

4180. By Mr. MARTIN of Massachusetts: Petition of Godofredo B. Ribeiro and sundry residents of Massachusetts, urging enactment of the Green-Lucas bill; to the Committee on Election of President, Vice President, and Representatives in Congress.

4181. Also, petition of Mary L. Sawyer and sundry residents of Mansfield, Mass., urging enactment of House bill 2082; to the Committee on the Judiciary.

4182. By Mr. O'LEARY: Petition of Jacob Adamo and others, opposing passage of House bill 2082; to the Committee on the Judiciary.

4183. By Mr. ROHRBOUGH: Petition of Blanche Butcher and 39 other citizens of Lewis County, W. Va., urging the stoppage of sale of beer in military camps, recommending the suspension of manufacture, sale, transportation, importation, and exportation of beverage alcohol for the duration of the war and for the post-war period of demobilization, urging the adoption of the Bryson bill (H. R. 2082); to the Committee on the Judiciary.

4184. By Mr. ROLPH: Resolution of the executive council of the California State federation of labor, urging that Congress pass the necessary legislation which would provide the highest amount of money to those members of the armed forces now being discharged, so these veterans will at least be guaranteed a sufficient income to maintain themselves in health and decency for a period of not less than 6 months; to the Committee on Military Affairs.

4185. Also, resolution of the Grand Chapter of California, Order of Eastern Star, San Francisco, adopted at State convention in Long Beach, October 1943, urging and requesting the Congress of the United States of America to enact suitable legislation, not only for the instant removal from California of all Japanese now located therein, but also in the interest of national safety to enact such legislation which will prohibit their return to California and forever bar and prohibit the settlement of Japanese in California; to the Committee on Military Affairs.

4186. Also, resolution No. 3749 of the board of supervisors of the city and county of San Francisco, Calif., adopted December 22, 1943, urging the Congress of the United States of America to pass the Worley bill without amendment; to the Committee on Election of President, Vice President, and Representatives in Congress.

4187. Also, resolution of the Retail Furniture Association of California, Inc., adopted at San Francisco, December 3, 1943, heartily approving regulation W, adopted by the Board of Governors of the Federal Reserve System, and recommending no fundamental change be made in the directive for the present; to the Committee on Banking and Currency.

4188. By Mr. SCHIFFLER: Petition of Wilbur U. Jones, chairman, legislative committee, Wheeling Industrial Union Council, and 25,000 members, urging enactment of the soldiers' vote bill; to the Committee on Elections of President, Vice President, and Representatives in Congress.

4189. Also, petition of Guy L. Knapp, secretary, First Christian Church official board, Moundsville, W. Va., opposing that part of the tax bill as follows: "That there will be no reduction for money paid to church and benevolent societies on income-tax returns"; to the Committee on Ways and Means.

4190. By Mr. SHOTT: Petition of the United Hebrew congregation of Joplin, Mo., representing Tri-State district, urging abrogation of the White Paper that would close free Jewish immigration into Palestine after March 31, 1944, and pleading for this action on the basis of America's subscription to the Balfour Declaration and the "four freedoms" as well as on the conviction that the citizens of America cling to the divine patterns of justice and mercy now long past due Europe's

remnant of heroic and martyred people of the Jewish faith; to the Committee on Foreign Affairs.

4191. Also, petition of Charles W. Griesser, Polar Ice & Supply Co., Royal Recreation Parlor, West Seventh Street Package Store, Minnie's Dine and Dance, Ace High Tobacco Co., and sundry others of Joplin and Jasper County, Mo., protesting against consideration of House bill 2082, and requesting the Senators and Representatives to vote against any and all legislation of this type; to the Committee on the Judiciary.

4192. By Mr. SMITH of Wisconsin: Petition of the Wisconsin Society of Certified Public Accountants, Milwaukee, Wis., relative to the tax law; to the Committee on Ways and Means.

4193. Also, petition of the Wisconsin Implement Dealers Association relative to the production of food; to the Committee on Agriculture.

4194. By Mr. WELCH: Resolution of the Retail Furniture Association of California, Inc., urging continuation of regulation W without fundamental change under jurisdiction and administration of the Federal Reserve System; to the Committee on Banking and Currency.

4195. By Mr. VOORHIS of California: Petition of Mrs. H. C. Lehnhart, of San Gabriel, Calif., and 19 others, urging the passage of the Bryson bill (H. R. 2082); to the Committee on the Judiciary.

4196. Also, petition of Mrs. V. E. Brase, of San Gabriel, Calif., and 19 others, urging the passage of the Bryson bill (H. R. 2082); to the Committee on the Judiciary.

4197. By the SPEAKER: Petition of the secretary, Hegira Temple, No. 161, K. O. K. K., Newark, N. J., petitioning consideration of their resolution with reference to House bill 2328 and House Joint Resolution 49; to the Committee on the Post Office and Post Roads.

4198. Also, petition of the department adjutant, American Legion, Department of Michigan, petitioning consideration of their resolution with reference to House bill 3420; to the Committee on Interstate and Foreign Commerce.

4199. Also, petition of the Townsend Club of the First Congressional District of South Dakota, petitioning consideration of their resolution with reference to Senate bill 1161 and House bill 1649; to the Committee on Ways and Means.

4200. Also, petition of the general president, Textile Workers' Union of America, New York, N. Y., petitioning consideration of their resolution with reference to the soldier vote bill; to the Committee on Election of President, Vice President, and Representatives in Congress.

4201. Also, memorial of the Legislative Assembly of the Virgin Islands of the United States, memorializing the President and the Congress of the United States to reconsider their action against Robert Morss Lovett and that all tax on liquors arriving in the United States from the Virgin Islands be credited into the treasury of the Virgin Islands; to the Committee on Insular Affairs.

4202. Also, petition of the manager, Graham Chamber of Commerce, Graham, Tex., petitioning consideration of their resolution with reference to the removing, withdrawing, and transportation to other States the natural gas produced in Texas; to the Committee on Interstate and Foreign Commerce.

4203. Also, petition of the Pulaski Council of Milwaukee, petitioning consideration of their resolution with reference to Russia and Poland; to the Committee on Foreign Affairs.

4204. Also, petition of the mayor and director of public works, city of Passaic, N. J., petitioning consideration of their resolution with reference to the withdrawal in its entirety of the Palestine White Paper of May 1939; to the Committee on Foreign Affairs.

4205. Also, petition of the secretary, Washington Central Labor Union, Washington, D. C., petitioning consideration of their resolution with reference to its support of the policies of our Commander in Chief and to commend Speaker RAYBURN for his militant fight for national unity; to the Committee on Military Affairs.

4206. Also, petition of the president of the league, Insular League of Parent-Teacher Associations of Puerto Rico, petitioning consideration of their resolution with reference to amending the Organic Act of Puerto Rico under section 17; to the Committee on Insular Affairs.

SENATE

TUESDAY, JANUARY 11, 1944

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, we thank Thee for new years and for new days and for new thoughts of God and for new hopes for a redeemed humanity and a cleansed earth. That hope is brightened and that faith is strengthened only as we turn from all beside to an altar of dependence and contrition, where around our incompleteness flows the completeness of the divine resources.

We are sobered by the pressing problems of our social order, burdened with the tragic needs of the shattered earth, saddened with the anxieties and griefs of those we love. In the midst of desperate and difficult days deliver us from the evil of moral cowardice. As those set apart in perilous times to keep clean the springs of freedom and to minister to the common welfare of the Nation which looks to us for help and healing, we pray for eyes to see, for minds to understand, and hearts that claim kinship with all Thy children everywhere. May we lift others by our faith and not darken by our doubt and discouragement. Pilgrims of the night, may we be heralds of the morning. We ask it in the Name that is above every name. Amen.

ATTENDANCE OF SENATORS

HOMER T. BONE, a Senator from the State of Washington; HARRY FLOOD BYRD, a Senator from the State of Virginia; SHERIDAN DOWNEY, a Senator from the State of California; HOMER FERGUSON, a Senator from the State of Michigan; HARLEY M. KILGORE, a Senator from the State of West Virginia; BURNET R. MAYBANK, a Senator from the State of South Carolina; CLAUDE PEPPER, a Senator from the State of Florida; JAMES G. SCRUGHAM, a Senator from the State of Nevada; TOM STEWART, a Senator from the State of Tennessee; CHARLES W. TOBEY, a Senator from the State of New Hampshire; and MILLARD E. TYDINGS, a Senator from the State of Maryland, appeared in their seats today.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Monday, January 10, 1944, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, informed the Senate that a quorum of the House had assembled and that the House was ready to proceed with business.

The message announced that a committee of two Members had been appointed by the Speaker, on the part of the House of Representatives, to join with the committee on the part of the Senate to notify the President of the United States that a quorum of each House had assembled and that Congress was ready to receive any communication that he might be pleased to make.

NOTIFICATION TO THE PRESIDENT

Mr. BARKLEY and Mr. WHITE advanced to the center aisle, and

Mr. BARKLEY said: Mr. President, I wish to report that the committee appointed by the Vice President under the resolution adopted yesterday to notify the President that the Senate is in session and ready to receive any communication from him has performed its function, and presently there will be delivered a message from the President to the Congress.

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:

Aiken	Green	Reed
Andrews	Guffey	Revercomb
Austin	Gurney	Reynolds
Ball	Hatch	Russell
Barkley	Hawkes	Scruggam
Bone	Hayden	Shipstead
Brewster	Hill	Stewart
Bridges	Holman	Taft
Buck	Johnson, Colo.	Thomas, Idaho
Burton	Kilgore	Thomas, Utah
Bushfield	La Follette	Tobey
Byrd	Langer	Tunnell
Capper	Lodge	Tydings
Caraway	Lucas	Vandenberg
Chavez	McClellan	Van Nuys
Clark, Mo.	Maloney	Walsh, Mass.
Connally	Maybank	Walsh, N. J.
Davis	Millikin	Wheeler
Downey	Murdock	Wherry
Eastland	Murray	White
Ferguson	O'Daniel	Wiley
George	O'Mahoney	Willis
Gerry	Overton	Wilson
Gillette	Pepper	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Missouri [Mr. TRUMAN] and the Senator from Washington [Mr. WALLGREN] are absent on official business for the Special Committee to Investigate the National Defense Program.

The Senator from Alabama [Mr. BANKHEAD], the Senator from North Carolina [Mr. BAILEY], the Senator from Mississippi [Mr. BILBO], the Senator from Kentucky [Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], the

Senator from Louisiana [Mr. ELLENDER], the Senator from Nevada [Mr. MCCARRAN], the Senator from Arizona [Mr. McFARLAND], the Senator from Tennessee [Mr. McKELLAR], the Senators from New York [Mr. MEAD and Mr. WAGNER], the Senator from Florida [Mr. PEPPER], the Senator from South Carolina [Mr. SMITH], and the Senator from Oklahoma [Mr. THOMAS] are necessarily absent.

Mr. WHITE. The Senator from Oregon [Mr. McNARY] is absent because of illness.

The Senator from Illinois [Mr. BROOKS], the Senator from North Dakota [Mr. NYE], and the Senator from Wyoming [Mr. ROBERTSON] are necessarily absent.

The Senator from Oklahoma [Mr. MOORE] is absent from the city attending hearings of a subcommittee of the Committee on Indian Affairs.

The VICE PRESIDENT. Seventy-one Senators have answered to their names. A quorum is present.

ANNUAL MESSAGE OF THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 377)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read by the legislative clerk and ordered to lie on the table.

(For President's message, see pp. 55-57 of House proceedings for today.)

FOURTH WAR LOAN DRIVE

Mr. GEORGE. Mr. President, at the request of the Secretary of the Treasury in a letter addressed to the Secretary of the Senate, representatives of the Treasury Department will be stationed in the office of the financial clerk of the Senate during the next War Loan drive. I ask unanimous consent to have printed in the RECORD a letter from the Secretary of the Treasury addressed to the Secretary of the Senate, together with a statement from the Secretary of the Senate and the Sergeant at Arms.

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

JANUARY 11, 1944.

To Members of the Senate and Their Staffs, Officers of the Senate and Employees:

On January 15 there will be stationed in the office of the financial clerk of the Senate representatives of the Treasury Department from whom War bonds may be purchased. This is done upon the request of the Secretary of the Treasury, who, in a letter to the Secretary of the Senate, reminds us of the War Loan drive. The letter from the Secretary of the Treasury, for your information, is quoted in full:

"JANUARY 8, 1944.

"Col. EDWIN A. HALSEY,
"Secretary of the Senate,
"Washington, D. C.

"DEAR COLONEL HALSEY: In the Fourth War Loan drive, commencing January 18, the Treasury will undertake to raise \$14,000,000,000 for continued prosecution of the war. Of this amount we hope to get about five and one-half billions from individuals, which is \$500,000,000 more than the goal set for individuals in the Third War Loan drive.

"On December 7, 1941, a date which will live in infamy, as the President has said, this country was savagely attacked by the Japanese at Pearl Harbor. We all know that the war was not of our making. We are deter-

mined to fight this war to a finish—unconditional surrender. And it must be paid for.

"My purpose in writing you now is to enlist your aid during the Fourth War Loan, with the end in view that appropriate facilities may be provided for the sale of War bonds to the Members of the Senate, its officers and employees.

"This Department will be glad to assist in any way it can to make these bonds conveniently available to the Members of the Senate and employees.

"Sincerely yours,

"H. MORGENTHAU, Jr.,
"Secretary of the Treasury."

The Fourth Nation-wide War Bond drive will be officially inaugurated on January 18, but you are respectfully urged to start buying your bonds on the 15th, so that the Senate may make a showing in the sale of bonds commensurate with its staff.

Let us all do our share.

EDWIN A. HALSEY,
Secretary, United States Senate.
WALL DOXEY,
Sergeant at Arms of the Senate.

MAJ. ALBERT WHITFIELD HAWKES

Mr. REVERCOMB. Mr. President, it is with profound sorrow that I announce to my colleagues of the Senate the death of a very brave soldier who died in line of duty on December 17, 1943, in the southwest Pacific—Maj. Albert Whitfield Hawkes, the distinguished son of a distinguished Member of this body.

Major Hawkes was a member of the Medical Corps. Although a young man, he had gained distinction and a high position in his profession before entering the Army. His work gave promise of fine success and greatness for him in this life.

He was a graduate of Princeton College and of the College of Physicians and Surgeons of Columbia University. He served for 1 year at Queen's Hospital in London. Later he was a member of the staffs of several hospitals in New York.

At the outbreak of war he volunteered in the Army of his country. He was promoted to major, and, as I have said, while serving with the troops in the South Pacific last month he died in line of duty.

He left surviving him his distinguished and respected father the senior Senator from New Jersey, his revered and lovely mother, his sister, his widow, and his two children, Holly and Stephen, to whom I express now the heartfelt sympathy of us all.

The loss of such a man is the severest sacrifice exacted by war and the greatest loss that can come to a nation.

Mr. President, I pay this tribute to a brave soldier, an unselfish and gifted man, who gave his life for his country.

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT OF NATIONAL FOREST RESERVATION COMMISSION (S. DOC. NO. 145)

A letter from the Secretary of War, president of the National Forest Reservation Commission, transmitting, pursuant to law, the annual report of the Commission for the fiscal year ended June 30, 1943 (with an accompanying report); to the Committee on Agriculture and Forestry and ordered to be printed with an illustration.

REWARDS TO POSTAL EMPLOYEES FOR INVENTIONS

A letter from the Postmaster General, transmitting a draft of proposed legislation to authorize payments of rewards to postal employees for inventions (with an accompanying paper); to the Committee on Post Offices and Post Roads.

