the north, along the Canadian border, we plant our wheat before the 24th or 25th or 26th of May. I do not know of any portion of the United States, unless it be in Alaska, where wheat is planted any later. I do not know how much wheat is raised in Alaska, but because of the shortness of the season there I do not know how any wheat can be raised up there.

That argument cannot apply here. In the entire tier of States along the Canadian border, from the Pacific coast to the Atlantic coast—I cannot say as to

Maine; that is a little far north—I do not know of any territory, and I defy anyone to point out any territory along the northern border, in which wheat is planted after the 25th or 26th of May.

So, if we are going to have some sense in legislation, this amendment should be reconsidered, and then the question of repealing the penalty or equalizing it can be considered on its own merits. But certainly this amendment should be reconsidered for the purpose of getting rid of this iniquitous provision, and then the amendment or whatever other amendment may be offered, will be before the Senate.

INVESTIGATION OF CHARGES OF CONVOYING AND DESTRUCTION OF GERMAN VESSELS BY THE UNITED STATES NAVY—REPORT OF NAVAL AFFAIRS COMMITTEE

Mr. WALSH. Mr. President, I regret to have to divert for a few minutes the attention of the Senate from the subject now under consideration. I have waited for some time hoping that the bill before the Senate would be disposed of so that I could present to the Senate a report from the Naval Affairs Committee on the investigation of charges that American naval vessels are convoying ships or have destroyed German naval vessels.

The Senate will recall that the Senator from Montana [Mr. WHEELER] on June 30 introduced a resolution, which became Senate Resolution 138, in which he set forth various "whereases" which contained statements printed in newspapers and written by columnists dealing with naval operations at sea and which requested a Senate investigation. The resolution contained two important resolves: First, for the investigation of charges made through the press that American naval vessels are convoying or escorting at sea; and, second, that American naval units are fighting and dropping depth bombs on German naval units.

The committee felt that its object was simply that of making an ex parte investigation for the purpose of reporting to the Senate whether a full and more complete investigation, as asked for in the resolution, was desirable.

The committee called before it the only naval officers who could give information on the subject matter—Secretary Knox and Admiral Stark, Chief of Naval Operations. After hearing their testimony, the committee decided to report, in the nature of a preliminary report, the questions and answers that related to the subject matter of the resolution. The report set forth the questions asked by the members of the committee and the answers—not all of them, but such as pertain to the resolution and such as do not disclose military secrets. The Navy Department was requested to examine the report before it was finally acted upon by the committee, and was asked to delete—properly—such questions and answers as were of a military-secret nature.

I must say that the officers of the Navy were very frank in giving to the committee all information not within the sphere of military secrets, so-called.

The conclusion reached by the committee is that no further investigation is

necessary, and that recommending a more complete investigation would result in going over the same matter. Because, after all, there is no one who can answer the questions as to the accuracy of the statements and allegations made but the naval officers who were interrogated.

I may add that, in my opinion, the report clears up a great many of the statements or misstatements which have been made about the Navy and its operations at sea. I think a reading of the report will indicate that up to date the Navy has confined itself to what is properly within its functions. I submit the report and ask unanimous consent that it be printed in the RECORD for the information of the Senate, and be placed on the calendar for further disposition.

The VICE PRESIDENT. Without objection, it is so ordered, and the report will be placed on the calendar. The resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. WALSH. I do not think that is necessary, because the resolution did not ask for the appropriation of any money, as I recall it. Am I mistaken about that?

The VICE PRESIDENT. The closing sentence of the resolution states:

And to make such expenditures as it deems advisable.

Mr. WALSH. It may be desirable to refer the resolution as suggested; but I personally think the Committee on Naval Affairs has authority to make the investigation itself and to use for that purpose its general funds. In fact, I think that the committee itself, on its own initiative, could have made all the inquiries that were asked for in the resolution without any resolution at all. I personally think—and I believe it will be satisfactory to the Senator who submitted the resolution—that the proper course is to let the report be placed on file and so disposed of.

The VICE PRESIDENT. Is there objection to the filing of the report and letting it go directly on the calendar? The Chair hears no objection, and it is so ordered.

Mr. AUSTIN. Mr. President, will the Senator yield to me?

Mr. WALSH. I yield to the Senator from Vermont.

Mr. AUSTIN. Mr. President, if it is deemed proper by the Senator from Massachusetts to state briefly to the Senate whether the investigation revealed that the Navy was convoying and whether bombs were being dropped by American bombers, I think it would be well to state the facts simply at this time.

Mr. WALSH. I think the report will clear up a great many of the conflicting statements which have been given to the public and the misunderstandings under which the public labors as to just what the Navy has been doing. I will read the questions and answers dealing with the subject matter about which the Senator inquires. The chairman of the committee asked this question:

Admiral, it was enlightening and helpful to have you saying that naval vessels have not

participated in any conveying. What distinction does the Navy make between patrolling and conveying?

Admiral STARK. The public uses the word "convoy" more often than it uses the word "escort." A large number of ships together would constitute a convoy, even were the Navy with it, or without the Navy; but if you put naval ships with it to protect it, you escort the convoy; and I might say we have escorted no merchant ships whatever, with the single exception of the *Iroquois*.

As the Senator will recall, the *Iroquois* was bringing Americans back from Europe when notice was sent that it was to be torpedoed, and as a precaution our Government sent a convoy out to meet the ship and escort it to our own shores.

What was the other inquiry of the Senator from Vermont?

Mr. AUSTIN. The other question was whether the inquiry revealed the use of bombs by American bombers.

Mr. WALSH. I will be pleased to give that information by reading further from the report:

ATTACKS MADE UPON UNITED STATES VESSELS AND PLANES

Question. All information in the possession of the Navy relating to attacks made upon United States vessels and planes.

Secretary KNOX. None made; none whatever, except as attacks by the Axis vessels on ours. Is that it?

Question. All information in the possession of the Navy relating to attacks upon United States vessels and planes?

Secretary KNOX. None made; except the *Robin Moor*, the *Panay*, and the *Tutuila*, all of which are well known. In case the committee is not familiar with the *Tutuila* incident, she was struck by a bomb fragment during a recent bombing raid of the Japs on Chungking. The *Tutuila* was anchored in the designated spot, well clear of Chinese ships and installations.

Of course, as the Senator knows, the *Panay* incident occurred over 2 years ago. The *Panay* was an American gunboat that was fired upon in Chinese waters.

Question. All information in the possession of the Navy relating to attacks by United States Naval or Coast Guard vessels or planes on Axis vessels or planes.

Secretary KNOX. None made whatever, except that the *Panay* fired in self-defense when she was bombed.

Senator TYDINGS. That was how long ago?

Secretary KNOX. Two years ago.

That is the incident to which I referred.

SHOOTING

Question. Does collaboration with any other country envisage shooting by American ships on the ships of other nations?

Secretary KNOX. That falls in the same category.

Senator JOHNSON. What do you mean by that, by "falls in the same category"? As what?

Secretary KNOX. The word is "collaboration." That necessarily would mean plans, I take it, and whatever plans we may have for a future war in collaboration with some other nation.

Senator JOHNSON. I think it is in the present, whether the collaboration exists now, in writing or otherwise, with any other country regarding the ships of any other nation.

Secretary KNOX. Again I repeat, Senator, that is secret information.

Senator JOHNSON. Now, has there been any change in the orders since the peaceful taking of Iceland?

Secretary KNOX. The only thing we have to date, sir, is contained in the message of the President on Iceland. I would like to read just two paragraphs.

Senator JOHNSON. They are in general terms, aren't they?

Secretary KNOX. Yes; they are in general terms.

The CHAIRMAN. What we are trying to do here is to break down the opinion that has been given to the public through these statements that our Navy is pursuing a course of participation, remotely or indirectly, in war. The evidence shows that is not the fact.

Admiral STARK. That is right. In other words, the public has been led to believe we were shooting, working with British ships. That is not true.

Senator BONE. The trouble with these reports circulated by these newsmen—I know it is true in my State—when we want to get a statement clarified they will not disclose anything.

The CHAIRMAN. And we can assure the American people that there is not an undeclared war, a hidden war, or a naval war as far as we are concerned?

Secretary KNOX. That is right.

I think we have reason to be grateful for that situation today.

Mr. AUSTIN. I thank the Senator from Massachusetts for his clear statement.

Mr. WALSH. Other information on the line indicated by the inquiry of the Senator from Vermont will be found in the report.

Mr. BARKLEY. Mr. President, may I call the attention of the Senator from Massachusetts to the parliamentary situation with respect to the resolution? The resolution was submitted on June 30 and was referred to the Committee on Naval Affairs. There has never been any action by the Senate or by the Committee on Naval Affairs on the resolution.

Mr. WALSH. That is correct.

Mr. BARKLEY. A question arises purely as to the parliamentary situation.

Mr. WALSH. I took the reference of the resolution as calling for action by the committee whether the Senate adopted the resolution or not.

Mr. BARKLEY. That is what I was coming to.

Mr. WALSH. And that there was placed upon the committee the obligation of having a preliminary hearing, which we had. It so happens, in my opinion, and I think in the opinion of members of the committee, that the preliminary hearing was a full hearing, and, therefore, the committee has recommended that no further action be taken by the Senate, and I thought, the report having been filed, when it reached the calendar it could be disposed of then. Does the Senator think that would be a satisfactory parliamentary solution?

Mr. BARKLEY. That is what I am trying to get at. Of course, technically, the Senate might adopt the resolution now and have the Senate Committee on Naval Affairs make its report on it, or, otherwise, the committee might make a preliminary report, in view of the full hearings the committee had, and then recommend that the resolution be tabled and not be acted upon.

Mr. WALSH. That is correct. It seems to me that the latter course would be the better course to pursue.

Mr. BARKLEY. I think, formally, the resolution must be reported back to the Senate for such action as the committee may recommend. In view of the report now presented and the full hearing, it seems to me that the simplest way would be to report the resolution back to the Senate and recommend that no further action be taken upon it or that it be tabled, because the full information is laid before the Senate in the report.

Mr. WALSH. The committee had in mind preventing duplication of work by any committee and disposing of the matter once and for all; I think, if the report is satisfactory, that it might go to the calendar, and, when the calendar is reached I will move that the resolution be tabled if the report covers satisfactorily whatever action it would be necessary to take under the resolution.

Mr. BARKLEY. So the Senator now really is reporting the resolution back to the Senate?

Mr. WALSH. That is right, and making a report to show that it is not necessary for any further steps to be taken, because the committee has exhausted such inquiry as seemed to us ought to be made.

Mr. BARKLEY. Technically the committee would just report the resolution back to the Senate with the recommendation that it be not adopted.

Mr. WALSH. The language the committee used at the end of the report is this:

CONCLUSION

The committee is of the opinion that no further investigation need be undertaken at this time as the preliminary hearings covered the subject by a detailed examination of naval officials who were in a position to furnish the committee with the facts.

Mr. AUSTIN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. AUSTIN. Would it be in order, at such a stage of the proceedings as is revealed now, to have the resolution indefinitely postponed?

Mr. WALSH. I would prefer that that not be done until the Members of the Senate have had a chance to read the report in the RECORD.

Mr. AUSTIN. Very well; I shall not insist upon it.

Mr. WALSH. I have asked that the report be printed in the RECORD, and I think, when it goes on the calendar, we can agree upon a proper disposition of the resolution; but it is my judgment, and I rather assume the author of the resolution will agree, that the subject matter has been covered as fully as could be expected under the circumstances. The committee did not wish to recommend against the resolution, for it was most desirable for the Senate to have the real facts with respect to naval activities to date.

Mr. BARKLEY. In order to have the parliamentary situation clear, the committee is reporting the resolution back to the Senate.

Mr. WALSH. Yes, to be placed on the calendar.

Mr. BARKLEY. Ordinarily, resolutions are reported back with either a

favorable recommendation or an unfavorable recommendation, or without expression of the views of the committee as to what should happen. This resolution presents a little different situation.

Mr. WALSH. Although we do say that no further action seems to be necessary.

Mr. BARKLEY. In view of that fact, it seems to me the resolution should be reported back formally to the Senate accompanied by the report the Senator has made, and which is in writing, as I understand.

Mr. WALSH. In print, in fact.

Mr. BARKLEY. In print; and it recommends that no further action be taken upon the resolution.

Mr. WALSH. That is correct.

Mr. BARKLEY. So it will go to the calendar, and then be disposed of in that way.

Mr. WALSH. I appreciate the Senator's suggestions, and to conform to them I now formally, from the Committee on Naval Affairs, report back, without recommendation, the resolution (S. Res. 138) authorizing an investigation of charges that American naval vessels are convoying ships or have destroyed German naval vessels, and I submit a report (No. 617) thereon. I ask unanimous consent that the report of the committee may be printed in the RECORD for the information of the Senate, and that the resolution be placed on the calendar for further disposition.

The report of the Committee on Naval Affairs was ordered to be printed in the RECORD, as follows:

The Committee on Naval Affairs, to whom was referred Senate Resolution 138, introduced by Senator WHEELER on June 30 and referred to the Committee on Naval Affairs, submit the following report to the Senate:

THE COMMITTEE'S FUNCTION

The committee considered that its function was to conduct a preliminary hearing for the purpose of determining the question of whether or not to recommend to the Senate favorable action in support of an extensive and complete investigation into the subject matter presented therein.

The committee did not consider it necessary to do more at this time than to report to the Senate the results of its preliminary investigation and await the further action of the Senate regarding any further action it desired. The evidence presented to the committee was confined to the officials of the Navy Department who alone were in a position to inform the committee of the facts.

The resolution contains various "whereases" in which were set forth various statements printed in newspapers and written by columnists dealing with naval operations at sea. The particular statements are set forth in the resolution and referred to hereafter in detail.

The resolution contained two important "resolves":

First, an investigation of the charges that American naval units are convoying or escorting ships at sea; and

Second, that American naval units are shooting or dropping depth bombs on German naval units.

The committee made detailed investigations into these two subjects, and also made inquiries of the representatives of the Navy Department before the committee on many phases of Navy policies and activities up to the present time.

In view of the limited and ex parte nature of its preliminary inquiry, the committee is of

the opinion that it should make its report in the nature of questions and answers rather than pass judgment on the accuracy and inaccuracy of the statements of evidence present in detail.

TESTIMONY

Excerpts from the hearing held on July 11, 1941, when Hon. Frank Knox, Secretary of the Navy, and Admiral H. R. Stark, Chief of Naval Operations, appeared before the committee in executive session are as follows:

The CHAIRMAN. Secretary Knox, the first paragraph of the first "whereas" in Senate Resolution 138, which the committee has under consideration, reads as follows:

"Whereas on June 2, 1941, Joseph W. Alsop was sworn in as a Naval Reserve officer by the Secretary of the Navy, Frank Knox; and

"Whereas the said Alsop, as coauthor of a syndicated newspaper column, on June 9, 1941, 1 week after he had taken the oath as a Naval Reserve officer, stated in that column:

"In one case, rather more than a month ago, an encounter between German and American warcraft at sea very nearly terminated in an attack by the Germans. In another, slightly more recent, an attack on what was believed to be a German submarine was actually made by an American destroyer."

The committee will be pleased to have your comments on this statement.

Secretary KNOX. We haven't any knowledge whatever of any such incident. In fact, we are supremely confident it never occurred. I think it is a pure fabrication out of whole cloth. Not any officer of ours—and the Chief of Naval Operations will support me in this—had ever heard of such an incident, and certainly the officer commanding the American ships involved would have been in duty bound to report.

The CHAIRMAN. The second paragraph of this first "whereas" reads as follows:

"No details of the first episode are available, but the basic facts of the second are known.

"The destroyer, the name of which cannot be ascertained, was picking up survivors from a British vessel sunk not far from the coast of Greenland. While the operation was in progress the destroyer's detecting device announced the approach of a submarine. The submarine could only have been German. It was virtually certain to use its torpedoes, as semidarkness concealed the nationality of the American ship. And the commander of the destroyer accordingly dropped three depth charges.

"Thus, although the President is waiting for the Germans to shoot first, the truth is that there has been shooting already."

Secretary KNOX. Now, here are the facts: One United States destroyer operating off Greenland heard the SOS of a steamer and proceeded to the location and picked up 60 of the survivors of the steamer. While engaged in this act of mercy, the operator of the listening equipment reported to the captain that he thought he heard a submerged submarine. The captain immediately turned toward the direction indicated and dropped three depth charges. In doing this, he very prudently exercised the right of self-preservation, for had there been a submarine there, his destroyer might have been sunk. There was no other evidence that a submarine was there and it is quite possible no submarine was there. The listening-equipment echo might have been received from a whale or a large fish, or a cold current, instead of a submarine—something which is frequently experienced.

Now, none of them knew whether there was a sub there or not, but the man in command did what any man would do who was on the verge of an attack by a submarine. He would do it in self-defense.

Senator JOHNSON. Now, how did these people get hold of that story?

Secretary KNOX. I happen to know how they got hold of that, because I went after the fellow with spikes in my boots. As I understand it, it was told to a Boston Post re-

porter on the streets of Boston by a couple of members of the crew of the destroyer when she came home.

The CHAIRMAN. Was it published first in the Boston Post?

Secretary KNOX. I do not know that. We did not get any word whatever of this for 2 weeks, so when the rumor first reached our office it was categorically denied. We had no knowledge whatever of it. Later we got the details as I have given them to you here.

The CHAIRMAN. Did you get the details voluntarily from the officer in command of the destroyer?

Secretary KNOX. Yes; he made a written report to his commander in chief.

The CHAIRMAN. By request of the Navy Department?

Secretary KNOX. No; not at all. Am I right about that, Admiral?

Admiral STARK. Yes; made to Admiral King, and King sent it right down to the office.

Senator BREWSTER. In this instance we have the peculiar angle that this man was apparently a member of the Navy Department at the time this happened. How does that affect the picture? This Alsop was sworn in, as we understand, as a Naval Reserve officer 1 week before this happened.

Secretary KNOX. Yes.

Senator BREWSTER. What about discipline?

Secretary KNOX. I gave him the most god-awful bawling out that a man ever got.

Senator BREWSTER. Do you think, Mr. Secretary, that that answers the question?

Secretary KNOX. That is as far as I went.

Senator JOHNSON. These incidents that you say were utterly false occurred just prior to his being commissioned, did they not?

Secretary KNOX. Just after.

The CHAIRMAN. Just before he was assigned to duty.

Secretary KNOX. He was a commissioned officer when I talked to him.

Senator JOHNSON. He was a commissioned officer when you talked to him?

Secretary KNOX. Yes, sir.

Senator JOHNSON. He is performing now the duties abroad that have been assigned to him?

Secretary KNOX. That is right.

Senator JOHNSON. They are of a secret and confidential nature, are they not?

Secretary KNOX. They are.

Senator JOHNSON. Well, what possible dependence can you place upon a man performing accurately a confidential mission when you have had such experience with him as you have had?

Secretary KNOX. Well, you have to choose, I gave him hell, all right. You had to choose between a reprimand and a discharge. My judgment may have been in error. I took the former rather than the latter course.

Senator JOHNSON. The lapse of time between his appointment and the incident was very short, wasn't it?

Secretary KNOX. That is right. It was very short.

Senator BYRD. One week. He was sworn in on June 2 and he wrote this article on June 9.

Secretary KNOX. I think that was the first article.

Senator BYRD. Mr. Secretary, what are his duties now?

Secretary KNOX. What is that?

Senator BYRD. What are his duties now?

Secretary KNOX. He is in the Intelligence Service.

Senator BYRD. Wasn't he given an assignment which is given to people with very unusual qualifications and which is very desirable?

Secretary KNOX. I would not say so. Of course, I cannot discuss what the assignment is, but I would not say it is very desirable.

Senator BYRD. Your reprimand dealt, as I understand it, with the second incident, not the first?

Secretary KNOX. I do not know anything about the first.

Senator BYRD. The first incident was very much worse than the second. He states a fact that never occurred at all.

Secretary KNOX. Completely untrue.

Senator BYRD. Should not that be made a part of the record? Should not he be reprimanded more severely for that than simply for an indiscretion?

Secretary KNOX. I did not go into the specifications. I was just bawling him out for writing as he did.

Senator BYRD. If he was a Naval Reserve officer at the time and had been sworn in a week before it seems to me that is much more reprehensible. What disturbs me about it, Mr. Secretary, very frankly is that you gave him this confidential commission, which must have been of some importance, after this occurrence and after your reprimand to him.

Secretary KNOX. I would have to do one of two things: Either discharge him or reprimand him, and I reprimanded him. The assignment to this particular duty came subsequently. He is now active in the Navy.

The CHAIRMAN. The next "whereas" in Senate Resolution 138 is as follows:

"Whereas on June 23, 1941, Drew Pearson and Robert S. Allen in their syndicated newspaper column charged:

"A group of American naval vessels has just returned from its first experience at Atlantic "patrol," or "convoying." Whatever it is called, they helped to get about 80 British merchantmen safely most of the way to the west coast of Africa. Then the British took over.

"Three United States airplane carriers, 6 destroyers, and 3 cruisers accompanied the convoy across the Atlantic—but never within sight of the 80 British merchantmen.

"One airplane carrier steamed ahead of the merchantmen, another to the rear, another to the north. Each carrier was protected by two destroyers, zigzagging constantly. The carriers performed the most important part of the patrol, keeping their airplanes constantly scouring the sky.

"Once a plane sighted a German surface raider and radioed its position to British warships, which rushed up and sank her. The battle took place so close to American vessels that they could hear the fighting, though the never saw the ships. United States radio operators picked up the distress message sent to Berlin by the Nazi vessel saying that she was sinking.

"On another occasion an airplane-carrier detector picked up the vibrations of a submarine and signaled it come to the surface. When there was no answer, United States destroyers immediately dropped depth charges. After that the detector picked up no more vibrations.

"When the patrol reached its meeting place with the British, near Cape Verde Islands, off the African coast, it turned north, and shortly after this the 12 United States naval vessels headed home."

Secretary KNOX. That is a perfect piece of fabrication. There isn't a word of truth in it of any kind.

The CHAIRMAN. That statement goes down to the statement beginning "On another occasion"?

Secretary KNOX. Yes; down to "On another occasion" and including that. That is completely manufactured out of whole cloth.

The CHAIRMAN. Where did they get this information?

Secretary KNOX. I haven't the faintest idea. It looks to me like a pure invention.

Senator TYDINGS. That is worse than the other. Are you including the paragraph starting with "On another occasion"?

Secretary KNOX. Yes; the one about dropping depth charges. There isn't a particle of truth in it.

Senator BONE. Then the entire statement is utterly false?

Secretary KNOX. The entire statement is utterly false.

Senator LUCAS. Every sentence?

Secretary KNOX. Every single word in it, without qualification.

Senator BREWSTER. Nothing in it is true?

Secretary KNOX. Nothing whatever.

Senator TYDINGS. Mr. Secretary, if I may ask you 2 or 3 questions. It may be somewhat superfluous, but I would like to put it out in the clear. There was no incident where 1 or more airplane carriers convoyed 80 or a lesser amount of British merchantmen across the ocean?

Secretary KNOX. Never.

Senator TYDINGS. There was no case where a battle took place at sea which we inspired or that we stood by and listened to?

Secretary KNOX. Nothing of that kind whatever. We do not know a single thing about it, and we would know about it if it ever happened.

Admiral STARK. We never heard of it.

Admiral STARK. As regards our men-of-war going over with the British convoy and turning them over to the British authorities, there is just nothing in it at all. We have never convoyed a single merchant ship with the exception that early in the war, the American-flag steamship *Iroquois* was bringing home a large number of Americans. It all came out in the press that somebody warned—as a matter of fact, it came from the Germans, that the British were going to blow her up with a bomb. We put no credence in it, but we immediately sent ships out and escorted her from somewhere off the Grand Banks to New York. That is the only instance where we escorted a merchant ship.

The CHAIRMAN. The other "whereas" in Senate Resolution 138 is as follows:

"Whereas on June 23, 1941, Gen. Hugh S. Johnson in his syndicated column stated:

"To an experienced eye there can be small doubt, after reading innocent but censored letters from young naval officers, that we have already sunk Nazi submarines. A submerged sub isn't so hot with the radio. A depth bomb leaves no trace. If this is an incorrect conjecture, and it can be no more than conjecture, there is little doubt that our Navy "spots" German subs and guides British ships to them.

"It seems to be quite generally believed that the seizure of great passenger liners and recent shifts of the Navy from the Pacific (not through the Panama Canal, but around Cape Horn) are preparatory to an attack on Dakar in West Africa, or other key Atlantic positions.

"What's the difference between that and outright war?"

Secretary KNOX. There is no truth in it whatever. I do not know but what these young naval officers may have written, I am sure, but the incident never occurred. We have never sunk any submarines.

OTHER QUESTIONS AND ANSWERS RELATING TO NAVAL ACTIVITIES

CONVOYING

The CHAIRMAN. Admiral, it was enlightening and helpful to have you saying that naval vessels have not participated in any convoying. What distinction does the Navy make between patrolling and convoying?

Admiral STARK. The public uses the word "convoy" more often than it uses the word "escort." A large number of ships together would constitute a convoy, even were the Navy with it, or without the Navy, but if you put naval ships with it to protect it you escort the convoy, and I might say we have escorted 10 merchant ships whatever, with the single exception of the *Iroquois*.

ATTACKS MADE UPON UNITED STATES VESSELS AND PLANES

Question. All information in the possession of the Navy relating to attacks made upon United States vessels and planes.

Secretary KNOX. None made; none whatever, except as attacked by the Axis vessels on ours. Is that it?

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Question. All information in the possession of the Navy relating to attacks by United States Naval or Coast Guard vessels or planes on Axis vessels or planes?

Secretary KNOX. None made whatever, except that the *Panay* fired in self-defense when she was bombed.

Senator TYDINGS. That was how long ago?

Secretary KNOX. Two years ago.

ORDERS TO NEUTRALITY PATROL

Question. What, in general, are the orders and instructions which have heretofore been issued to commanding officers of vessels and airplanes on neutrality patrol?

Secretary KNOX. Of course, that is secret information.

The CHAIRMAN. That cannot be disclosed.

ORDERS TO FIRE

Question. Are any additional steps or orders contemplated which would cause American ships of war or American personnel to fire upon the ships or personnel of any other nation?

Secretary KNOX. As I have already stated, I am not at liberty to discuss operating plans, contemplated or otherwise. I would not be doing my duty if I did not require the Chief of Naval Operations, as directed by law, to prepare operating plans in advance so that the Navy can be effective under all eventualities. We are not at war, and the nature of these plans is a military secret which I cannot disclose. I may add that this procedure goes on year in and year out in the Navy Department, even when times are most peaceful, and even then such matters are inherently of the greatest secrecy.

SHOOTING

Question. Does collaboration with any other country envisage shooting by American ships on the ships of other nations?

Secretary KNOX. That falls in the same category.

Senator JOHNSON. What do you mean by that, by "falls in the same category"? As what?

Secretary KNOX. The word is "collaboration." That necessarily would mean plans, I take it, and whatever plans we may have for a future war in collaboration with some other nation.

Senator JOHNSON. I think it is in the present, whether the collaboration exists now, in writing or otherwise, with any other country regarding the ships of any other nation.

Secretary KNOX. Again I repeat, Senator, that is secret information.

Senator JOHNSON. Now, has there been any change in the orders since the peaceful taking of Iceland?

Secretary KNOX. The only thing we have to date, sir, is contained in the message of the President on Iceland. I would like to read just two paragraphs.

Senator JOHNSON. They are in general terms, aren't they?

Secretary KNOX. Yes; they are in general terms.

The CHAIRMAN. What we are trying to do here is to break down the opinion that has

been given to the public through these statements that our Navy is pursuing a course of participation, remotely or indirectly, in war. The evidence shows that is not the fact.

Admiral STARK. That is right. In other words, the public has been led to believe we were shooting, working with British ships. That is not true.

Senator BONE. The trouble with these reports circulated by these newsmen—I know it is true in my State—when we want to get a statement clarified they will not disclose anything.

The CHAIRMAN. And we can assure the American people that there is not an undeclared war, a hidden war, or a naval war as far as we are concerned?

Secretary KNOX. That is right.

OCCUPATION OF ICELAND

Question. Information regarding the occupation of Iceland, including the number of American troops landed, the number of British troops replaced by American troops, the date that the occupation was decided upon, and all other matters and things relating thereto?

Secretary KNOX. Obviously, I am not at liberty to answer this question. The answer to it, as to many of these other questions, would be eagerly welcomed by certain foreign powers. Any disclosure of military information may well result in the unnecessary sacrifice of life. Of course, the Germans would love to know how many troops there are there, and they would like to know how many the British had there.

Senator JOHNSON. Can you answer any part of it?

Secretary KNOX. No.

Senator JOHNSON. Well, it is published all over the world, isn't it?

Secretary KNOX. What?

Senator JOHNSON. The number of troops.

Secretary KNOX. No. Some very erroneous figures have been published that I have seen.

Admiral STARK. Utterly erroneous.

Senator BYRD. The President announced that he would supplant them. Churchill told the House of Commons that they would be there jointly. So if the Germans attack the British troops they would likewise have to attack the American troops.

Senator LUCAS. As one of the members of the committee I want to go on record now—you may transfer this to the proper authorities for what it is worth—as one member of the committee I want to go on record now as saying that I am one who hopes that the British will evacuate the troops that they have in there and let the world know that there is no one in there but American troops, on the island of Iceland. If that isn't done and the bombers come over and bomb Iceland and kill 100 American soldiers and 200 English, or vice versa, then we are in for a considerable amount of trouble, without getting the unanimity of thought from your people back home that you ought to have. If you leave American soldiers there alone and then your bombers come over and destroy American lives, and they know nobody is there but American soldiers, then you get a repercussion back home that you want. But you will never get it if you fraternize with the English soldiers on that island, and you are bound to have trouble just as sure as anything in this world if you keep them there.

Senator JOHNSON. How soon will that come?

Senator LUCAS. I don't know, Senator JOHNSON. I pass that along for what it is worth, and I think it is worth a whole lot.

Senator BYRD. I agree with you on that.

The CHAIRMAN. I think there is a general unanimity of opinion on that.

Senator LUCAS. I think that that point, Mr. Chairman, if it is agreeable to the committee, ought to be stressed, and the President of the United States ought to know what this Naval Affairs Committee is thinking about.

SEIZURE OF ADDITIONAL BASES AND LOCATIONS

Question. Whether or not the Navy expects to seize or occupy additional strategic locations?

Secretary KNOX. I do not suppose anybody wants me to answer that.

The CHAIRMAN. I suppose that includes the thought that has been expressed in the press, that it may be contemplated establishing bases in northern Ireland and Scotland.

Senator RUSSELL. You were answering the question a few minutes ago when you were interrupted.

Secretary KNOX. I will be glad to talk about that. Regarding Senator TAFT's statement in regard to the bases in the British Isles, the British Government has contracted with American contractors for the construction of certain bases in the British Isles. The details and locations of these bases must necessarily remain secret. The materials for the bases are being provided for the British Government with funds appropriated under the Lease Lend Act. The cost of construction at the sites is being paid for by the British Government with their own funds.

The CHAIRMAN. Are you in a position to say, Mr. Secretary, that there are no contemplated plans at all for establishing naval bases in northern Ireland?

Secretary KNOX. These bases are being established now, not for our use but for British use.

The CHAIRMAN. Not for our use?

Secretary KNOX. That is right.

The CHAIRMAN. Not for use of the United States Navy?

Secretary KNOX. No. It is being done for the British.

Senator BYRD. Being done by an American contractor?

Secretary KNOX. Yes.

Senator JOHNSON. Do you think you would be right in using them if the occasion shall arise? If we shall get in the war?

Secretary KNOX. We will probably use all kinds of British bases if we get in the war.

Senator JOHNSON. Certainly. These bases are as much for our purposes as they are for the British purposes, are they not?

Secretary KNOX. Not now they are not.

Senator JOHNSON. Why not?

Secretary KNOX. Because we are not in the war.

Senator JOHNSON. Well, we are paying the cost of them, aren't we?

Secretary KNOX. We are paying for them out of the lease-lend funds. As a matter of fact, we are repairing their battleships in our yards and paying for it out of the lease-lend funds.

Senator LUCAS. Whatever the English do with it, that is a matter within their own discretion.

Secretary KNOX. Correct.

Senator LUCAS. The only interest we have in it is just what you explained here in answer to the previous question?

Secretary KNOX. That is right.

Senator BYRD. The labor is being paid for by the British Government, you say?

Secretary KNOX. Paid for by the British Government.

Senator BONE. How are our funds employed in building the bases?

Secretary KNOX. Our funds are not employed in them at all.

Admiral STARK. That is for material only, Senator BONE.

Secretary KNOX. Those are out of the lease-lend funds.

Admiral STARK. Those are out of the lease-lend funds.

COOPERATION WITH BRITISH NAVY

Question. All information regarding the cooperation the United States Navy has extended to the British Navy?

Secretary KNOX. Collaboration with the British along the lines of the Lend-Lease Act. That is the only collaboration to date.

ADDITIONAL AID STEPS CONTEMPLATED

Question. Information concerning the additional steps that are contemplated to increase the aid that is now being given to the British Navy?

Secretary KNOX. I have nothing on that subject except under the terms of the Lend-Lease Act.

OPERATIONS FROM BRITISH BASES

Question. The steps that have been taken and the steps contemplated to operate American ships and planes from British ports or bases?

This is again an operating question and is in the same category.

Secretary KNOX. If you put that all in the past tense, up to this time.

Senator LUCAS. You have, up to this moment, operated no planes or ships from British ports, then?

Secretary KNOX. That is right.

Admiral STARK. Unless you consider Bermuda or Trinidad when you say, "British ports."

Senator LUCAS. I understand; but in European waters, where we consider the combat zones are, no ships or planes of any kind have ever been operated in that territory?

Secretary KNOX. That is right.

INSTRUCTIONS TO INSURE SAFETY OF AMERICAN VESSELS

Question. Information concerning any instructions which may have been issued to American naval officers to insure that American vessels and planes will not be mistaken for British vessels or planes?

Secretary KNOX. That is also in the secret category.

Senator LUCAS. Is it safe to say we are not operating as British vessels, we are not flying British flags, so forth and so on? We are operating as we have always operated, as far as American vessels are concerned? We are not doing any camouflaging?

Secretary KNOX. No. We are keeping our lights on and everything.

Senator LUCAS. Not trying to make anyone believe we are in the British Navy.

Secretary KNOX. No.

THE "RANGER"

Senator BREWSTER. There is quite a large story that the *Ranger* had its bow blown off by a German bomb.

Admiral STARK. A United States ship, the U. S. S. *Ranger*?

Senator BREWSTER. Yes.

Admiral STARK. I have never heard of it.

Senator BREWSTER. There is nothing to that story?

Admiral STARK. No.

AMERICAN SAILORS IN LONDON

Another whereas set forth in Senate Resolution 138 is as follows:

"Whereas other reports circulate to the effect that some of our ships have sunk German ships; and that American sailors are in London servicing American planes."

The Secretary of the Navy's testimony to the committee clearly indicated that no ships of the United States Navy have sunk German ships, and that American sailors are not in London servicing American planes.

The questions on this point asked Secretary Knox were as follows:

Question. Can you give the committee any information regarding the number of officers and men of the Navy, the Marine Corps, and the Coast Guard on British vessels, with British aircraft units, or on British soil, and the kind of duty they perform?

Secretary Knox. I do not have the numbers with me, but may answer this question in general that we are taking every advantage of placing observers in positions where information obtained will be useful to the United States.

Senator BONE. Admiral, they are only placed there as observers, of course?

Admiral STARK. That is all.

CONCLUSION

The committee is of the opinion that no further investigation need be undertaken at this time as the preliminary hearings covered the subject by a detailed examination of naval officials who were in a position to furnish the committee with the facts.

WHEAT MARKETING QUOTAS

The Senate resumed the consideration of the bill (H. R. 5300) to amend Public Law No. 74 of the Seventy-seventh Congress, relating to wheat-marketing quotas under the Agricultural Adjustment Act of 1938, as amended.

The VICE PRESIDENT. The question is on the motion of the Senator from New Mexico [Mr. HATCH] to reconsider the vote by which the Senate agreed to the amendment offered by the Senator from Nevada [Mr. McCARRAN].

Mr. SHIPSTEAD. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

| | | |
|----------|-----------------|---------------|
| Adams | Glass | Pepper |
| Aiken | Green | Radcliffe |
| Andrews | Guffey | Rosier |
| Austin | Gurney | Russell |
| Bailey | Hatch | Schwartz |
| Bankhead | Hayden | Shipstead |
| Barkley | Hill | Smathers |
| Bone | Hughes | Smith |
| Brewster | Johnson, Calif. | Taft |
| Bunker | Johnson, Colo. | Thomas, Idaho |
| Burton | Kilgore | Thomas, Okla. |
| Byrd | La Follette | Thomas, Utah |
| Capper | Langer | Tobey |
| Caraway | Lee | Truman |
| Chavez | Lodge | Tunnell |
| Connally | Lumpkin | Tydings |
| Danaher | McCarran | Vandenberg |
| Davis | McFarland | Walsh |
| Downey | McKellar | Wheeler |
| Eastland | Maloney | Wiley |
| George | O'Mahoney | Willis |
| Gillette | Overton | |

The VICE PRESIDENT. Sixty-five Senators have answered to their names. A quorum is present.

Mr. HATCH. Mr. President, the question, if I am correct, arises on my motion to reconsider the McCarran amendment.

I shall not take the time of the Senate to argue that question at all. The Senator from Minnesota [Mr. SHIPSTEAD] has amply pointed out the ill-advised method by which the amendment was adopted. I am quite sure the Senate does not want to consider favorably this amendment, relating only to winter wheat and not relating to spring wheat. Whatever arguments are to be made on that subject I would rather defer until the motion is agreed to; but I think we should have the yeas and nays on the motion. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. McCARRAN. Mr. President, the question before the Senate is the reconsideration of the vote on an amendment which the Senate adopted less than 2 hours ago.

In this matter we are dealing with that which pertains to human life. We may realize within the next year how closely we are dealing with human life, because the time may not be far distant when the question of sustaining the teeming millions of the world from the pangs of hunger may be more important than how to create the engines of destruction that will snuff human life out of existence.

The greatest producing nation of the world is dealing with the question now. A people free to act, free to cultivate, free to raise the things that sustain human life, is about to speak through its constituted representatives; and we quibble here for an hour or two as to whether or not we will put a penalty on the staff of life; a penalty on raising, if you please, growing out of the earth, the thing that has sustained humanity through all the cycles of the centuries, and may be called upon to sustain humanity when the hordes of the dictators have smudged themselves out in the center of Russia. God grant that they will.

Will humanity continue to exist on bread? Wheat is the staff of bread and bread is the staff of life. Will we put a penalty of 49 cents a bushel on those who grow from the earth the staff of life? If so, then vote to reconsider the amendment that was adopted by the Senate only 2 hours ago. If, on the other hand, you believe in the law; if you believe that a law should not be ex post facto; if you believe in your enactment; if you believe in the things for which you have voted in times past and which went through a period of trial then sustain this amendment as it was adopted here by your votes less than 2 hours ago.

Mr. President, what is the question involved? Let us analyze it. Just about 4 years ago we enacted a program which placed a penalty on producing wheat over certain quotas, the quotas to be established by a program which would be inaugurated in the respective communities, the penalty being 15 cents a bushel. For 3 years there was not an attempt to impose the penalty on a farmer in the United States for production of wheat over the quota.

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

Mr. McCARRAN. I yield for a question.

Mr. HATCH. I intend to ask the Senator a question. He says there was no attempt to impose the penalty. I am going to give him an actual illustration.

Mr. McCARRAN. Mr. President—

Mr. HATCH. And then I am going to ask the Senator why he says there was no penalty.

Mr. McCARRAN. Will the Senator kindly ask his question?

Mr. HATCH. May I state the facts first?

Mr. McCARRAN. I will take care of the facts; the Senator may ask the ques-

tion. [Laughter.] The facts are with me; the question is with the Senator.

Mr. HATCH. I desire to give an illustration of two wheat farmers. The Senator has said there was no penalty.

Mr. McCARRAN. I did not say that.

Mr. HATCH. On one side of the road is an operating farmer who has 320 acres in cultivation.

Mr. McCARRAN. Mr. President, I do not yield for an argument. I yield for a question. The Senator may propound his question.

Mr. HATCH. Very well.

Mr. McCARRAN. If the Senator will propound his question, I will try to answer it.

Mr. HATCH. The Senator will not let me state the facts, and then make my inquiry.

Mr. McCARRAN. The facts are with me; the question is with the Senator.

Mr. HATCH. I will ask the question in my own time. The Senator has said there was no penalty.

Mr. McCARRAN. I said no penalty was imposed for 3 years, that there was no attempt to put the program into operation for 3 years, because there was no surplus.

Mr. HATCH. The Senator does not mean that.

Mr. McCARRAN. I do not yield, unless the Senator wishes to ask a question. If he does, I will yield for his question. I will yield for a question of any Senator. If there is any Senator here who will say that the program imposing a penalty of 15 cents a bushel, enacted 3 years before the present law was put into effect, was put into operation, I will yield to him. But I know that it was not put into operation, and I know that when in 1941 we enacted the present law, the farmers of this country knew that there was a penalty of 15 cents and no more. Is there any Senator here who takes issue with that statement? I hear no reply.

Mr. President, on top of that, there is put through Congress a provision for a penalty of 49 cents a bushel. What does 49 cents a bushel mean? It means that if I plant 5 acres more than the allotment given to me, I will have to pay 49 cents a bushel before I can sell a single bushel of the wheat raised on my 15 acres. Does anyone take issue with that statement? I hear no reply.

Now, let us take another angle of it. When we enacted the present law, in the spring of this year, the winter-planting farmers had already planted their wheat. But that is not all of it. The winter-planting farmers had their wheat already growing and above the ground. Some of the winter-planting farmers had their wheat almost half way up the stem. It depended on the locality how far it had progressed. Those farmers planted knowing there was a penalty of 15 cents imposed on every bushel they would produce above the allotment; they knew that, and were willing to go along with the program, and they did go along with the program.

But, lo and behold, after the wheat was up, after they had expended their money for planting, for seed, for cultivation, for everything in connection with

it, in some instances for water with which to irrigate, Congress imposed a penalty of 49 cents a bushel as against 15 cents. I say in all fairness that that was an ex post facto law, and that it should not have been imposed against them. The Senate of the United States said so less than 2 hours ago.

Some now want to reconsider the vote. In all fairness, in all justice, under the law as I know the law, as I respect the law, as I believe the law should be, that vote of the Senate of the United States, taken less than 2 hours ago, should not be reconsidered. It should stand as the will of this body, in order that the people of the country may know that the Senate of the United States listens to the people, and, listening to the people, is willing to go forward to the end that no ex post facto law should be recognized, that no injustice should be imposed upon the producers of the staff of life in this country.

Mr. President, I am very frank with my colleagues; I believe the day is not far distant when programming the things which sustain life will find itself in the discard. Man must live, and, being compelled to live, he must produce from the earth those things which will sustain him, and that being true, after this holocaust of hell now raging is over—and I say again, God grant that it may soon be over—if it shall end tomorrow, the economy of this country will change. It cannot be stopped with \$100,000,000,000 of indebtedness staring us in the face. It is going to change, and when it changes, then the question of what will sustain the stomachs of men is going to be more important than what will sustain a theoretical economy.

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

Mr. McCARRAN. I yield, and I apologize to those who have asked me to yield and to whom I have not yielded.

Mr. ADAMS. My inquiry is as to the effect of the Senator's amendment. The amendment provides that the penalty imposed by the act of May 26, 1941, shall not apply to winter wheat. If the provision stands as it is now, will that leave in effect or reinstate the 15-cent penalty? That is, the 15-cent penalty will not be repealed by the Senator's amendment, or by the measure which is before the Senate?

Mr. McCARRAN. That is the intentment of my amendment. If it does not do so, I am entirely content to amend it so it will do so. In other words, those who planted in the fall of 1940 knew there was a penalty of 15 cents a bushel provided. They should pay the 15-cents-a-bushel penalty.

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

Mr. McCARRAN. I am trying to answer the question asked by the Senator from Colorado.

Mr. HATCH. I wish to ask the Senator a question right in line with that question.

Mr. McCARRAN. Permit me to answer.

Mr. HATCH. Surely.

Mr. McCARRAN. I do not believe that those who planted in the fall of 1940

should have the penalty of 49 cents in addition to the 15-cent penalty. I believe the 15-cent-per-bushel penalty should apply.

Mr. HATCH. Will the Senator now yield to me?

Mr. McCARRAN. Yes.

Mr. HATCH. The Senator's amendment merely says that the penalty provided by the act of May 26, 1941, shall not be applicable. That is the language of the Senator's amendment.

Mr. McCARRAN. Yes.

Mr. HATCH. The act of May 26, 1941, repealed and modified the former act.

Mr. McCARRAN. No.

Mr. HATCH. I am asking the Senator, and he says, "No." I am quite sure the Senator has not looked that matter up. My opinion is that it did. This is the question I am getting at. If the act of 1941 did repeal the previous act, which it had to repeal in order that the act of 1941 could be applicable, then the repeal of the act of 1941 would not reinstate the former act, and I say that because the Senator, as a lawyer, knows that the repeal of a repealing act does not reinstate the former act. That is correct, is it not, as a proposition of law? I am quite sure that is correct.

Mr. McCARRAN. The Senator is finessing four deep there, and I must think.

Mr. HATCH. I am not finessing. If the Senator's amendment is adopted in its present form, it would merely make the penalty of 49 cents not applicable, and would leave the farmer free to sell his wheat without any penalty whatever.

Mr. McCARRAN. Excepting 15 cents.

Mr. HATCH. Oh, no.

Mr. McCARRAN. We differ on that matter.

Mr. GILLETTE. Mr. President, will the Senator yield to me for a question?

Mr. McCARRAN. I yield for a question.

Mr. GILLETTE. My question is this. The Senator just referred to the 49-cent penalty provided by the May 26, 1941, act, and called attention to the fact that wheat farmers had sown the wheat the previous fall when the 15-cent penalty was provided. The 49-cent penalty did not go into effect and could not go into effect until the wheat farmers had voted on it themselves by their own action. Is that not true?

Mr. McCARRAN. I take it that is true. I believe that is true. I will go a little further with the Senator from Iowa. My recollection is that the farmers of the country voted on it themselves by a vote of about 85 percent. I think that is true.

Mr. GILLETTE. Between 85 and 90 percent.

Mr. McCARRAN. I am taking as the basis for this argument, that the farmers of this country did not know what they were voting on when they voted 85 percent in favor of a 49-cent penalty on their excess bushels of wheat. They thought they were voting for a continuation of the program to which they had been accustomed for 3 years before that, which was a 15-cent per bushel penalty. I happen to know that that is true so far as a certain locality is concerned, very small indeed as compared with that

splendid locality represented by the able Senator from Iowa.

Mr. ADAMS. Mr. President, will the Senator yield for another question?

Mr. McCARRAN. I yield.

Mr. ADAMS. This is a matter I ought to know about, but it is easier to ask the Senator from Nevada about it. Did the balloting by the wheat farmers cover the whole of the United States, or was the country divided into regions so that the penalty would apply in one region and not in another, or does it apply throughout the whole country?

Mr. McCARRAN. I put that query myself to the department. My recollection of the answer is that the majority in the whole country prevailed. That even though the State of Colorado, for instance—and I use that State merely for purposes of convenience—should vote against adopting the program, yet if the rest of the country adopted the program, it was forced upon the State of Colorado.

The reason I had that drawn to my attention was that the wheat growers of Nevada, who are very small in number and whose production is very small in bushel yield—as a matter of fact, it applies only to one reclamation district in the State of Nevada, very small indeed as compared to the rest of the country—but those farmers found out that the program was imposed upon them by the vote of the whole country, and it is for that reason I am making this appeal.

Mr. HATCH. Has the Senator completed his statement?

Mr. McCARRAN. I will finish in just a moment. I take it the Senator wants to close.

Mr. HATCH. Yes.

Mr. McCARRAN. Mr. President, my interest in this matter is for the benefit of those who produce the things on which life is sustained. I do not believe in programmed agriculture. I voted for it because those who have made a study of the matter thought it was the best program. I believe in the great law of supply and demand. I believe that eventually we will come back to that fundamental principle whereby those who produce and those who consume will be in an equilibrium somewhere. It has worked through the centuries. In my judgment, it will work through the centuries again.

Be that as it may, I do not believe in enforcing a famine by saying that those who produce the things which sustain life shall be penalized, and especially should they not be penalized when they did not know what the penalty was, but planted their grain on borrowed money, if you please, willing to pay a penalty of 15 cents; but when the grain came out of the ground, they found that a penalty of nearly half a dollar was imposed upon them.

Mr. HATCH. Mr. President, the Senator has talked a great deal about the staff of life, and I have been trying to think of a quotation from the Scriptures, something to the effect—

Man shall not live by bread alone—

I shall ask the Senator from Iowa, who has just conferred with the Vice

President, to finish the quotation. What is the remainder of it, Senator?

Mr. GILLETTE. Mr. President, in response to this courtesy, the two gentlemen from Iowa, the Vice President and the Senator now speaking, having conferred on the biblical reference, the Bible quotation to which the Senator refers is this:

Man shall not live by bread alone, but by every word that proceedeth out of the mouth of man.

The VICE PRESIDENT. Oh, no—but by every word that proceedeth out of the mouth of God.

Mr. BARKLEY. Mr. President, will the Senator yield for an inquiry?

Mr. HATCH. I yield.

Mr. BARKLEY. Does it take two able men from Iowa to quote the Scriptures correctly when any other man could do it?

Mr. HATCH. Mr. President, aside from the scriptural quotation, I wish to say to the Senator from Nevada in all earnestness, and I wish to relieve his feelings about suffering humanity, and the vast numbers of people throughout the world who are going to starve and be hungry if his amendment is not adopted, that the crop to which his amendment applies has already been planted, harvested, and is now in the elevators. Whether there is a penalty or not, the staff of life will still remain.

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

Mr. HATCH. I yield.

Mr. BARKLEY. I do not recall the debate at the time the 49-cent penalty was put into the law instead of the original 15-cent penalty. Does the Senator recall, or can the Senator from South Carolina inform me what the vote was?

Mr. HATCH. It was adopted by unanimous consent.

Mr. BARKLEY. Was any objection raised at the time to the increase in the penalty?

Mr. HATCH. None.

Mr. McCARRAN. It went in in conference.

Mr. BARKLEY. It could not have gone in in conference unless there was a difference between the two Houses, which would enable that to happen.

Mr. HATCH. Mr. President, I shall not detain the Senate much longer.

The Senator from Nevada has raised the question of stare decisis. He says that because 2 hours ago the Senate voted to adopt the amendment it is now precluded and barred from reconsidering it. If he wishes to reply on the doctrine of stare decisis, I will stand with him on that doctrine. The entire Congress adopted the penalty in May, the President signed it, and it is the law. If the Senator wishes to stand on the law of the land, we will stand on it as it is.

But that is not all. Not only did the Congress adopt it but it was submitted to the farmers of the country and they adopted it by an overwhelming vote. So if the Senator wishes to stand on the doctrine of stare decisis, we have two arguments to his one.

Mr. President, I am more serious than that. I do not care whether the in-

creased penalty was adopted by the Congress or by the farmers. I am interested in the right of the matter. Is it right that this amendment should be adopted? If so, let us adopt it. If it is wrong, let us defeat it.

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

Mr. HATCH. I yield.

Mr. BARKLEY. I have just been informed—and it may or may not have any bearing on the merits of this question—that when the penalty was fixed at 49 cents instead of 15 cents the vote in the Senate was 75 to 2.

Mr. HATCH. Was there a yea-and-nay vote at that time?

Mr. BARKLEY. Yes.

Mr. HATCH. I do not think that is important.

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

Mr. HATCH. I yield.

Mr. TAFT. I remember the debate on the bill, but I do not remember that a 49-cent penalty, or any change in the penalty, was called to the attention of the Senate. Of course, the act does not say that the penalty is increased from 15 to 49 cents. The act says that the penalty shall be one-half the loan price which may be in effect. I do not think that question was debated or discussed or really seriously considered by the Senate.

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

Mr. HATCH. I do not wish to yield at this time. The Senator refused to yield to me.

Mr. McCARRAN. Will the Senator yield for a question?

Mr. HATCH. Not now.

The language of the act is as stated by the Senator from Ohio. I think every Member of Congress knew, or could have known if he had so desired, that we were making a decided increase in the loan value and that producers were to receive the benefit of the increase. Therefore, we increased the penalty accordingly.

The amendment of the Senator from Nevada not only would do away with the increase in the penalty but, as I construe his amendment—and I leave it to any lawyer in the Chamber—if his amendment is adopted now it will do away with any penalty. It will even do away with the 15-cent penalty, and we shall have no penalty whatever, because the law which fixed the penalty at 15 cents a bushel was amended and repealed by the act fixing the penalty at 49 cents. If we adopt this amendment, those who have refused to cooperate will escape scot-free and pay no penalty whatever, although they will receive all the benefits and advantages. If that is fairness and justice, then let the Senate adopt the amendment. That is the reason why I said I did not care to stand on the doctrine of stare decisis, because I knew that the doctrine which I have just announced is much stronger and fairer.

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

Mr. HATCH. I yield to the Senator from Virginia.

Mr. GLASS. If the Senator from Iowa [Mr. GILLETTE] correctly quoted the Scripture in saying that—

Man shall not live by bread alone, but by every word that proceedeth out of the mouth of man—

I expect to live for 500 years longer. [Laughter.]

Mr. HATCH. Let me say to the Senator from Virginia that we hope that he will live for the next 500 or 5,000 years, if he so desires. But in the present state of the world it is beyond my comprehension that anybody should care to live 500 years.