RELIEF OF DESTITUTION OF ALASKAN NATIVES

A letter from the Secretary of the Interior, transmitting, pursuant to law, a report covering expenditures made from the appropriation "Education of natives of Alaska, 1943-44," for the relief of destitution of natives of Alaska during the fiscal year 1943 (with an accompanying report); to the Committee on Appropriations.

REPORT OF THE NATIONAL PARK TRUST FUND BOARD

A letter from the Secretary of the Interior, transmitting, pursuant to law, the annual report of the National Park Trust Fund Board for the fiscal year ended June 30, 1943, together with a statement showing the status of the national park trust fund as of June 30, 1943 (with an accompanying paper); to the Committee on Public Lands and Surveys.

EXPENDITURES FROM COLORADO RIVER DAM FUND

A letter from the Secretary of the Interior, transmitting, pursuant to law, his report on expenditures from the Colorado River Dam fund incurred in the construction, operation, and maintenance of Boulder City, together with his recommendations for allocations of such expenditures in the construction, operation, and maintenance of the Boulder Canyon project and other Federal activities in Boulder City (with the accompanying papers); to the Committee on Irrigation and Reclamation.

SPECIAL HELIUM-PRODUCTION FUND

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, the annual report showing credits, disbursements, and the balance on hand in the special helium-production fund for the fiscal year ended June 30, 1943; to the Committee on Military Affairs.

LAWS PASSED BY MUNICIPAL COUNCIL OF ST. THOMAS AND ST. JOHN, V. I.

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, copies of laws passed by the Municipal Council of St. Thomas and St. John, V. I. (with accompanying papers); to the Committee on Territories and Insular Affairs.

LAWS PASSED BY LEGISLATURE OF HAWAII

A letter from the Director of the Division of Territories and Island Possessions, Department of the Interior, transmitting, pursuant to law, a bound copy of laws passed by the Legislature of the Territory of Hawaii, regular session of 1943 (with an accompanying document); to the Committee on Territories and Insular Affairs.

REPORTS OF AGRICULTURAL EXPERIMENT STATIONS

A letter from the Acting Secretary of Agriculture, transmitting, pursuant to law, reports covering the receipts and expenditures, and the work of the agricultural experiment stations in the United States, Hawaii, Alaska, and Puerto Rico, for the fiscal years ended June 30, 1942, and June 30, 1943, respectively (with accompanying reports); to the Committee on Agriculture and Forestry.

EXTENSION SERVICE, DEPARTMENT OF AGRICULTURE

A letter from the Acting Administrator of the War Food Administration, transmitting, pursuant to law, a report of receipts, expenditures, and results of cooperative agricultural extension work for the fiscal year ended June 30, 1943, and a statistical summary of Negro extension work for the cal-

endar year 1942 (with accompanying papers); to the Committee on Agriculture and Forestry.

DELINQUENT ACCOUNTS OF FEDERAL OFFICERS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report showing officers and administrative offices of the Government delinquent in rendering or transmitting their accounts to the proper offices in Washington during the fiscal year ended June 30, 1943, and whether the delinquency was waived, together with a list of officers whom upon final settlement of their accounts, were found to be indebted to the Government and had failed to pay the amount or amounts due into the Treasury of the United States (with an accompanying report); to the Committee on Claims.

JUDGMENTS RENDERED BY THE COURT OF CLAIMS (S. DOC. NO. 144)

A letter from the Acting Chief Clerk of the Court of Claims, transmitting, pursuant to law, a statement of judgments rendered by the Court of Claims for the year ended December 4, 1943, the amount thereof, the parties in whose favor rendered, and a brief synopsis of the nature of the claims (with an accompanying statement); to the Committee on Appropriations and ordered to be printed.

REPORT OF THE INTERSTATE COMMERCE COMMISSION

A letter from the Chairman of the Interstate Commerce Commission, transmitting, pursuant to law, the annual report of the Commission for the year ended October 31, 1943, except as otherwise noted (with an accompanying report); to the Committee on Interstate Commerce.

FINAL VALUATION OF A CARRIER

A letter from the Chairman of the Interstate Commerce Commission, transmitting, pursuant to law, the final valuation of properties of the Socony-Vacuum Oil Co., Inc. (Midland Division and New York and Pennsylvania Lines) (with accompanying documents); to the Committee on Interstate Commerce.

TRANSPORTATION AND PER DIEM ALLOWANCES FOR RECRUITMENT OF PERSONS FOR FEDERAL EMPLOYMENT

A letter from the President of the United States Civil Service Commission, transmitting a draft of proposed legislation to facilitate the procurement of persons for Federal employment, providing certain transportation and per diem allowances therefor (with an accompanying paper); to the Committee on Civil Service.

REPORT OF PERMITS AND LICENSES ISSUED BY FEDERAL POWER COMMISSION

A letter from the Chairman of the Federal Power Commission, transmitting, pursuant to law, a classified report showing the permits and licenses issued by the Commission during the fiscal year ended June 30, 1943, the parties thereto, the terms prescribed, the moneys received, if any, and the account thereof (with an accompanying report); to the Committee on Commerce.

REPORT OF ATLANTIC STATES MARINE FISHERIES COMMISSION

A letter from the secretary-treasurer of the Atlantic States Marine Fisheries Commission, transmitting, pursuant to law, a report of the operations of the Commission for the year ended December 1, 1943 (with an accompanying report); to the Committee on Commerce.

REPORT OF THE TENNESSEE VALLEY AUTHORITY

A letter from the Board of Directors of the Tennessee Valley Authority transmitting, pursuant to law, the annual report of the

Authority for the fiscal year ended June 30, 1943 (with an accompanying report); to the Committee on Agriculture and Forestry.

EXPENDITURES OF FUNDS DERIVED FROM BOND SALES OF THE TENNESSEE VALLEY AUTHORITY

A letter from the Chairman of the Board of Directors of the Tennessee Valley Authority transmitting, pursuant to law, a report of the expenditures for the year ended November 30, 1943, of funds derived from the sale of bonds under section 15c of the Tennessee Valley Authority Act of 1933, as amended (with an accompanying paper); to the Committee on Agriculture and Forestry.

REPORT OF GORGAS MEMORIAL LABORATORY

A letter from the president of the Gorgas Memorial Institute of Tropical and Preventive Medicine, Inc., transmitting, pursuant to law, the Annual Report of the Gorgas Memorial Laboratory for the fiscal year ended June 30, 1943 (with an accompanying report); to the Committee on Inter-oceanic Canals.

REPORT OF GEORGETOWN BARGE, DOCK, ELEVATOR & RAILWAY CO.

A report of the Georgetown Barge, Dock, Elevator & Railway Co., transmitted, pursuant to law, for the year ended December 31, 1943; to the Committee on the District of Columbia.

ESTIMATES OF PERSONNEL REQUIREMENTS OF DEPARTMENTS AND AGENCIES

A letter from the Director of the Bureau of the Budget, transmitting, pursuant to law, a report of his determinations during the second quarter of the fiscal year 1944 of the number of employees required for the proper and efficient exercise of the functions of the executive departments and agencies of the Government (with an accompanying paper); to the Committee on Civil Service.

PERSONNEL REQUIREMENTS OF DEPARTMENTS AND AGENCIES

Letters, transmitting, pursuant to law, estimates for the quarter ending March 31, 1944, of the Department of State; Post Office Department; Navy Department; Department of Commerce; National Archives; American Battle Monuments Commission; Office of Price Administration; the White House Office; National Labor Relations Board; United States Employees' Compensation Commission; American Commission for the Protection and Salvage of Artistic and Historic Monuments in Europe; the National Gallery of Art of the Smithsonian Institution; Selective Service System; General Accounting Office; National Advisory Committee for Aeronautics; War Shipping Administration and United States Maritime Commission; War Manpower Commission of the Office for Emergency Management; Office of Strategic Services; Federal Works Agency; Executive Mansion and Grounds of the National Park Service; National War Labor Board; Office of Scientific Research and Development of the Office for Emergency Management; United States Tariff Commission; Office of Defense Transportation; Office of Central Administrative Services of the Office for Emergency Management; Panama Railroad Co.; and Office of the Coordinator of Inter-American Affairs of the Office for Emergency Management; an estimate for the quarter ending December 31, 1943, from the Reconstruction Finance Corporation; and

Two revised estimates for the quarter ending December 31, 1943, from the Department of Commerce (with accompanying papers); to the Committee on Civil Service.

PETITIONS

Petitions were laid before the Senate by the Vice President and referred as indicated:

A resolution adopted by the executive committee of the Department of Michigan, the

American Legion, requesting that House bills 3420 and 3421, pending in Congress, relating to civil aviation, be held in abeyance until the termination of the present war and for 6 months thereafter; to the Committee on Commerce.

A letter from the Commissioner of Indian Affairs, transmitting a memorial of sundry Comanche Indians of the Kiowa (Okla.) Agency, remonstrating against the enactment of Senate bill 1311, to remove restrictions on Indian property now held in trust by the United States, or any similar legislation; to the Committee on Indian Affairs.

A resolution adopted by Townsend Club No. 1, of Presho, S. Dak., favoring the enactment of House bill 1649, a general welfare bill, granting old-age assistance; to the Committee on Finance.

A resolution adopted by the Board of Aldermen of the city of Chelsea, Mass., favoring the enactment of the so-called Wagner bill, to provide credit to servicemen toward their old-age insurance and also the so-called Patman bill, to provide mustering-out pay and unemployment payments for servicemen and women unable to find employment upon demobilization; to the Committee on Finance.

The petition of Dr. R. Esmond Smith, and several other citizens, of the Patton State Hospital, Patton, Calif., praying for the establishment of a Christian world order; to the Committee on Foreign Relations.

A letter from Henry Lee Owens, of Burlington, Iowa, relating to the Government control of railroads and the obligation of railroad workers not to strike during the war period; to the Committee on the Judiciary.

A resolution adopted by Democracy Lodge No. 655, Knights of Pythias, of Brooklyn, N. Y., favoring the enactment of House bill 2328, making unlawful the distribution through the mails of literature containing defamatory or false statements regarding any race or religion; to the Committee on Post Offices and Post Roads.

Resolutions adopted by the Legislative Assembly of the Virgin Islands, and referred to the Committee on Territories and Insular Affairs, as follows:

Resolution favoring the reconsideration by Congress of its recent action relating to the continuation of Robert Morss Lovett as government secretary of the Virgin Islands; and

Resolution favoring the enactment of legislation to provide for the transfer to the government of the Virgin Islands of 50 percent of all taxes collected on articles imported into the United States therefrom for use in financing relief projects in the islands.

WARTIME METHOD OF VOTING BY MEMBERS OF THE ARMED FORCES

Mr. GREEN. Mr. President, on behalf of the Senator from Illinois [Mr. LUCAS] and myself, I introduce a bill to amend the act of September 16, 1942, which provided a method of voting in time of war, by members of the land and naval forces absent from the place of their residence, and for other purposes, and ask that it be referred to the Committee on Privileges and Elections.

The PRESIDING OFFICER (Mr. HILL in the chair). Without objection, the bill will be received and referred as requested.

The bill (S. 1612) to amend the act of September 16, 1942, which provided a method of voting, in time of war, by members of the land and naval forces absent from the place of their residence, and for other purposes introduced by Mr. GREEN (for himself and Mr. LUCAS), was read twice by its title and referred to the Committee on Privileges and Elections.

NATIONAL WAR SERVICE

Mr. AUSTIN. Mr. President, I send to the desk an amendment which I intend to offer to Senate bill 666, which is the proposed national war service bill, and ask unanimous consent to have it printed and referred to the Committee on Military Affairs. I also ask to have it printed in the RECORD, for the convenience of the Senate.

The PRESIDING OFFICER. Is there objection?

Mr. BARKLEY. Mr. President, inasmuch as the morning hour is allocated, in order, to certain procedure, I respectfully suggest that we follow that procedure. There will be ample opportunity for Senators either to submit amendments or introduce bills or resolutions. I think it would be better if we proceeded in order, according to the rules.

The PRESIDING OFFICER. The presentation of petitions and memorials is in order.

Mr. LODGE. Mr. President, in conjunction with the distinguished senior Senator from Vermont [Mr. AUSTIN] I am introducing today a bill giving servicemen overseas a real opportunity to vote for Federal officers at the coming election—

The PRESIDING OFFICER. In view of the objection raised by the Senator from Kentucky [Mr. BARKLEY], will the Senator from Massachusetts withhold the introduction of his bill?

Mr. LODGE. I understood a bill had already been introduced on the same subject.

The PRESIDING OFFICER. It was not introduced, because of the interposition of objection by the Senator from Kentucky. It is the intention of the Chair to recognize the Senator from Vermont [Mr. AUSTIN] when we reach the proper point in the morning hour. The Chair will then be glad to recognize the Senator from Massachusetts.

Mr. LODGE. I thought the Senator from Rhode Island [Mr. GREEN] introduced a bill on this subject.

Mr. BARKLEY. Mr. President, the Senator from Rhode Island rose. I did not know for what purpose. He introduced his bill. If I had known in advance that that was his object, I would have made the same objection which I later made. No Senator will lose any rights by following the regular order.

The PRESIDING OFFICER. The presentation of petitions and memorials is in order.

RESOLUTION OF IOWA STATE FEDERATION OF LABOR

Mr. GILLETTE presented a resolution adopted by the Iowa State Federation of Labor, protesting against practices necessitated by the Little Steel formula and favoring the granting of adequate wage increases to workers, which was referred to the Committee on Education and Labor.

PROHIBITION OF LIQUOR SALES AROUND MILITARY CAMPS—PETITION

Mr. TUNNELL. Mr. President, I present and ask unanimous consent to have printed in the RECORD without the signa-

tures attached a petition of numerous citizens of Delaware, 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 that the petition be referred to the appropriate committee.

There being no objection, the petition was referred to the Committee on Military Affairs and ordered to be printed in the RECORD without the signatures attached, as follows:

To the Members of the Senate and House of Representatives of the Congress of the United States:

We, the undersigned citizens of the State of Delaware do respectfully petition you to defend the United States of America by defending the health and morale of the youth called out by your action under the Selective Service Act, from what Gen. George C. Marshall, Chief of Staff of the United States Army, referred to as "a sordid business for the accumulation of money" the trade in alcoholic beverages including beer; and from the danger of venereal disease incident to prostitution, by passing S. 860.

RESOLUTION BY REGIONAL CONVENTION, NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION

Mr. CAPPER. Mr. President, I have received a letter with an accompanying resolution adopted by the regional convention of the National Rural Electric Cooperative Association held at Denver by the cooperative organizations of Wyoming, Nebraska, Colorado, and Kansas, and ask that the letter and accompanying resolution be printed in the RECORD and appropriately referred.

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

NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION,

Washington, D. C., December 20, 1943.

Senator CAPPER: Attached hereto is a copy of a resolution adopted by the regional convention of the rural electric cooperatives of Wyoming, Nebraska, Colorado, and Kansas held at Denver on the 20th day of November 1943.

This resolution was adopted unanimously after full discussion and the cooperatives will appreciate whatever assistance you can give them.

Very respectfully,

J. C. NICHOLS,

Regional Director, Cody, Wyo.

Be it resolved, That we, the rural electric cooperatives of Colorado, Wyoming, Nebraska, and Kansas in annual regional convention of the National Rural Electric Cooperative Association at Denver this 20th day of November 1943, go on record as urging each and every Senator and Member of Congress of these four States to actively support the proposed amendments to H. R. 3752 by FULMER to extend the authorization for appropriations under the R. E. A. Act and to reduce the rate of interest charged on R. E. A. loans to the average interest paid by the United States on its obligations; be it further

Resolved, That we continue to support the Russell-Rankin bill and work actively for its enactment.

FAIR PRICES AND NOT SUBSIDIES

Mr. CAPPER. Mr. President, I have just received a letter from Mr. and Mrs. Clarence Paul, Rural Free Delivery 2,

Abilene, Kans. These good Kansas farmers write me as follows:

As loyal Grangers, and loyal Americans, hoping to preserve our country for the good of all, Republicans and Democrats alike, we go on record as favoring the policies adopted by the State grange, on agriculture, at Iola, Kans., December 14-17.

We want fair prices at the market, not subsidies and more regimentation. We have a son in the south Pacific who writes if there is a surplus of pork in the States, they can use some. Why not? Who deserves more than the boys who are fighting the battles for us?

Mr. President, I believe the sentiments expressed by Mr. and Mrs. Paul are those of the great majority of the farmers of my own State of Kansas, and of farmers all over the Nation. They are opposed to subsidies and regimentation. They want the men in the armed services taken care of first; and they want this country preserved, as they say, for the "good of all."

I might add, for myself, that I have listened to many explanations from representatives of governmental agencies, and none of these has advanced what seems to me a sound reason for rationing a surplus. And they admit there is at present a pork surplus. I hope that the agencies involved will take the necessary steps to have the surplus pork fed to people and not destroyed or used to bring about a smaller pork production that might substitute scarcity for surplus.

I ask unanimous consent that the letter be referred to the Committee on Agriculture and Forestry.

The VICE PRESIDENT. Without objection, the letter will be referred as requested.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session.

The following favorable reports of nominations were submitted:

By Mr. VAN NUYS, from the Committee on the Judiciary:

Fred A. Canfil, of Missouri, to be United States marshal for the western district of Missouri, vice Henry L. Dillingham, term expired.

By Mr. GEORGE, from the Committee on Finance:

Alden H. Baker, of Noblesville, Ind., to be collector of customs for customs collection district No. 40, with headquarters at Indianapolis, Ind., in place of Charles E. Kemper, deceased.

By Mr. WALSH of Massachusetts, from the Committee on Naval Affairs:

Capt. Russell S. Berkey, United States Navy, to be a rear admiral in the Navy for temporary service, to rank from the 25th day of November 1942;

Francis E. Pierce, Jr., a naval aviator of the Marine Corps Reserve, to be a second lieutenant in the regular Marine Corps in accordance with the provisions of the Naval Aviation Personnel Act of 1940, as amended, to rank from the 10th day of September 1941;

And sundry citizens for appointment as second lieutenants and several commissioned warrant officers for appointment as captains, all in the Marine Corps.

By Mr. HAYDEN, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

BILLS INTRODUCED

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

(Mr. GREEN (for himself and Mr. LUCAS) introduced Senate bill 1612, which was referred to the Committee on Privileges and Elections, and appears under a separate heading.)

By Mr. LODGE:

S. 1613. A bill for the relief of Walter G. McCormick; to the Committee on Claims.

(Mr. LODGE also (for himself and Mr. AUSTIN) introduced Senate bill 1614, which was referred to the Committee on Privileges and Elections, and appears under a separate heading.)

(Mr. SHIPSTEAD introduced Senate bill 1615, which was referred to the Committee on Finance, and appears under a separate heading.)

(Mr. WILEY introduced Senate bill 1616, which was referred to the Committee on Finance, and appears under a separate heading.)

(Mr. CLARK of Missouri (for himself, Mr. GEORGE, Mr. WALSH of Massachusetts, Mr. CONNALLY, Mr. LUCAS, Mrs. CARAWAY, Mr. VANDENBERG, Mr. BREWSTER, Mr. BROOKS, Mr. WILEY, and Mr. GURNEY) introduced Senate bill 1617, which was referred to the Committee on Finance, and appears under a separate heading.)

By Mr. THOMAS of Utah:

S. 1618. A bill to amend the acts of August 26, 1935 (49 Stat. 866), May 11, 1938 (52 Stat. 347), June 15, 1938 (52 Stat. 699), and June 25, 1938 (52 Stat. 1205), which authorize the appropriation of receipts from certain national forests for the purchase of lands within the boundaries of such forests, to provide that any such receipts not appropriated or appropriated but not expended or obligated shall be disposed of in the same manner as other national forest receipts, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. LANGER:

S. 1619. A bill to provide for payment of overtime compensation to assistant postmasters at first- and second-class post offices; to the Committee on Post Offices and Post Roads.

By Mr. VAN NUYS:

S. 1620. A bill to amend section 20 of the act of May 28, 1896 (29 Stat. 184; 28 U. S. C. 527), so as to provide that nothing therein contained shall preclude a referee in bankruptcy or a national park commissioner from appointment also as a United States commissioner;

S. 1621. A bill to amend section 5296 of the Revised Statutes, as amended, relating to the discharge of indigent convicts for nonpayment of fines;

S. 1622. A bill to amend section 35 of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States," as amended (11 U. S. C. 63), so as to remove the legal incompatibility between the office of United States commissioner and referee in bankruptcy;

S. 1623. A bill to establish uniform qualifications of jurors in the Federal courts, and for other purposes;

S. 1624. A bill to provide for a jury commission for each district court of the United States, to regulate its compensation, to prescribe its duties, and for other purposes;

S. 1625. A bill relating to the payment of fees, expenses, and costs of jurors;

S. 1626. A bill to amend section 21 of the act of May 28, 1896 (29 Stat. 184; 28 U. S. C. 597), prescribing fees of United States commissioners;

S. 1627. A bill to prescribe and furnish to United States commissioners standard forms

and dockets and to furnish United States Code and seal;

S. 1628. A bill concerning the method of payment of the compensation of United States commissioners; and

S. 1629. A bill to amend section 48 of the Criminal Code relating to receiving of stolen public property; to the Committee on the Judiciary.

By Mr. WALSH of Massachusetts:

S. 1630. A bill providing for the transfer to the custody and control of the Secretary of the Navy certain land comprising a ranger station site in connection with the administration of Kaniksu National Forest in the State of Idaho; to the Committee on Agriculture and Forestry;

S. 1631. A bill for the relief of Thomas E. Donohue and Nellie Gilbride; to the Committee on Claims;

S. 1632. A bill for the relief of Capt. S. E. McCarty, Supply Corps, United States Navy;

S. 1633. A bill to amend the act entitled "An act to provide for the training of nurses for the armed forces, governmental and civilian hospitals, health agencies, and war industries, through grants to institutions providing such training, and for other purposes," approved June 15, 1943, so as to provide for the full participation of institutions of the United States in the program for the training of nurses, and for other purposes; and

S. 1634. A bill to provide for the management and operation of naval plantations outside the continental United States; to the Committee on Naval Affairs.

By Mr. REYNOLDS:

S. 1635. A bill to eliminate a pay discrimination against the teacher of music at the United States Military Academy; to the Committee on Military Affairs.

By Mr. WHEELER:

S. 1636. A bill to authorize and direct the Secretary of the Interior to issue to Amy Scott Rosberg a patent in fee to certain land; and

S. 1637. A bill to authorize and direct the Secretary of the Interior to issue to Henry Keiser, a patent in fee to certain land; to the Committee on Indian Affairs.

By Mr. BARKLEY:

S. 1638. A bill granting a pension to Frances Hays Murphy; to the Committee on Finance.

By Mr. PEPER:

S. 1639. A bill authorizing and adopting a project for the improvement of Miami Harbor, Fla.; to the Committee on Commerce.

WARTIME METHOD OF VOTING BY MEMBERS OF THE ARMED FORCES

Mr. LODGE. Mr. President, in conjunction with the distinguished senior Senator from Vermont [Mr. AUSTIN] I introduce a bill giving to servicemen overseas everywhere an opportunity to vote for Federal officers at the coming election. I believe the bill meets the principal objections made to the Green-Lucas bill which recently failed of passage, and which I supported. I believe the bill can pass the Senate and be accepted by the House. It meets the principal objections raised by those who feared that the original bill was a trespass upon the rights of the States. At the same time it insures Federal voting for the boys overseas.

I ask that the bill be referred to the Committee on Privileges and Elections, and I hope that it may be promptly reported to the Senate.

The bill (S. 1614) to amend the act of September 16, 1942, which provided a method of voting, in time of war, by

members of the land and naval forces absent from the place of their residence, and for other purposes, introduced by Mr. LODGE (for himself and Mr. AUSTIN), was read twice by its title and referred to the Committee on Privileges and Elections.

TAXES ON REAL ESTATE ACQUIRED BY FEDERAL GOVERNMENT

Mr. SHIPSTEAD. Mr. President, I introduce a bill to prohibit the purchase of real property by the United States for temporary purposes, and to provide for the payment of taxes by the Federal Government upon real estate acquired by the Federal Government in the various States. I ask unanimous consent to have the clerk read a short statement showing the amount of real estate that has been purchased by the Federal Government and taken off the tax rolls of the States.

The PRESIDING OFFICER. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

The Federal Government has acquired, up to January 30, 1943, 375,634,466 acres of land. The total cost of acreage acquired prior to June 30, 1940, was \$691,524,231 and the cost of acreage acquired since July 1, 1940, to January 30, 1943, was \$198,376,651. The grand total cost of all acreage to January 30, 1943, was \$889,900,882.

All this federally owned land is taken off the State and county tax rolls. In addition, there have been large and costly pieces of land put under long-time lease by the Federal Government, which was also taken off the tax rolls. The necessity for this bill will therefore be self-explanatory and self-evident.

The PRESIDING OFFICER. The bill introduced by the Senator from Minnesota will be referred to the Committee on Finance.

The bill (S. 1615) to prohibit the purchase of real property by the United States for temporary purposes, and to provide for taxation of certain property owned by the United States was read twice by its title and referred to the Committee on Finance.

REHABILITATION OF VETERANS

Mr. WILEY. Mr. President, some time ago I introduced a bill relating to the rehabilitation of veterans. I have joined in a bill which the distinguished Senator from Missouri [Mr. CLARK] will introduce on the same subject. I prepared recently and now present a bill which relates to the educational features of veterans' rehabilitation. I feel the whole subject should be gone into and as far as possible covered by one bill. I ask that the particular bill introduced by me be appropriately referred.

The PRESIDING OFFICER. The bill will be appropriately referred.

The bill (S. 1616) to amend title I, Public Law No. 2, Seventy-third Congress, March 20, 1933, and the Veterans Regulations to provide additional benefits for veterans of World War No. 2, was read twice by its title and referred to the Committee on Finance.

READJUSTMENT IN CIVILIAN LIFE OF RETURNING VETERANS

Mr. CLARK of Missouri. Mr. President, on behalf of the Senator from

Georgia [Mr. GEORGE], the Senator from Massachusetts [Mr. WALSH], the Senator from Texas [Mr. CONNALLY], the Senator from Illinois [Mr. LUCAS], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Michigan [Mr. VANDENBERG], the Senator from Maine [Mr. BREWSTER], the Senator from Illinois [Mr. BROOKS], the Senator from Wisconsin [Mr. WILEY], the Senator from South Dakota [Mr. GURNEY], and myself, I introduce a bill to provide Federal Government aid for the readjustment in civilian life of returning World War No. 2 veterans.

Mr. President, the bill itself is quite lengthy and I shall not ask at this time that it be printed in the CONGRESSIONAL RECORD, but I do ask that at this point in my remarks a brief summary of the bill may be printed in the RECORD.

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

TITLE I

Chapter I. Hospitalization, claims, and procedure

Section 100 makes the Veterans' Administration a war agency, second only to the War and Navy Departments. While this has been substantially accomplished by Executive order, it is felt that congressional approval is necessary in order to give the Veterans' Administration assurance of ability to carry forward its purposes and share in this program.

Section 101 provides congressional approval and direction of an enlarged and expedited hospital program for and under the control of the Veterans' Administration.

Section 102 is an enlargement of section 101 and assures for the Veterans' Administration the right of contracting for additional hospital beds of the Army and the Navy, so that, if necessary, there can be an enlargement of bed space beyond the facilities under the direct control of the Veterans' Administration.

Section 103 grants the Administrator authority to place in Army and Navy installations Veterans' Administration personnel for adjudication of claims of men about to be discharged from service, and in addition to this will permit the Administrator to place experienced contact personnel in such installations for the purpose of giving advice and assistance to those who may not be interested in a disability pension claim, but who will be in need of advice as to continuation of insurance, employment, and other items. This has been partially accomplished by administrative orders.

Section 104 provides that a man or woman shall not be released from active duty until his or her certificate of discharge and final pay, or a substantial portion thereof, are ready for delivery. This has been found necessary because many instances have arisen where men and women have been discharged without sufficient money to reach their homes, or in a few instances without a certificate of any nature to establish their actual military or naval status.

Section 105 prohibits the Army and Navy from requiring any person about to be discharged to sign a statement relating to the nature, origin, incurrence, or service aggravation of a disease or injury, and prohibits any other Government agency from giving evidentiary consideration to any such statements heretofore made. This is necessary to assure fair and equitable adjudication of pension claims.

Chapter II. Aid by veterans' organizations

Sections 200 and 201 assure properly recognized officers and representatives of accredited veterans' organizations authority to enter military and naval establishments for

the purpose of giving aid and advice to men and women in service.

Chapter III. Reviewing authority

Section 300 reinstates provisions of the World War Veterans' Act that have been applicable to and for veterans of the First World War for many years.

Section 301 provides for the establishment of boards in the War and Navy Departments for the purpose of reviewing discharges already issued or hereafter to be issued, in the event the holders thereof are dissatisfied with the nature or type of their discharge certificates. This is completely new as heretofore it has been held that there is no authority for review and change of a discharge after it has been issued.

TITLE II

Chapter IV. Mustering-out or demobilization pay

This provides for muster-out or demobilization pay ranging in amounts from \$100 to \$500, based on length of service and without regard to rank. Provision is made for payment of this benefit to those who have already been discharged and to the dependents of those who have died since discharge. This is not regarded as adjusted compensation, and it is the thought of the American Legion that that subject should be left for the determination of the World War II veterans.

TITLE III

Chapter V. Education of veterans

Primarily the purpose of this title is to accord education to those honorably discharged after 90 days or more service whose education has been interrupted by active service. This education can be in the nature of schooling, training on the job, or refresher courses with pay established at \$50 per month for single men and \$75 per month for a man who is married. (These amounts are less than the amounts paid to those who are granted vocational training because of service-incurred disabilities.) While this title is rather extensive, it will be appreciated that a good portion of it covers administration.

Section 502 relates to vocational training of those who are in need of such training because of service-incurred disabilities and fixes the effective date of service as of August 7, 1940 rather than December 6, 1941 so to care for those who were injured under conditions which closely simulated war.

TITLE IV

Chapter VI. Home and farm aid to veterans

This title provides a loan system operated by the Veterans' Administration through the several States to aid veterans in purchasing homes and farms. (Loans in purchasing a home will not exceed \$7,500 or a farm \$12,500.)

TITLE V

Chapter VII. Employment of veterans

This title transfers to the Veterans' Administration the Veterans' Employment Service of the War Manpower Commission and that portion of the duties of the Director of Selective Service, through the Personnel Division established by the act, pertaining to the securing of positions for veterans. This does not in any way remove or affect the functions and powers of the Director of Selective Service in rendering aid for the reemployment and the replacement in their former positions of veterans.