Mr. President, I do not wish to take the time of the Senate. Let us not forget the difference between the spring- and winter-wheat crops. I hope the motion to reconsider will be agreed to, and that the amendment will then be defeated.

Mr. McCARRAN. Mr. President, I am sorry that the able leader—inadvertently I think—created a false impression. I understood him to state—I hope I am mistaken—that the Senate voted for the penalty of 49 cents a bushel by a vote of 75 to 2. The fact of the matter is that there was no vote on the subject at all.

Mr. BARKLEY. The information upon which I based my statement was given me by the chairman of the committee, the Senator from South Carolina [Mr. SMITH], and by the Senator from Alabama [Mr. BANKHEAD]. I have been trying to check up on it. The Senate passed a bill containing a 50-cent penalty. The House had a similar provision, but with a different amount. The matter came back to us in a conference report, which contained the 49-cent penalty, and, according to the information I have, the conference report was agreed to by a vote of 75 to 2. Of course, the question was on the conference report as a whole, and not separately on the penalty itself.

Mr. McCARRAN. The penalty was related to the loan value.

Mr. BARKLEY. As I recall, the increase in the penalty was based upon the increase in the loan value.

Mr. McCARRAN. That is correct. The penalty was fixed on the basis of the loan value.

Mr. BARKLEY. That is correct.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from New Mexico [Mr. HATCH] to reconsider the vote by which the amendment offered by the Senator from Nevada [Mr. McCARRAN] was agreed to. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BANKHEAD (when his name was called). I have a general pair with the senior Senator from Oregon [Mr. McNARY]. I transfer that pair to the junior Senator from Arkansas [Mr. SPENCER] and will vote. I vote "yea." I am not advised how either the Senator from Oregon or the Senator from Arkansas would vote if present and voting.

Mr. DAVIS (when his name was called). Referring to my general pair with the Senator from Kentucky [Mr. CHANDLER] and its transfer heretofore announced, I am at liberty to vote. I

vote "nay." I am not advised how the Senator from Kentucky would vote if present.

Mr. THOMAS of Utah (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the Senator from West Virginia [Mr. KILGORE] and will vote. I vote "yea." I am not advised how either the Senator from New Hampshire or the Senator from West Virginia would vote if present and voting.

The roll call was concluded.

Mr. BARKLEY. The Senator from Montana [Mr. WHEELER] has asked me to announce that he is absent on necessary departmental business. I am not authorized to say how he would vote on this particular question, but he is unavoidably detained on official business.

Mr. HILL. The Senator from Tennessee [Mr. STEWART] has a general pair with the Senator from Oregon [Mr. HOLMAN].

The Senator from South Dakota [Mr. BULOW] and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from North Carolina [Mr. BAILEY], the Senator from Mississippi [Mr. BILBO], the Senator from Washington [Mr. BONE], the Senator from Michigan [Mr. BROWN], the Senator from Kentucky [Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], the Senator from Missouri [Mr. CLARK], the Senator from California [Mr. DOWNEY], the Senator from Louisiana [Mr. ELLENDER], the Senator from Rhode Island [Mr. GERRY], the Senator from Iowa [Mr. HERRING], the Senator from West Virginia [Mr. KILGORE], the Senator from Illinois [Mr. LUCAS], the Senator from New York [Mr. MEAD], the Senator from Utah [Mr. MURDOCK], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Louisiana [Mr. OVERTON], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Arkansas [Mr. SPENCER], the Senator from Tennessee [Mr. STEWART], the Senator from Indiana [Mr. VAN NUYS], and the Senator from Washington [Mr. WALLGREN] are unavoidably absent.

The result was announced—yeas 40, nays 17, as follows:

YEAS—40

| | | |
|----------|----------------|---------------|
| Adams | Green | Pepper |
| Aiken | Guffey | Rosier |
| Andrews | Gurney | Russell |
| Austin | Hatch | Schwartz |
| Bankhead | Hayden | Shipstead |
| Barkley | Hill | Smathers |
| Bunker | Johnson, Colo. | Smith |
| Caraway | La Follette | Thomas, Idaho |
| Chavez | Langer | Thomas, Okla. |
| Connally | Lee | Thomas, Utah |
| Danaher | Lumpkin | Truman |
| Eastland | McFarland | Tunnell |
| George | McKellar | |
| Gillette | Maloney | |

NAYS—17

| | | |
|----------|-----------|------------|
| Brewster | Hughes | Tydings |
| Burton | Lodge | Vandenberg |
| Byrd | McCarran | Walsh |
| Capper | Radcliffe | Wiley |
| Davis | Taft | Willis |
| Glass | Tobey | |

NOT VOTING—38

| | | |
|---------|---------|--------------|
| Bailey | Bone | Bulow |
| Ball | Bridges | Butler |
| Barbour | Brooks | Chandler |
| Bilbo | Brown | Clark, Idaho |

| | | |
|-----------------|-----------|----------|
| Clark, Mo. | McNary | Reynolds |
| Downey | Mead | Spencer |
| Ellender | Murdock | Stewart |
| Gerry | Murray | Van Nuys |
| Herring | Norris | Wagner |
| Holman | Nye | Wallgren |
| Johnson, Calif. | O'Mahoney | Wheeler |
| Kilgore | Overton | White |
| Lucas | Reed | |

So Mr. HATCH's motion to reconsider was agreed to.

The VICE PRESIDENT. The question now recurs on agreeing to the amendment offered by the Senator from Nevada [Mr. McCARRAN].

Mr. McCARRAN. Mr. President, it may be interesting to know what the Senate has now done. The Senate has revoked the vote by which it adopted the amendment, on the theory that my amendment would do away with the 15-cent penalty. The fact of the matter is that it would not do away with the 15-cent penalty at all. By its vote the Senate now has restored not only the 49-cent penalty, but the 15-cent penalty as well.

It is an unhappy circumstance that we should be confronted with this situation. It is unhappy because it shows how unwarranted statements may lead a great deliberative body astray. What we now have is not only a 49-cent penalty, but also a 15-cent penalty against the wheat growers of the country.

What we now have is the restoration of a program which has been repudiated by the farm communities throughout the length and breadth of America. I know why the Senate is voting to reconsider. The Senator from New Mexico probably does not realize—I hope he does not realize—the fact that he is about to be confronted with a vote which will do away with the whole penalty and destroy the program. It is an unhappy situation. We have had a program which might be worth while. We could have gone back to a plan which contained a penalty that was not drastic but was a reminder to those who are interested in curtailing certain lines of agriculture that they should not go to too great an extent in producing any crop. It was a 15-cent-a-bushel penalty. It did not do so much harm. It only reminded the producers of this country that they might curtail their production.

When the Congress increased the penalty to 49 cents it did not do so by a vote of 75 to 2 on that particular question. The question was what the loan value should be. That was what was before the Senate when we voted on the matter last spring. At that time we did not know what the loan value would be. Can any Senator tell me what was stated on the floor of the Senate as to what the loan value on a bushel of wheat would be at this time? I hear no voice raised in answer, because there was no such statement.

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

Mr. McCARRAN. I yield.

Mr. BARKLEY. Let me ask a question of the Senator from Nevada. Of course, the loan value could not be stated in terms of dollars and cents, because it was impossible to tell at what price the commodity might be selling. Was it not rather definitely understood that the loan value would be 85 percent of parity?

Mr. HATCH. Mr. President, it was stated in the law.

Mr. BARKLEY. Yes.

Mr. McCARRAN. I would not say that it was stated in the law; no.

Mr. BARKLEY. We did increase the loan value to 85 percent of the parity price. In the case of wheat I believe the parity price was about \$1.14. Wheat would be eligible for a loan of 85 percent of \$1.14, and that is a matter of calculation.

Mr. McCARRAN. What I wanted to impress on the Senate was the fact that we never voted on the question of a 49-cent-a-bushel penalty on wheat. I do not believe it would be possible to put through a penalty of 49 cents on producing a bushel of wheat in this country. What we voted was that the penalty should be proportionate to the loan value. Fifteen cents a bushel had been the penalty for 3 years before we enacted the act which is now the law; but during the entire 3 years—I am now repeating, and I am sorry to do so—the program had never been enforced because there was no threat of a surplus at that time. But as soon as the threat of a surplus came the 15-cent penalty was not imposed. The penalty was raised to 49 cents plus the 15 cents.

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

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Georgia?

Mr. McCARRAN. I yield.

Mr. RUSSELL. The Senator is usually correct in all his statements, but I think he has fallen into grievous error in the statement just made. The section of the act which the Senator's amendment undertakes to amend provides:

That notwithstanding the provisions of the Agricultural Adjustment Act of 1938, as amended. * * *

During any marketing year for which quotas are in effect, the producer shall be subject to a penalty on the farm-marketing excess of corn and wheat. The rate of the penalty shall be 50 percent of the basic rate of the loan on the commodity for cooperators for such marketing year under section 302 of the act and this resolution.

There is no doubt in my mind that the penalty on the surplus or excess wheat amounts to 50 percent of the loan, and the loan is 85 percent of parity. Parity is \$1.13, as I recall—and I think I am correct—and the loan rate would be about 96 cents. Therefore the penalty would be about 48 cents a bushel, and that would be the total of the penalty that could be assessed against any bushel of wheat. I do not think that the penalty is in addition to the old 15-cent penalty under the soil-conservation law, because there have been no marketing quotas in effect as to wheat until this year, and the total penalty that could be assessed, in my opinion, is that referred to in section 2 of the act approved May 26, 1941, and I do not think it would amount to over 48 cents a bushel on each bushel of wheat in excess of the quota.

Mr. McCARRAN. The Senator has correctly read the law as it now stands, but the law did not repeal the Soil Conservation Act; the law did not repeal the 15-percent penalty; the law providing the

15-percent penalty still prevails. The whole thing is still the program. There is no question about it. It is time to clear it; it is time to clarify it; it is time now for the Senate, as it has voted to reconsider the amendment, to expunge the whole thing. Let us be through with it.

Mr. RUSSELL. I merely want to say, if the Senator will permit me, that I cannot agree with his interpretation. In my opinion, the only penalty that could possibly be assessed would be a penalty equal to 50 percent of the loan value; the loan value is 85-percent parity. Of course, that figure will fluctuate from year to year. At the present time parity is \$1.13 a bushel on wheat, and the loan value is around 96 cents or perhaps a fraction over.

Mr. HUGHES. Mr. President, will the Senator explain why we talk about a 49-cent penalty then?

Mr. RUSSELL. Of course, I cannot explain why any Senator is talking about a 49-cent penalty. I have not referred to a 49-cent penalty myself. I do not exactly know how that figure got in or exactly what the penalty amounts to.

Mr. TAFT. Mr. President—

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Ohio?

Mr. McCARRAN. I yield the floor.

Mr. TAFT. I desire to offer a substitute for the McCarran amendment, which I think will clear up the questions which are in dispute.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 1, line 5, it is proposed to change the word "paragraph" to "paragraphs", and on page 2, after line 8, to add the following new paragraph:

(13) During the marketing year beginning in 1941, the producer shall be subject to a penalty of 15 cents per bushel and no more on the farm marketing excess of wheat.

Mr. TAFT. Mr. President, the substitute—

Mr. GILLETTE. Mr. President, before the Senator speaks on his substitute, I wonder if he will let me correct a wrong I inadvertently did the Vice President of the United States?

Mr. TAFT. I will be delighted to yield to the Senator for that noble purpose.

Mr. GILLETTE. I quoted the Vice President of the United States on a Scriptural reference which it seems to me was taking in a whole lot of territory. In the last few minutes I sent for a Bible and the following is the correct quotation:

Man shall not live by bread alone, but by every word that proceedeth out of the mouth of God.

Rather than—

out of the mouth of man.

So I misquoted the Vice President and I want to do him justice.

Mr. TAFT. That is certainly a substantial difference, to which attention should be called.

Mr. President, the substitute which I offer for the McCarran amendment attempts to carry out what I believe the

Senator from Nevada has desired to carry out. It does two things: It makes it clear beyond any dispute as to the law that the new penalty is to be 15 cents and no cumulative addition or anything else; it is 15 cents a bushel as it was before the passage of the law of May 26.

The second thing is that the reduction of the penalty from 49 cents, or whatever it may be, to 15 cents is applied to winter wheat just as much as it applies to spring wheat. I do not see how we can draw a distinction. Most of the spring wheat was planted before the law went into effect.

I wish to say that I do not agree with the Senator from New Mexico or the Senator from Iowa that this will in any way break down the present program. Whether one is for the present program or is not for the present program, the program provides certain things if a man does not abide by his acreage limitation. There is no law that says he must abide by the limitation. We say to the farmer, You can plant more if you want to, but if you do plant more then you will be cut off from the soil conservation payment, you will cut off the ability to get the advantage of commodity loans, and you will pay a penalty of 15 cents a bushel, just as the law provided before the passage of the act of May 26, 1941, and it is just as much in accord with the general program as the same law with a 49-cent penalty.

Mr. HATCH. Is the Senator familiar with the provisions of the law as to excess wheat and also the recent ruling of the Department which permits the storage of the excess until next year, when with an appropriate reduction in acreage that excess may be marketed without penalty?

Mr. TAFT. Yes; I understand that has been done.

Mr. HATCH. I wanted to be sure the Senator knew about that.

Mr. TAFT. If he has to reduce his acreage next year, so far as the ordinary Ohio farmer is concerned, that throws the whole rotation of crops out of balance. He cannot plant wheat in fields that have been set aside for wheat and are regularly planted to wheat every 3 years or 4 years as the rotation of crops would provide.

This law came along and said that because of the increase of the loan value to 85 percent of parity or, as I understand, about 98 cents a bushel—it may be 96 cents a bushel; I am not certain—therefore it is said that that was a benefit and therefore the penalty should be increased from 15 to 49 cents. When that wheat was planted wheat was selling at 72 cents a bushel, a price which was 10 cents above the loan value of the wheat. The loan value would be increased from 72 to 90 cents. The noncomplying farmers are cut out by law from getting the 96-cent loan. All they can get for their wheat is the market value, which is 90 cents a bushel.

Mr. HATCH. Mr. President—

Mr. TAFT. Let me finish and see if I am correct. So that wheat is now selling for about 90 cents; it was selling at 72 cents when it was planted, and I see no reason to think that it might have increased somewhat without the additional

loan. Whatever benefit was conferred, it certainly does not justify an increase in the penalty of 34 cents a bushel, which is the effect of the law of May 26, 1941.

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

Mr. TAFT. I yield to the Senator from Georgia.

Mr. RUSSELL. The Senator, of course, understands that the penalty applies only to the excess production. It does not apply to the entire crop of the farmer. The farmers will have to pay the penalty on only a very small number of bushels.

The Senator from Ohio is arguing that the penalty applies to the entire crop, which certainly is not the case. The penalty applies only to the amount in excess of each farmer's quota.

Mr. TAFT. That is correct.

Mr. RUSSELL. So if a farmer produced a thousand bushels, and 100 bushels were over the quota, he would enjoy the increased price on the 900 bushels and would have to pay the penalty only on the 100 bushels, and certainly would be nine times better off from a pecuniary standpoint than he would have been without the quota.

Mr. TAFT. He does not necessarily have a small excess. He may have a fairly large excess. The fact is that in the State of Ohio more than half the farmers have never conformed to the A. A. A. program. Their position is, "We do not want Government money. We are not asking for Government money. We do not want the soil-conservation payments. We do not want the loan value. All we want is to be able to plant all the wheat we need for our farms." The law has said to them, "That is perfectly justifiable. You may do that." They did it, and they did it with the knowledge that they had to pay a penalty of 15 cents a bushel on any excess of wheat. Then, after they have practically marketed their wheat, we raise the penalty on the excess to 49 cents.

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

Mr. TAFT. I yield to the Senator from Kentucky.

Mr. BARKLEY. Does the Senator mean to say that half the farmers of Ohio are willing to stay out of this cooperative arrangement and reap the benefit of increased prices brought about by the cooperation of the other 50 percent of the farmers who are willing to go into it?

Mr. TAFT. I say that more than 50 percent of the farmers of Ohio have not joined in the program; and I say, furthermore, that 51 percent of them have voted against even this quota.

Talk about these elections. If I could go out in one of them and run for reelection, I could be reelected to any office. Here is a campaign conducted to put through these programs which is solely an affirmative campaign. There is no negative campaign. Reams of literature go out telling the farmers that they should vote one way, and nothing goes out telling them that they should vote the other way. Under those circumstances I think it is extraordinary that 51 percent of the farmers of Ohio—one of

the great farm States of the Union—voted against the imposition of the marketing quota. I say it indicates, and I believe the facts show, that three-fourths of the farmers happen to be against the program.

I am not urging that we change the program; but I am saying that we should keep our word with the farmers, and we should not impose a penalty of more than 15 cents a bushel on the excess when we told them, "You have the choice. If you do not want to take any farm benefits or get any of this money, if you are willing to reduce the amount of money the Federal Government has to pay out of the Treasury and get out on your own, you may do so." I think we ought to keep faith with those farmers and not raise the penalty after the wheat is marketed. If we want to raise it next year, that is perfectly all right with me.

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

Mr. TAFT. I yield to the Senator from Kentucky.

Mr. BARKLEY. Fifty percent or fifty-one percent of the farmers in Ohio or the farmers in all the States who have not gone into this arrangement are not penalized. They do not pay any penalty. It is only, as I understand, those who go into the program and then do not abide by it who do not cooperate.

Mr. TAFT. Oh, no. This is an acreage quota which is assigned to every farmer, whether he is in the program or not; and if he comes into the program he must abide by the acreage limitation.

Mr. BARKLEY. And if he does not abide by it, he is penalized.

Mr. TAFT. No; if he does not come in at all, he still is penalized.

Mr. BARKLEY. I understand. On the acreage basis, he is.

Mr. TAFT. Yes.

Mr. BARKLEY. But, on the other basis that has prevailed in some sections, he is not required to pay a penalty. But let that be as it may; on the 26th of May, scarcely 2 months ago, we passed the law raising the penalty from the 15 percent originally in the law to 50 percent, as it seems to be, instead of 49 cents. I do not know how the 49 cents got into this discussion.

Mr. TAFT. As I understand, it is probably 48 cents. It is one-half the loan value, and I thought the loan value was 98 cents, or it may be 96 cents.

Mr. BARKLEY. The law had fixed a penalty of 50 percent, however.

Mr. TAFT. 50 percent of the loan value.

Mr. BARKLEY. And 50 percent may amount to 49 cents a bushel or 48 cents a bushel, whatever the case may be.

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

Mr. TAFT. I yield to the Senator from New Mexico.

Mr. HATCH. I have been trying to interrupt ever since the Senator quoted the price of wheat, because I just sent out and got today's newspaper. The Senator said wheat was selling at 90 cents a bushel.

Mr. TAFT. I was merely quoting what had been previously said. I thought I heard the Senator from New Mexico say it was about 90 cents.

Mr. HATCH. Oh, no.

Mr. TAFT. That it was not selling as high as the loan value. That was stated here, and I took it as the fact. I did not look it up.

Mr. HATCH. Just to correct the RECORD, today's market at 11 o'clock on September wheat was \$1.06, and on December wheat \$1.08.

Mr. TAFT. I still do not think the farmer can get that price at the elevator in Ohio.

Mr. HATCH. The loan price is fixed at 85 percent of parity on the farm.

Mr. RUSSELL. Mr. President, if I correctly understand the argument of the Senator from Ohio, because 51 percent of the wheat farmers of Ohio do not wish this program he desires to have the Senate take action which will deny the program to the wheat farmers of 47 other States, who approved it overwhelmingly in a referendum held for the purpose, in which every wheat farmer of the United States was permitted to vote.

Mr. TAFT. Mr. President, will the Senator yield to me?

Mr. RUSSELL. I yield.

Mr. TAFT. I did not use that as an argument.

Mr. RUSSELL. I know the Senator did not say that, but that is the effect of the Senator's statement.

Mr. TAFT. I used only the argument of justice. I was asked whether the farmers of Ohio approved the program, and I said they did not; but that is not the reason for keeping this penalty of 15 cents. The reason for keeping the penalty is to keep the promise to the people who knew what the law was and who proceeded on that basis in the expenditure of money.

Mr. RUSSELL. When the wheat farmers went to the polls and voted in the referendum as to whether the act should take effect, the wheat farmers knew the terms and provisions of the act which fixed the penalty at 50 percent of the loan value. I know, Mr. President, from my own experience—not with wheat, but with other commodities—that the county agents and the heads of the Triple A organization in the several sections of the country called meetings in every county in which the commodity was produced, and carefully and painstakingly explained to the farmers the provisions of the act on which they were to pass judgment when they voted; and after that explanation had been had, over 80 percent—I am not sure as to my figures, but I think approximately 86 percent—of all the wheat farmers in the United States voted in favor of the 50-percent penalty.

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

Mr. RUSSELL. I yield to the Senator from Kentucky.

Mr. BARKLEY. In order that we may understand the dates involved, the new law fixing the penalty of 50 percent was approved by the President on May 26, 1941. When was the vote taken to which the Senator refers?

Mr. RUSSELL. I do not recall.

Mr. BARKLEY. It was subsequent to that date.

Mr. RUSSELL. But it was subsequent to the approval of the act, because there had never been any referendum fixing

a marketing quota as to wheat until after the passage of the act.

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

Mr. RUSSELL. I yield to the Senator from Delaware.

Mr. HUGHES. Does the Senator mean to say that when the farmers voted in 1941, they had knowledge that the penalty would be fixed on wheat that was sowed in 1940?

Mr. RUSSELL. I certainly say that.

Mr. HUGHES. And that they realized that that penalty would be applied to wheat which they had sowed the year before?

Mr. RUSSELL. I say that whether they had actual knowledge or not, they were charged with knowledge, because it was the law of the land, approved by the President, before the referendum was held.

Mr. HUGHES. I am sure the Senator is wrong in his conclusion as to that matter, because I am sure the farmers did not so understand. I have heard from a great many farmers in my section of the country, and they did not understand that the penalty applied to the crop which was planted in 1940.

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

Mr. RUSSELL. I yield.

Mr. HATCH. I desire to say to the Senator from Georgia, in answer to the Senator from Delaware, that of course the winter-wheat crop was planted in 1940. The crop was harvested in 1941. The marketing quota was voted on for the crop to be harvested in 1941. That was the only crop it affected. The farmers could not have had knowledge of any other crop, because the act affected that particular crop. That was what the vote was on.

Mr. RUSSELL. It is wholly possible that some of the farmers growing wheat in the State of Delaware did not understand the issue on which they were voting, but I dare say that by and large over the entire United States 95 percent of the farmers understood the issue that was submitted to them when they went to the polls to vote.

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

Mr. RUSSELL. I yield to the Senator from Ohio.

Mr. TAFT. The argument which I reject is that even if 80 percent were for the program—which I deny, as a matter of fact—even if 80 percent were for it, under our form of government I do not think 80 percent have a right to impose on the other 20 percent a penalty for violation of a contract, in effect, into which those people entered and under which they proceeded to plant their wheat and spend their money. I do not care how great the majority may have been; we still have in this country the right of the minority to be protected in good faith in the promises, in effect, that were made.

Mr. RUSSELL. Mr. President, I understand the philosophy of the Senator from Ohio, and it is at variance with my own, but certainly I shall not undertake to discuss the constitutionality of the act.

Mr. BARKLEY. The Supreme Court has held that the act is constitutional.

Mr. RUSSELL. The Supreme Court has held repeatedly, with respect to other crops, that marketing quotas are absolutely constitutional. But the Senator from Ohio is still entitled, as an American citizen, to dissent from the ruling of the Court. Of course, it is the law of the land. It has been upheld with respect to tobacco, with respect to cotton, and with respect to other commodities, that marketing quotas are wholly constitutional, and certainly the same rule would apply to the case of wheat, in my judgment. The Senator from Ohio is entitled to his opinion that it would not.

Mr. TAFT. I do not question the constitutionality, but in no one of the cases has the penalty been increased after the planting of the crop. So I do not think the mere fact that the law is constitutional is justification for the imposition of a 49-cent penalty now when previously it was only 15 cents.

Mr. RUSSELL. When the farmers voted, they were voting as to whether or not the penalty should apply to this year's crop; and for my part I am not going to charge all the wheat farmers of this country with being so ignorant that they did not know what they were doing when they voted on this matter.

Mr. BARKLEY. Mr. President, will the Senator yield for a question?

Mr. RUSSELL. I yield.

Mr. BARKLEY. I do not wish to delay the Senator or delay a vote, but I am interested in what happened in regard to this program.

The election held among all the wheat growers of the United States was held after the law was amended on May 26. While, of course, the Senator from Georgia was not present, and none of us was present, at all these county and local meetings where the law was explained, it is my understanding that the Department of Agriculture charged those who represented them in presenting the program with the obligation and the duty of explaining the law to all the people who were to vote. Of course, I suppose they explained the advantages as well as the disadvantages, and I understand that one of the advantages and one of the inducements for a farmer voting to go into the program, notwithstanding the increased penalties, was that he got a greater benefit out of it, and the penalty applied only to the excess. If he had no excuse, he paid no penalty. Therefore, the increased loan value, which automatically influenced an increase in price for his product, was a sufficient inducement to get 85 or 86 percent of the wheat producers to go into the program. Is that a fair assumption?

Mr. RUSSELL. The effect of the law was to raise the loan value of the commodity from 52 percent of parity, which had been the loan rate fixed prior to the passage of the law, to 85 percent of parity, on the farmer's total crop, whereas the penalty is applied only to the excess over and above the quota of each individual farmer.

Mr. BARKLEY. Is it not true also that the increased benefit in the way of a money return on that part of the farmer's crop which was not excess, was overwhelmingly larger than the penalty

to which he subjected himself by reason of the excess?

Mr. RUSSELL. It would be tremendously larger. And not only that, there would be thousands of farmers in the country who did not plant in excess of their quotas who would not pay one dime of penalty, and those farmers naturally do not wish to see the program broken down by excepting those whose crops are in excess of their quotas.

Mr. President, I took the floor merely to read a resolution adopted by representatives of all farm bureaus in the Midwest region, at the Midwest Farm Bureau Training School, at Champaign, Ill., July 22, 1941. I will ask Senators to listen to what the wheat farmers themselves think of this program as expressed by one of the farm organizations, probably the strongest farm organization in the Nation. The resolution reads:

Six hundred and forty-four Farm Bureau leaders from Illinois, Indiana, Ohio, Michigan, Iowa, Wisconsin, Minnesota, Nebraska, South Dakota, Kansas, and Missouri unanimously urge that no amendment to present wheat program be adopted, particularly any exemption for feeding purposes of excess wheat or decrease in marketing penalty. To do so will result in a break-down in the operation of an otherwise successful program. We feel sure that we are expressing the views of the vast majority of the wheat producers in the above-mentioned States.