While this places the employment program within the Veterans' Administration, it also provides that the Administrator shall work through the States and Territories and the District of Columbia, and that wherever possible the personnel of the Employment Service shall be composed of veterans. Specific provision is made for the full cooperation of all Government agencies having to do with employment.

TITLE VI

Chapter VIII. Unemployment allowances for former members of the armed forces

This title gives unemployment compensation to veterans regardless of whether or not they have established a credit because of having engaged in a covered occupation before the war, and places the administration of this benefit under the jurisdiction of the Veterans' Administration through cooperation with the various States.

This will give a man 52 weeks coverage within a 24-month period after receipt of final muster-out pay, and the amounts allowable are \$15 per week for a single man with \$5 additional per week if he has one dependent, or \$7.50 if he has two dependents, or \$10 if he has three or more dependents.

Mr. CLARK of Missouri. Mr. President, if I may be indulged for a moment more, I merely desire to say that this Congress has done more for the welfare and for the care, rehabilitation, and proper hospitalization of the veterans of this war than was accomplished for at least 5 years after the last war. Nevertheless, certain situations have developed which require the attention of the Congress at this time. I believe that there is no subject on which the American people are more united than in their recognition of the necessity for the rehabilitation, hospitalization, care, and restoration of the veterans of this war. However, too many of us have been prone to regard the problem as a post-war problem when as a matter of fact it is a very vital and pressing war problem. The design of this bill, Mr. President, is to fill the gaps in the existing law and to unite the agencies having to do with veterans' affairs under one agency, which can be held responsible, and to make adequate provision in an omnibus bill.

The PRESIDING OFFICER. The bill introduced by the Senator from Missouri will be appropriately referred.

The bill (S. 1617) to provide Federal Government aid for the readjustment in civilian life of returning World War No. 2 veterans, introduced by Mr. CLARK of Missouri (for himself, Mr. GEORGE, Mr. WALSH of Massachusetts, Mr. CONNALLY, Mr. LUCAS, Mrs. CARAWAY, Mr. VANDENBERG, Mr. BREWSTER, Mr. BROOKS, Mr. WILEY, and Mr. GURNEX), was read twice by its title and referred to the Committee on Finance.

Mr. WILEY. Mr. President, in connection with the remarks made by the distinguished Senator from Missouri, I ask that an editorial entitled "Bark Worse Than Bite," be printed in the RECORD. The editorial is from the National Tribune, the Stars and Stripes, a national publication for the veterans, of the issue of January 6, 1944.

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

BARK WORSE THAN BITE

Anybody who reads the CONGRESSIONAL RECORD, listens religiously to the radio, or follows the news columns faithfully these days would be led to believe that a scandal is brewing over the care of veterans being discharged disabled from this war. Although the situation is not as healthy as it should be, it is not nearly as bad as painted.

The gentlemen on Capitol Hill have been rightfully disturbed by reports from home that men and women are being discharged from service hospitals to civilian life without

any means of support; that as pay stops and allowances to dependents are discontinued, they are becoming charges on already overburdened families or communities. Spokesmen for the veterans' organizations that have successfully seen legislation enacted to insure against this very thing are howling with indignation because the machinery to administer those laws is not functioning smoothly. The press and radio, running true to form, have naturally grabbed hold and are adding to the ground swell that is about to break into a flood of protest that can result only in unsound legislation that will in turn further confuse the issue.

Certainly there is reason for complaint, but the objections do not go to the source of the trouble. War has created in Washington the most disjointed hodgepodge of bureaus with overlapping objectives that this country has ever tolerated. Bureaucracy at its worst has run rife through years of social upheaval. It feeds on confusion. As a consequence, veterans' affairs have been directed by too many people. War has expanded enormously the Army and Navy Departments and their subdepartments. As they grew, more help was needed. Many thousands of Government employees, new and old, were transferred to these and other departments with priorities for war personnel. They drafted what they needed and they took many hundreds of stenographers, typists, clerks, and what not from the Veterans' Administration in Washington and in the field. Almost irreplaceable trained men and women unthinkingly resigned to get into war jobs. In all, 6,600 veterans' agency employees donned the uniform, among them many physicians, surgeons, and hospital attendants, to say nothing of trained adjudicators, and the like. With typical lack of foresight, the Government depleted an agency that required more and more expansion as men died and the wounded came home.

We hold no special brief for Gen. Frank T. Hines, but, to be fair, it should be said that the Veterans' Administrator has labored hard and long to correct a problem that grew more complicated by the hour. He has announced patiently to the Congress and to veterans' leaders what he has been trying to do, but he could not in the nature of things get much aid from those sources even though all wanted the same thing. Official Washington confers only with official Washington. Very recently the general was finally able to obtain from the War Department a directive that permits his office to set up in Army hospitals the equivalent of stripped-down regional offices to advise with veterans before discharge. He needs more help to expand and man the program. Only last week the Budget Bureau got around to giving the Veterans' Administration an A-1 personnel priority that will naturally freeze employees in their jobs and prevent pirating of help by agencies with higher ratings. General Hines has been striving for this classification as a war agency for 2 years.

It is said that 80,000 active claims for benefits filed by discharged veterans of this war are pending before Hines' bureau, and that some have been there from 4 to 7 months. This is not surprising. We know of claims of other war veterans that have been pending 2 or more years. Not only is help scarce and inadequate, but the whole outfit is so bound up in red tape that it takes a corps of engineers 2 weeks to move a broken-down cuspidor from one floor to the next. It makes O. P. A. regulations look sick.

The conditions complained of can be corrected. They will be worked out, but time is of the essence. Senator WILEY's bill (S. 1566) to consolidate all veterans' affairs in one agency should be enacted speedily. Centralization in one department promotes efficiency. The new priority rating should be fully utilized and personnel drafted from diseased, useless, and decrepit bureaus that could be shut down at nobody's loss. No

veteran with an appreciable disability should be given his discharge before his case is settled and his pension check assured, and that muster-out pay—not bonus—to tide him over for a time should be at once provided. The vocational-training program should get a shot in the arm and be rushed into greater productivity; inequities can be ironed out later. And doctors in uniform and more hospital corps privates should be given duty in veterans' institutions.

A sorely needed simplification in Veterans' Administration procedure should be gradually put into effect. The business of veterans' bills being drafted by the very office that was created to administer them is all wrong. It has only led to a maze of instructions, interpretations, and decisions that would drive a score of constitutional lawyers to the madhouse. Understandable laws and clarity in administration is necessary.

Proposals have been advanced to make the Administrator a Cabinet officer. The bureau head is now a Presidential appointee; to place him in the Cabinet still leaves him in politics, subject to political pressure. General Hines is in fact a career man, and by and large he and his office have done a splendid job. This appointment should be a career one, the office to be held during efficient administration only, efficiency to be determined by the Congress.

Existing conditions and criticisms warrant this frank discussion. If the older veterans are up in arms, how much greater must be the concern of the wounded, the widows, and other loved ones. There is cause for worry. There is room for improvement on every side, but the bark heard today is worse than the bite. Nobody wants a single one of our boys to suffer one bit of anxiety. To permit any of them to head toward the poorhouse is unthinkable, yet that is not without the realm of possibility. The whole job now is to put available machinery into real working order. What else is needed is easily obtainable. Let's dry our tears and get down to cases.

NATIONAL WAR SERVICE

Mr. AUSTIN. Mr. President, I have already submitted at the desk for the purpose of printing an amendment in the nature of a substitute for S. 666. I desire to retain the bill number, and therefore will ask to have stricken out all after the enacting clause and to insert an amendment in the nature of a substitute.

But now I renew my request for unanimous consent to have the amendment printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment in the nature of a substitute intended to be proposed by Mr. AUSTIN to the bill (S. 666) to provide further for the successful prosecution of the war through a system of civilian selective war service with the aid of the Selective Service System was referred to the Committee on Military Affairs, and ordered to be printed, and to be printed in the RECORD, as follows:

DECLARATION OF POLICY AND INTENT OF CONGRESS

SECTION 1. (a) The Congress hereby declares that in view of the critical nature of the present war and in justice to those in the armed forces of the United States, it is necessary to provide further for the comprehensive, orderly, and effective mobilization of the manpower and womanpower of the Nation in support of the war effort.

(b) The Congress further declares as the general principle governing such mobilization that an obligation rests upon every person, subject to necessary and appropriate

exceptions as herein defined or authorized, to render such personal service in aid of the war effort as he or she may be deemed best fitted to perform.

(c) The Congress further declares that there is no intention by this act to modify, reaffirm, or otherwise affect existing laws relating to maximum hours, minimum wages, overtime pay, or collective bargaining, or relating to mediation, arbitration, or other procedures for the settlement of any labor controversies or questions, the intention being that if and when any such subjects are dealt with by the Congress this shall be done by other legislation; and that nothing in this act shall be otherwise construed.

(d) The Congress further declares that there is no intention by this act to affect the integrity of the Selective Service System created under the Selective Training and Service Act of 1940, as amended; and that nothing in this act shall be otherwise construed.

LIABILITY FOR NATIONAL SERVICE

SEC. 2. (a) In order to provide for an adequate supply of workers in war industries and agriculture, and in other occupations, activities, and employments which the President shall from time to time determine to be essential to the effective prosecution of the war, and in order to maintain a proper balance between such workers and persons in the armed forces of the United States and among such workers themselves, each registrant and each person required to be registered under the Selective Training and Service Act of 1940, as amended, and every woman residing in the United States between the ages of 18 and 50 at the time fixed for her registration under the provisions of this act, except as hereinafter provided, shall be liable to contribute by personal service to the war effort in a noncombatant capacity, according to his or her abilities, and as selected in accordance with the terms of this act and regulations prescribed by the President thereunder: *Provided*, That no service under this act shall be required from any of the following: (1) Persons relieved from liability for training and service under section 5 (a) of the Selective Training and Service Act of 1940, as amended; (2) commissioned officers, warrant officers, pay clerks, and enlisted men of the land and naval forces of the United States (including the Army of the United States); (3) commissioned officers, warrant officers, pay clerks, and enlisted personnel of the Women's Army Corps, the Army Nurse Corps, the Navy Nurse Corps, the WAVES, the MARINES, and the SPARS; (4) persons serving in the Women's Auxiliary Ferrying Service; (5) persons deferred from training and service under section 5 (c) (1) or exempted from training and service under section 5 (d) of the Selective Training and Service Act of 1940, as amended; (6) any woman who has living with her and under her care either a child or children under 18 years of age, or one or more other persons who, on account of illness or advanced age, need her personal care; (7) any woman while she is pregnant, as certified by a duly licensed physician; (8) any person who is an officer or employee of any State or of any political subdivision thereof, or of any corporate instrumentality or agency of any State or political subdivision thereof, unless the Governor of the State in which such person is an officer or employee consents in writing to service under this act on the part of such person; or (9) any officer or employee of a corporate instrumentality or agency of two or more States or political subdivisions thereof, unless the Governors of the States concerned consent in writing to service under this act on the part of such officer or employee.

(b) No exception from registration and no exemption or deferment from service under this act shall continue after the cause therefor ceases to exist.

(c) For the purposes of this section, the term "between the ages of 18 and 50" shall refer to women who have attained the eighteenth anniversary of the day of their birth and who have not attained the fiftieth anniversary of the day of their birth.

REGISTRATION AND CLASSIFICATION OF WORKERS, SURVEY OF NEEDS, CALL FOR VOLUNTEERS, INVOKING OF OBLIGATIONS UNDER THE ACT

SEC. 3. (a) The Selective Service System, created under the Selective Training and Service Act of 1940, as amended, shall be utilized as the agency to register and classify those persons who are liable for service under section 2 of this act and who are not already so registered and classified, and to exercise the functions with respect to the selection and assignment for such service hereinafter provided: *Provided*, That in order to aid the local and appeal boards in the exercise of such additional duties required of them under this act, the President may assign to such local boards, in an advisory capacity, representatives of such other agencies of the Government as he may deem advisable.

(b) The Director of National Service shall keep advised of the number and qualifications of workers needed in any war industry, in agriculture, or in other occupations, activities, or employments essential to the effective prosecution of the war and of the current and prospective supply of workers employed in or available to be employed in such employments and from what areas and sources additional workers might be drawn for any such employments, with the minimum of hardship to individuals and interference with other employments essential to the effective prosecution of the war. Whenever the President shall deem it practicable without impairing or delaying the war effort to attempt to provide for the need for additional workers in such an employment by a call of volunteers he shall by proclamation specify the numbers of such workers and the purposes for which they are needed and shall issue directly or through the Director of National Service a call or calls for volunteers, specifying the number of persons required, their qualifications, and so far as practicable, the places where their work would be performed and asking that qualified men and women volunteer their services within a specified time or times; and if and to the extent that the President shall deem it practicable such calls for volunteers shall be issued and any other measures deemed appropriate to secure voluntary recruitment shall be employed before action is taken to obtain workers through the other procedures provided for by this act.

(c) If the President shall not deem it practicable to issue such a call or calls for volunteers, or if, after having issued such a call or calls, the required numbers of qualified persons have not volunteered their services, within the time or times specified, the President, either directly or through the Director of National Service, shall, to meet such needs, invoke the obligation of service declared by this act and in the manner hereinafter authorized and with the aid of the Selective Service System as hereinafter provided.

REGULATIONS; AUTHORITY OF THE PRESIDENT AND FUNCTIONS OF THE SELECTIVE SERVICE SYSTEM IN THE SELECTION AND ASSIGNMENT OF WORKERS

SEC. 4. The President is authorized, either directly or through the Director of National Service—

(a) To prescribe the necessary regulations to carry out in an impartial manner the provisions of this act, such regulations to include appropriate provisions for the registration and adequate occupational classification of all persons who are liable for service under section 2 of this act and who have not been so classified under the Selective Training and Service Act of 1940, as amended or otherwise;

(b) In accordance with such regulations, to provide, in a fair and impartial manner, and without discrimination on account of race, color, or creed, for the orderly and effective selection of persons so registered (including those volunteering and employed or in process of training on the date of enactment of this act) and their assignment or allocation to or continuance in the particular occupations deemed by the President to be essential to the war effort, and to the particular establishments, industries, or areas in which the President finds that there is a shortage or a threatened shortage of manpower or womanpower, in order that such workers will be available where they are most needed and also, for the purpose of preventing the "pirating" and the "hoarding" of labor by employers and excessive turn-over;

(c) Any worker or workers assigned to continue in the employment in which they have been engaged may, at any time, show to the local draft board of the Selective Service System in the district in which he or she is working, any reasons why it would be arbitrary, unfair, or impose an undue personal hardship on such person to require such person to continue in such employment and upon a favorable finding of such local draft board shall be relieved from the obligation of continuing in such employment. Appeals may be taken from the ruling of such local draft board by the worker or the Director of National Service to the appellate tribunals and under the procedure established under section 10 (a) (2) of the Selective Training and Service Act of 1940, as amended;

(d) In the event that any person is selected for and assigned to an employment in which he or she has not been then engaged, such person may, at any time, show to the selective-service system board in the district in which he or she resides or the district in which he or she is employed, any reasons why such selection and assignment imposes undue personal hardship or is arbitrary or unfair, and upon a favorable finding of such local board, he or she shall be relieved or deferred from such selection and assignment. Appeals may be taken from the ruling of such local selective-service board by the worker or the Director of National Service to the appellate tribunals and under the procedure established under section 10 (a) (2) of the Selective Training and Service Act of 1940, as amended;

(e) In making assignments to work under this act, (1) due regard shall be had to assigning men or women to service in or near their home communities; (2) so far as practicable no person shall be assigned to work under the provisions of this act at a location where reasonably suitable housing accommodations for such person and his or her immediate family are not available; (3) whenever necessary and, so far as it is practicable to do so, persons assigned to service under this act (including accepted volunteers) shall, prior to such assignment, be given an opportunity of receiving aptitude tests and intensive training for the purpose of efficiently allocating them in places where they may render the most useful service and of redirecting or stepping up their skills in order that they may be competent for the tasks which they are to perform; (4) every person assigned to service under this act (including every accepted volunteer) shall receive the compensation and work the hours applicable to the kind of work which he or she is required to perform in the place of employment to which he or she is assigned; (5) persons found to be conscientious objectors and First Day Observers shall, so far as it is practicable to do so, be assigned to such service under this act as is not in conflict with their religious convictions; (6) every person assigned to service under this act, including every accepted volunteer, shall have the right to join any union or organization of employees, but no such person shall be

obliged to join any such union or organization if he or she should not freely choose so to do;

(f) In accordance with such regulations, to provide for the deferment from such service of those men and women (1) whose continued service in any office under the United States or any Territory, or the District of Columbia, or whose continued employment in any occupation or activity is found by the selective-service local boards, subject to appeal to the appeal boards and agencies of appeal established under section 10 (a) (2) of the Selective Training and Service Act of 1940, as amended, to be necessary to the maintenance of the national health, safety, or interest; (2) who are found to be unfit for such service by reason of physical, mental, or moral deficiencies or defects; and (3) persons with respect to whom such local boards shall find, as above provided, that such service would result in undue hardship;

(g) In accordance with such regulations, to provide the necessary traveling expenses and subsistence allowances during travel and until commencement of work of persons (including accepted volunteers) as signed under this act to service or to training in a locality other than that of their residence, and, when necessary, during their return therefrom, and, in accordance with such regulations, to provide transportation for the dependents and household effects of such persons: *Provided*, That such traveling expenses and allowances shall be computed in the same manner and on the same basis as those now or hereafter provided by law for members of the armed forces of the United States;

(h) In accordance with such regulations, to provide for the occupational training at Government expense of persons volunteering or selected for service under this act, and to pay reasonable compensation to trainees during the continuance of such training; and

(i) Where under the provisions of this act any person is selected or assigned to employment in a particular establishment, the management of such establishment shall, pursuant to such regulations as may be prescribed hereunder, accept such person for employment, but such management may at any time show any reason to the local selective-service board in the district in which such person is employed, why the acceptance or continuance of such employment would impose undue hardship upon such employer or would not be consonant with his rendering effective service in the prosecution of the war; and upon a favorable finding of such local board such employer shall be relieved from such obligation. Appeals may be taken from the ruling of such local selective-service board by the employer or the Director of National Service to the appellate tribunals and under the procedure established under section 10 (a) (2) of the Selective Training and Service Act of 1940, as amended.

ADMINISTRATION

SEC. 5. The President shall, by and with the advice and consent of the Senate, appoint a Director of National Service to administer this act and to have general responsibility, subject to the authority of the President, for all aspects of the mobilization of manpower and womanpower for service under this act; and such Director shall receive compensation at the rate of \$15,000 per annum.

REEMPLOYMENT; SENIORITY RIGHTS

SEC. 6. Any person assigned to service under this act (including any accepted volunteer) who relinquishes regular employment to undertake such service, shall upon application to his or her employer within 40 days after the termination of such service, if such service terminates while this act is in effect, or within 40 days after the expiration of this act, if such service terminates after the expiration of this act, be entitled to be restored to his former position, or to a position of like

seniority, status, and pay, unless the employer's circumstances have so changed as to make such restoration impossible or unreasonable: *Provided*, That if such person was in the employ of any State or political subdivision thereof, it is hereby declared to be the sense of the Congress that such person should be restored to such position, or to a position of like seniority, status, and pay.

PENALTIES

SEC. 7. Any person who refuses or knowingly fails to comply with any lawful order issued under the provisions of this act, or with any lawful regulation promulgated thereunder, shall upon conviction thereof, be fined not more than \$1,000 or imprisoned for not more than 6 months, or both.

PROTECTION IN EVENT OF INVALIDITY; PARTIAL INVALIDITY

SEC. 8. (a) The modification, withdrawal, or determination of invalidity of any provision of this act, or of any rule, regulation, or order thereunder, shall not result in damages or penalties in any Federal, State, or Territorial court on any grounds for or in respect of anything done or omitted to be done in good faith pursuant to such provision, rule, regulation, or order.

(b) If any provision of this act or the application thereof to any person or circumstances, is held invalid, the remainder of the act and the application of such provision to other persons or circumstances, shall not be affected thereby.

AUTHORIZATION FOR APPROPRIATION

SEC. 9. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act.

EFFECTIVE DATE AND TERMINATION OF ACT

SEC. 10. (a) This act shall take effect immediately.

(b) This act shall cease to be in effect on and after May 1, 1946, or such earlier date as may be specified by the Congress in a concurrent resolution.

POPULAR NAME

SEC. 11. This act may be cited as the "National War Service Act of 1944."

AMENDMENTS TO THE REVENUE ACT

Mr. VANDENBERG. Mr. President, I submit an amendment which I intend to offer to the pending tax bill, House bill 3687, and ask that it be printed and lie on the table. For the information of the Senate I may state at the moment that it will reduce the weight of newspaper rolls which are admitted free of duty for the duration. The amendment is not only requested by the American Newspaper Publishers Association as a conservation measure but it is indorsed by the Printing and Publishing Division of the War Production Board for the same reason.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. BURTON. Mr. President, I send to the desk an amendment to House bill 3687, and ask that it be printed and lie on the table, with the intention of offering it later to the pending tax bill. The amendment relates to the credit on the excess-profits tax, and I believe it to be necessary in order to make the amendment proposed by the committee thoroughly consistent.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. LANGER. I submit an amendment to House bill 3687, the pending tax measure, and ask that it lie on the table and be printed. It provides for credit for dependents.

The PRESIDING OFFICER. The amendment intended to be proposed by the Senator from North Dakota will be received, printed, and lie on the table.

Mr. DAVIS, Mr. TAFT, and Mr. WALSH of Massachusetts each submitted an amendment intended to be proposed by them, respectively, to the bill (H. R. 3687) to provide revenue, and for other purposes, which were severally ordered to lie on the table and to be printed.

BENEFITS FOR DISABLED VETERANS OF WORLD WAR NO. 2

Mr. DAVIS. I submit a resolution authorizing the Committee on Finance or any subcommittee thereof to make a full and complete study of the administration of the laws concerning benefits for disabled veterans of the present war, with a view to ascertaining whether there are unreasonable delays in determining eligibility for and making awards of such benefits.

The resolution (S. Res. 230), was read and referred to the Committee on Finance, as follows:

Resolved, That the Committee on Finance or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study of the administration of the laws conferring benefits upon disabled veterans of the present war with a view to ascertaining whether there are unreasonable delays in determining eligibility for and making awards of such benefits. The committee shall report to the Senate at the earliest practicable date the results of such study, together with its recommendations concerning methods of eliminating any such delays which may be found to exist.

For the purpose of this investigation, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-eighth Congress, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per 100 words. The expenses of the committee under this resolution, which shall not exceed \$, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

TEMPORARY SUSPENSION OF RATIONING OF MEAT AND PERISHABLE MEAT PRODUCTS

Mr. THOMAS of Idaho. Mr. President, I submit a resolution and ask that it be read.

The resolution (S. Res. 231), was read, as follows:

Whereas reduced consumption due to rationing has caused facilities for cold storage of meat and perishable meat products to become filled to capacity; and

Whereas packers and slaughterers have been compelled to remove surplus meat from such facilities in order to provide space for new supplies with the result that large quantities

of such products have been destroyed or allowed to spoil; and

Whereas livestock producers are being forced to abandon operations because of market conditions resulting from such inability of processors to provide storage space; and

Whereas serious meat shortages will be inevitable unless the normal flow of production and processing can be maintained; and

Whereas a relaxation of restrictions on consumption would relieve overtaxed storage facilities and thus permit the meat industry to resume normal operations: Now, therefore, be it

Resolved, That it is the sense of the Senate that all rationing of meat and perishable meat products should be suspended until such time as the War Food Administrator and the Price Administrator certify that supplies which are retarding the normal flow of meat have been distributed, and that adequate facilities are available for the storage of new supplies.

Mr. THOMAS of Idaho. Mr. President, I ask that the resolution be referred to the Committee on Agriculture and Forestry.

Mr. BARKLEY. Mr. President, I should like to have the reference of the resolution withheld for a moment until I can look into it carefully. It might be that it should be referred to another committee. I will confer with the Senator.

The PRESIDING OFFICER. Without objection, the resolution will temporarily lie on the table and the reference of it will be made later.

Mr. BARKLEY subsequently said: Mr. President, I ask that the resolution submitted a few moments ago by the Senator from Idaho [Mr. THOMAS] be referred to the Committee on Banking and Currency. It is obviously an O. P. A. matter, dealing with rationing. I have consulted with the Senator from Idaho and he has no objection to the reference suggested.

The PRESIDING OFFICER. Without objection, the resolution will be referred to the Committee on Banking and Currency.

PRODUCTION OF INDUSTRIAL ALCOHOL, SYNTHETIC ALCOHOL, AND SYNTHETIC RUBBER—LIMIT OF EXPENDITURES

Mr. GILLETTE submitted the following resolution (S. Res. 232), which was referred to the Committee on Agriculture and Forestry:

Resolved, That the limit of expenditures authorized under Senate Resolution 224, Seventy-seventh Congress, agreed to March 5, 1942 (providing for an investigation with respect to industrial alcohol, synthetic alcohol, and synthetic rubber), and continued by Senate Resolution 80, Seventy-eighth Congress, is hereby increased by \$3,500.

PRODUCTION, TRANSPORTATION, AND MARKETING OF WOOL—EXTENSION OF RESOLUTION

Mr. O'MAHONEY submitted the following resolution (S. Res. 233), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Senate Resolution 160, Seventy-fourth Congress, first session, agreed to July 10, 1935, authorizing a special committee to investigate the production, transportation, and marketing of wool, as extended, is hereby further extended and con-

tinued in full force and effect until December 31, 1944; and the said committee may report to the Senate at any time prior to said date.

DELLA M. BENDER

Mr. GILLETTE submitted the following resolution (S. Res. 234), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Della M. Bender, wife of Charles E. Bender, late a doorkeeper of the Senate, a sum equal to 6 months' compensation at the rate he was receiving in such capacity, said sum to be considered inclusive of funeral expenses and all other allowances.

UTILIZATION OF CIVILIAN MANPOWER BY THE NAVY (S. DOC. NO. 143)

Mr. WALSH of Massachusetts. Mr. President, I ask that there be printed with illustrations as a Senate document a letter received from Ralph A. Bard, the Assistant Secretary of the Navy in charge of the Shore Establishments Division of the Navy, which includes all civilian personnel employed by the Navy, and a report by Assistant Secretary Bard entitled "Report on the Navy's Utilization of Its Civilian Manpower."

The PRESIDING OFFICER. Without objection, it is so ordered.

TREATMENT OF AMERICAN SOLDIERS AT JAPANESE PRISONER-OF-WAR CAMPS

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to have printed in the RECORD a letter sent to me by the Secretary of War, Hon. Henry L. Stimson, in regard to an investigation of the prison camps in the Far East. I am asking that this letter be printed in the RECORD, together with the report which the Secretary sent to me as chairman of a subcommittee of the Committee on Military Affairs, dealing with the care of Americans who are prisoners of war.

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

WAR DEPARTMENT,

Washington, D. C., December 31, 1943.

HON. ELBERT D. THOMAS,

United States Senate.

DEAR SENATOR THOMAS: In view of your keen interest in conditions existing at Japanese prisoner-of-war camps in which American officers and enlisted men are held, I am enclosing, for your information, copies of cables which have recently been received by International Red Cross Committee from their representatives in Geneva. Undoubtedly, the camps reported upon in the attached cables are "show" camps. Nevertheless there is some comfort to be derived from the fact that at least a few of our men are faring no worse.

Sincerely yours,

HENRY L. STIMSON,

Secretary of War.

GENEVA, SWITZERLAND, December 16, 1943.

751. Our delegate Shanghai visited 3d December prisoners war camp Shanghai. See our 6661. Conditions generally very satisfactory; same as before, state of health good, and every effort is being made to maintain present satisfactory condition. Warm clothing and shoes needed, but expect this need will be covered with arrival relief shipments expected beginning January. Heating probably will be available only on limited scale,

but this applies to residents generally of all nationalities at Shanghai. Am doing utmost to compensate by increasing hotel meals and hot tea. Have permission arrange special Christmas dinner, but owing high cost of commodities and difficulties securing supplies celebration will be on smaller scale than last year. Planning dinner consisting of good soup, pot roast with vegetables, pies, fruit, coffee, cigarettes. Prisoners of war will be given opportunity send extra messages for Christmas to their contacts in China, also mail for abroad will again be dispatched with next evacuation boat. Senior officers representing prisoners of war express satisfaction relations with commandant and his officer and good treatment.

Our delegate visited also Haiphong road camp, where highly satisfactory conditions in every respect are maintained. Interviewed individually many inmates, all expressing satisfaction over conditions and good treatment. Please communicate American authorities.

INTERCROIXROUGE, A9199.

GENEVA, SWITZERLAND, December 16, 1943.

742. Our delegate, Japan, visited prisoners' war camp, Hoten (Mukden), Manchukuo, letter address: Hoten Prisoners War Camp, Manchukuo. Capacity, 1,500 men. Commander Colonel Matsuda. Effectives, officers: British 6, Australian 1, United States of America 16; noncommissioned officers, British 29, Australian 5, United States of America 511; privates: British 49, Australian 10, United States of America 647; total, prisoners of war, 1,274. Eighty-four British, 16 Australians transferred from Keijo originally Shonan. One thousand one hundred and seventy-four United States of America transferred from Philippines, particularly Bataan, Corregidor. Prisoners' representatives: United States of America, Major Hankins; British, Major Peaty; 1 United States of America, 1 British, non-commissioned officer, 1 United States of America, 1 British, private; total, 6 representatives. Date of visit, November 13, 1943.

General description: Situated in outskirts of Hoten in fertile plain. Opened October 20, 1942, prisoners arrived November 11, 1942, transferred from provisional quarters to present camp in August 1943. Total camp area 49,300 square meters, enclosure brick wall 2.60 meters high with high-tension electric wiring. Area buildings, 13,720 square meters, prisoners' buildings, 11,550 square meters. Newly built, two-storied brick buildings with tiled roofs same type as Japanese Army barracks with attached lavatories, latrines, urinals. Double-paned windows, wooden floors, doors. Following separate buildings: Hospital, canteen, warehouse, bathhouse, boiler room, utility shop.

Interior accommodations: Electric light. Heating by built-in Russian-type Petchukas (steel tube with brick lining) same type as Japanese Army barracks available from November 11 until March 20. Ventilation good. Fire-extinguishing utensils. Prisoners' quarters 3 buildings subdivided into 10 sections, each with upper and lower bunks, capacity 50 men per section; present effectives per section: 42 to 46 men, officers 16. Bedding: Straw mattress, 6 army blankets, 2 sheets, pillowcase, pillow cover. In summer mosquito nets. Orders given in Japanese translated into English.