Mr. President, the provision we are discussing is one which does not directly affect a large number of farmers in my own State. Georgia is not a large wheat-producing State. But I am interested in the farm program as a whole. If a movement is undertaken here to reduce the penalties as to any one commodity, naturally the producers of other commodities will come to the Congress of the United States and ask that their penalties be reduced. Certainly those of us who represent the cotton-producing States will not stand by and see a penalty of 7 or 8 cents a pound on cotton that is marketed in excess of the quota, if the producers of other commodities are to be permitted to escape paying a penalty of some amount.

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

Mr. RUSSELL. I yield.

Mr. HATCH. Can the Senator tell me of any good reason, if we reduce the penalty on wheat, why we should retain it on cotton, or corn, or any other crop?

Mr. RUSSELL. There is no earthly reason why any one commodity should be given a preference over another. Of course, there are individual farmers who will be compelled to pay some penalty, but the vast majority of farmers will not pay any penalty. They have approved this program, and if there is a desire to start breaking it down, I know of no better way to do it than by reducing the penalty on any one of the commodities to a lower proportion than is paid by the producers of another commodity.

Mr. GILLETTE. Permit me to say, before the Senator takes his seat, that I just called the Department of Agriculture and inquired as to the time when the wheat farmers voted on the application of this marketing quota putting into effect a penalty. It was on the 31st day

of May. Some 84 percent voted in favor, and prior to taking the ballot, meetings were held in every wheat-producing community in the United States, where information as to the increase in the penalty and the increase in the loan value was presented to the participators.

Mr. TAFT. Was this matter voted on in the whole of the United States only 5 days after this long and complicated law was passed, and was every feature of it explained?

Mr. GILLETTE. The actual voting was on the 31st of May, and the law providing for marketing quotas had been on the statute books for many months.

Mr. TAFT. I do not object to the marketing quota. I am objecting to the law changing the penalty.

Let me ask the Senator from Georgia a question. Is there any prospect of a marketing quota on corn this year? Will it be voted on at all?

Mr. RUSSELL. I do not think there will be any marketing quota on corn this year, but I merely base that on statements I have seen in the press that the Department of Agriculture does not propose to conduct a vote.

Mr. TAFT. Has there been a marketing quota on cotton?

Mr. RUSSELL. There has been for 5 years. The cotton farmers have already approved it. The tobacco farmers have already approved a marketing quota for the current year.

Mr. TAFT. What is the penalty in the case of cotton?

Mr. RUSSELL. My recollection is that it is 7 cents a pound. It is the same penalty, in proportion, as is provided in the case of wheat.

Mr. HATCH. Mr. President, I wish to say to the Senator from Ohio that I am advised, and I think correctly, that the Secretary of Agriculture has already announced that, in view of the emergency, there will be no marketing quota voted on corn this year. I say that in answer to the Senator's question.

I dislike very much to delay the Senate, but so much has been said about penalties that I desire to say a word in behalf of the millions of farmers who have been cooperating throughout the years, and have been paying a penalty every year. I am one of the cooperating farmers myself, and I shall use my own case as an illustration just to show what the program has been costing, for instance, a farmer with a 300-acre piece of land.

The cooperating farmer in my State is required to leave out of production about 78 acres. He does that each year, and there are millions of such farmers. He does not get a dime of revenue from 78 acres, and if we assume that it would raise 10 bushels to the acre, that would mean 780 bushels of wheat on which he has been paying a penalty for 3 years. Has anyone stood up in Congress and offered a bill to relieve him from that penalty?

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

Mr. HATCH. I yield.

Mr. TAFT. The farmers draw benefits, do they not, under the Soil Conservation Act, and those are the benefits which the noncooperative farmers are

willing to give up so as to relieve the Treasury of the United States of the large payments made to the wheat farmers.

Mr. HATCH. Mr. President, those benefits do not anywhere nearly equal the loss sustained in the production of their wheat. In my State they may, but in other States they do not. Farmers have been paying that penalty voluntarily throughout these 3 years, while farmers just across the road from them plant their full acreage, harvest their full acreage, and sell it at the increased market price made possible by those who leave their acreage out of production. For 3 years those across the road have been reaping these benefits, and the others have been paying the penalties.

Mr. President, if we want to relieve the noncooperator from the payment of penalties, then let a bill be introduced providing for giving to the cooperating farmer that difference which he has lost, taking into account all the benefits he has received. We should treat all farmers alike. Do not let one man, who has to pay a penalty 1 year, send a few letters and telegrams and be relieved from the penalty, while the man who has paid the penalty for 3 years continues to pay the penalty.

Mr. President, I hope the substitute for the McCarran amendment, as well as the McCarran amendment, may be defeated.

Mr. TAFT. Mr. President, if the Senator from Nevada is present I should like to ask if he would be willing to accept the substitute?

The VICE PRESIDENT. The Senator from Nevada does not seem to be in the Chamber at the moment.

The question is on agreeing to the substitute amendment offered by the Senator from Ohio [Mr. TAFT] for the McCarran amendment. [Putting the question.] The "necs" seem to have it.

Mr. TAFT. I ask for a standing vote. I should like to have it understood that this is a vote to amend the McCarran amendment, and not a vote on the McCarran amendment itself, so we may have a direct vote on the issue.

The VICE PRESIDENT. A division has been called for on the substitute amendment offered by the Senator from Ohio for the McCarran amendment.

On a division the amendment of Mr. TAFT in the nature of a substitute for the amendment of Mr. McCARRAN was rejected.

The VICE PRESIDENT. The question now is on agreeing to the amendment offered by the Senator from Nevada [Mr. McCARRAN].

The amendment was rejected.

Mr. DANAHER. Mr. President, I send to the desk an amendment and ask that it be stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. It is proposed to add to the bill a new section to read as follows:

Subsection (b) of section 4 of an act entitled "to extend the life and increase the credit resources of the Commodity Credit Corporation, and for other purposes" (Public, 147), approved July 1, 1941, is hereby repealed.

Mr. DANAHER. Mr. President, on the night of June 30, when there were some 15 Senators, and only 15 Senators, present in this Chamber, there was brought before the Senate a conference committee report. The report as submitted contained language which had been written into the bill in conference. The bill had been before the Committee on Banking and Currency, not before the Committee on Agriculture and Forestry. There was no member of the Committee on Banking and Currency familiar with the problems involved in the then pending proposed legislation. There had been no hearing before the Committee on Banking and Currency on the subject matter of the proposed amendment. As a matter of fact, when the Banking and Currency Committee reported to the Senate favorably a bill increasing the borrowing power of the Commodity Credit Corporation by the amount of one and one-quarter billion dollars, it was done as the result of a direct agreement in the Banking and Currency Committee that an entire section, known as section 4 of the then pending bill, would be eliminated. In the Banking and Currency Committee section 4 was eliminated. When the bill was acted on by the Senate not one word was said with reference to the proposed section 4, for the simple reason that it was not before the Senate. However, in the House version of the bill this section 4 was inserted.

Mr. President, let me say that Senators never heard an explanation of the program. They did not know what the policy was. They had not been called upon to vote upon it, and the Senate Banking and Currency Committee had never had any hearings upon the subject. The result was that when the conferees met there was inserted in the language of the House bill this proposed measure, which came back here on the night of June 30, most of the Senators, as I said previously, having left the Chamber, and the only question before us was whether we should vote that conference report up or down. There was no other way to take the matter into account.

Senators might well ask, in what respect is that involved in the pending proposed legislation? In the proposed legislation we are dealing with the Commodity Credit Corporation. The bill before the Banking and Currency Committee in June dealt with the Commodity Credit Corporation, and extended its life and authorized an increase in its borrowing power. We were all in favor of that. We were in favor of the general plan of the Commodity Credit Corporation. We were in favor even of giving it a billion and one quarter dollars with which to work.

Mr. President, section 4 appears at length in the CONGRESSIONAL RECORD for June 30, on page 5750. Let me read to the Senate what we sought to do. Before I read the language let me first explain what we sought to do. In the Banking and Currency Committee it was represented to us by Mr. Hutson, president of the Commodity Credit Corporation, that defense production might well call for an expansion of the production of certain crops for defense needs. He pointed out that it would be most inequitable to

farmers to call upon them to produce excess crops and to expand the crops which might be specified and not to support the market for the particular commodity. That certainly was a reasonable position to take. We felt that if the Secretary of Agriculture called for an expansion in the production of certain crops it was no more than equitable that a market be maintained for such crops. But—and here is where the rub comes, let me say—we took care of the first proposition under section 4 (a), but in section 4 (b) the House added this language:

(b) It is hereby declared to be the policy of the Congress that the lending and purchase operations of the Department of Agriculture (other than those referred to in subsection (a)) shall be carried out so as to bring the price and income of the producers of nonbasic commodities not covered by any such public announcement to a fair parity relationship with other commodities to the extent that funds for such operations are available after taking into account the operations with respect to the basic commodities and the commodities listed in any such public announcement and the ability of producers to bring supplies into line with demand.

Did Senators know that they were declaring it to be the policy of the Congress to extend this parity program or the principle of it to all nonbasic commodities of whatever kind? Did Senators know that it has become the policy of the Congress that there should be geared to the United States Treasury, to be supported at public expense, a floor under all nonbasic commodities?

Let me point out that in the face of the fact that price regulation or price stabilization is becoming one of the most imperative needs of the current situation, we are maintaining, not a ceiling over, but a price under, nonbasic agricultural commodities.

Let me point out to the Senate that the proper way to consider a matter of policy of this kind is for the proponents to introduce legislation to that end. Let it go to the Committee on Agriculture and Forestry. Let there be proper hearings. Let some basis be established for controlling production and establishing some measure of control of the nonbasic commodities the prices of which it is proposed to maintain.

Let me point out that under the language of the measure which was passed on the night of June 30 we are to turn the Treasury over to the maintenance of a floor under nonbasic commodities, even after a surplus has been produced. We do not now know how many prunes there will be in the fall of 1941. The Commodity Credit Corporation already has 100,000,000 pounds of prunes on hand. Yet if there be an additional surplus, the Treasury of the United States will be called upon to maintain a floor under the price of prunes.

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

Mr. DANAHER. I yield.

Mr. AIKEN. Let me say to the Senator from Connecticut that I, for one, knew of this provision and the purpose of it. The purpose was to assist the producers of nonbasic commodities, particularly when such commodities are purchased by

the Surplus Commodity Corporation, requiring the Corporation to pay a fair price rather than the extremely low prices it had been accustomed to paying. The result of the declaration of policy should be to help particularly the producers of milk, apples, squash, and other nonbasic commodities produced in Connecticut, Vermont, and other New England States, as well as the prune producers of Oregon and California.

I will say that I was aware of that purpose all the time, and I thought it a very logical purpose. I felt that we should not undertake to maintain living prices or cost of production on basic commodities and let the nonbasic commodities which we produce in our States fall to the bottom of the pit.

Mr. DANAHER. I thank the Senator from Vermont for his views; but let me assure him that when the principle is wrong I have not the slightest interest whatever in whether the people of Connecticut raise apples, milk, or any other commodity which comes within the purview of this act. The point obviously is that if we are to maintain a floor under prices the general public will have to pay those prices. The general public will have to maintain them. In order to meet the rising cost of living that will thus be entailed, there will be fresh wage-increase demands. There will be set in motion a spiral of inflation, which is the very nemesis of our existence in these days. That is the very situation we are doing everything we possibly can to curb. We find those efforts being countered by 15 Senators on the night of June 30. The situation does not involve specifically whether there is or is not benefit to apple producers in Vermont or Connecticut. That is not the point.

Quite the contrary, we are without any means of control of production being established, with no method of assessment or appraisal of the expected production, and no method of judging in advance what the market will be, or the rate of overproduction. With no control established, we are now saying that as a matter of policy we are placing a floor under the prices of all nonbasic commodities.

Furthermore, let me point out that we are making available for the purpose not simply the funds involved in the borrowing powers of the Commodity Credit Corporation in the then pending bill but all funds available under section 32, section 12, and section 3 of the Agricultural Adjustment Act. Do Senators wonder where that provision appears? Let me read it. This is section 4 (a):

SEC. 4. (a) Whenever during the existing emergency the Secretary of Agriculture finds it necessary to encourage the expansion of production of any nonbasic agricultural commodity, he shall make public announcement thereof—

Specifically—

and he shall so use the funds made available under section 3 of this act or otherwise made available to him for the disposal of agricultural commodities, through a commodity loan, purchase, or other operation, taking into account the total funds available for such purpose for all commodities, so as to support a price for the producers of any such commodity with respect to which such an-

nouncement was made of not less than 85 percent of the parity or comparable price therefor.

I submit that we are turning over to the Commodity Credit Corporation a declaration of policy upon which we have had no hearings, the cost of which we do not know, the principle of which has not been explored, and as to which we have had no record made. The proposal came from a committee dealing with finance and credit, the Committee on Banking and Currency, and not the Committee on Agriculture and Forestry, which has spent years in canvassing the difficulties and complexities of the problem of the American farmer. I have the deepest sympathy with the producers of milk, apples, and everything else; but I submit to those who are interested in the maintenance of the parity program for the five basic commodities that the entire program is most certainly being jeopardized by the introduction of a new element into the complex scheme of things. I call upon any member of the Committee on Banking and Currency—of whom a number are present—to rise and say to the Senate that there is a basis upon which this program was adopted.

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

Mr. DANAHER. I yield to my colleague.

Mr. MALONEY. As a member of the Committee on Banking and Currency I do not rise to meet the challenge of my colleague, but rather to associate myself with his remarks. He has just made the statement that the program as applied to basic commodities is jeopardized by the law to which he refers. I think I can go further than that. In my judgment, the provision to which he refers spells the doom of the entire program.

Without taking further time, I thank my colleague for permitting me this opportunity to associate myself with what he has said.

Mr. DANAHER. I appreciate the earnest assistance of my colleague.

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

Mr. DANAHER. I yield.

Mr. AIKEN. I should like to remind the Senator from Connecticut that, although the bill did not come before the Committee on Agriculture and Forestry at any time when I was present, it was sponsored by agricultural associations, and particularly by the American Farm Bureau Federation, which supported the adoption of the policy for the specific purpose of raising the income of producers of nonbasic commodities—farmers who were in almost the worst condition of any type of farmers in the whole United States. The purchase of surplus commodities by the Surplus Commodities Corporation has had a very beneficial effect upon the agriculture of New England. There was a time when hundreds of thousands of bushels of apples spoiled on the ground. As I remember, the Surplus Commodities Corporation first purchased them for about 30 or 40 cents a bushel, and distributed them in the larger cities of New England to the poor people who could not afford to buy them.

Mr. DANAHER. Let me ask the Senator from Vermont one question. Does he understand for one minute that my proposed amendment would interfere with the operations of the Surplus Commodities Corporation?

Mr. AIKEN. I think this policy was adopted for the express purpose of requiring the Surplus Commodities Corporation to pay at least the cost of production for the farm commodities which it purchased, which were largely nonbasic farm commodities.

Mr. DANAHER. Let me assure the Senator from Vermont that my amendment would in no way interfere with the operations of the Surplus Commodities Corporation or the Commodity Credit Corporation as of the date when we adopted the legislation of which I complain.

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

Mr. DANAHER. I yield.

Mr. GEORGE. I am sure the Senator wants to be accurate. If he will explore the acts and the program of the Surplus Commodities Corporation and the Commodity Credit Corporation, he will find that many nonbasic agricultural commodities are cared for under the program, in which the price is pegged, and it is always done with reference to some percentage of the parity value or price of that particular commodity. Let me say to the Senator that I do not know whether the two Senators from Connecticut originally advocated any of the parity bills; but, instead of breaking down the program for the basic commodities, unless something is done for that very large body of agriculture under the program, an agricultural program cannot be maintained in this country.

Mr. MALONEY. Mr. President, I should like to say to the Senator—

Mr. GEORGE. Let me say, while I am on my feet, that this declaration of public policy was predicated definitely upon two things. The first and foremost thing is that the nonbasic agricultural commodity must have brought itself under a control program by which production could be controlled before that policy could even be invoked or become applicable. And why should it not? Suppose the milk producers, suppose the producers of any other considerable commodity, should submit themselves to a control program, voting to give the Department of Agriculture power to regulate it and to regulate the marketing of the product; why, then, should not that commodity have equal treatment along with the so-called basic commodities of corn, cotton, wheat, rice, and tobacco?

Mr. DANAHER. Let me ask the Senator where he stops?

Mr. GEORGE. I stop nowhere. Wherever there is a commodity that will subject itself to the same control, and will agree to the same or substantially the same limitations, that is to say, that will limit its production on the same general theory or philosophy that the production of other basic commodities is limited, why should we make fish of one and fowl of another? Because there are more votes for a basic commodity? Is that the principle for which the Senator is contending? Why is it not fair to

include in this program any nonbasic commodity? It may be a very considerable commodity; and there are produced in this country very considerable commodities the production of which is as great as that of some of the so-called basic commodities, and which enter into our economy in a much more vital way. We call rice a basic commodity. How does it compare with poultry products, milk and butter products, peanut products, and various other products which are grown in this country on a large scale, in the production of which many hundreds of thousands of persons are engaged, and from which they draw their livelihood?

I think the Senator is mistaken about this matter. He may be opposed to the whole theory of protecting the agricultural producer. All good and well, if that is his principle. My understanding is the Senator did not sign the conference report because this provision was in it.

Mr. DANAHER. That is correct.

Mr. GEORGE. So the Senator knew the provision was in the report.

Mr. DANAHER. I was a conferee, and was supposed to know what was in the report.

Mr. GEORGE. Does not the Senator remember that in this very year the present Congress asked for parity payments on the so-called basic commodities or products—why? Because as to them the farmer had been limited in his production. He had complied with the demands. He had cut down his production. He had paid a price for a price and he wanted parity. The present Congress voted it, and sooner or later it must come. If the farmer is to pay the price, he certainly should have that consideration.

What happened? We wound up by writing into the law a guaranty of 85 percent of parity price for the basic commodities. Take the case of rice: How does rice compare with milk and butter and poultry and various other products which are grown in this country in actual dollars and in the number of persons who are employed in producing them?

If the Senator quarrels with the whole theory and the whole principle of farm benefits based upon voluntary reduction in production by the farmer, I can understand him; but merely because one Congress has classified rice as a basic commodity and has refused to classify some other important product as a basic commodity, how he can say that when the same identical control provisions are applied to both, and limited production results in both instances, we should not treat both of them alike is beyond me. I do not understand it.

Mr. DANAHER. Does the Senator consider that Mr. Milo Perkins, of the Surplus Commodities Administration, is a competent man in his field?

Mr. GEORGE. Certainly.

Mr. DANAHER. Let me point out to the Senator what Mr. Perkins said with reference to this program.

Mr. GEORGE. But I should not say he has a right to make the policies.

Mr. DANAHER. Oh, not to bind the Senator from Georgia. He is an administrator, I know; but he does speak from his knowledge and cognizance of market

conditions. He is dealing with the subject. He is trying to maintain prices of nonbasic commodities. He has butter and similar things above parity even now. He is dealing with perishables, and he knows that nonbasic commodities include many perishables. He knows that peanuts and peanut oil and cottonseed oil and turpentine and pecans and fibers and things of that kind most certainly are not the basic agricultural commodities upon which our economy depends; but he does know the situation, and he testified in the House hearings in opposition to this program, as follows:

More important than this, however, is the principle involved in dealing with perishable and semiperishable crops as opposed to dealing with nonperishable crops which can be stored under Government loans for long periods of time. The loan approach in the latter case gives a guaranteed kind of support to farm income. The only way to get similar results in the case of nonbasic crops is to have adequate money available for moving perishable and semiperishable crops into consumption before they spoil.

So there is one radical difference, that it is necessary to move non-basic commodities, perishables, before they spoil; and yet you are going to tie in the maintenance of a floor under prices for all nonbasic, perishable commodities. Is that what the Senator wants?

Mr. GEORGE. I did not say that, because it is impracticable for many of them to submit to control programs, and the Secretary of Agriculture or the administrative officer is not required to take in all perishable crops—not by any means. But when there is a crop which can be treated under a diversion program or a loan program, and when similar or identical provisions restricting production, price-control, or marketing-control provisions can be adopted with reference to such a crop, I say there is not any reason why that general policy should not prevail. It is really an effort of Mr. Perkins to make it prevail in principle even with respect to perishable crops; but, of course, he cannot treat those crops as he treats the nonperishable crops, whether they are basic or nonbasic commodities; but he is trying all the time to bring up all the products to a reasonable parity basis.

Mr. DANAHER. Let me point out to the Senator from Georgia that Mr. Perkins testified before the House committee that if this program goes into effect the United States Government will become the best customer for all these products; that that is exactly what will happen. Of course, there are other vices in connection with the program. In any case, let me say to the Senator from Georgia, without undertaking to go into detail, it is that very vice with reference to this situation of which I make complaint. This bill should have been before a committee that knows something about this program. This bill should have been before a committee that knew the extent and the nature of the complexities of it. What did the Banking and Currency Committee know about the program, meeting on the morning of June 28 at half past 10, and adjourning half an hour later without any hearing of any kind, with no idea in the world of the

nature or scope of the problem, only to have this thing come up in this way?

Mr. GLASS. Mr. President—

Mr. DANAHER. I yield to the Senator from Virginia.

Mr. GLASS. The Senator from Connecticut was on the conference committee, was he not?

Mr. DANAHER. I was.

Mr. GLASS. Why did not the Senator raise this objection when the conference report was presented?

Mr. DANAHER. Let me say to the Senator from Virginia that if he will turn to the CONGRESSIONAL RECORD for the night of June 30 and start reading at page 5748, and continue for the next 8 or 10 pages, he will find that not only did I raise the objection, but he was not even here to hear me.

Mr. GLASS. No; I was not, and I am glad I was not. [Laughter.]

Mr. DANAHER. That is right.

Mr. President, I point out to the Senator from Virginia that he was the chairman of the committee which heard this matter; that he, while present, was one of those who voted to report the bill with section 4 eliminated; and, of course, he was right. That is a vote in which the Senator from Virginia was right, and I joined him in it, and I applauded him for that course, because he was right. Of course, Mr. President, he does not imply now that he was not right. He just wondered if I took up the matter on the night of June 30—I realize that—when he had gone home with the other 81 Senators who were not here at a time when we were declaring the policy of the Congress.

So I do not take any umbrage at the interjection of my very dear friend, the Senator from Virginia, but I say, Mr. President, that this whole problem is so deep and so vast that it ought to be acted upon in such fashion that proper consideration can be given to it.

Mr. President, I ask for the adoption of the amendment; and I further ask for the yeas and nays on it.

Mr. TAFT. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | |
|------------|-----------------|---------------|
| Adams | Gillette | Pepper |
| Alken | Glass | Radcliffe |
| Andrews | Green | Rosier |
| Austin | Guffey | Russell |
| Bailey | Gurney | Schwartz |
| Bankhead | Hatch | Shipstead |
| Barkley | Hayden | Smathers |
| Bone | Hill | Smith |
| Brewster | Hughes | Taft |
| Bunker | Johnson, Calif. | Thomas, Idaho |
| Burton | Johnson, Colo. | Thomas, Okla. |
| Byrd | La Follette | Thomas, Utah |
| Capper | Langer | Tobey |
| Caraway | Lee | Truman |
| Chavez | Lodge | Tunnell |
| Clark, Mo. | Lumpkin | Tydings |
| Connally | McCarran | Vandenberg |
| Danaher | McFarland | Walsh |
| Davis | McKellar | Wheeler |
| Downey | Maloney | Wiley |
| Eastland | O'Mahoney | Willis |
| George | Overton | |

The VICE PRESIDENT. Sixty-five Senators have answered to the roll call. A quorum is present.

Mr. GLASS. Mr. President, I hope this amendment will not be adopted. If the Senator from Connecticut [Mr. DAN-

AHER] wants to correct what he considers an evil, let him introduce a bill and have it referred to the committee, and the committee will consider it.

The Senator from Michigan [Mr. BROWN] had charge of the matter. He was the chairman of the conference committee. He is not now here; so I do not think the Senate is prepared to vote upon this amendment. It does not understand the question as clearly as the Senator from Connecticut undertook to explain it; so, if he wants to correct what he considers a mistake or an evil, let him introduce a bill and have it referred to the committee.

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

Mr. GLASS. I yield to the Senator from New Mexico.

Mr. HATCH. I was about to rise to make exactly the same suggestion that the Senator from Virginia has made, with this exception: The Senator from Connecticut complains that this matter relates to agriculture, and ought to be considered by the Agricultural Committee.

Mr. GLASS. I do not care to what committee it goes, but I hope it will not come to the Committee on Banking and Currency again.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. DANAHY] on which the yeas and nays have been demanded.

The yeas and nays were not ordered.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Connecticut.

The amendment was rejected.

Mr. GEORGE. Mr. President, I have an amendment which I wish to offer, and it is pertinent to the discussion we have just had.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to add a new section, as follows:

SEC. 3. Section 359 (e) of the Agricultural Adjustment Act of 1938, as amended (Public Law 27, 77th Cong., approved Apr. 3, 1941), is amended as follows: By adding after the words "peanut-diversion program" in the second sentence of said subsection the words "(at a price not less than 85 percent of the parity price of peanuts as herein established)"; and by striking the words and figures "50 percent and not more than 75 percent" appearing in the fourth sentence of said subsection and inserting in lieu thereof "85 percent."

Mr. GEORGE. Mr. President, peanuts form one of the nonbasic crops—presumably, at least—but early this year a bill was passed providing for the allocation of a national-acreage quota for peanuts to be fixed on the basis of a 5-year average, as in the case of cotton and other crops, and restricting the marketing of the peanuts to the allocated acreage under any marketing program set up by the Department of Agriculture.

Subsequently the 85-percent-of-parity program for the basic commodities was provided for in a measure passed by the Senate, but at the time the peanut bill was passed the 85-percent provision for basic commodities had not been passed. Subsequently came the bill on which the Senate voted, in which there was ex-

pressed by the Congress a national policy favorable to 85 percent of parity for the nonbasic crops when control measures had been taken by the producers of the crops.

Mr. President, we think this amendment is pertinent to the particular bill now pending, and it is offered by those of us who come from the producing areas. It is offered because there is money available now for inaugurating a diversion program, and for the further reason that the producers have submitted themselves by a national referendum to a rigid control program which embraces both the marketing and the acreage allocation.

I think there will be no opposition on the part of the proponents of the bill to accepting the amendment and letting it go to conference.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. GEORGE].

The amendment was agreed to.

The VICE PRESIDENT. The question now is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill H. R. 5300 was read the third time, and passed.

The title was amended so as to read: "An act to amend Public Law No. 74 of the Seventy-seventh Congress, relating to wheat-marketing quotas under the Agricultural Adjustment Act of 1938, as amended, and to provide for withholding from the normal channels of trade and commerce cotton or wheat of the 1940 and previous crops which is owned by the Government or which is pledged as security for Government loans, and to increase the parity price of peanuts."

Mr. SMITH subsequently said: Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. McFARLAND in the chair) appointed Mr. SMITH, Mr. THOMAS of Oklahoma, Mr. BANKHEAD, Mr. CAPPER, and Mr. AIKEN, conferees on the part of the Senate.