Sanitary installations: Washrooms, latrines urinals, connected with quarters, 120 taps, 72 separated Japanese latrines, emptied weekly; 3 concrete bathtubs, 3 by 5 by 1 meters, 22 showers, hot bath available every other day, officers' daily. Special cloak room for those working, with coat hangers, 48 taps. Drainage good, municipal sewer system. Disinfection by lime footmats dipped in disinfectants. Water supplied by well in camp, drinking water boiled (water tower now under construction).

Food: Breakfast, lunch, dinner. Rations in grams per head per day: Flour 400, corn meal 190 for those working only, meat and/or fish 52 to 100, fat 25, vegetables including potatoes 600, soybeans 200, some apples, tangerines, some spices such as curry, pepper, shoyu sauce, salt 20, Kaoliang tea. Calories average 3,800, patients and laborers 4,120. Japanese soldiers 3,457 calories. Our delegates had lunch at camp sampling vegetable soup, sweetpotato pie, potato-bean-onion pie, corn meal—ordinary—Kaoliang tea, which found all of excellent quality. Prisoners satisfied with food but find diet in long run somewhat monotonous. Weight December 1942, 64.7 kilos, now 69.1 kilos. Forty-eight prisoners of war cooks, including bakers. Chief cook 24 years' service. Twenty-four cauldrons. In bakery, 3 ovens. Vegetable garden 25,200 square meters, now cultivating 3,500 square meters, spinach. Large root cellars in which vegetable supplies stored to last until May 1944, including red carrots, potatoes, cabbages, turnips.

Health: Upon arrival 700 to 800 very sick. Thanks special efforts Kwantung Army headquarters, general army hospital, Red Cross hospital, health greatly improved, can be considered very good now. Well-equipped infirmary in camp recognized as army hospital receives all medical equipment and supplies issued to army hospitals. Examinations and visits daily by prisoners of war surgeons and Japanese Army surgeons. Dental care at general army hospital, Hoten. Special preventive measures taken; all prisoners were inoculated against typhoid, paratyphoid, A and B dysentery, vaccinated against smallpox, tuberculosis, X-rayed, blood tests.

Medical attendance: Japanese, 1 army surgeon, medical orderlies 3, noncommissioned officers, 3 privates, 5 civilian nurses. Prisoners of war, 4 army surgeons, medical orderlies 29, noncommissioned officers and privates. On sick list 6 contagious dysentery in isolation ward, 5 malaria, 13 beriberi, 2 colds, 17 acute enteritis, 26 others, total 69 of which in camp hospital, 43 for long-period treatment, 3 short-period treatment, 23 excused in duty. Deaths since opening camp: 154 in Hoten, 62 en route, and at Fusan 6, at Takao worst month December 1942, thereafter death rate falling rapidly, none since October 1943. Diagnosis acute enteritis, beriberi, dysentery, acute pneumonia, malaria.

Clothing: Clothes issued, 1 outfit each summer, winter, heavy winter. Heavy winter outfit includes fur-lined overcoat, boots, knitted wool caps, woolen gloves, socks, underwear. Working clothes, hats, caps, also issued leather boots. Clothes brought by prisoners of war, raincoats, tropical outfit, only officers winter clothes.

Laundry: Special laundry facilities available, soap issued.

Financial situation and pay: Deposits in individual savings accounts; officers, yen, 7,346; ranks, yen, 734. Officers receive same pay as officers Japanese Army.

Work: Morning call 7 a. m.; lights out, 9:30 p. m. Rest days every Sunday and national holidays; work consists in camp maintenance and administration, also at factories. Pay for ranks up to 25 sen per day. Workshops comprise cobblers, tailors with four sewing machines, general utility shop with metal and wood works.

Canteen: Articles for sale, cigarettes, sweets, daily necessities, toilet articles, stationery; canteen open on Sundays and holidays. In canteen, 4 barbers. Profit out of canteen sales utilized according prisoners of war desires. Cigarettes 4 per day per man, 10 more for officers. Attached to canteen, recreation room.

Cult: Anglican church service held on Sundays by Japanese clergyman.

Exercise and recreation: Outdoors on full-sized sports ground, baseball, association

football, American football. On separate ground, volley ball, basketball, indoors, card games, chess, checker board. Some books, such as novels, technical books, Bibles available, 120 copies daily issue, 18 copies weekly issue Nippon Times. Two gramophones with fair supply American records and few Japanese records. No cinema, no radio. Prisoners' representatives state are in dire need of recreational articles, mainly for mental recreation, would like get educational books any sort, particularly would they like learning languages, also mechanical, agricultural, medical textbooks.

Correspondence: Outgoing, officers, 3 letters, 3 post cards; warrant officers, 1 letter, 3 cards, noncommissioned officers, 4 cards; privates, 3 cards per year; also 20 wireless messages per month through Huryojohokyoku. Mailed up to end October 1943, 1,620 letters and post cards. Incoming up to October 1943, 431 letters and post cards, 11 telegrams. British representative, Major Peaty, states last letter received from wife dated November 1942 on September 8, 1943. United States Army, Major Hankins, states Americans received no mail since May 1942, however, received 5 replies to radiograms. No distribution of Red Cross relief goods yet.

Benevolence: Contribution from Vatican, yen 1,500, various purchases made out of this funds, such as musical instruments, clocks.

Complaints: Prisoners of war representatives find conditions in general satisfactory and state that Colonel Matsuda has been very good to them. They find conditions in some respects better than expected and have no complaints to make.

Discipline: Camp commander states discipline in general rather lax, believes due to prisoners coming from various units of Army and Navy. Punishments, 160 for insubordination, petty thieving, disregard camp regulations, particularly in regard fire preventions. Three fugitives court martialled, death sentenced because committed murder and assault. Visited also prisoners of war cemetery in outskirts Hoten, simple wooden crosses bearing rank, name, nationality, army number, placed on each grave, will be embellished with flowers and plants next spring; seeds partly already laid.

Conclusion: General impression very satisfactory. Colonel Matsuda and officers doing their best. Please communicate American American authorities.

INTERCROIXROUGE, A9148.

THE THEATER—ARTICLE BY OLIVER M. SAYLOR, AND EXCERPTS FROM LETTER BY JOHN GOLDEN

Mr. DAVIS. Mr. President, at times we are wont to forget the outstanding contribution which the legitimate theater has made to the development of American culture and the education of the American people.

Other means of entertainment have so far crowded into the field that in many quarters the legitimate theater, as well as its colorful history, have all but been forgotten in many quarters throughout the land.

Therefore, Mr. President, as an indication of the important role which the entertainment industry has played in the development of American culture, and as a reminder of the outstanding role which this industry has played in support of our present war effort, I ask unanimous consent to have printed in the RECORD as a part of my remarks, an article entitled "I Am the Theater," which was written by Mr. Oliver M. Saylor.

I also ask unanimous consent to have printed in the RECORD excerpts from a letter written by Mr. John Golden, of New York City, who has long been prominently associated with the legitimate theater in America. Mr. Golden makes a plea in his letter that the contemplated increase in admission taxes from 10 percent to 20 percent be not applied to the legitimate theater, and in my own review of the situation, I find considerable merit in the request which Mr. Golden makes.

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

I AM THE THEATER

I use the human body, mortal and divine, to express the gayest and the deepest emotions of the human heart, the most casual and the most profound thoughts of the human mind, the most exalted aspirations of the human soul.

Primitive man conceived me to help him satisfy his religious cravings. Within the walls of the Medieval Church I was reborn as I am known today.

I am the oldest and the youngest of all the arts. I came before painting, before sculpture, before music, before literature, before architecture. I gave birth to them all, and I've always kept them with me, for they are still a part of me. They may go their separate ways, but when I call them to come back and play together around the family hearthstone, they are always willing and eager.

Painting and sculpture and music and literature and architecture are my elder children. But old as I am, I'm still young and fertile. Within living memory, I have borne two more offspring—the motion picture and radio. Another is in its birth throes—television.

Of all the voices of the human heart and mind and spirit I am the most democratic. No one is too young and too old, too white or too black, too rich or too poor, to unlettered or too learned to appreciate my appeal.

In peace, I provide pleasant pastime. I feed the imagination with fantasy. I propose and test the dreams for a better world.

In war, I relieve tensions that torture and terrify. I help men and women feel straight so that they can think and act straight. I choke tears with laughter. I mirror the deeds of heroes gone to kindle the courage of heroes now.

In war, I gladly undergo the discomforts, the risks, the dangers of rail and ship and plane to carry cheer and hope to front lines on far horizons.

In war, because I know the way to the heart—and that way lies the purse—I speak and I act and I sing so that someone else can get the credit for swelling relief funds and bond sales. It doesn't matter—I have done my part.

There are many services, many crafts, many skills, in my ranks—playwrights, composers, actors, singers, dancers, musicians, directors, producers, scene designers, costumers, stagehands, ticket sellers, managers, press agents. But the largest, the most loyal of all, are the playgoers, the audience. Without them, I would wither and die.

But I have never withered, and I have never died. And I never will—unless I am slain by ignorance and greed and bigotry.—By Oliver M. Saylor, Association of Theatrical Agents & Managers, A. F. of L., copyright 1943 by the author.

EXCERPTS FROM A LETTER WRITTEN BY MR. JOHN GOLDEN, OF NEW YORK CITY

So far as the people of the theater are concerned, the records show that they represent

the only trade, industry, or profession that gives away the only thing it has to sell. You know that I am chairman of the theater department of the Mayor's Defense Committee, at 99 Park Avenue, that, by arrangement with the patriotic and liberal managers of entertainment of New York City, have already given away to men in the service over 5,500,000 free tickets.

The American Theater Wing is entertaining and feeding hundreds of thousands of soldiers and sailors monthly. A songwriter named Irving Berlin will, by the time it's all counted, have given to Army Emergency Relief probably \$10,000,000.

Keeping the theater going is an essential war effort—a definite asset to the public welfare. In simple demonstration of this fact look at the great cities abroad that lie in the path of the war's devastation. In the center of the most violent assaults their playhouses have kept open and audiences have turned to them to show their contempt of the enemy, thus allaying fear, preventing panic, stimulating courage.

To quote the President: "The theater is one of the real cultural factors of our American way of life. There has never been a time when the stage was called upon to play a greater part in maintaining public morale and fostering the patriotic spirit. This it is doing splendidly, and I have full confidence that this support will continue until the war between the ideals of democracy and the destructive efforts of the Axis enemies is won. A free theater in a free world is one of the objectives for which we shall continue to fight."

And so I beg your advocacy of a sane, reasonable tax—the present 10-percent excise—on the people who need the recreation that the theater can and does provide. Let's not keep them away from this recreation, this relaxation from tension. Instead, let's keep them scrappy and happy, grinning and winning.

ADDRESS BY THE PRESIDENT FROM HYDE PARK

[Mr. BARKLEY asked and obtained leave to have printed in the Record a radio address delivered by the President at Hyde Park, N. Y., on December 24, 1943, which appears in the Appendix.]

NEW YEAR'S DAY MESSAGE BY THE PRESIDENT

[Mr. BARKLEY asked and obtained leave to have printed in the Record a statement issued by the President on January 1, 1944, which appears in the Appendix.]

REHABILITATION OF SERVICEMEN—ADDRESS BY SENATOR THOMAS OF UTAH

[Mr. LUCAS asked and obtained leave to have printed in the Record a radio address entitled "Rehabilitating Our Servicemen," delivered by Senator THOMAS of Utah on January 3, 1944, which appears in the Appendix.]

RELIEF FOR STARVING CHILDREN OF EUROPE—ADDRESS BY SENATOR GILLETTE

[Mr. THOMAS of Utah asked and obtained leave to have printed in the Record a radio address delivered by Senator GILLETTE on January 8, 1944, on the subject of relief for the starving children of Europe, which appears in the Appendix.]

Y. M. C. A. STARTS ITS SECOND CENTURY—ADDRESS BY SENATOR BURTON

[Mr. BURTON asked and obtained leave to have printed in the Record a radio address

entitled "The Y. M. C. A. Starts Its Second Century," delivered by him at Washington, D. C., on January 1, 1944, which appears in the Appendix.]

AMERICA NEEDS DEEPER FAITH—ADDRESS BY SENATOR BURTON

[Mr. BURTON asked and obtained leave to have printed in the Record an address entitled "America Needs Deeper Faith," delivered by him at All Souls' Unitarian Church, Washington, D. C., on January 2, 1944, which appears in the Appendix.]

CHRISTMAS ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the Record a Christmas address delivered by him over the radio on December 24, 1943, which appears in the Appendix.]

NEW YEAR'S ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the Record a radio address in the nature of a New Year's greeting delivered by him on January 1, 1944, which appears in the Appendix.]

TERMINATION OF GOVERNMENT-FIXED WAR-SUPPLY CONTRACTS—STATEMENT BY HON. JAMES F. BYRNES

[Mr. MAYBANK asked and obtained leave to have printed in the Record a statement regarding termination of Government-fixed war-supply contracts, issued by Hon. James F. Byrnes on January 8, 1944, which appears in the Appendix.]

PRIVATE INITIATIVE NEEDS REVITALIZING—ARTICLE BY HON. JESSE JONES

[Mr. MAYBANK asked and obtained leave to have printed in the Record an article entitled "Private Initiative Needs Revitalizing" written by Hon. Jesse Jones, Secretary of Commerce, and published in Domestic Commerce for January 1944, which appears in the Appendix.]

ADDRESS BY HON. ALFRED M. LANDON TO REPUBLICAN "FRESHMAN" SENATORS AND REPRESENTATIVES

[Mr. CAPPER asked and obtained leave to have printed in the Record an address delivered by Hon. Alfred M. Landon to the Republican "Freshman" Senators and Representatives in December 1943, which appears in the Appendix.]

MEN MAKE THE NAVY—ADDRESS BY REAR ADMIRAL LOUIS E. DENFIELD

[Mr. WALSH of Massachusetts asked and obtained leave to have printed in the Record a radio address entitled "Men Make the Navy" delivered by Rear Admiral Louis E. Denfield on January 2, 1944, which appears in the Appendix.]

FREIGHT RATE DISCRIMINATIONS—ADDRESS BY C. E. CHILDE

[Mr. STEWART asked and obtained leave to have printed in the Record an address entitled "Freight Rate Discriminations—the Nation's Postwar Transportation Problem No. 1," delivered by C. E. Childe before the Atlanta Rotary Club at Atlanta, Ga., January 10, 1944, which appears in the Appendix.]

PROPOSED EXTENSION OF SOCIAL SECURITY PROGRAM—ADDRESS BY I. S. FALK

[Mr. MURRAY asked and obtained leave to have printed in the Record an address entitled "Proposed Extension of the Social Security Program With Special Reference to Health and Medical Aspects," delivered by I. S. Falk, Director, Bureau of Research and Statistics, Social Security Board, at the Mas-

sachusetts Conference of Social Work at Boston, Mass., on December 2, 1943, which appears in the Appendix.]

BETTER PUBLIC HEALTH AWAITS BETTER MEDICAL CARE—ADDRESS BY DR. JOSEPH W. MOUNTAIN

[Mr. MURRAY asked and obtained leave to have printed in the Record an address entitled "Better Public Health Awaits Better Medical Care" delivered by Joseph W. Mountain, Assistant Surgeon General, United States Public Health Service, before the Association of Internes and Medical Students in New York City on November 19, 1943, which appears in the Appendix.]

WELFARE OF SERVICEMEN AND VETERANS—EDITORIAL FROM THE DEMOCRATIC DIGEST

[Mr. HATCH asked and obtained leave to have printed in the Record an editorial entitled "Bridging the Gap" published in the Democratic Digest for December 1943 which appears in the Appendix.]

IMPLEMENTING THE ECONOMIC BILL OF RIGHTS

[Mr. O'MAHONEY asked and obtained leave to have printed in the Record a summary of the recommendations made in connection with a report of the Temporary National Economic Committee dated March 31, 1941, and a personal statement by him in connection therewith, which appear in the Appendix.]

RATIO OF AMERICANS TO BRITISH IN PROPOSED INVASION OF EUROPE—EDITORIALS FROM THE BOSTON POST

[Mr. WHEELER asked and obtained leave to have printed in the Record two editorials from the Boston Post on the subject of the ratio of Americans to British in the proposed invasion of Europe, which appear in the Appendix.]

COMMENT ON THE BOOK UNDER COVER

[Mr. WHEELER asked and obtained leave to have printed in the Record comment on the book Under Cover, published in the Jesuit Seminary News, New England Province, for December 1943, which appears in the Appendix.]

ON TO VICTORY!—ARTICLE BY WARREN H. ATHERTON

[Mr. VAN NUYS (for Mr. McCARRAN) asked and obtained leave to have printed in the Record an article entitled "On to Victory," written by Warren H. Atherton, national commander, the American Legion, and published in the American Legion magazine for December 1943, which appears in the Appendix.]

POST-WAR REEMPLOYMENT—EDITORIAL FROM THE JEWISH VETERAN

[Mr. GILLETTE asked and obtained leave to have printed in the Record an editorial from the Jewish Veteran for December 1943, on the subject of post-war reemployment, which appears in the Appendix.]

SUBSIDY PLANS—LETTER FROM EUGENE (OREG.) FRUIT GROWERS ASSOCIATION

[Mr. HOLMAN asked and obtained leave to have printed in the Record a letter dated September 31, 1943, from E. A. McCornack, manager of the Eugene, Oreg., Fruit Growers Association, on the subject of subsidy plans, which appears in the Appendix.]

PRICE OF CONTEMPT—EDITORIAL FROM NEW YORK DAILY MIRROR

[Mr. WILLIS asked and obtained leave to have printed in the Record an editorial entitled "Price of Contempt," published in the

New York Daily Mirror of December 20, 1943, which appears in the Appendix.]

CRUEL INDIFFERENCE—EDITORIAL FROM BALTIMORE NEWS-POST

[Mr. WILLIS asked and obtained leave to have printed in the RECORD an editorial entitled "Cruel Indifference," published in the Baltimore News-Post of December 11, 1943, which appears in the Appendix.]

PRESENTATION OF WISCONSIN FLAG TO MAYOR OF PHILADELPHIA—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address delivered by him on the occasion of the presentation of a Wisconsin State flag to the mayor of Philadelphia on March 24, 1941, which appears in the Appendix.]

The PRESIDING OFFICER. The morning business is closed. The Chair recognizes the Senator from Georgia.

THE REVENUE ACT

Mr. GEORGE. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of House bill 3687, the revenue bill, and I further ask that the formal reading of the bill be dispensed with, and that it be read first for action on committee amendments.

There being no objection, the Senate proceeded to consider the bill (H. R. 3687) to provide revenue, and for other purposes, which had been reported from the Committee on Finance with amendments.

Mr. GEORGE. Mr. President, for the reasons stated by me yesterday, I now ask that the first amendment to be considered be title IX, the title having to do with social security taxes, the last title in the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. BARKLEY. Mr. President, I think a quorum should be present when this matter is taken up, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

Aiken	Green	Reed
Andrews	Guffey	Revercomb
Austin	Gurney	Reynolds
Ball	Hatch	Russell
Barkley	Hawkes	Scrugham
Bone	Hayden	Shipstead
Brewster	Hill	Stewart
Bridges	Holman	Taft
Buck	Johnson, Colo.	Thomas, Idaho
Burton	Kilgore	Thomas, Utah
Bushfield	La Follette	Tobey
Byrd	Langer	Tunnell
Capper	Lodge	Tydings
Caraway	Lucas	Vandenberg
Chavez	McClellan	Van Nuys
Clark, Mo.	Maloney	Walsh, Mass.
Connally	Maybank	Walsh, N. J.
Davis	Millikin	Wheeler
Downey	Murdock	Wherry
Eastland	Murray	White
Ferguson	O'Daniel	Wiley
George	O'Mahoney	Willis
Gerry	Overton	Wilson
Gillette	Pepper	

The PRESIDING OFFICER (Mr. Gillette in the chair). Seventy-one Senators having answered to their names, a quorum is present.

The clerk will state the amendment of the committee on page 189, which is, under the order of the Senate, to be considered first.

The LEGISLATIVE CLERK. On page 189, after line 11, it is proposed to insert a new title, as follows:

TITLE IX—SOCIAL-SECURITY TAXES

SEC. 901. Automatic increase in 1944 rate not to apply.

(a) Clauses (1) and (2) of section 1400 of the Federal Insurance Contributions Act (Internal Revenue Code, sec. 1400) are amended to read as follows:

"(1) With respect to wages received during the calendar years 1939, 1940, 1941, 1942, 1943, and 1944, the rate shall be 1 percent.

"(2) With respect to wages received during the calendar year 1945, the rate shall be 2 percent."

(b) Clauses (1) and (2) of section 1410 of such act (Internal Revenue Code, sec. 1410) are amended to read as follows:

"(1) With respect to wages paid during the calendar years 1939, 1940, 1941, 1942, 1943, and 1944, the rate shall be 1 percent.

"(2) With respect to wages paid during the calendar year 1945, the rate shall be 2 percent."

Mr. GEORGE. Mr. President, I do not intend at this time to make a general statement with respect to the revenue provisions of the bill. Such a statement will be presented tomorrow morning, when I anticipate we will enter upon the consideration of the several features of the bill relating to individual incomes, corporate incomes, and sundry other provisions.

The amendment now under consideration is in technical language, but it merely means that the majority members of the Committee on Finance recommend that for 1 year from January 1, 1944, pay-roll taxes for old-age and survivors' benefits be frozen at existing rates of 1 percent upon employers and 1 percent upon employees, instead of being increased to 2 percent on employers and 2 percent on employees, as would otherwise be required by the existing social-security law. The majority of the committee believe that the present and prospective revenues from this tax will amply protect the complete solvency of the old-age and survivors' benefit fund.

It will be recalled that when the social security law was rewritten in 1939, the reserves for these purposes were changed from the basis of a so-called full reserve to the basis of a contingent reserve. Under the original Social Security Act, the law itself contemplated that the reserve fund would reach a very high level at a given date—several billion dollars, in fact—but in 1939 the whole question was reexamined and reconsidered, and Congress in its wisdom departed from the full reserve fund basis and adopted the contingent reserve fund basis. At that time the advisory committee of experts, in its report to the Senate Committee on Finance, suggested a yardstick, whether absolutely or conditionally I shall not myself discuss, by which to measure the adequacy of the contingent reserves.

Title II of the Social Security Act was amended in 1939; therefore, to require the board of trustees of the old age and survivors' trust fund to "report immediately to Congress whenever the Board of Trustees is of the opinion that during the ensuing 5 fiscal years the Trust Fund will exceed three times the highest annual

expenditures anticipated during that 5-fiscal-year period." In other words, Congress indicated that these contingent reserves would be adequate whenever they exceeded three times the highest cost of the system in any one of the subsequent years.

Congress has twice applied that rule, and as a result has twice postponed the statutory increase in pay-roll taxes. In other words, Congress has twice frozen the tax at the existing level of 1 percent on employers and 1 percent on employees.

The Finance Committee by a clear majority vote has again applied this rule to the current situation. It finds as a matter of fact that for the fiscal year ending June 30, 1943, \$1,130,000,000 was collected in these particular pay-roll taxes; that the cost of benefits for the fiscal year was \$149,000,000, plus \$27,000,000 in administrative expenses; that the balance of \$954,000,000 went into the contingent reserve, with the result that the contingent reserve as of last June 30 amounted to \$4,300,000,000. It is estimated that this contingent reserve will amount to \$4,850,000,000 at the end of the current fiscal year.

The committee was therefore of the opinion that under the yardstick indicated or the rule by which to measure the safety and security and integrity of the fund created in the act of 1939, the reserves were more than adequate to take care of any call that could be made upon them during the next ensuing 5-year period.

Mr. President, I have no desire to expand the argument. There are other Senators who are interested in this matter and who will discuss it at some length. I have stated very briefly, and only briefly, the essential facts.

There were some who held to the view that probably it would be wise for the automatic increase to take place as of January 1, 1944, for reasons other than the preservation intact and the protection of the integrity of the trust fund set up under the Social Security Act. I myself have never believed and do not now believe that the social-security fund should be used for general revenue purposes.

The social-security fund is not a part of the revenue. It does not increase the revenue, and it does not decrease the revenue by and large. I have always believed that the social-security fund ought to be devoted entirely to the purposes set forth and provided in the Social Security Act.

In this connection, Mr. President, I should call attention to the fact that the committee amendment further freezing the social-security tax at the existing rates does not change the character of the reserve fund, and that if the benefits of the social-security system are expanded the freezing of this particular tax at this time will have no bearing whatsoever upon that question, certainly not without subsequent legislation by the Congress itself.

Mr. President, that is all I desire to say on this matter.

Mr. GREEN. Mr. President, on December 17 last, when this title was under discussion in the Senate, I indicated my

opposition to the proposed change freezing the social-security taxes for the year 1944, and I now desire to explain my reasons for opposing the committee amendment to freeze the social-security taxes for the year 1944.

In the first place, I should like to say that I think the basic confusion and misunderstanding which has arisen on this matter is due in large part to the decision in 1935 to call the collections for social security by the erroneous name of "taxes." The collections levied on employees and employers are not taxes in the usual sense. They are not levied for paying the general costs of the Government. They are levied to pay the costs of the insurance benefits provided under an insurance law. They are not taxes; they are really premiums for insurance protection, and reference to the colloquies with respect to the law which took place in the Senate on December 17 will disclose the fact that there was a misunderstanding of the difference between taxes and premiums.

I wish to give notice now that at the appropriate time—irrespective of the action which the Senate takes on this amendment—I shall offer an amendment to strike out the word "taxes" in this part of the social-security law and insert in lieu thereof the word "premiums." I might point out also that Senate bill 281, which I introduced early in 1943, broadening and expanding the social-security program, specifically provides that all social-insurance contributions shall be called premiums so there may be no further confusion on this point.

Unless and until we recognize that the old-age and survivors' insurance provisions of the Social Security Act are financed by premiums, we will continue each year to debate this issue on a false basis. I say this deliberately, because it seems to me that under any system of old-age insurance we must take the long-run view, not merely a short-run view. Here for the third time in 5 years we are debating this same matter. I think it is unwise and unsound to tinker so frequently with the financing of so important an insurance system. I think we should put the financing of the insurance system on a long-run basis and then revise the financing only if it seems necessary on the basis of the best actuarial estimates available. No actuarial estimates would support the step we are being asked to take. If we adjust the premium rates every year or so, we shall only confuse the beneficiaries, the contributors, and the public generally about the insurance system. We shall give them the impression that it is only necessary to look at the costs of insurance payments today; that Congress may change the rate, up or down, who knows when. The result can only be to give the people of the country a feeling that the system is not a sound insurance program.

The basic reason why this insurance plan must be looked at on a long-run basis is that the number and proportion of aged persons in our population is steadily growing. Among the main rea-

sons for this are the longer life expectancy, the decreased birth rate, and the decline in immigration. In 1900, there were only 3,000,000 persons 65 years of age and over, representing 4 percent of the population. At the present time there are nearly 10,000,000 persons aged 65 and over, representing over 7 percent of the total population, and within 40 years it is estimated that we may have over 22,000,000 persons aged 65 and over, representing from 14 to 16 percent of the total population. It is clear from these figures that the cost of any old-age insurance program will continue to increase steeply, and that the small cost of the present program during the early years of its operation, and particularly during the war when few people are retiring, is misleading and deceptive as a basis for judging the long-run costs of the program. During the next 40 years the annual benefit payments under our old-age and survivors insurance program are estimated to increase to 15 or 20 times the present levels.

It is clear and unmistakable, therefore, that the costs of the insurance system will steadily increase, year by year, for many years to come. This fact is certified to us by leading statisticians, mathematicians, actuaries, and population experts. Knowing this to be true, the Congress should plan the financing of the insurance program on a sound, long-run basis and not try to make year-to-year adjustments which completely leave out of consideration these long-run costs.

This is not merely my own view. The Advisory Council on Social Security, appointed by the Senate Finance Committee and the Social Security Board, jointly, stated in 1938, as follows—and I quote this because it is applicable today:

The planning of the old-age insurance program must take full account of the fact, that, while disbursements for benefits are relatively small in the early years of the program, far larger total disbursements are inevitable in the future. * * * The Council wishes to reiterate the necessity of taking full account of the greatly increasing costs of the old-age insurance program in future years.

It is my understanding that the graduated step-up in contribution rates was incorporated in the law to permit the employers and employees to know the long-run implications of the program and to be able to adjust their other contributions for similar purposes accordingly. This, I think, was a sound view, and it is still sound.

Several other reasons seem to me to justify the scheduled increase in the present law. It was brought out in the hearings on this matter before the Senate Finance Committee that on the basis of certain actuarial calculations, according to the concepts of private insurance, the present reserve fund already has a deficit of between five billion and thirteen billion dollars, depending upon the assumptions used in making the calculations. Although social insurance should not be judged solely by private insurance concepts, nevertheless, this comparison indicates that the existing

fund is not unduly large in view of its liabilities.

It was also brought out at the hearings before the committee that the protection provided under the Social Security Act is equivalent to a face value of \$50,000,000,000. Think of it! The Congress has provided \$50,000,000,000 worth of life-insurance protection in this law. From the standpoint of an individual the value of the survivors' insurance benefits at the date of death—which corresponds to the face value of life insurance—is between \$3,000 and \$10,000 for most families, and as high as \$15,000 for some families. Obviously even the increased contributions would be little enough to pay for this protection.

Even with the automatic increase in contributions the benefits paid to workers during these early years of operation of the old-age and survivors' insurance system are much higher in proportion to the contributions made by them than will be true in the case of later beneficiaries. Therefore, from the standpoint of equity, as well as from the standpoint of financial soundness, the automatic increase in contribution rates is essential in order that those who draw benefits in the next few years may not get too large a bonus at the expense of younger workers who in later years will have to pay much higher premiums than now scheduled, if we do not collect more now.

The equity of increasing the contributions is recognized by the contributors themselves. Both the A. F. L. and the C. I. O. have testified that they are willing to have the contribution rates increased according to the existing law.

It should also be noted that the Wall Street Journal, the New York Times, the Chicago Herald-American, the Chicago Sun, and the Washington Post have all editorially endorsed the scheduled step-up. Mr. President, I ask unanimous consent to have the editorials printed in the RECORD as a part of my remarks.

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

[From the Wall Street Journal of December 27, 1943]

THE AGE-PENSION TAX RATE

Now that Congress has postponed for 60 days the rise which would otherwise have taken place in the age-pension tax rate on January 1, we shall all have a little time in which to gain understanding of the Federal age-pension system. This newspaper believes that the increase in this pay-roll tax which the statute had scheduled for the opening of 1944 should have been allowed to go into effect; it believes that Congress should permit that to happen on March 1 by allowing the 60-day postponement to expire.