PROMOTION OF ALVIN C. YORK TO THE RANK OF COLONEL

Mr. McKELLAR. Mr. President, I shall ask the Senate to listen to me for just a moment. Last year a bill was passed by the Senate providing as follows:

That the President of the United States be, and he is hereby, authorized, by and with the advice and consent of the Senate, to appoint Sgt. Alvin C. York, late of Company G, Three Hundred and Twenty-eighth Infantry, United States Army, an officer with the rank of colonel in the United States Army and then to place him on the retired list in that grade.

I think the bill was passed unanimously, and I hope it will pass unanimously again. I have reintroduced the bill at the present session of Congress, and I shall ask unanimous consent for its consideration this afternoon. I have reason to believe that the House will pass the bill at this session.

Mr. AUSTIN. Mr. President, I suggested to the distinguished Senator from Tennessee that briefly he state for the RECORD the reason for the honor he proposes to have conferred in this particular case.

Mr. McKELLAR. I shall be very happy to do so.

Mr. CONNALLY. Did the Senator say a similar bill has been passed heretofore?

Mr. McKELLAR. A similar bill passed the Senate at the last session but was lost in the House.

Mr. President, Sergeant York was the outstanding soldier in the first World War. We all remember the occasion when almost alone he broke up a German machine-gun nest, killed 26 Germans with his trusty rifle, and captured 132 more. This almost immediately gave Sergeant York world-wide fame. It certainly gave him a deserved Nation-wide fame.

When the Draft Act was passed in the first World War, Sergeant York was a conscientious objector because of his religious belief that he should not take the life of another human being. Upon the advice of those in whom he had confidence, however, he came to the conclusion it was his moral duty to go into the Army and defend and uphold his country. Thereupon, he was enlisted, and served with the greatest distinction. He has a deeply religious nature, and is a minister in his church at the present time.

When Sergeant York came home from France he was showered with every attention. Moving-picture companies offered him fabulous sums to make pictures. He refused because he did not see wherein it would be of any value to anyone, except himself, and he felt he should not personally profit by his military performance in behalf of his country. Since his return to Tennessee he has led the life of a good citizen, he has taken an active interest in agricultural affairs, and in Government affairs, he owns quite a farm near the place where he was born. As I recall, the farm cost about \$25,000, and was presented to Sergeant York by the people of Tennessee. He is a highly honored and respected citizen of Tennessee.

When the present World War broke out in Europe, Sergeant York was again besieged with offers to make a picture of his exploits in France. He finally consented to do this upon certain conditions, those conditions being that all the funds should be used by a Bible society for religious, educational, and better citizenship purposes. The picture has been made, and Sergeant York is being portrayed by the splendid and distinguished actor, Gary Cooper. I have seen the picture. It is unusually interesting, instructive, and well portrayed. I believe it will be of enormous benefit to citizens of the United States of America to see the picture, and I invite every Member of the Senate to attend the opening of the picture Thursday night.

I wish to say, Mr. President, that I have time and again introduced this bill to appoint Sergeant York a colonel and then retire him. It is an honor which I think the Government should accord to him.

I wish to assure the Senate that the bill has not grown out of the new fame which has come to Sergeant York by reason of the excellent picture, but because of his distinguished service to our country when it needed good soldiers. I hope to have better luck with the bill in the House this time than I had before. I think the picture should be seen by all, and especially I should like to have the country know what kind of men we have in Tennessee.

Mr. President, I wish to say a further word. When Senators look at the picture be certain to note that when the Sergeant was using his trusty rifle, before he took aim at the German whom he saw in front of him he would invariably hold his thumb and finger up to his mouth and wet them and reach way out at the end of his gun to the sight and put a little film on the sight so he could draw a better bead, and he got 25 of the Germans by actual count, and then captured all the others of them.

I hope the Senate will vote unanimously to pass this bill.

Mr. CLARK of Missouri. Mr. President, reserving the right to object—and I do not intend to object—I wish to say that I am very much interested in what the Senator from Tennessee has said about the great services of Sergeant York, with which everyone in the United States must agree. But I should like to call the attention of the Senator from Tennessee to the fact that other men performed outstanding services, for whom special bills have been introduced in Congress, which have been uniformly turned down by the War Department, and on which it has been impossible to get any action in the Congress.

I am not going to object to a bill for the promotion of Sergeant York, but I should like to call to the attention of the Senator from Tennessee, and to every other Senator, the fact that I have introduced in two different Congresses a bill to do justice to the memory of one of the greatest soldiers who ever wore the American uniform, a man who came not from my State, but who came from the State of Wisconsin, Gen. William Mitchell. Gen. William Mitchell, an impressive genius, foresaw the situation which now exists. General Mitchell was willing to sacrifice his rank in the United States Army by going counter to the brass hats of both the Army and the Navy, by not only predicting but demonstrating the shape of things to come. General Mitchell absolutely demonstrated, in the one opportunity when he had the chance to demonstrate, the use to which airplanes might be put in modern warfare.

Mr. President, 3 years ago I introduced a bill to correct the military record of General Mitchell. General Mitchell had been tried, court-martialed, and "busted," not cashiered, because his superiors did not have anything to cashier him for, but set back, I think, some 40 or 50 numbers in the United States Army, and being proud, fine soldier that he was, General Mitchell was unwilling to rest with that imputation against his honorable services, and so he resigned.

General Mitchell died of a broken heart. Everything that General Mitchell predicted has been proved true, and ex-

cept for the pride of the brass hats in the Army and the Navy the bill to correct General Mitchell's record could have already been enacted into law.

Mr. President, 3 years ago and again this year I introduced a bill to correct the military record of Gen. William Mitchell by providing that he be carried on the lineal list of the Army as having been a major general at the time of his death. I think that is reasonable. That could have been done for the memory of General Mitchell. I think Congress should have done it. But the War Department and the Navy Department very strenuously recommended against such action because they said it would be a distortion of the Army record and of the Navy record.

Mr. President, I certainly do not intend to object to any tribute that can be paid to such an heroic figure as Sergeant York, but when we pass the bill in his behalf, I insist that the Senate ought to think, if necessary, about discharging the Military Affairs Committee from further consideration and then consider a measure to do very scant justice to one of the greatest men that ever wore the uniform of the American Army, Gen. William Mitchell.

Mr. McKELLAR. Mr. President, I wish to say that I endorse every single word the Senator has said.

A bill providing for the promotion of Sergeant York was introduced by me early in my service as a Member of the Senate, and I have kept the matter before the Senate ever since. I think the measure was passed twice by the Senate. When I first introduced it many years ago it was passed by the Senate, and last year a similar bill was passed again, long before Sergeant York had any connection with moving pictures, so it is not on that account that I am introducing the bill.

Mr. CLARK of Missouri. Let me say to my friend the Senator from Tennessee that there is no tribute that could be paid to a fine soldier, such as Sergeant York undoubtedly was, that I would not agree with and go along with, and my remarks at this time are not in opposition to paying a simple tribute to Sergeant York.

Mr. McKELLAR. I understand that.

Mr. CLARK of Missouri. But I am also suggesting at this time that there are certain other great American soldiers whose services have never been properly recognized, some of whom were penalized for their honesty and patriotism, who ought to be recognized at this time.

Mr. McKELLAR. I wish to say to the Senate that I knew General Mitchell intimately during all the years he was here. What the Senator from Missouri said about Billy Mitchell is absolutely true all the way along the line. Billy Mitchell predicted exactly what has come to pass with respect to the use of airplanes.

Mr. CLARK of Missouri. And was court-martialed for his pains.

Mr. McKELLAR. Yes; he was court-martialed for it. That was an outrage. His record ought to be corrected. I wish to say that if the Senator can use my poor efforts in any way whatsoever to help do justice to William Mitchell I shall be 100 percent with him at all times, because William Mitchell was a great sol-

dier, he was an honest and a fearless man.

Mr. CLARK of Missouri. He was patriotic.

Mr. McKELLAR. He was a patriotic individual.

Mr. CLARK of Missouri. He was patriotic enough to sell his star for what he thought was the well-being of this country.

Mr. McKELLAR. And the Congress will do itself proud by seeing that his good reputation is restored so far as the Congress can do so.

Mr. CLARK of Missouri. Mr. President, I appreciate very much what the Senator from Tennessee has said. It is my intention, if the Committee on Military Affairs does not report the bill favorably or adversely, to move to discharge the committee, because I think that Congress at this session ought to take what would be very belated steps to do a very small meed of honor to the memory of that great soldier, Gen. William Mitchell.

Mr. BARKLEY. What does the Senator's bill provide in that regard?

Mr. CLARK of Missouri. It simply provides for correcting the military record of General Mitchell. Instead of showing that he was retired or resigned as a colonel after being "busted" by court martial, it would restore him on the lineal list of the Army as a major general, and I think that is the very least the Congress of the United States can do for that great pioneer of air development, Gen. William Mitchell, who had as fine a record as any man ever had in the whole history of the United States Army.

Mr. McCARRAN. Mr. President, my study of the subject causes me to render a tribute to Billy Mitchell. If my tongue possessed the power, I should like to have an eloquent record made in the Senate. Today his words are coming forward with prophetic force. Some of us now see what he saw years ago. Some of us are determined to go forward with his great views and his great prescription.

If there ever was a prophet of the air from the standpoint of national defense, it was Billy Mitchell. Today the very things which he advocated and for which he was reduced in rank—the very things which he espoused and for which he was reviled, are becoming more and more true as time goes on. So I hope that within a short time we may round out the great tribute to Billy Mitchell. His reduction in rank for the prophecy which he made years ago was one of the greatest disgraces ever to come upon this country.

I hope his prophecy will be rounded out, and that a great independent air force for this country will be wrought in the name of Billy Mitchell. Any of us may take the authorship of the bill, but let the bill be written in the name and spirit of a great warrior who prophesied on the basis of his experiences in the world conflict and his knowledge of the subject of aviation, especially military aviation. Let the bill be rounded out in his name, whether it be the bill the author of which is the Senator from Missouri [Mr. CLARK] or some other bill. Let it be the Mitchell bill. It would be

the greatest monument that could be builded in his memory.

Mr. CLARK of Missouri. Mr. President, let me say to the Senator that I have no pride of authorship either in the bill which I have introduced for the establishment of a Department of National Defense, with three coordinate branches, namely, Army, Navy, and Aviation, or in the bill for restoring General Mitchell to the lineal list of the Army. I think the Congress is long overdue in doing justice to the memory of that great soldier.

Mr. McCARRAN. I am very much in accord with that suggestion, and I hope the Senator from Missouri and I may join in furthering the bill now pending before the Senate when hearings are held before the Military Affairs Committee, that we may work out a bill under which there will be a trinity of defense in America—by land, by water, and by air—and that it may be called the Mitchell bill, in honor of a great soldier who saw many years ahead.

Mr. WALSH. Mr. President, I should like to inquire from the Senator from Tennessee if the bill to which he refers increases the retirement pay, if any, of Sergeant York.

Mr. McKELLAR. There is no retirement pay. He draws none now. However, the bill authorizes the President to retire him as a colonel in the United States Army.

Mr. WALSH. That means, of course, that he would receive the retired pay of a colonel?

Mr. McKELLAR. That is correct.

Mr. WALSH. Approximately what would his retired pay be? Would it be as much as \$4,000 or \$5,000?

Mr. McKELLAR. No. It would be \$3,600 or \$3,200. I have forgotten which.

Mr. WALSH. I do not wish to object to the bill, but I wish to register my opposition to private bills of this type. As has been pointed out by the Senator from Missouri [Mr. CLARK], many enlisted men in the Army and Navy have performed glorious acts of heroism. If we start according them special marks of distinction and honor which give them more money, there will be no limit.

Mr. McKELLAR. Sergeant York would not receive more money, because he is not now receiving any.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

Mr. DANAHER. Mr. President, I wish to ask the Senator from Tennessee if the degree of collaboration rendered by Sgt. Bernard Early, of New Haven, Conn., has ever been called to his attention?

Mr. McKELLAR. I do not remember the name of the particular person. Sergeant York was aided by those who were with him. If the Senator will examine the history, he will find that Sergeant York became separated from his companions, and himself did the work which his companions afterward approved. They were in the same organization. I do not recall the particular name mentioned by the Senator, but if the Senator says that a particular man was with Sergeant York, or in the same organization with him, I have no doubt

that his statement is correct. I do not dispute it at all. However, Sergeant York was by himself when he killed 25 Germans and captured the other 132.

Mr. DANAHER. Let me say to the Senator from Tennessee that I shall endeavor to obtain the details of Bernard Early's collaboration with Sergeant York, and supply them for the Record. They will form an interesting supplement.

Mr. McKELLAR. I shall be very happy to have the Senator do so.

Mr. CLARK of Missouri. Mr. President, I have already said that I have no intention to object to paying tribute, financial or otherwise, to the great record of Sergeant York.

A number of Senators have asked me about the bill with regard to General Mitchell, to which I referred a little while ago. It will take me only a moment to read it. I should like to have Senators present listen to it, because I think it is a very scant and belated tribute to a great soldier. I intend to pursue the matter as hard as I can. Let me read the bill.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that the President is authorized—

This does not confer any financial benefit on the family of General Mitchell—

to issue posthumously to the late William Lendrum Mitchell, late a colonel, United States Army—

That was his rank after he was demoted—

a commission as a major general, United States Army, with the date and rank as of —, 1936.

When I drew the bill I did not have before me the date of General Mitchell's death.

Sec. 2. The Secretary of War is authorized and requested to amend the records of the War Department so as to carry the said William Lendrum Mitchell as a major general, United States Army, at the time of his death in 1936.

It seems to me that is as little as could possibly be done by the Congress of the United States at this late day, 5 years after General Mitchell died of a broken heart, to justify him in the patriotic, self-sacrificing course he took when, as an officer in the United States Army, he tried to develop a policy for the national defense.

Mr. WILEY. Mr. President, some months ago I introduced a bill along the lines suggested by the distinguished Senator who has just spoken. After hearing the Senator from Missouri, what is particularly significant to me is that for years now what he calls the "brass hats" have apparently not been willing to accept the situation with reference to which the President himself has said that Mitchell got "a rotten deal."

The danger to the country is that when we have a department which will not recognize that it has made a mistake and will not try to rectify it. Right now there may be many other Billy Mitchells with ideas, men who can see ahead of their time, who will be cashiered.

So I think the Senate of the United States should not delay action in this

matter. I think it will serve as a lesson to the present War Department at a time when America is passing through a critical period.

Tomorrow I expect to put into the Record a letter the War Department wrote me, failing to admit they were wrong, again carrying on the old grudge.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. WILEY. I will yield in a moment. If the War Department will not do what we are seeking, or will not recommend it, are we to take orders from the War Department—we, an independent branch of government? Or are we men who, recognizing that a mistake has been made, will attempt to correct it?

I am happy to yield to the Senator from Missouri.

Mr. CLARK of Missouri. If the Senator has read, as I know he has, the record of the Mitchell court martial, he will know that General Mitchell was actually court-martialed for proving statements which he had made, which were denied by the "brass hats" in the Navy Department. In other words—if the Senator or anyone else will read the specifications of the charges—General Mitchell was tried by the War Department for not only having stated certain facts, but for having proved, against the assertions of the "brass hats" of the Navy Department, those facts to be true. He was not cashiered; he was busted by 40 numbers in rank. He resigned, and died of a broken heart.

Congress might just as well look into that situation at this time; because, as the Senator from Wisconsin has said, the same situation may apply to various other of the best Army and Navy officers the country would have in its service in the next few years.

Mr. WILEY. I thank the distinguished Senator.

Let me read into the Record the bill I introduced. It is very short:

Be it enacted, etc., That the President is authorized to issue posthumously to the late William Mitchell, formerly a colonel, United States Army, a commission as a brigadier general, United States Army, with the date and rank as of the date of his death in 1936.

Sec. 2. The Secretary of War is authorized and directed to amend the records of the War Department so as to show that the said William Mitchell was a brigadier general of the United States Army at the time of his death.

It is a very simple bill, Mr. President; and yet now, when Billy Mitchell has been established in the hearts and minds of the citizens of the United States as one who is applauded because he had vision, we find the War Department recommending against the passage of a bill of that character. Such action indicates an absolute lack of vision, not only an absolute inability to perceive the duty of fulfillment of an obligation to a great hero who is dead, but it shows a blank wall in front of men who recognize that in this period we should give due credit to men of vision.

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

Mr. WILEY. I yield.

Mr. McCARRAN. Let me say that the War Department not only recommends

against passage of the bill to which reference has been made by the Senator from Missouri and the Senator from Wisconsin, but the War Department now perfunctorily recommends against the program laid out by Billy Mitchell, which program, if it had gone into effect, would have put us 10 years ahead of our time in national defense. They now recommend against it and they are standing out against it. They not only do that, but they say that any one will be penalized if he testifies in favor of setting up an independent air force in this country, for which principle General Mitchell stood in his day and hour.

Mr. WILEY. I thank the Senator for his contribution.

Mr. McCARRAN. In my judgment the adoption of that principle will come about in this Congress, I hope, and if not, immediately thereafter.

Mr. WILEY. Just one further word. The ideas and the vision of Billy Mitchell were accepted by another gentleman on this globe, and that was Mr. Goering, in Germany. In every detail he carried out the methods Billy Mitchell attempted to teach to the "brass hats" in this country, and the result was the predominating air force which has given Germany the victory on every battlefield so far except in Russia.

The significant thing, I repeat, is that the men who now realize they had no vision, the men who because of their lack of vision, have made it possible for our own country to be unprepared, still persist in their blindness. The result of such blindness may be of great damage to this country, as it has been in the past.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

Mr. McKELLAR. I ask for the consideration of the bill, and that it be voted on.

There being no objection; the bill (S. 1770) authorizing the President of the United States to appoint Sergeant Alvin C. York as a colonel in the United States Army and then place him on the retired list, was considered, ordered to be engrossed for a third reading, read the third time, and passed.

EXTENSION OF SELECTIVE SERVICE

Mr. BARKLEY. Mr. President, not that we intend to proceed with the measure tonight, but in order to make it the unfinished business, I move that the Senate proceed to the consideration of Senate Joint Resolution 95, Calendar No. 617, the draft-extension measure.

The PRESIDING OFFICER. The question is on the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the joint resolution (S. J. Res. 95) declaring the existence of a national emergency, and for other purposes, which had been reported from the Committee on Military Affairs, with amendments.

EXECUTIVE SESSION

Mr. BARKLEY. 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 REPORTS OF COMMITTEES

The following favorable committee reports of nominations were submitted:

By Mr. GEORGE, from the Committee on Finance:

Several dentists to be assistant dental surgeons in the Public Health Service; and James J. Connors, of Juneau, Alaska, to be collector of customs for customs collection district No. 31, with headquarters at Juneau, Alaska (reappointment).

By Mr. HILL, from the Committee on Military Affairs:

Several officers for appointment, by transfer, in the Regular Army; and

Sundry officers for promotion in the Regular Army, under the provisions of law.

The PRESIDING OFFICER (Mr. McFARLAND in the chair). If there be no further reports of committees, the clerk will state the nominations on the calendar.

THE JUDICIARY

The Legislative Clerk read the nomination of Matthew F. McGuire, of Massachusetts, to be an associate justice of the District Court of the United States for the District of Columbia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. McCARRAN. I ask that the President be immediately notified of the confirmation of the nomination of Mr. McGuire.

The PRESIDING OFFICER. Without objection, it is so ordered.

DIPLOMATIC AND FOREIGN SERVICE

The Legislative Clerk read the nomination of Anthony J. Drexel Biddle, Jr., of Pennsylvania, now Ambassador Extraordinary and Plenipotentiary to Poland, serving concurrently as Ambassador Extraordinary and Plenipotentiary near the Government of Belgium and as Envoy Extraordinary and Minister Plenipotentiary near the Governments of Norway and the Netherlands, now established in London, to serve concurrently and without additional compensation also as Envoy Extraordinary and Minister Plenipotentiary of the United States of America near the Government of Yugoslavia, also now established in London.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The Legislative Clerk proceeded to read sundry nominations of postmasters.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That completes the calendar.

Mr. BARKLEY. I ask that the President be immediately notified of all these confirmations.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE ARMY

Mr. BARKLEY. Mr. President, certain routine promotions and appointments in the Army have been reported and are now on the desk. I ask unanimous consent for their present consideration, and that the names merely be printed in the RECORD.

The PRESIDING OFFICER. Is there objection? If not, it is so ordered, and the nominations are confirmed.

Mr. BARKLEY. I further ask unanimous consent that the President be notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

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

The motion was agreed to; and (at 5 o'clock and 50 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, July 30, 1941, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 29 (legislative day of July 28), 1941:

DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF COLUMBIA

Matthew F. McGuire to be associate justice of the District Court of the United States for the District of Columbia.

DIPLOMATIC AND FOREIGN SERVICE

Anthony J. Drexel Biddle, Jr., to serve as Envoy Extraordinary and Minister Plenipotentiary of the United States of America near the Government of Yugoslavia now established in London.

POSTMASTERS

CONNECTICUT

Frank E. Collins, Rockfall.
Laurent E. Beauregard, Wauregan.

GEORGIA

Judge T. D. Conley, College Park.
Mrs. Hubert H. Berry, Sparta.

OKLAHOMA

John S. Dawson, Bennington.
J. Wendell Simmons, Edmond.

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

TO ADJUTANT GENERAL'S DEPARTMENT

Lt. Col. George Allan Miller

TO QUARTERMASTER CORPS

Maj. Joseph Albert Sullivan
First Lt. Victor Edward Maston
Second Lt. Robert Harold Rosen

TO FINANCE DEPARTMENT

Lt. Col. Frank M. Moore

TO ORDNANCE DEPARTMENT

First Lt. Jefferson Davis Childs

TO INFANTRY

Second Lt. Roy George Hendrickson.

PROMOTIONS IN THE REGULAR ARMY

To be lieutenant colonels

Dale Clarence Hall, Ordnance Department.
John Martin Clark, Air Corps, subject to the examination required by law.

John James Downing, Signal Corps, subject to the examination required by law.

Rowland Charles William Blessley, Air Corps.

Arthur Thomas, Air Corps.
Edward Albert Kimball, Infantry.

MEDICAL CORPS

To be captains

Doss Owen Lynn, Medical Corps.
Halman Earl Sanders, Medical Corps.

CHAPLAINS

To be captains, United States Army
Emil William Gettner, subject to the examination required by law.
John Allen DeVaux.

HOUSE OF REPRESENTATIVES

TUESDAY, JULY 29, 1941

The House met at 12 o'clock noon.

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

We praise Thee, our Father in heaven, for this new day and for the opportunity which it offers to serve Thee and our country. Thou art constantly bestowing upon us the favors of the divine graces. Keep the house of our hearts open that we may live deep and honest lives, obtaining for us the spirit of prayer, blessed and preserved by Thy guidance. We would ask not for the perishing things of earth, but for the continued power and disposition to know Thee, for a faith that never wavers, and for a hope that never grows dim. We pray for the wisdom of our Master, although a Man of Sorrows, yet He spake ever of His joy and peace. Keep our minds pure of the soiling of evil motive, filling them with knowledge and a love to obey the truth, the one task that will always yield new and soul-deep satisfactions. As our country's very life and destiny have been delivered unto us, grant, O Lord God, that there may be a just balance in all deliberations, holding us in the strong grip of unity and cooperation. With clear vision and earnest purpose may we stand looking into the future, ready for its duties and responsibilities. Through Christ. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4911. An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BAILEY, Mrs. CARAWAY, Mr. CLARK of Missouri, Mr. OVERTON, Mr. McNARY, and Mr. JOHNSON of California to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 162) entitled "An act to strengthen the national defense by creating the grade of chief warrant officer in the Army, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. REYNOLDS, Mr. THOMAS of Utah, Mr. HILL, Mr. BRIDGES, Mr. GURNEY, and Mr. LODGE to be the conferees on the part of the Senate.

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. 505. An act making provision for payment of employees of the United States Government, its Territories or possessions, or the

District of Columbia, for military leave when ordered to active duty with the military or naval forces of the United States.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3537) entitled "An act to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes."

EXTENSION OF REMARKS

Mr. HILL of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to include therein an article entitled "Oceans Are Wider," by Al Williams, in the Washington News of yesterday.

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

There was no objection.

REFERENDUM ON WAR AND CONVOYS

Mr. HILL of Washington. 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 Washington?

There was no objection.

[Mr. HILL of Washington addressed the House. His remarks appear in the Appendix of the Record.]

EXTENSION OF REMARKS

Mr. TRAYNOR. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to include therein a letter received by me referring to the bill H. R. 5417.

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

There was no objection.

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to include a few quotations from The Crisis, by Churchill.

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

There was no objection.

Mr. GEHRMANN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to include therein a letter received from one of my constituents.

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

There was no objection.

Mr. SWEENEY. Mr. Speaker, I have two unanimous-consent requests. First, I ask unanimous consent to extend my remarks in the Record and to include an editorial from the Gaelic American, entitled "Lord Halifax Should Be Sent Home."

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

There was no objection.

Mr. SWEENEY. Second, Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include therein a letter from Hon. John J. O'Connor to the Washington Times-Herald, dealing with the international situation.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to include therein an article from the Journal of the Brotherhood of Electrical Workers in support of the St. Lawrence project.

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

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. WILSON. 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 Indiana?

There was no objection.

Mr. WILSON. Mr. Speaker, we are confronted with a grave national emergency. To some this emergency means merely the defeat of Hitler, perhaps the sending of an expeditionary force and, perhaps, the expenditure of billions of dollars. To others it means a defense which will defy any and all comers. In either case and regardless of who is right, it is a challenge for the best that is in any of us. It will tax our health, strength, and nervous system to the limit.

To meet this challenge we must direct our every effort toward that end. We must seek unity. Therefore, I caution those who seek to create disunity and partisanship and who would consume our time by making accusations against Members of this body, to go slow. Is not our time more valuable elsewhere than here listening to such.

EXTENSION OF REMARKS

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include a brief editorial.

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

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN J. KENNEDY. Mr. Speaker, I ask unanimous consent that after the legislative program of the day and following any previous special order, I may be permitted to address the House for 5 minutes.

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

There was no objection.

EXTENSION OF REMARKS

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my remarks and include a poem by Emma Lazarus.

The SPEAKER. Is there objection? There was no objection.

POLL ON ENTRANCE INTO WAR

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

The SPEAKER. Is there objection? There was no objection.

Mr. SAUTHOFF. Mr. Speaker, I do this to state to the Members of the House the result of our poll in my district today. Against United States participation in war, 52,764; in favor of the United States participation in the war, 3,213.

Mr. FISH. Mr. Speaker, will the gentleman state what the percentage is?

Mr. SAUTHOFF. It runs about 5½ percent in favor thereof.

EXTENSION OF REMARKS

Mr. HESS. Mr. Speaker, I ask unanimous consent to extend my remarks by the inclusion of a letter received from the United States Selectee-Parent Legion.

The SPEAKER. Is there objection? There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including an editorial from the Roxbury (N. Y.) Times.

The SPEAKER. Is there objection? There was no objection.

Mr. WEAVER. Mr. Speaker, I ask unanimous consent to extend my remarks by including an editorial by Dan Tompkins, owner of the Jackson County Journal, published at Sylva, N. C.

The SPEAKER. Is there objection? There was no objection.

RECENT HEARINGS OF COMMITTEE ON PATENTS

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

The SPEAKER. Is there objection? There was no objection.

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

EXTENSION OF REMARKS

Mr. BARRY. Mr. Speaker, I ask unanimous consent to extend my remarks and include a brief editorial.

The SPEAKER. Is there objection? There was no objection.

Mr. OSMERS. Mr. Speaker, I ask unanimous consent to extend my remarks by the inclusion of a speech I delivered on July 23 over the radio on the subject of a separate national air force.

The SPEAKER. Is there objection? There was no objection.

Mr. OSMERS. Also, Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by the inclusion of an address on the same subject by Charles T. Malone, president of the American Glider Association.

The SPEAKER. Is there objection? There was no objection.

Mr. ROBERTSON of North Dakota. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by the inclusion of an article written by Mr. David Lawrence.

The SPEAKER. Is there objection? There was no objection.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by the inclusion of a resolution adopted by the National Aeronautic Association favoring a separate air force.

The SPEAKER. Is there objection? There was no objection.

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to extend my remarks

by the inclusion of a short editorial on "hot wheat."

The SPEAKER. Is there objection? There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remarks by the inclusion of a newspaper article.

The SPEAKER. Is there objection? There was no objection.

PERMISSION TO ADDRESS THE HOUSE

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

The SPEAKER. Is there objection? There was no objection.

Mr. FISH. Mr. Speaker, two Members of the House have just announced the result of polls taken in their districts. The poll taken by the gentleman from Wisconsin [Mr. SAUTHOFF] showed that 95 percent of the people in his district were against our entrance into the war. The poll taken by the gentleman from Washington [Mr. HILL] showed that 85 percent of his constituents were against our being involved in the war. Nevertheless, today's newspaper announces that Winston Churchill, the British Prime Minister, says the United States is on the verge of war. I wonder who is advising Mr. Churchill? I wonder if he has been told about these polls taken in the different congressional district of our country? If not his American advisers are just not telling him the truth nor giving him the facts.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a radio broadcast which I made on July 23.

The SPEAKER. Is there objection? There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my remarks and include a resolution adopted by the Pacific Northwest conference of savings and loan associations at Gearhart, Oreg.

The SPEAKER. Is there objection? There was no objection.

THE WEATHER

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

The SPEAKER. Is there objection? There was no objection.

Mr. WICKERSHAM. Mr. Speaker, yesterday morning, about 10:30, several thousand Government employees were allowed to go to their homes, the parks, and beaches because the humidity had reached 98 degrees and because they did not have air-conditioning.

I would like to say right here that in Oklahoma there are many of us who do not have air-conditioning, yet we continue to work. Today is Monday—wash-day back home—and thousands of good housewives are bending over steaming hot tubs, thousands of farmers are sweltering in the wheat fields, harvesting the grain, hundreds of laborers are swinging the pick in the ditches, many old folks are

getting rather warm in their little homes where they reside and barely live on the mere pittance of old-age assistance given them, and thousands of our fine young men are sweating under the hot sun, marching up and down the training fields in order that they may defend this country.

Each of these fine citizens of Oklahoma are paying the price and sharing the burden of the defense program, rain or shine, hot or cold, and I want you to know that I do not think it is fair to give these Federal employees extra leave because it is a little warm here in Washington. I hope that the action of the department heads in allowing such "heat vacations" will not continue.

PARTICIPATION IN THE WAR

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

The SPEAKER. Is there objection? There was no objection.

Mr. GIFFORD. Mr. Speaker, I want to express my very great surprise to the two gentlemen who made reports today on the polls taken, that they should have found 15 percent ready to participate in the war. I did not think there would be that many. I wish those same gentlemen would take a poll to see whether we ought to have taken over Iceland or not. It is amazing how close to war people want to go, but do not want to get into it.

[Here the gavel fell.]

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

The SPEAKER. Is there objection? There was no objection.

Mr. RICH. Mr. Speaker, the Washington Daily News carries the statement: "United States on verge of war."—Churchill.

That is the same statement that was made by the gentleman from New York [Mr. FISH] relative to the polls that were taken in this country. It shows that people are against war. I say to you Members of Congress, you ought to tell Churchill that we are against war. Let us let him know that we are not going to get into this war, and he will not be counting on us, and the administration will not be counting on us. Mr. Willkie, Mr. Stimson, Mr. Knox, or Mr. Ickes will not get us into it if we tell them we are not going to vote for war, because if we want to save this Nation we must stay out of it.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my remarks on the tax bill and quote some brief excerpts from Messrs. Frank, Roosevelt, Hull, Knudsen, Henderson, and Stettinius.

The SPEAKER. Is there objection? There was no objection.

(By unanimous consent, Mr. GEYER of California was granted permission to extend his own remarks in the RECORD.)

TO AMEND THE NATIONAL HOUSING ACT

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5395) to

amend the National Housing Act, as amended.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 603 of the National Housing Act is hereby amended by striking the figure "\$100,000,000" appearing in subsection (a) thereof and inserting in lieu thereof the figure "\$300,000,000."

The bill 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.

SELECTIVE TRAINING AND SERVICE ACT AMENDMENTS

Mr. MAY. Mr. Speaker, I call up the conference report on the bill (S. 1524) to authorize the deferment of men by age group or groups under the Selective Training and Service Act of 1940, and I ask unanimous consent that the statement may be read in lieu of the report.

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

Mr. HARNES. Mr. Speaker, reserving the right to object, I just wanted to ask the gentleman from Kentucky, in considering this conference report, if he will be good enough to yield this side one-half of the time, namely, 30 minutes?

Mr. MAY. I expect to yield to the gentleman all the time I can. I have several requests from this side from Members who are opposed to the bill. I may say to the gentleman that I will yield him all the time I can possibly spare.

Mr. HARNES. There are several Members on this side who want to be heard.

Mr. MAY. I am going to yield the gentleman all the time I possibly can.

Mr. HARNES. It is the custom, Mr. Speaker, to divide the time. I would appreciate it very much if the gentleman could give us one-half of the hour.

Mr. MAY. The customary practice is that the chairman in charge of the conference report controls the time, and I am saying to the gentleman that I am going to be just as liberal as I can consistent with the accommodation of everybody.

Mr. HARNES. Will the gentleman indicate now that he will give us 30 minutes' time on this side?

Mr. MAY. No; I will not indicate that. There are too many requests from the committee and from Members on this side. I will divide the time just as equitably as I possibly can between those opposed to the report and those in favor of it.

Mr. HARNES. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HARNES. Would the Speaker recognize me at this time to propound a unanimous consent that the time be extended to 2 hours?

The SPEAKER. There is one unanimous consent request pending. The gentleman from Kentucky has called up a conference report, which is his right, and asked unanimous consent that the statement be read in lieu of the report.

Mr. HARNES. Further reserving the right to object, Mr. Speaker, I wonder if the distinguished Chairman of the Military Affairs Committee would incorporate in his unanimous consent request the proposition that the time be extended to 2 hours?

Mr. MAY. No.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky that the statement of the conferees be read in lieu of the report? [After a pause.] The Chair hears none.

CALL OF THE HOUSE

Mr. McKEOUGH. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. McKEOUGH. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

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

[Roll No. 95]

| | | |
|----------------|----------------|----------------|
| Andersen, | Grant, Ala. | Patman |
| H. Carl | Heffernan | Plumley |
| Andrews | Heldinger | Ramspeck |
| Barnes | Hinshaw | Rankin, Mont. |
| Buckler, Minn. | Hobbs | Romjue |
| Burch | Holbrook | Rutherford |
| Cannon, Mo. | Jarrett | Sasser |
| Cartwright | Jenks, N. H. | Schaefer, Ill. |
| Celler | Johns | Scott |
| Collins | Keefe | Scrugham |
| Cope land | Kirwan | Sheridan |
| Culkin | McArdle | Smith, Pa. |
| Cullen | Maas | Sparkman |
| D'Alesandro | Maciejewski | Stearns, N. H. |
| Delaney | Murray | Stevenson |
| Douglas | Norton | Thill |
| Doxey | O'Brien, N. Y. | Thomas, N. J. |
| Duncan | O'Connor | Vreeland |
| Faddis | O'Day | Wene |
| Fulmer | O'Hara | White |
| Gillie | O'Neal | |

The SPEAKER. On this roll call 371 Members have answered to their names, a quorum.

By unanimous consent, further proceedings, under the call, were dispensed with.

FLOOD-CONTROL BILL—CONFEREES APPOINTED

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4911) authorizing the construction of certain public works on rivers and harbors for flood control and for other purposes, with Senate amendments, disagree to the amendments of the Senate, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. WHITTINGTON, SECREST, and ENGLEBRIGHT.

AMENDMENT OF SELECTIVE TRAINING ACT

The SPEAKER. The Clerk will read the statement of the managers on the part of the House.

The Clerk read the statement of the managers.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1524) to authorize the deferment of men by age group or groups under the Selective Training and Service Act of 1940, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That section 5 (b) (1) of the Selective Training and Service Act of 1940, as amended, is hereby amended by inserting before the colon the following: ', or any enlisted man who has been or is hereafter honorably discharged from the Regular Army or the Coast Guard for the convenience of the Government within six months prior to the completion of his regular 3-year period of enlistment'.

"Sec. 2. Section 5 (e) of the Selective Training and Service Act of 1940 is amended by adding '(1)' after '(e)', and by adding at the end thereof the following: 'Rules and regulations issued pursuant to this subsection shall include provisions requiring that there be posted in a conspicuous place at the office of each local board a list setting forth the names and classifications of those men who have been classified by such local board.

"(2) Anything in this Act to the contrary notwithstanding, there shall be deferred from training and service under this Act in the land and naval forces of the United States until Congress shall declare otherwise, the men who, on the 1st day of July 1941, or on the 1st day of July of any subsequent year, (1) are liable for such training and service, (2) have not been inducted into the land or naval forces for such training and service, and (3) have attained the twenty-eighth anniversary of the day of their birth: *Provided*, That any of such men may after volunteering for induction be inducted pursuant and subject to the provisions of section 3 (a) of this Act."

"Sec. 3. Section 9 of the Selective Training and Service Act of 1940 is hereby amended by adding at the end thereof the following new paragraph:

"The power of the President under the foregoing provisions of this section to take immediate possession of any plant upon a failure to comply with any such provisions, and the authority granted by this section for the use and operation by the United States or in its interests of any plant of which possession is so taken, shall also apply as hereinafter provided to any plant equipped for the manufacture of any articles or materials which may be required for the national defense or which may be useful in connection therewith. Such power and authority may be exercised with respect to any such plant during the existence of the unlimited national emergency proclaimed by the President on May 27, 1941, whenever the President finds, after investigation, that there is an interruption of production at such plant, that the national-defense program will be unduly impeded or delayed by such interruption, and that the exercise of such power and authority is necessary to insure production at such plant in the interest of the national defense: *Provided*, That with respect to any plant of which possession shall have been taken under the provisions of this paragraph, such plant shall be returned to its owners whenever the President determines that such plant will be privately operated in a manner consistent with the needs of the national defense."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same with an amendment as follows: In lieu of the amended title proposed by the House, amend the title so as to read: "An act providing for certain deferments and exemptions under the Selective Training and Service Act of 1940, for publicity with respect to classifications, for operation of certain plants to expedite the defense program, and for other purposes"; and the House agree to the same.

A. J. MAY,
R. E. THOMASON,
DOW W. HARTER,
L. O. ARENDS,

Managers on the part of the House.

ROBT. R. REYNOLDS,
ELBERT D. THOMAS,
H. H. SCHWARTZ,
LISTER HILL,
WARREN R. AUSTIN,
CHAN GURNEY,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1524) to authorize the deferment of men by age group or groups under the Selective Training and Service Act of 1940, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Senate bill

Section 1 of the Senate bill authorized the President, under such rules and regulations as he might prescribe, to provide for the deferment from training and service under the Selective Training and Service Act of 1940 of men who were liable therefor, had not been inducted into the land or naval forces, and who had attained the age of 28, on the first day of July 1941, or on the first day of July of any subsequent year.

Section 2 of the Senate bill extended the authority of the President under section 9 of such act to take over and operate certain plants in order to expedite the defense program. The extended authority was to apply (1) to any plant equipped for the manufacture of any articles or materials which may be required for the national defense or which may be useful in connection therewith, and (2) to any plant which, in the opinion of the Secretary of War or the Secretary of the Navy, is capable of being readily transformed into a plant equipped for the manufacture of any such articles or materials. The exercise of this extended authority was limited, however, to time of war in which the United States was engaged, or, during the unlimited national emergency proclaimed by the President on May 27, 1941. In addition, in each case, the President was required to make a finding, after investigation, that the national defense program would be impeded or delayed by an existing or threatened failure of production at the plant as a result of a strike, threatened strike, lock-out, or other cause, that the exercise of the added authority was necessary in the public interest, and that where the existing or threatened failure of production was due primarily to a labor dispute there had been a failure to use existing Government conciliation and mediation facilities, or that the dispute had not been settled despite the use of such facilities. It was also provided that any plant with respect to which the extended authority of the President had been exercised would be returned to its owners whenever the President determined that the plant would be privately operated in a manner consistent with the needs of the national defense.

Section 3 of the Senate bill contained a declaration that complete cooperation between government, management, and labor

is necessary, that strikes or lock-outs in industries that impede or delay the national defense effort are contrary to sound public policy, and that strikes or lock-outs in such industries in which either side refused to recognize arbitration and mediation and abide by the decisions thereof are condemned.

Section 4 of the Senate bill contained a further declaration that such complete cooperation can best be achieved by the wholehearted acceptance of the principles of collective bargaining, and the recognition of the rights of employees to designate representatives of their own choosing for collective bargaining purposes without interference through unfair or oppressive labor practices.

House amendment

The House amendment contained no provisions corresponding to sections 2, 3, and 4 of the Senate bill.

The deferment provision of the House amendment applied to the same persons as section 1 of the Senate bill, but deferment was made mandatory until Congress declared otherwise instead of being left to the President's discretion.

The House amendment also provided for publicity with respect to the classification of registrants under the Selective Training and Service Act of 1940. A list of all the men classified by each local board was required to be posted in a conspicuous place at the board's office, together with a brief statement of the reasons for each classification. Further publicity was also required with the President determining the manner of publication of such lists.

The House amendment also provided for a peace-time exemption from liability to serve under such Act in the case of men discharged from the Regular Army for the convenience of the Government within 90 days before the completion of a 3-year enlistment period.

Conference report

The first section of the conference report extends the peacetime exemption from liability to serve under the Selective Training and Service Act of 1940 to men honorably discharged from the Regular Army or the Coast Guard for the convenience of the Government within 6 months of the completion of their 3-year enlistment period.

Section 2 of the conference report provides that rules and regulations providing for deferments include provisions requiring that there be posted in a conspicuous place at the office of each local board a list setting forth the names and classifications of those men who have been classified by such local board.

Section 2 of the conference report also provides that there shall be deferred from training and service until Congress shall declare otherwise, the men who, on the 1st day of July, 1941, or on the 1st day of July of any subsequent year, (1) are liable for such training and service, (2) have not been inducted, and (3) have attained the 28th anniversary of the day of their birth. Such men are permitted to volunteer, however, and be inducted as volunteers subject to existing provisions of law relating thereto.

Section 3 of the conference report extends the power of the President under section 9 of the Selective Training and Service Act of 1940 to take immediate possession of any plant upon failure to comply with the provisions of section 9, and the power under section 9 for the use and operation by the United States or in its interest of any plant of which possession is so taken, to any plant equipped for the manufacture of any articles or materials which may be required for the national defense or which may be useful in connection therewith. This additional power is to be exercised only during the existence of the unlimited national emergency proclaimed by the President on May 27, 1941,

whenever the President finds, after investigation, that there is an interruption of production at such plant, that the national defense program will be unduly impeded or delayed by such interruption, and that the exercise of the additional power is necessary or desirable to insure production at such plant in the interest of the national defense. Any plant of which possession is taken under these additional powers is to be returned to its owners whenever the President determines that the plant will be privately operated in a manner consistent with the needs of the national defense.

A. J. MAY,
R. E. THOMASON,
DOW W. HARTER,
L. C. ARENDS,

Managers on the part of the House.

The SPEAKER. The gentleman from Kentucky [Mr. MAY] is recognized for 1 hour.

Mr. MICHENER. Mr. Speaker, will the gentleman yield for a parliamentary inquiry?

Mr. MAY. I yield briefly.

Mr. MICHENER. It will take only a minute.

Mr. MAY. I yield.

Mr. MICHENER. Mr. Speaker, since there is nothing in disagreement in this conference report, the vote will be either to accept the conference report or to send the bill back for further conference. The question I want to ask is, Would not the same result be obtained if the conference report were voted down? That simply sends the conferees back to conference without instructions.

The SPEAKER. If the conference report is voted down, the bill goes back to the Senate. The Senate may or may not attempt to concur in the House amendment.

Mr. MAY. Mr. Speaker, I yield myself such time as I may require and ask to be notified when I have spoken 10 minutes.

Mr. Speaker, this conference report, which is unanimously agreed to by the conferees on the part of the House and Senate, presents two questions: First, it provides for the deferment of certain persons under section 5-E of the Selective Training and Service Act of 1940.

Mr. HARNES. Mr. Speaker, will the gentleman yield for a correction?

Mr. MAY. I yield.

Mr. HARNES. I understood the gentleman to say the conference report comes back to the House unanimously; that there was unanimous agreement among the conferees.

Mr. MAY. I said in agreement on the part of the House and Senate conferees. The gentleman from Indiana did not sign the report, if that is what he means.

Mr. HARNES. I objected to it and so did my colleague the gentleman from Illinois.

Mr. MAY. That is not in conflict with what I have stated. I said the report was unanimous in that it does not contain a report of separate questions and is unanimous in the sense that the conferees as a whole both as to the House and Senate have made a report, although the gentleman from Indiana [Mr. HARNES] did not sign the report. The report presents two questions. It is provided that under section 5 (e) of the Selective Training and Service Act, all men who have not been

inducted into the service but who are eligible for induction and who have reached the anniversary of their twenty-eighth birthday on July 1, 1941, and on the 1st day of each succeeding July, shall be deferred.

The Senate provision on that subject left it discretionary with the President to defer in groups by regulation to be written by himself. The House provision made it mandatory that they be deferred, and the Senate yielded to the House conferees on that subject.

Mr. WOODRUFF of Michigan. Will the gentleman yield?

Mr. MAY. I cannot resist yielding to the gentleman.

Mr. WOODRUFF of Michigan. Will the gentleman tell the House whether or not the conference report provides for the discharge from the armed forces of those men who are today more than 28 years of age?

Mr. MAY. It does not. It leaves that to regulations to be promulgated by the War Department; but we are told by General Marshall, the Chief of Staff, and by other witnesses, that they are discharging those men now at the rate of 2,000 per month and that other hardship cases, you may say, will be considered in the same way.

Mr. WOODRUFF of Michigan. I thank the gentleman from Kentucky.

Mr. JOHNSON of Oklahoma. Will the gentleman yield?

Mr. MAY. I yield to the gentleman.

Mr. JOHNSON of Oklahoma. What about the man who is in the Army now and who is not a "hardship" case, as the gentleman termed it, but he is past 28; he may be 30 or 33; does the gentleman mean to say that you propose to keep him in the Army and at the same time a man who has never served any time at all is exempt altogether?

Mr. MAY. He may be discharged, but the Selective Service and Training Act has been passed and he is in the Army. That is about all I can say about that.

There are two other questions, and there seems to be no controversy except as to one of them. I would like to have the membership understand that the other question is one relating, as it is said, to labor. But there is not one word in the conference report or in the statement regarding labor. There is no mention whatever in the conference report or the statement of strikes or picketing or collective bargaining.

On that subject the Senate had a provision declaring what it said was a national policy, known as the Byrd amendment. That provision provided that it was the sense of the Congress that strikes in national-defense industries were inimical and detrimental to the national defense. This was eliminated in conference.

There was an amendment put in the bill on the floor of the House offered by the gentleman from Maryland [Mr. COLE], which provided for the publication of certain information with relation to inductees that are to be inducted into the service hereafter which required the local boards to post the names and the classification of all men who are inducted. The Senate had a provision

which authorized the publication of that by the President and by other methods. We eliminated that feature of the amendment which related to the publication of the reasons for their rejection such as what may have happened on medical examination and things of that kind.

Mr. COLE of Maryland. Mr. Speaker, will the gentleman yield?

Mr. MAY. I yield to the gentleman from Maryland.

Mr. COLE of Maryland. The distinguished chairman of the Military Affairs Committee has referred to the amendment I offered to this bill and which was accepted by the House. Prior to the final agreement in conference the managers on the part of the House were kind enough to talk with me and to point out how a strict interpretation of my amendment might in some instances require the exposure of physical disabilities and other conditions which at no time did I have in mind should occur. I gladly consented to the suggestion that that feature of the amendment be eliminated so long as the principle embodied in the amendment to bring public scrutiny and knowledge into the decisions of the draft boards throughout the country was retained. I think the amendment as now recommended in the conference report is entirely acceptable and will in the end accomplish everything I had in mind at the time it was offered and which the tremendous support the amendment has received in my mail anticipates.

The gentleman and other Members of the House, I am sure, will be interested to know that following the passage of my amendment—and considerable publicity was given to it—my mail showed an overwhelming sentiment in favor of it, with only a few dissenting attitudes. In the support which my mail brought to me is a letter from Maj. Gen. Milton A. Reckord, now in command of the Twenty-ninth Division at Fort George G. Meade, and I think admittedly Maryland's leading soldier, heartily approving of my attitude. I quote in part from General Reckord's letter, as follows:

I was very glad to note the amendment you placed on the recent Selective Service Act. * * * I want you to know that I think you are absolutely correct in the position you have taken.

It is mighty comforting to me to be able to bring to the attention of the House this very pleasing decision by General Reckord.

I could cite many more, but in view of the fact that the Senate and House conferees have unanimously approved the principle embodied in my amendment, I do not believe it is necessary to do so. I wish to thank the gentleman, however, for the very satisfactory way in which he and his associates in conference have handled this matter.

Mr. MAY. I thank the gentleman for his rather elaborate explanation and intelligent comments.

Mr. SHORT. Will the gentleman yield?

Mr. MAY. I will have to yield to my genial colleague.

Mr. SHORT. While there is no direct reference made to labor in this bill, is it not true that if the Government seized

a plant and possesses it and operates it, labor cannot strike against that plant that is operated by the Government?

Mr. MAY. I have always understood that nobody could strike against the Government, or, at least, if they did the Government ought to be able to take care of itself on the proposition; consequently I think the bill itself would enable the President to control strikes in the event he took over a plant and it became necessary to do so.

Mr. HALLECK. Will the gentleman yield in connection with that matter?

Mr. MAY. I yield to the gentleman.

Mr. HALLECK. I understand by the gentleman's statement that if the Government, under order of the President, takes over a plant, the Government thereby becomes the employer of the men working in that plant?

Mr. MAY. The amendment agreed to in conference is an amendment to section 9 of the original Selective Training and Service Act of 1940. This section authorized the President to take over and operate plants for the Government. May I state here and now for the benefit of some of these gentlemen who are afraid that labor is going to be hurt in this thing, that that amendment, known as the Smith amendment, was passed last year by a vote of 330 to 83, and this is merely an amendment to that section that does not interfere in any manner whatsoever with labor, as I understand it; but labor would be, in the event of a tie-up or refusal by the owners of any plant to comply when it was taken over by the President, subject to whatever orders the President issued just as the management would be subject to those orders. In that sense the bill is more favorable to labor than the original Smith provision.

Mr. SHORT. For information, if the Government seizes these plants, would the employees in the plants, after the Government takes them over, have the status of Government employees?

Mr. MAY. The employees in the plant would have no authority or power to ask the Government to do anything about it. If the President, after investigation, finds that it is essential to the national defense that the plant continue to operate, he is authorized under this provision to take over the plant.

The SPEAKER. The gentleman has consumed 10 minutes.

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

Mr. EATON. Will the gentleman yield?

Mr. MAY. I yield to the gentleman from New Jersey.

Mr. EATON. As I understand this amendment, if there is labor trouble in a plant and there results a slowing down of production, the cure for that, as provided in this amendment, is to punish the owners rather than the strikers?

Mr. MAY. No. It puts it in the discretion of the President after he has made a careful examination of all the circumstances incidental to the shutting down of the plant to determine whether or not the national interest is imperiled and whether or not it is an interference with the national defense. If and when

the President, after making a thorough investigation, finds that it is in the interest of the national defense and that production has been stopped, then he has the power and authority to take over the plant and see to it that it proceeds to carry on production in whatever manner he may determine, perhaps the same as he did in the California situation.

In that connection, may I say that this provision has a proviso—and I hope my friend from New Jersey will listen to this—that if and when the President does take over a plant he shall—not “may” but “shall”—as soon as he has determined that it will be operated in the interest of national defense, turn it back to the owners and maintain order in it while they operate it, or at least until he is satisfied that order has been maintained.

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

Mr. MAY. Yes; I shall have to yield to the good-natured gentleman from Minnesota.

Mr. KNUTSON. It is significant that there have been very few strikes in defense industries since we became a bed-fellow of Joe Stalin. This indicates to me that there is a very considerable sprinkling of Communists in American industry. Should this bill pass, would not all those elements immediately start agitating and slowing down production with a view to having the Government take over all the industries of the country that are engaged in national-defense production?

Mr. MAY. Of course, that could be a possibility. I do not believe it will take place, because I believe all the gentlemen referred to by the gentleman from Minnesota are engaged now in supporting their friend Joe Stalin, and they have as much to do now as they can take care of; consequently, they will not be bothering about industry. But if and when they do, the President of the United States will be placed in a position under the provisions of this bill to take care of the situation. But it should be remembered we are drafting the young men of this Nation by the hundreds of thousands into the military service to offer themselves for the safety of the country. You are willing to draft blood and flesh, but you are not willing to draft industry or require any sacrifice whatever from labor. These boys will be coming back home sometime, and they will likely have something to say themselves then. Do not forget that.

Mr. HARNESS. Mr. Speaker, America has determined to rearm. The American people have unmistakably expressed their undivided will that this country shall be made so strong with the weapons of defense that no power or combination of powers on earth will dare to attack us. We must keep that thought clearly before us here, because this will to prepare America is at the bottom of the problem for which we are now seeking a solution.

I think it is literally true, as we have been so often reminded by the press and radio, that popular sentiment is ahead of the President and Congress in this drive

to make America impregnable. There is a depth and intensity to the American will that voluntarily asks for heavier taxes than we shall probably levy; that demanded summary action against the enemies within our gates long before the administration took its first hesitating steps to destroy this enemy. It is this depth and intensity of purpose which has led to the ever-increasing demands that strikes and work stoppages shall be ended in our key defense industries.

Congress has quite properly resisted the wave of sentiment against labor which has arisen as a result of these heartbreaking delays. We know that the rank and file of American labor is not to blame. We know it is just as loyal and just as anxious to contribute its full share in this emergency as any other American group. We know, too, that the President already has the power and the administrative machinery to put an end to needless strife almost the instant that he chooses to do so. Finally, we know that in almost every instance where stoppage has occurred in a vital industry, it has been engineered by the smallest handful of subverters, aliens, racketeers or selfish and misguided leaders whose very first victims are the loyal men and women in labor's ranks, in whose name they operate.

I cannot emphasize too strongly that this body believes in and trusts American labor. The very men and women who are now bearing the brunt of the bitter criticism heaped on labor are relatives of men now in the service of our armed forces. You could never make me believe for a minute that these men and women are so blindly selfish and self-centered that they would strike the weapons from the hands of their loved ones to gain a few cents on the hour for their labor or to establish the rights of one union over another. In the ranks of labor are thousands who have themselves served in our armed forces. Many of them are veterans of the World War, as many of you are, and I am. You cannot tell me that those men have so changed from the lads they were 23 years ago that they would sell their country for a few pieces of silver or jeopardize its safety to promote this local's contention against that local's claims to leadership.

Still, defense production suffers serious and unnecessary interruptions, and the people grow more and more insistent in their demands upon Congress for some adequate solution. I think there is not the slightest doubt that Congress, seeing the urgent necessity, will act. The most serious danger is that we may act too harshly; that in the name of emergency we may do permanent damage to individual rights and personal liberty.

Most favored by the administration is this proposal to empower the Federal Government to take over industry, to seize property. The idea is by no means new in this administration. It was not new even a year ago, when the seizure principle was written into the Selective Service Act in the provision giving the President limited authority to conscript industry. Now the principle advances another tremendous step in the Connally bill, which we are here considering.

A year ago the advocates of this principle made the plausible argument that if the Government may conscript manpower it may likewise conscript wealth and industry. There is no possible doubt—and let all the friends of labor mark this well—there is no doubt that government may conscript literally anything that may be determined necessary to national welfare and safety. It would be ridiculous to assume that a sovereign government cannot conscript wealth, property, industry, labor—literally anything less than life itself—when we have firmly established the principle that it can and will demand the very lives of its citizens for defense.

But a year ago, remember, this was presented as nothing more than another weapon against capital and industry. Note now the arguments for the power to seize property. No longer is this merely a threat to wealth. It is now, for the first time, frankly and openly advocated as the weapon with which government may destroy the strikers in defense industries. If you doubt it, read the Senate discussions on the passage of the Connally bill, S. 1524. Read also administration spokesmen's comments on the property-seizure bill now pending, and note the significant fact that the only valid arguments for the bill are that it will give the President arbitrary power to crush out strikes in defense industries.

The friends of labor must admit that these spokesmen are telling the bitter truth. I was warning a year ago that there cannot possibly be a more effective way to destroy labor. I repeat that if the Senate amendment should become law, if the seizure-property bill should be enacted, labor as well as capital would be delivered completely into the hands of the President. Let me remind you why.

Government will not merely seize buildings and machinery, for these things are utterly worthless without the manpower which alone makes them productive. It is childish to believe that, once government commandeers a factory, it will not immediately recruit, by force if necessary, the workmen to operate it. What other earthly reason would there be to conscript an industry or factory? What other reason, in fact, do you hear from the advocates of property seizure?

See what happens to labor when Uncle Sam steps in as boss. In the first place, you cannot strike against government. That principle is so certainly established that it does not admit of argument; but to show you its current applications, I cite President Roosevelt on the occasion when he squelched the attempted strikes of the Workers Alliance, an organization of W. P. A. workers. I repeat, you simply do not strike against the Government.

Neither do you bargain collectively with Uncle Sam. If the friends of labor think so, where are the examples? Furthermore, workers for the Government do not enjoy the advantages of the Fair Labor Standards Act. In an emergency, a Federal employee works whatever hours may be necessary, and he may or may not receive additional pay. If you doubt it, check conditions right here in

Washington in the agencies carrying the defense load.

In fact, the minute Uncle Sam walks in and takes over a factory or an industry, all of the rights and privileges which labor now enjoys are destroyed or suspended. Of course, proponents of the property-seizure principle, as well as Communists and adherents of totalitarianism, will argue that the Government is a benevolent boss, and that labor need have nothing to fear if it becomes necessary in an emergency to displace private management. But the friends of labor must remember that the very persons who say this have completely contradicted the argument with the very truthful assertion that Government control is the perfect means of stamping out strikes and stoppages in defense industries.

I do not believe that we should permit the seize-property exponents to strike at labor and our free enterprise system in this indirect manner. I believe that we must not grant to any administration the sweeping powers to destroy labor, as well as private enterprise, which have been asked.

I urge instead that the basic rights to strike and to bargain collectively under private management be preserved. I urge that the benefits of the Fair Labor Standards Act be maintained. At the same time we must show the courage, so far completely lacking in this administration, to say that the day of special privilege is past.

The Congress should do this in a forthright and honest manner and not by indirection, as is proposed in this Connally bill. While this legislation was designed primarily to break strikes, it goes far beyond that and endangers our entire economic system. It is antistrike legislation with a vengeance, but it also endangers the rights of all the people of the country. It could be, and probably would be, seized upon by the enemies of our American system of government to take over all industry in the name of the Government and set up an autocratic state. This legislation is dangerous and un-American, and I hope the conference report will be voted down.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. HARNESS. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. At this time in this country, by reason of the exercise of priorities, many small industries are being hard pressed. They are being put to task. They cannot produce. In such situations, the President if he wishes, on their failure to produce, can step in without any fault of labor or capital and take over such little plants and try to operate them.

Mr. HARNESS. That is precisely what he could do under this measure. If you want to give to the President of the United States the absolute power to take over all industry in this country if he sees fit to do so, you are destroying not only private enterprise but the rights of labor as well. We know that as soon as the Government steps in and takes over an industry it must take over labor. All the men working at such seized plant

then become Government employees. They cannot strike against the Government. They cannot bargain with the Government. The Fair Labor Standards Act may be suspended at the will of the President.

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

Mr. HARNESS. I yield to the gentleman from Indiana.

Mr. HALLECK. In the event the authority is exercised by the President under the bill as reported in this conference report, would the employees in the plant be taken over by the Government and become the employees of the Government?

Mr. HARNESS. I do not believe there is any question about that. I am satisfied that if the Government is authorized to take over industrial plants as is proposed here the employees in such seized plants then become Government employees. The Assistant Secretary of War came before our committee and testified that in connection with the North American Aviation plant this question arose. Although the President took it over without any statutory authority, they were concerned about whether the Government would have to pay the employees for the short time the President intended to keep that plant.

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

Mr. HARNESS. I yield to the gentleman from Missouri.

Mr. SHORT. Of course, this conference report would give the Government a stranglehold on both industry and labor. In the World War, when the Government took over the railroads, the railroad employees became employees of the Government. But here, even before we are in war, we are going to give the President the power to seize, possess, and operate private industry, and to hold a club over the heads of labor in time of peace, and I want to ask the gentleman as a member of our Committee on Military Affairs, after listening to innumerable witnesses, after listening to Mr. Knudsen, Mr. Hillman, Mr. Biggers, Mr. Nelson, the Chief of Staff of the Army, and all the others, has there been one scintilla of evidence or one single word of testimony offered at any time before our committee where private industry has refused to cooperate to the fullest degree with the Government in its defense program.

Mr. HARNESS. On the contrary, the Assistant Secretary of War, Judge Patterson, came before our committee and testified that industry had cooperated 100 percent in the defense program.

Mr. SHORT. Then why give this extraordinary power under those circumstances?

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

Mr. HARNESS. I yield to the gentleman.

Mr. McKEOUGH. Is it not also true that the gentlemen who have just been mentioned by the gentleman from Missouri as having appeared before your committee and having testified, likewise took the position that in no war did they enact such repressive and restrictive leg-

islation as this proposed legislation in its application to labor as well as to industry?

Mr. HARNESS. What they said was that they did not think this applied to labor and was not at all harmful to labor.

Mr. McKEOUGH. Is it not true that they recognize the right of labor to exercise its God-given right to strike, which should in no way be violated by legislation at this time?

Mr. HARNESS. They say that in one breath, but in the next they urge this measure, which they must know takes away those rights. The measure is deceptive.

Mr. McKEOUGH. And is not the effect of this proposed legislation exactly the same as the repressive amendments voted down in the House, except it is dressed up in much more attractive language?

Mr. HARNESS. I will say to the gentleman that I thought the amendments voted on in the House were much less drastic than this proposal. This is the most drastic antistrike legislation that could possibly be passed by the House.

Mr. McKEOUGH. Except that it is masquerading in attractive language.

Mr. HARNESS. Exactly.

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

Mr. HARNESS. I yield to the gentleman from Ohio.

Mr. ELSTON. Is it not a fact that if this conference report is adopted it will apply not only to every plant equipped to manufacture those things that are useful in national defense but also to every plant which may be manufacturing anything which is useful in connection therewith, and can the gentleman conceive of anything that is being manufactured today that is not in some way or other useful in connection with national defense?

Mr. HARNESS. That is what I tried to say just a little while ago. It covers all industry, no matter how remotely that industry may be connected with manufacturing materials for national defense.

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

Mr. HARNESS. I yield to the gentleman from Iowa.

Mr. JENSEN. Does not the gentleman also agree that national socialism is the greatest threat confronting America today?

Mr. HARNESS. Yes; and the socialists and the Communists will take advantage of this by trying to get the Government to take over all industry.

Mr. JENSEN. Absolutely; and this is the first big step in that direction.

[Here the gavel fell.]

Mr. MAY. Mr. Speaker, I yield to the gentleman from Indiana 1 additional minute.

Mr. HARNESS. Mr. Speaker, I want to take this minute to say to the House that I regret that we have to vote this conference report up or down just as it is. I would like to vote for all the provisions in it except section 3, the Connally bill. The only way we can strike this obnoxious section out of the report is to vote down the entire conference report and let it go back in conference.

[Here the gavel fell.]

Mr. MAY. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Speaker, I simply desire to take these few minutes to fortify my position in having signed this conference report. At the time of the conference I emphatically stated to the conferees that I objected to section 3 of this report, but as has been stated here, I thought it should be brought back for the attention of the House, since it is a compromise of the so-called Connally bill as passed by the Senate. A couple of weeks ago when we had the May bill before the House, I supported that bill, feeling it was fair both to labor and industry. As you recall, the May bill merely gave the President the power, through the Army and Navy, to step into plants where production was at a standstill, police such plants, and afford protection to both management and labor in order that the output of defense materials might be constant. However, we are now back here with a bill much more drastic in its intent and purposes. It would permit the Government at any time to go into a plant, take possession thereof, and operate it. I do not believe the House wants to authorize the following of such procedure as that, and I ask that you give every consideration to section 3 of this bill so that we do not make the mistake of voting for something that may create a circumstance or circumstances which we do not desire.

As far as the other parts of the bill are concerned, we are in agreement as to age limits, and so forth, and if we go back to conference with this bill I think the matter in difficulty can be ironed out.

[Here the gavel fell.]

Mr. MAY. Mr. Speaker, I yield 10 minutes to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Speaker, I signed this conference report, and, unlike some of the signers, I have no apology to make for it. In the few minutes allotted to me I would like, if I can, to appeal to your judgment and your patriotism rather than to any bias you may have in favor of industry or labor or any prejudice you may have against either. The gentleman from Indiana [Mr. HARNES] is a little inconsistent, because I recall it was he who not only in committee but on the floor of the House proposed and actively supported a bill that said when in the opinion of the Secretary of War or the Secretary of the Navy it was deemed necessary the Army could be called out to take over possession of any plant where labor troubles existed.

Mr. HARNES. Mr. Speaker, will the gentleman yield to correct the statement?

Mr. THOMASON. Yes.

Mr. HARNES. The gentleman knows that the bill I supported did not give the Government the power to seize and take over a plant. It was merely a policing power.

Mr. THOMASON. In any event, the main question in the bill that was here the other day was the fact that the Army was going in, and with swords and bayonets going to take charge of the plant. Call it policing, if you will. I invite a careful reading of this conference report

as it affects section 2. Labor is not mentioned; strikes are not mentioned; the Army is not mentioned. I think, Mr. Speaker, I can with safety compare my record on labor measures here, and in the years before I came here, with the record of any man in the House, and I think I can speak favorably of the record of Senator THOMAS of Utah, chairman of the Senate Labor Committee, and likewise of the Senator from Alabama [Mr. HILL], both of whom actively supported this measure as it comes to you. I would like to go a little further and say this, that although as good a friend of labor as I claim to be, yet in this critical hour I am going to put the interest of national defense above every other consideration. When the conferees met in the office of the Senate Military Affairs Committee the other day, two gentlemen appeared there and asked to be heard. One of them was the Under Secretary of War, Mr. Patterson, in whom I have great confidence, and I believe this House and the country have also. I assume that he was there speaking for the President of the United States.

There was also present Mr. Edward McGrady, whom many of you have known about this Capitol for 25 years; and I say without hesitation and without fear of successful contradiction that Mr. McGrady has always been an unselfish friend of labor throughout all these years. For a long time he was a high official of the Labor Department. He has been active in the support of labor legislation for many years. He is now an official in the national-defense administration. He and Secretary Patterson both asked that Congress do something in this critical hour and clothe the President with the power to act when and if necessary. This, after all, is nothing much more than a confirmation of what the President did in the North American situation out in California some 3 or 4 weeks ago. This is to give him authority of law to act when the emergency requires it. I do not believe there is a member of this House who does not approve of what was done at that time. The industry has been returned to the owners, production has been resumed, and decent, honest, and patriotic labor has been satisfied.

I repeat, Mr. Speaker, that this conference report makes no reference to labor as such. This takes care of any interruption of the production lines for national defense. The provisions of this bill would cover insolvency, bankruptcy, mismanagement, or malmanagement, and, for heaven's sake, if the friends of labor in this House cannot trust the present occupant of the White House as being the best friend of labor this country ever had, then I do not know upon whom they can depend. That is all in the world these provisions do. It is merely to try to insure the production of necessary war material.

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

Mr. THOMASON. Yes.

Mr. LUTHER A. JOHNSON. Is not this conference report brought in so as to be fair alike to labor and industry, so that both will be given the same treatment?

Mr. THOMASON. Yes.

Mr. LUTHER A. JOHNSON. So that the production of industry shall be guaranteed to continue.

Mr. THOMASON. I heard the gentleman from New Jersey [Mr. EATON] propound an inquiry indicating it was a slap at industry, and I answer by saying that Secretary Patterson, when he was before the conferees, cited a case where the labor people were asking that the Federal Government take over a plant. You cannot find in this section any reference to labor. It gives the President authority to take over a plant whenever necessary to insure production of war materials. It does not necessarily mean he calls in the Army. He can employ his own methods. The important thing is to produce munitions. Not only that, but that can be done only when on investigation it is proven that the national-defense program is unduly impeded or delayed, and you will find that after the first part of it it says:

And that the exercise of such power and authority is necessary to insure production at such plant in the interest of the national defense.

We have not heard so much of strikes for the last month or 6 weeks, but all of us will recall the serious situation that existed about 4 months ago. The people were stirred. The Mediation Board has done a marvelous job. The great rank and file of labor is just as patriotic as anybody. Prominent labor leaders admitted that Communists were responsible for the deplorable situation in California. This bill does not deny the right to strike. It repeals no existing labor law. Labor loses none of its social gains, all of which I have supported. It only places national defense and the security of our country above every other consideration. The charge was made by responsible labor leaders themselves that Communists had infiltrated into the plant of the North American Co. in California. If this is a slap at Communists and saboteurs, all well and good. But this is merely to insure in this critical hour that production of guns and supplies to our soldier boys is not going to be stopped or interrupted.

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

Mr. THOMASON. I yield.

Mr. BENDER. Did not the gentleman speak against the May bill?

Mr. THOMASON. Yes. I opposed the labor provisions of the May bill in the committee. I spoke against some of its provisions on the floor of the House. I opposed those provisions which said that when, in the opinion of the Secretary of War or the Secretary of the Navy, it was necessary, they could call out the Army and the Navy whenever they chose. I was not willing to go that far.

Mr. BENDER. What has happened to change the gentleman's mind?

Mr. THOMASON. I have not changed my mind as to those provisions. If you cannot get legislation exactly as you want it, you must take the next best thing. I think, in view of the circumstances existing today, some kind of power like this is necessary if we are to insure production of the necessities for defense.

Mr. BENDER. Is not fascism just as bad as communism?

Mr. THOMASON. Well, I am against both. I cannot see where any good American citizen, whether he is running a plant or working in a plant, can consistently object to the provisions of this bill if the crisis in America is what most of us think it is. Just look at what is going on in Russia today. Look at the situation in the Far East. Think over what Hitler has done in the last 12 months. Look at the money we have appropriated for defense purposes. Think of a million and a half boys now in uniform. If we are not in an emergency, then I do not know one. If Russia falls, as she probably will, then brave old England will likely meet her fate. If she does, then we are next on the list, and do not you forget it. This is a time for the highest order of patriotism and sacrifice. If Hitler wins, then labor will have lost all its gains. My only purpose is to make sure that the necessary guns, tanks, and planes come from industry so that we will be prepared, for that is the best way to keep out of war.

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

Mr. THOMASON. Yes; I yield.

Mr. HARNES. The gentleman said he opposed the other bill before the House because it gave the Secretary of War the right to send in an army. Does not the gentleman know that this will give the same power to the President? How else can he seize a plant?

Mr. THOMASON. I trust the President to do the best and right thing. The other bill I opposed would have denied the right of collective bargaining. It would also have destroyed the National Labor Relations Board. This does but one thing to both management and labor, and that is to say that the Commander in Chief of the United States, when production is impaired has the right to take over that plant, with the understanding that he will turn it back just as soon as production is resumed.

[Here the gavel fell.]

Mr. MAY. Mr. Speaker, I yield 5 additional minutes to the gentleman from Texas.

Will the gentleman yield to me?

Mr. THOMASON. I yield.

Mr. MAY. I would like to have the gentleman discuss the proviso at the end of this section, on the subject of the charge that we are going to establish a Fascist system over industry in this country.

Mr. THOMASON. Oh, I think the best answer to that is what the President did in the North American case. It has been admitted, as I said a while ago, by responsible labor leaders, that Communists had got in charge of that plant. The President moved in. I believe it met with the approval of the American people. But true to his record as the consistent friend of labor, that situation was cleared up in less than 2 weeks, and national-defense production at that plant was resumed. In addition to that, not one word of complaint came from the management or the men who were working in the plant. This in effect is a confirmation of the power that he exercised in the

North American plant. This is nothing in the world but, to say by law to him "The power you exercised in the North American plant is given to you in the event of a crisis, if you want to exercise it."

You cannot find the slightest reference to the Army in here. You cannot find any reference to the Secretary of War or the Secretary of the Navy or the refusal of the right of labor to strike. It does not affect a single labor statute on the books today.

Mr. MAY. Will the gentleman yield further?

Mr. THOMASON. I yield.

Mr. MAY. I would like to call the gentleman's attention to the fact—I do not know whether he mentioned it or not—that a representative of labor in the War Department came before the conferees and recommended the passage of this bill.

Mr. THOMASON. I have already mentioned the fact that Mr. Edward McGrady came there and pleaded for legislation of this sort that applied to management as well as to labor. From what I know of him, I regard him one of the most loyal and active friends that labor has in this country. I think it safe to assume he and Secretary Patterson were speaking for the President. They said they wanted and needed this legislation.

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

Mr. THOMASON. I yield.

Mr. MARCANTONIO. There is not a single responsible labor leader today who would advocate the use of bayonets for the settlement of industrial disputes, and this amendment provides just that.

Mr. THOMASON. Neither do I approve of that. That is why I opposed the other bill and am for this. Does my friend approve of what was done at the North American plant?

Mr. MARCANTONIO. I certainly do not and I protested against the President's action on the floor of this House.

Mr. THOMASON. I think the rank and file of the people of the United States disagree with the gentleman. Order and production was immediately restored. Loyal American labor was not responsible for that situation. Everybody knows it was Communists. Cut them out and you will have no more labor trouble.

Mr. MARCANTONIO. Time will demonstrate that we are going to be ashamed of having gone into that Inglewood plant with the use of bayonets against American workers.

Mr. HINSHAW. Will the gentleman yield?

Mr. THOMASON. I yield.

Mr. HINSHAW. Will the gentleman discuss the difference between this section 3 and the so-called Smith amendment to the Selective Service Act?

Mr. THOMASON. There is only one difference in substance between this measure and the original bill, and that is the inclusion in the recommendation of the conferees of the word "failure" so that failure is a ground for taking over a national-defense plant as well as refusal. The Smith amendment, which this House voted out by a 3-to-1 vote, provided that if a plant refused to go

ahead with production of national-defense supplies the President could take it over if necessary. This makes the same provision applicable to failure and applies to management with the same force as it does to labor.

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

Mr. MAY. I yield.

Mr. HARNES. If the gentleman approves what the President did at the North American plant without any statutory law specifically authorizing it, why is this necessary?

Mr. THOMASON. I ask the gentleman if he approves of what was done in the North American case?

Mr. HARNES. Of course I approve keeping up the flow of production.

Mr. THOMASON. Certainly the gentleman did, and the American people approved it, too. I think that loyal, patriotic American labor also approved it. This measure will help, not hurt, honest labor. It will help to rid their ranks of subversive influences. In all the history of this Nation labor has never had a friend like Roosevelt. He has fought their battles in season and out. He stepped in at the North American plant because he placed the welfare of his country above everything else. He has already proved that he can be trusted not to abuse the power granted by this bill. He is trying to save this Nation and keep us out of war. We cannot defend ourselves unless we have the guns and supplies to do it with. Production must go forward. Labor will not lose a single right it now has. This bill has been exaggerated and misrepresented. Politics and partisanship has dominated the debate. I beg of you to think of the welfare and security of our country above everything else. The President has indicated he wants and needs this legislation. I am going to back him up to the limit.

Mr. MAY. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. SHORT].

The SPEAKER pro tempore. The gentleman from Missouri is recognized for 5 minutes.

Mr. SHORT. Mr. Speaker—

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

Mr. SHORT. I yield.

Mr. CROWTHER. I want to call the attention of the gentleman from Missouri to the fact there seems to be some doubt as to the meaning of this section. The gentleman from Texas [Mr. THOMASON] said it was merely a confirmation of the act of the President in taking over the Inglewood plant in the California strike. If this be so, then this section is nothing more nor less than a validating act. However, there appears to be grave conflict between the language and the declared policy of the proposal. You may remember a number of years ago when the Honorable John Nelson was here from Maine a similar discussion arose as to whether or not the language of a bill reported out by one of the House committees was in line with its purpose. He stated that there appeared to be "a Senegambian in the woodpile," and told the story of a French Canadian in his district who was an expert on fertilizer.

He could tell just what was in the fertilizer, the amount of nitrogen, filler, and other elements. So the boys fixed up a row of bags filled with fertilizer. All but the last one were filled with commercial fertilizer. The last was made up of old, decayed fish and some other very disagreeable materials with sand as a carrier. He went down the line and identified every one of them absolutely—8-8-4, 8-8-2, and so forth, and finally he came to this last bag. He took out a handful, let it sift through his fingers, smelled of it, took out another handful, looked at the label on the bag, and said, "Gentlemen, she no smell like she read on ze lay-bel."

The SPEAKER pro tempore. The gentleman from Missouri has consumed 3 minutes.

Mr. SHORT. I wonder if anybody else wants me to yield?

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

Mr. SHORT. Yes; I yield to the gentleman from Massachusetts.

Mr. HEALEY. I asked the gentleman to yield because I could not get any time from the gentleman from Kentucky to speak in opposition to this report. I want to answer the insinuation that came, I think, from the previous speaker to the effect that some labor leaders were for this measure. I have here a very strong letter from William Green, president of the American Federation of Labor, against this report. We know, of course, the position that has been taken by Mr. Murray, president of the C. I. O., against this report. Section 3 of the conference report strikes at very fundamental American rights of free enterprise and free labor.

Mr. SHORT. Mr. Speaker, the gentleman from Missouri and the gentleman from Massachusetts have made such excellent speeches that I yield back the balance of my time.

The SPEAKER pro tempore. The gentleman from Missouri yields back 1 minute.

Mr. MAY. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

Mr. HEALEY. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. HEALEY moves to recommit the report to the committee of conference with instructions to the managers on the part of the House to insist further on the House amendment to Senate 1524.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Massachusetts.

Mr. HEALEY. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 255, nays 114, not voting 63, as follows:

[Roll No. 96]

YEAS—255

| | | |
|------------------|--------------|----------|
| Allen, Ill. | Arends | Beiter |
| Anderson, Calif. | Arnold | Bender |
| Anderson, | Baldwin | Bennett |
| N. Mex. | Barry | Bishop |
| Andresen, | Bates, Mass. | Blackney |
| August H. | Baumhart | Bloom |
| Angell | Beam | Boehne |

| | | |
|-----------------|-----------------|------------------|
| Bolton | Hancock | Paddock |
| Bradley, Mich. | Harness | Patrick |
| Bradley, Pa. | Harrington | Pfeifer, |
| Brown, Ohio | Hart | Joseph L. |
| Buck | Harter | Pheiffer, |
| Buckley, N. Y. | Healey | William T. |
| Burdick | Heidinger | Pittenger |
| Butler | Hess | Ploeser |
| Byrne | Hill, Colo. | Powers |
| Byron | Hill, Wash. | Rabaut |
| Canfield | Hinshaw | Ramsay |
| Capozzoli | Hoffman | Reece, Tenn. |
| Carlson | Holmes | Reed, Ill. |
| Carter | Hook | Reed, N. Y. |
| Case, S. Dak. | Houston | Rees, Kans. |
| Casey, Mass. | Howell | Rich |
| Chenoweth | Hull | Rizley |
| Chipperfield | Hunter | Robertson, |
| Clason | Imhoff | N. Dak. |
| Claypool | Izac | Robinson, Utah |
| Clevenger | Jackson | Robson, Ky. |
| Ciuett | Jacobsen | Rockefeller |
| Coffee, Nebr. | Jenkins, Ohio | Rodgers, Pa. |
| Coffee Wash. | Jennings | Rogers, Mass. |
| Cole, N. Y. | Jensen | Rogers, Okla. |
| Conner | Johnson, Calif. | Rolph |
| Crawford | Johnson, Ill. | Sabath |
| Crosser | Johnson, Ind. | Sacks |
| Crowther | Johnson, W. Va. | Sauthoff |
| Cunningham | Jones | Scanlon |
| Curtis | Jonkman | Schuetz |
| D'Alesandro | Kean | Schulte |
| Davis, Ohio | Kee | Secrest |
| Day | Keiley Pa. | Shafer, Mich. |
| Dewey | Kelly, Ill. | Shanley |
| Dickstein | Kennedy, | Shannon |
| Dingell | Martin J. | Short |
| Dirksen | Kennedy, | Simpson |
| Ditter | Michael J. | Smith, Maine |
| Dondero | Keogh | Smith, Ohio |
| Downs | Kilburn | Smith, Wash. |
| Dworshak | Kinzer | Smith, W. Va. |
| Eaton | Kirwan | Somers, N. Y. |
| Eberharter | Knutson | Spence |
| Elliott, Mass. | Kopplemann | Springer |
| Elliott, Calif. | Kunkel | Stearns, N. H. |
| Elston | Lambertson | Stefan |
| Engel | Landis | Stratton |
| Englebright | Larrabee | Sullivan |
| Fellows | Leavy | Sumner, Ill. |
| Fenton | LeCompte | Sutphin |
| Fish | Lesinski | Sweeney |
| Fitzgerald | Ludlow | Taber |
| Fitzpatrick | Lynch | Talle |
| Flaherty | McGranery | Tenerowicz |
| Flannagan | McGregor | Thom |
| Flannery | McIntyre | Thomas, Tex. |
| Fogarty | McKeough | Tibbott |
| Forand | McLaughlin | Tinkham |
| Ford, Leland M. | McLean | Tolan |
| Ford, Thomas F. | Maclora | Traynor |
| Gale | Magnuson | Treadway |
| Gamble | Manasco | Van Zandt |
| Gavagan | Marcantonio | Voorhis, Calif. |
| Gearhart | Martin, Iowa | Vorys, Ohio |
| Gehrmann | Martin, Mass. | Wadsworth |
| Gerlach | Mason | Walter |
| Geyer, Calif. | Merritt | Wasielewski |
| Gifford | Meyer, Md. | Weiss |
| Gilchrist | Michener | Welch |
| Graham | Moser | Wheat |
| Granger | Mott | Wigglesworth |
| Grant, Ind. | Mundt | Wilson |
| Guyer, Kans. | Myers, Pa. | Winter |
| Gwynne | Nichols | Wolcott |
| Haines | O'Brien, Mich. | Wolfenden, Pa. |
| Hall, | O'Leary | Wolverton, N. J. |
| Edwin Arthur | Oliver | Woodruff, Mich. |
| Hall, | Osmers | Wright |
| Leonard W. | O'Toole | Young |
| Halleck | | Youngdahl |

NAYS—114

| | | |
|--------------|--------------|----------------|
| Allen, La. | Cox | Hébert |
| Barden | Cravens | Hendricks |
| Bates, Ky. | Creal | Hope |
| Beckworth | Davis, Tenn. | Jarman |
| Bland | Dies | Johnson, |
| Boggs | Disney | Luther A. |
| Bonner | Domengeaux | Johnson, |
| Brooks | Doughton | Lyndon B. |
| Brown, Ga. | Drewry | Johnson, Okla. |
| Bryson | Duncan | Kefauver |
| Bulwinkle | Durham | Kerr |
| Burgin | Ellis | Kilday |
| Camp | Folger | Kleberg |
| Cannon, Fla. | Ford, Miss. | Kocialkowski |
| Cannon, Mo. | Fulmer | Lanham |
| Chapman | Gathings | Lea |
| Clark | Gibson | Lewis |
| Cole, Md. | Gore | McCormack |
| Colmer | Gossett | McGehee |
| Cooley | Green | McMillan |
| Cooper | Gregory | Mahon |
| Costello | Hare | Mansfield |
| Courtney | Harris, Ark. | May |

| | | |
|----------------|----------------|--------------|
| Mills, Ark. | Randolph | Tarver |
| Mills, La. | Rankin, Miss. | Taylor |
| Mitchell | Richards | Terry |
| Monroney | Rivers | Thomason |
| Nelson | Robertson, Va. | Vincent, Ky. |
| Norrell | Russell | Ward |
| O'Neal | Sanders | Weaver |
| Pace | Sasser | West |
| Patton | Satterfield | Wheelchel |
| Pearson | Sikes | Whittington |
| Peterson, Fla. | Smith, Conn. | Wickersham |
| Peterson, Ga. | Smith, Va. | Williams |
| Pierce | South | Woodrum, Va. |
| Plauché | Starnes, Ala. | Worley |
| Poage | Steagall | Zimmerman |
| Priest | Sumners, Tex. | |

NOT VOTING—63

| | | |
|----------------|----------------|----------------|
| Andersen, | Gillie | Plumley |
| H. Carl | Grant, Ala. | Ramspeck |
| Andrews | Harris, Va. | Rankin, Mont. |
| Barnes | Hartley | Romjue |
| Bell | Heffernan | Rutherford |
| Boland | Hobbs | Schaefer, Ill. |
| Boren | Holbrook | Scott |
| Boykin | Jarrett | Scragham |
| Buckler, Minn. | Jenks, N. H. | Sheppard |
| Burch | Johns | Sheridan |
| Cartwright | Keefe | Smith, Pa. |
| Celler | McArdle | Snyder |
| Cochran | Maas | Sparkman |
| Collins | Maciejewski | Stevenson |
| Copeland | Murdock | Thill |
| Culkin | Murray | Thomas, N. J. |
| Cullen | Norton | Vinson, Ga. |
| Delaney | O'Brien, N. Y. | Vreeland |
| Douglas | O'Connor | Wene |
| Doxey | O'Day | White |
| Edmiston | O'Hara | |
| Feddiss | Patman | |

So the motion was agreed to.

The Clerk announced the following pairs:

On the vote:

Mr. Cullen for, with Mr. Burch against.

Mr. Gillie for, with Mr. Grant of Alabama against.

General pairs:

Mr. Doxey with Mr. Keefe.

Mr. Ramspeck with Mr. Jarrett.

Mrs. Norton with Mr. Vreeland.

Mr. McArdle with Mr. H. Carl Andersen.

Mr. Celler with Mr. Murray.

Mr. Holbrook with Mr. Scott.

Mr. Cartwright with Mr. Stevenson.

Mr. Hobbs with Mr. Thill.

Mr. Vinson of Georgia with Mr. Hartley.

Mr. Delaney with Mr. Johns.

Mr. Cochran with Mr. Culkin.

Mr. Boland with Mr. Maas.

Mr. Collins with Mr. Plumley.

Mr. Boykin with Mr. O'Brien of New York.

Mr. Harris of Virginia with Mr. Rutherford.

Mr. Sparkman with Mr. Thomas of New Jersey.

Mr. Patman with Mr. Jenks of New Hampshire.

Mr. Schaefer of Illinois with Mr. O'Hara.

Mr. Barnes with Mr. Copeland.

Mr. Heffernan with Mr. Douglas.

Mr. Boren with Miss Rankin of Montana.

Mr. Maciejewski with Mr. Buckler of Minnesota.

Mr. Edmiston with Mr. Andrews.

Mr. Faddis with Mr. Bell.

Mr. Murdock with Mr. O'Connor.

Mrs. O'Day with Mr. Romjue.

Mr. Snyder with Mr. Wene.

Mr. Smith of Pennsylvania with Mr. Scragham.

Mr. Sheppard with Mr. Sheridan.

Messrs. CURTIS and WRIGHT changed their votes from "nay" to "yea."

Messrs. CANNON of Missouri and MILLS of Louisiana changed their votes from "yea" to "nay."

EXTENSION OF REMARKS

Messrs. HARNESS and ARENDS asked and were given permission to revise and extend their own remarks in the

RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

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

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, may I inquire if we are going to take up the tax bill today?

The SPEAKER. Not today.

Mr. MARTIN of Massachusetts. Will it probably come up tomorrow?

The SPEAKER. Probably.

Mr. FISH. Mr. Speaker, may I inquire whether it is proposed to bring up the rule on the tax bill today?

The SPEAKER. Not today.

EXTENSION OF REMARKS

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include a letter from the Department of Commerce on the St. Lawrence seaway.

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

There was no objection.

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

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

There was no objection.

SPECIAL ORDER

The SPEAKER. Under a previous order of the House, the gentleman from New York [Mr. MARTIN J. KENNEDY] is recognized for 5 minutes.

Mr. MARTIN J. KENNEDY. Mr. Speaker, I have requested this time to direct the attention of the membership of the House to an editorial in today's New York Times entitled "The Vice of Seniority." The New York Times, recognized as a conservative newspaper, has gone Nazi. The editor is suggesting going to the Congress of the United States what Hitler did to the Reichstag of Germany. They would fill important positions with the "right" men.

The New York Times' complaint is about a certain chairman in another body. Because that certain chairman is displeasing to them they insist that the seniority rule should be abolished.

The basis of the complaint in the editorial had to do with the reporting of a certain bill. Of course, the action of the committee was a complete answer to the New York Times editorial. The committee reported a bill, 9 to 1, even though the chairman of the committee voted in opposition.

It is difficult to understand the reasoning behind the editorial. In my opinion, it must have been written by a person unacquainted with the tradition and background of the seniority rule. Members of the Congress fought for years and finally succeeded in breaking the iron rule of the Speaker in 1911. In those days it was possible to do what the Times is now advocating: the hand-picking of committee chairmen and the

assignment of favorites to the important committees. Only legislation approved by the Government or the Speaker was reported to the Congress. To be recognized, one had to know the Speaker. Shades of 1911. The following should be read:

The seniority system results not merely in putting at the heads of committees, with a determining voice in policy, men who may be opposed both to the policies of the Government in power and of the majority in Congress; it not only prevents the ablest and most highly regarded men in Congress from reaching the positions of major responsibility, but it tends to lower the average quality of the membership of Congress by discouraging able men from becoming candidates. Mr. Willkie would doubtless not so promptly have rejected the invitation to become the Republican candidate for Congress to succeed the late Kenneth Simpson if he could have looked forward immediately to being chosen to a position of responsibility and power in the House instead of having to wait until he had been reelected half a dozen times, served a dozen years or more, and finally come to the chairmanship of an important committee through the accident of someone else's death.

Congress could play a far more effective and beneficent role in national affairs if it would consent to reform its own internal organization.

The above statement is pure nonsense. If Mr. Willkie had been elected as a Republican he would not have been made a chairman under a Democratic-controlled House. Who ever heard of a Republican being a chairman under a Democratic majority or vice versa.

Undoubtedly there are many able men who are not in Congress, but in the Congress you will find a serious and intelligent group constantly working for the best interest of our Government.

No business organization, educational institution, or even a newspaper publisher gives a beginner unlimited authority, unless that beginner happens to have married the daughter of the boss. Should that sound practice be ignored in the legislative branch of our Government? I think not.

The packing of the Supreme Court caused the Times to yell and shout, but the packing of the Court is less objectionable to the packing of Congress. Yesterday packing was wrong, today it is right. Why? Simply because the editorial policy flows that way. If we are going to call names, I would suggest that the editor go all the way and let us have his opinion of all the committee chairmen.

The secret ballot proposed for use in Congress selections reminds me of the anonymous letter. It is not manly.

No, Mr. Editor, you are wrong this time. Come down and get acquainted with the chairmen, and I am sure you will recant.

[Here the gavel fell.]

CHIEF WARRANT OFFICER IN THE ARMY

Mr. MAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 162) to strengthen the national defense by creating the grade of chief warrant officer in the Army, and for other purposes, insist upon the House amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. MAY, THOMASON, HARTER, ANDREWS, and SHORT.

EXTENSION OF REMARKS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address delivered by the president of the Pennsylvania State Bar Association.

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

There was no objection.

Mr. TALLE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a radio address delivered by Archbishop Beckman, of Dubuque, last Sunday night.

The SPEAKER. Is there objection to the request of the gentleman from Iowa? There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. DISNEY. Mr. Speaker, I ask unanimous consent that on tomorrow, at the conclusion of the legislative program of the day, I may be permitted to address the House for 25 minutes.

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

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. H. CARL ANDERSEN (at the request of Mr. AUGUST H. ANDRESEN), indefinitely, on account of serious illness in his family.

PERMISSION TO ADDRESS THE HOUSE

Mr. MICHENER. 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 Michigan?

There was no objection.

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

SENATE ENROLLED BILLS SIGNED

The Speaker announced his signature to enrolled bills of the Senate of the following titles:

S. 505. An act making provision for payment of employees of the United States Government, its Territories or possessions, or the District of Columbia, for accumulated or accrued annual leave when ordered to active duty with the military or naval forces of the United States; and

S. 1580. An act to supplement the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, to authorize appropriations during the national emergency declared by the President on May 27, 1941, for the immediate construction of roads urgently needed for the national defense, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee did on Monday, July 28, 1941,

present to the President, for his approval, bills of the House of the following titles:

H. R. 1073. An act to amend the Classification Act of 1923, as amended;
H. R. 1702. An act for the relief of Mary McCutcheon;

H. R. 1746. An act for the relief of Charles J. Schay;

H. R. 2382. An act for the relief of William Cromer;

H. R. 2855. An act to provide for payment of pension to certain dependent parents notwithstanding remarriage, and for other purposes;

H. R. 2888. An act for the relief of H. E. Buzby;

H. R. 3247. An act for the relief of Mrs. O. B. Olson;

H. R. 3367. An act relating to compensation of former employees of the Railway Mail Service in certain positions and reinstated prior to August 14, 1937;

H. R. 3523. An act for the relief of the Equitable Insurance Alliance, the Fidelity & Guaranty Fire Corporation, and the Hartford Fire Insurance Co.;

H. R. 3551. An act for the relief of Lillian Korkemas and Rose Grazioli;

H. R. 3607. An act for the relief of Anton Waytashek;

H. R. 3801. An act for the relief of Mr. and Mrs. W. A. Batchelor;

H. R. 3933. An act to grant the city of Vancouver, Wash., road rights-of-way and a retrocession of jurisdiction thereover;

H. R. 3943. An act for the relief of Mr. and Mrs. J. W. Johns;

H. R. 4210. An act to adjust the salaries of rural letter carriers;

H. R. 4293. An act to further amend the act of February 9, 1927, entitled "An act relating to the transfusion of blood by members of the Military Establishment" (U. S. C., title 24, sec. 30), as amended June 2, 1939 (Public, No. 109, 76th Cong.), so as to provide compensation for donors of blood for persons entitled to treatment at Government expense whether or not the donors are in the Government service, and for other purposes;

H. R. 4816. An act to facilitate the construction, extension, or completion of interstate petroleum pipe lines related to national defense, and to promote interstate commerce;

H. R. 4921. An act for the relief of Antonio or Anthony Maurin; and

H. R. 5256. An act authorizing appropriations for the United States Navy, additional shipbuilding, ship repair, and ordnance manufacturing facilities, and for other purposes.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 10 minutes p. m.) the House adjourned until tomorrow, Wednesday, July 30, 1941, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

There will be a meeting of the Committee on Public Buildings and Grounds at 10 a. m. on Wednesday, July 30, 1941, in the caucus room, for consideration of H. Res. 264.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization at 10:30 a. m. Wednesday, July 30, 1941, to consider private bills.

COMMITTEE ON THE JUDICIARY

Subcommittee No. 1 of the Committee on the Judiciary will start hearings in

room 346, old House Office Building, on Wednesday, August 6, 1941, at 10:30 a. m., on H. R. 5234, to amend the Judicial Code in respect to the jurisdiction of the Court of Claims in certain cases. (Mr. SUMNERS of Texas.)

EXECUTIVE COMMUNICATIONS, ETC.

798. Under clause 2 of rule XXIV, a letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to authorize transfer of enlisted men of the Naval and Marine Corps Reserve to the Regular Navy and Marine Corps, was taken from the Speaker's table and referred to the Committee on Naval Affairs.

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. YOUNGDAHL: Committee on Interstate and Foreign Commerce. H. R. 4314. A bill authorizing the States of Minnesota and Wisconsin, jointly or separately, to acquire bridges now existing or to construct, maintain, and operate a free highway bridge across the St. Croix River, also known as Lake St. Croix, at or near Hudson, Wis.; without amendment (Rept. No. 1067). Referred to the House Calendar.

Mr. PATRICK: Committee on Interstate and Foreign Commerce. H. R. 4993. A bill to extend the time for commencing the construction of a bridge across Sarasota Pass, and across Longboat Pass, county of Manatee, State of Florida; with amendment (Rept. No. 1068). Referred to the House Calendar.

Mr. SIMPSON: Committee on Interstate and Foreign Commerce. H. R. 4994. A bill granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Susquehanna River at Bridge Street in Plymouth Borough, between Plymouth and Hanover Townships, in the county of Luzerne, and in the Commonwealth of Pennsylvania; without amendment (Rept. No. 1069). Referred to the House Calendar.

Mr. WALTER: Committee on the Judiciary. S. 1642. An act to provide compensation for disability or death resulting from injury to persons employed at military, air, and naval bases acquired by the United States from foreign countries, and for other purposes; with amendment (Rept. No. 1070). Referred to the Committee of the Whole House on the state of the Union.

Mr. McLAUGHLIN: Committee on the Judiciary. H. R. 4581. A bill to create an Indeterminate Sentence and Parole Board, provide for uniformity of term of sentence, and for other purposes; without amendment (Rept. No. 1071). Referred to the Committee of the Whole House on the state of the Union.

Mr. GOSSETT: Committee on the Territories. H. R. 4520. A bill to ratify and confirm certain right of purchase leases, special homestead agreements, cash freehold agreements, certificates of occupation, homestead leases, and patents issued under or in purported compliance with section 73 of the Hawaiian Organic Act and the laws of the Territory of Hawaii; without amendment (Rept. No. 1072). Referred to the Committee of the Whole House on the state of the Union.

Mr. SIMPSON: Committee on Interstate and Foreign Commerce. H. R. 5122. A bill to extend the times for commencing and completing the construction of a bridge across the Monongahela River, between the boroughs of Elizabeth, in Elizabeth Township, and West Elizabeth, in Jefferson Township, in the county of Allegheny, and in the Commonwealth of Pennsylvania; with amend-

ment (Rept. No. 1073). Referred to the House Calendar.

Mr. PATRICK: Committee on Interstate and Foreign Commerce. H. R. 5128. A bill extending the dates for the beginning and completion of construction by Alabama Bridge Commission, an agency of the State of Alabama, of a toll bridge and causeway between Dauphin Island and the mainland at or near Cedar Point, within the State of Alabama; with amendment (Rept. No. 1074). Referred to the House Calendar.

Mr. YOUNGDAHL: Committee on Interstate and Foreign Commerce. H. R. 5247. A bill to revive and reenact the act entitled "An act to authorize the county of Burt, State of Nebraska, to construct, maintain, and operate a toll bridge across the Missouri River at or near Decatur, Nebr.," approved June 8, 1940; with amendment (Rept. No. 1075). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JARMAN:

H. R. 5435. A bill to provide for the retirement of certain former officers of the Army who served during the World War; to the Committee on Military Affairs.

By Mr. HEIDINGER:

H. J. Res. 224. Joint resolution declaring February 12 a legal public holiday to be known as Abraham Lincoln's Birthday; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GOSSETT:

H. R. 5436. A bill for the relief of John William Goodman and wife, Winnie E. Hopper Goodman; to the Committee on Claims.

H. R. 5437. A bill for the relief of James R. Sims and wife, Jewel Sims; to the Committee on Claims.

By Mr. IZAC:

H. R. 5438. A bill for the relief of San Diego Gas & Electric Co.; to the Committee on Claims.

By Mr. McLAUGHLIN:

H. R. 5439. A bill for the relief of Joseph Soulek; to the Committee on Claims.

By Mr. REECE of Tennessee:

H. R. 5440. A bill for the relief of the estate of Jeter P. Owenby; to the Committee on War Claims.

H. R. 5441. A bill granting a pension to Thomas Peters; to the Committee on Pensions.

By Mr. SHANNON:

H. R. 5442. A bill for the relief of Henry William Slekter; to the Committee on War Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1700. By Mr. KRAMER: Petition of the Western Plant Board in conference assembled at Salt Lake City, Utah, June 23, 1941, requesting that the Congress of the United States continue undiminished the annual appropriation made to the Bureau of Entomology and Plant Quarantine of the United States Department of Agriculture for emergency control of incipient pest outbreaks; to the Committee on Appropriations.

1701. By Mr. LYNCH: Petition of the Bronx Women's Club, of Bronx, New York City, urging an investigation of conditions at all

camps with a view to eliminate prostitution; to the Committee on Military Affairs.

1702. By Mr. SMITH of West Virginia: Petition of the Charleston Ministerial Association, Charleston, W. Va., favoring the plan advanced by former President Herbert Hoover, honorary chairman of the National Committee on Food for the Small Democracies, by which an experiment is to be made in feeding 2,000,000 children and 1,000,000 of unemployed adults in Belgium should be put into effect in order to demonstrate the practicability of more extended operations; to the Committee on Foreign Affairs.

1703. Also, petition of the John Brawley Post, No. 20, American Legion, Charleston, W. Va., expressing opposition to a movement now on foot to permit the demobilization of partially trained soldiers; to the Committee on Military Affairs.

SENATE

WEDNESDAY, JULY 30, 1941

(Legislative day of Monday, July 28, 1941)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Hunter M. Lewis, B. D., assistant rector, Church of the Epiphany, Washington, D. C., offered the following prayer:

God of all Power and Might, whose orderly governance of the universe inspireth the pattern of all righteous government among men: Look with the tender eyes of Thy mercy upon the nations; for they have erred and strayed from Thy ways like lost sheep. They have followed too much the devices and desires of their own hearts. They have offended against Thy holy laws. Lead them, O Heavenly Father, to a realization of their shortcomings and a desire to mend their ways. Purge the hearts of those who take counsel for the nations from pride, vainglory and hypocrisy, envy, hatred, and malice, and all uncharitableness, that beyond present wrong, and in spite of present compromise, by the guidance of Thy Holy Spirit, a just peace shall be established upon earth, wherein all Thy children may serve Thee as Thou deserveth. And this we ask in the name of Him who came preaching the Gospel of peace and good will towards men, Thy Son, Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day of Tuesday, July 29, 1941, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that on July 29, 1941, the President had approved and signed the following act and joint resolution:

S. 1110. An act to amend section 1118 of the Revised Statutes, as amended, to eliminate the prohibition against enlistment in the military service of the United States of any person convicted of a felony; and

S. J. Res. 88. Joint resolution to strengthen the common defense by suspending section 24b of the National Defense Act and authorizing a more expeditious procedure to vitalize the active list of the Army.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

| | | |
|--------------|-----------------|---------------|
| Adams | Gillette | Radcliffe |
| Aiken | Glass | Reynolds |
| Andrews | Green | Rosier |
| Austin | Guffey | Russell |
| Bailey | Gurney | Schwartz |
| Bankhead | Hatch | Shipstead |
| Barkley | Hayden | Smathers |
| Bone | Hill | Smith |
| Brewster | Hughes | Stewart |
| Bunker | Johnson, Calif. | Taft |
| Burton | Johnson, Colo. | Thomas Idaho |
| Byrd | La Follette | Thomas, Okla. |
| Capper | Langer | Thomas, Utah |
| Caraway | Lee | Tobey |
| Chavez | Lodge | Truman |
| Clark, Idaho | Lumpkin | Tunnell |
| Clark, Mo. | McCarran | Tydings |
| Connally | McFarland | Var denberg |
| Danaher | McKellar | Van Nuys |
| Davis | Maione | Walsh |
| Downey | Nye | Wheeler |
| Eastland | O'Mahoney | White |
| George | Overton | Wiley |
| Gerry | Pepper | Willis |

Mr. HILL. I announce that the Senator from South Dakota [Mr. BULOW] and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Mississippi [Mr. BILBO], the Senator from Michigan [Mr. BROWN], the Senator from Kentucky [Mr. CHANDLER], the Senator from Louisiana [Mr. ELLENDER], the Senator from Iowa [Mr. HERRING], the Senator from West Virginia [Mr. KILGORE], the Senator from Illinois [Mr. LUCAS], the Senator from New York [Mr. MEAD], the Senator from Utah [Mr. MURDOCK], the Senator from Montana [Mr. MURRAY], the Senator from Arkansas [Mr. SPENCER], and the Senator from Washington [Mr. WALLGREN] are necessarily detained from the Senate.

Mr. AUSTIN. The Senator from Oregon [Mr. McNARY], the Senator from Minnesota [Mr. BALL], the Senator from New Jersey [Mr. BARBOUR], the Senator from Illinois [Mr. BROOKS], the Senator from Nebraska [Mr. BUTLER], the Senator from Oregon [Mr. HOLMAN], and the Senator from Kansas [Mr. REED] are necessarily absent.

The VICE PRESIDENT. Seventy-two Senators have answered to their names. A quorum is present.

PRICE CONTROL—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 332)

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 Banking and Currency:

To the Congress of the United States:

Inflationary price rises and increases in the cost of living are today threatening to undermine our defense effort. I am therefore recommending to the Congress the adoption of measures to deal with this threat.

We are now spending more than \$30,000,000 a day on defense. This rate

must and will increase. In June of this year we spent about \$808,000,000—more than five times the \$153,000,000 we spent in June 1940. Every dollar spent for defense presses against an already limited supply of materials.

This pressure is sharply accentuated by an ever-increasing civilian demand. For the first time in years many of our workers are in the market for the goods they have always wanted. This means more buyers for more products which contain steel and aluminum and other materials needed for defense. Thus a rapidly expanding civilian demand has been added to a vast and insistent demand by the Government.

Those who have money to spend are willing to bid for the goods. The Government must and will satisfy its defense needs. In such a situation, price advances merely determine who gets the scarce materials, without increasing the available supply. We face inflation unless we act decisively and without delay.

The consequences of inflation are well known. We have seen them before.

Producers, unable to determine what their costs will be, hesitate to enter into defense contracts or otherwise to commit themselves to ventures whose outcome they cannot foresee. The whole production machinery falters.

Speculators anticipating successive price advances, withhold commodities from essential military production.

Costs to the Government increase, and with it the public debt.

Increases in the workers' cost of living, on the one hand, and excessive profits for the manufacturer, on the other, lead to spiraling demands for higher wages. This means friction between employer and employed.

Great profits are reaped by some, while others, with fixed and low incomes, find their living standards drastically reduced and their lifelong savings shrunken. The unskilled worker, the white-collar worker, the farmer, the small businessman, and the small investor all find that their dollar buys ever less and less.

The burden of defense is thrown haphazardly and inequitably on those with fixed income or whose bargaining power is too weak to secure increases in income commensurate with the rise in the cost of living.

And over all hovers the specter of future deflation and depression, to confuse and retard the defense effort and inevitably to aggravate the dangers and difficulties of a return to a normal peacetime basis.

Economic sacrifices there will be and we shall bear them cheerfully. But we are determined that the sacrifice of one shall not be the profit of another. Nothing will sap the morale of this Nation more quickly or ruinously than penalizing its sweat and skill and thrift by the individually undeserved and uncontrollable poverty of inflation.

Our objective, therefore, must be to see that inflation, arising from the abuse of power to increase prices because the supply is limited and the demand inflexible, does not occur during the present emergency.