In another column on this page appears a letter from Mr. Delmer Hubbell, who usually has his feet firmly planted on the ground and his eyes wide open. Much of what he writes is correct as far as it goes. But Mr. Hubbell seems to assume that the amendments of the age-pension section of the Social Security Act adopted in 1939 were both right and final. Those amendments made a departure from the "full reserve" theory of the original act and put in its place the idea of a mere contingency reserve. The change then made means that when the age-pension system has reached maturity—when current

outpayments have reached their maximum excess over current age-pension collections—all but a minor fraction of the excess will have to be taken from the general tax revenues from other sources. Whereas a full reserve system would derive the whole of the excess from the interest earned by the invested reserve; any structure between the contingency reserve and the full reserve systems would depend in part upon accruing interest and in part upon Treasury contribution.

It is true, as Mr. Hubbell says, that Federal taxpayers as a body must provide the means from which age-pensions are paid, whether these are the interest earned by the reserve or Treasury contributions. But it is not true that "current collections store no value whatever out of which future payments are to be made." They do store value for the account of future pensionnaires. Through their investment in obligations of the United States they have the effect of earmarking a portion of the Treasury's general receipts for the benefit and use of the age-pension system.

At the end of his fourth paragraph Mr. Hubbell comes close to stating the argument which may be made for a full reserve system. In the amount that pension payments are less in a given year than the yield of the age-pension taxes collected, the Treasury borrows that much from the reserve and that much less from the public—or perchance from the banks. The full reserve theory, or even a part-way acceptance of it, assumes that the total Federal debt will be what it will be regardless of the measure of the age-pension tax rate and that the greater the proportion of it which rests in the reserve fund, where it channels interest payment into pension recipients' hands instead of those of other bondholders, the safer and sounder the pension system will be.

Present age-pension tax collections are admittedly much less than the present accrual of future pension liability, which is a liability of the Federal Government outside of and beyond its publicly held funded debt. In view of this fact it must be said that the Treasury never officially states the total amount of the public debt of both varieties, that evidenced by papers in the hands of cash lenders and that represented by accumulating pension rights under a section of the Social Security Act. This state of affairs may account for Secretary Morgenthau's opposition to postponing the tax rate increase. There is the further fact that the present tax collection from employees, even as supplemented by the equal collection from their employers, is by no means fairly paying for the pensions pledged by law to the former.

Mr. Hubbell's concluding paragraph, we think, misstates the case. The age-pension pay-roll taxes are not "exactly like all other taxes," for they do not yield true tax revenue. They put the Government in the insurance business, selling annuity insurance at premium rates much less than its ultimate total cost.

[From the Wall Street Journal of November 29, 1943]

THE AGE-PENSION TAX RATE

A manufacturer of the interior writes this newspaper a letter of inquiry respecting the reserve fund of the old-age pension system which indicates a probably widespread state of confusion on the subject. On the one hand there is official authority for the statement that the reserve is some twelve or thirteen billion dollars short of presently accumulated pension liabilities. On the other hand, it is estimated that by the end of this year the reserve will reach or approach \$5,000,000,000, a sum several times the present annual outpayments. Both statements are correct approximations, but they seem contradictory.

Unless Congress intervenes, the age-pension tax rate will increase on January 1 next from the 1 percent of covered pay roll each for employer and employee to double that rate. The statutory rise in tax rate has twice been postponed by Congress, an attempt is to be made to postpone it again.

Because the system was established only a few years ago the number of actual pensioners has not nearly reached its maximum, but it is increasing every year and in time current payments to pensioners are bound to exceed current receipts from the age-pension tax plus interest on Government securities in the reserve fund. As originally conceived the reserve fund was to be a "full" reserve, so that the system would support itself (not merely now but throughout the long future) without contributions from the Treasury's general tax receipts, that is, without support from the general body of Federal taxpayers. But the social-security law amendments of 1939 departed from the full reserve principle in the direction of a merely contingent reserve and dependence on supporting Treasury contributions.

What it means, to say that the reserve fund is billions short of equaling already accrued liabilities, is that the fund is that much short of a sum which would yield an interest return covering what has already accrued to the credit of covered employees, a credit not payable to them now but when and as they individually reach pensioning age. Insurance actuaries seem to agree that what they call the level premium rate (the cost of the pension insurance) over the average contributing life of the beneficiaries is about 7 percent of covered pay roll. If they are right, the present combined tax of 2 percent is far short of constituting a sound actuarial basis for the age pensions as fixed by existing law. It will still be short of such a basis if the statutory rate increase is allowed to become effective in January, but it will move considerably nearer self-support.

In passing the present law Congress expressed its judgment that a higher tax rate on beneficiaries and their employers was required for the long-term protection of both the Treasury and the age-pension recipients. That judgment was not reversed by the two postponements of the rate increase. So far as this newspaper is aware, no good reason bearing upon the merits of the pension system has been advanced for again postponing the increase at a time when both employers and employees are well able to bear it. For the former, the added cost will be largely offset by resulting reduction in income-tax liability. The latter, as a group, are in receipt of greater income than for a dozen years past.

[From the Chicago Herald-American of December 20, 1943]

WHEN SHOULD WE PAY FOR SOCIAL SECURITY? (By Robert P. Vanderpoel)

Once more the original social-security legislation has been emasculated through again postponing, at least temporarily, the automatic increases in social-security deductions that were to begin January 1.

This is a grievous mistake, for two reasons. First of all, it means more than a billion dollars less revenue for the Government this year and a billion dollars more spending power (inflationary money) for the public and for corporations.

With the Federal Treasury badly in need of revenue and with the people and the corporations literally drunk with excess cash, it just doesn't make sense again to postpone the social-security assessment rates.

It was argued, of course, by Senator VANDENBERG, who led the opposition against the increase, that payments into the social-security fund continue to exceed outlays and that we can afford to wait and see how the matter works out in the future.

CAN AFFORD IT NOW

Actually, this is the very reason we shouldn't do it that way. We can afford to make the payments now. This is true in general of both employers and employees. We will not be in such fortunate position when the tables turn and the outlays begin to exceed the intake.

A squirrel stores nuts in the fall, when the nuts are plentiful, so that he will not starve during the winter, when there are no nuts available. The United States should be storing dollars now when dollars are more abundant than ever before in our history and each one that is taken out of circulation actually serves to strengthen our economy so that it will not have to collect as many dollars when they become scarce and when each dollar withdrawn will tend to destroy jobs and feed the fires of a deflationary spiral.

[From the New York Times of September 26, 1943]

SOCIAL-SECURITY TAXES

In the search for greater tax yields it is again being suggested that social-security taxes be raised to siphon off part of the excess purchasing power held by wage earners. Two aspects of this proposal may be considered: The rise to 2 percent already scheduled for next January, and proposed increases which might raise the rate to 6 percent.

The tax levied on workers and employers had been scheduled to increase from 1 percent to 2 percent in January of this year, but this was postponed until 1944 by congressional action. One argument advanced against allowing the increase to become effective was the size of the reserve fund, which aggregated more than \$3,000,000,000 as of June 1942, and is now about \$4,000,000,000. However, in planning the system provision was made, through gradually higher taxes, for the accumulation of a large fund during the early years to meet the anticipated liabilities when the benefits become fully effective. Because of the high level of incomes, the present time is very favorable for the accumulation of such reserves. The scheduled increase in the tax, therefore, should now be permitted. The annual yield would be approximately \$1,000,000,000.

An increase beyond this amount would fall into a different category unless it were accompanied by a corresponding liberalization of benefit payments. If the levy were increased prior to the determination of the benefits, it is less likely that Congress would give an extension of the system the careful consideration it requires. In the absence of a simultaneous determination of benefits, an increase in social-security taxes might lead prematurely to the adoption of plans which we could not normally afford.

Moreover, if there were an increase in the employer's contribution as well as that of the employee, costs would rise, thus adversely affecting earnings and creating pressure for higher prices. The reduction in earnings, in turn, would mean a lower yield from corporation taxes, which would offset to a large extent the higher yield from social security taxes. In this connection it should be noted there is a fundamental difference between social security taxes and other taxes. In many respects social security taxes are similar to compulsory savings or bond purchases out of current incomes, since they represent liabilities which must subsequently be met—although the maturity date is longer than that for bonds. To the extent that higher social-security taxes would mean a lower yield from corporation taxes or appear to obviate the necessity to impose other taxes, therefore, the proportion of the war financed out of current incomes will be smaller than it should be.

Finally, using the social-security mechanism for this purpose carries an additional

danger. If the rate were now increased primarily as a fiscal measure, there would be agitation to lower it in periods of depression. This would fit in well with the pump-priming theory which has wide acceptance in Washington. But if the tax were lowered in bad times, it would be politically difficult to restore it to the required level when conditions improved. This has been illustrated by the past reluctance of Congress to permit even scheduled increases. The soundness of the whole social security program may be endangered if it is converted into a mechanism to implement a fiscal policy designed to stabilize the economy.

[From the Chicago Sun of November 24, 1943]

NO TIME FOR A TAX FREEZE

Once again Senator VANDENBERG has come forward with his proposal to freeze social-security pay-roll taxes at their present level. The law calls for an automatic rise in these contributions on January 1, just as it did a year ago. Senator VANDENBERG succeeded in forestalling the rise then on the argument that obligations of the social-security fund in the immediate future could be met at the lower rate of taxation. He offers the same argument for a tax freeze this year.

If the Senator has his way, individuals and corporations will be relieved of \$1,200,000,000 in scheduled pay-roll taxes, and thus the job of controlling inflation will be rendered that much harder. The Treasury assuming that this \$1,200,000,000 would be collected, has told us that \$10,500,000,000 additional were needed to provide adequate tax safeguards against inflation. The House reduced this figure to slightly over two billion, and now Senator VANDENBERG proposes to reduce that by another \$1,200,000,000. The net effect would be to levy taxes of less than one billion in the face of expert testimony that more than \$11,700,000,000 are needed. That comes mighty close to a congressional strike against inflation control.

Apart from the inflationary implications, there is excellent ground for following the original intent of the social-security law. Due to heavy war employment, new obligations are being created every day, and to make sure of meeting them contributions must rise gradually, as previously contemplated. Arthur J. Altmeyer, Chairman of the Social Security Board, has warned Congress that "it would be unwise to defer the increase in contribution rates now scheduled to take effect on January 1." As he points out, deferment of the increase can only mean that contributors will have to pay higher rates later, perhaps under less favorable circumstances.

The social-security fund is like a vast joint savings account. With the national income at record heights, the time to build up that account for future contingencies is now.

[From the Washington Post of December 26, 1943]

SECURITY TAX

A bill deferring for 2 months the automatic increases in old-age security levies effective January 1 has been signed by the President. But Secretary Morgenthau has expressed strong disapproval of the Vandenberg amendment to the Senate tax bill freezing these levies for a full year. If that proposal should be embodied in the completed tax bill, therefore, it would greatly increase the chances of a Presidential veto.

Heretofore the Post has approved the freezing of the pay-roll levies because it believed that raising the rates at this time would strengthen resistance to comprehensive tax increases designed to tap the income of all classes of workers. That argument has now lost its validity owing to the refusal of Congress to vote an adequate tax program. How-

ever, we still maintain that the imposition of higher pay-roll levies cannot be justified simply as a means of fighting inflation. For these levies are exacted from insured workers to help defray the costs of the insurance system. They are not taxes imposed for the sake of obtaining revenue to cover the Government's running costs, either in time of war or of peace.

In our opinion pay-roll levies can be justified only if those payments are required to cover the costs of the insurance system. Arthur J. Altmeyer, of the Social Security Board, testifying before the Senate Finance Committee, presented very persuasive arguments of that general tenor. Indeed, after reading Mr. Altmeyer's testimony, we are prepared to retract a recent editorial assertion that the old-age reserve fund is "now far in excess of any sum that could reasonably be required to assure the actuarial soundness of the system."

To be sure, the reserve is far in excess of any sum likely to be needed in the near future, because high wages and record high employment have raised receipts from existing pay-roll levies far above expectations. But Mr. Altmeyer is not thinking of the next few years. He is looking ahead, trying to estimate the long-run costs of the old-age insurance system and the actuarial soundness of the system, judged by the tests applicable to private insurance companies. In his personal opinion the level premium cost of the present insurance system is likely to be in the neighborhood of 5½ to 6 percent of pay roll.

Mr. Altmeyer, however, is not urging that pay-roll levies be raised to the extent necessary to make the insurance system self-sustaining without contributions from the Government. Nevertheless, he believes that the insured should be asked to defray a larger proportion of the long-run costs of the system, thereby reducing the amounts that will eventually have to be contributed out of taxes to cover deficits. Especially startling is his assertion that a steep increase in future benefits costs resulting from the growing proportion of the aged in the population and the increasing amount of benefits payable per person will probably necessitate eventual disbursements 15 to 20 times present annual disbursements from the insurance fund.

To sum up: We conclude that the failure of Congress to impose adequate wartime taxes on workingmen's incomes has removed the principal objection to an immediate scheduled increase in pay-roll levies. We further conclude that such increases are warranted because the current levies fall far short of the amounts required to cover insurance costs and make the insurance system self-sustaining. Finally, we heartily agree with Mr. Altmeyer's suggestion that Congress should make up its mind as to the financial policy that it intends to pursue in respect to the long-run financing of the insurance system. We wish, too, that the public realized more fully the real value and cost of the protection that is being afforded by the small payments currently exacted.

Mr. GREEN. These statements all prove, I think, that the members of the general public are for social security, and are willing to pay for it when they know they are getting their money's worth.

I should like also to call attention to a statement in the committee report which appears to rest upon a misconception of the issues involved. The statement in the committee report, which I think has been quoted by another Member of the Senate in the course of remarks made earlier in the day, is as follows:

For example, the system, as originally set up, contemplated an ultimate reserve of approximately \$50,000,000,000 in another 40

years. The interest on \$50,000,000,000, at 3 percent, is \$1,500,000,000 per annum. It makes no difference to the taxpayer whether this \$1,500,000,000 is appropriated to pay the interest on \$50,000,000,000 of Government bonds in a reserve fund or whether it is a direct appropriation to the support of the old-age and survivors system, but it makes a tremendous difference to the taxpayer whether there has also been the needless accumulation of these enormous Government reserves.

The fact is that it does make a big difference—although the committee said it makes no difference—to the general taxpayer how such a program is financed—in this case a difference of \$1,500,000,000 a year. If the reserves have been built up by contributions, then the trust fund can buy \$50,000,000,000 worth of bonds which the Treasury must otherwise sell elsewhere. Later the trust fund will receive \$1,500,000,000 a year, which it needs to balance its current account, in the form of interest on these bonds, and the taxpayer will pay this amount only once. The interest is at the same time the Government's contribution to the social-insurance system. If these contributions are not collected and reserves acquired, then the Treasury must borrow the additional \$50,000,000,000 elsewhere. Later, when the trust fund needs \$1,500,000,000 to balance its account, this must be supplied from general revenues, and at the same time another \$1,500,000,000 must be provided to pay interest on the bonds, which then will be held by the banks and other institutions. The notion that it makes no difference to the taxpayer how the social-security program is financed has been widely publicized, and I regret that the committee report appears to give support to such an erroneous view.

The committee also states that in the amendments of 1939—

Congress obligates itself in the future to make whatever direct appropriations (in lieu of appropriations for interest on bonds in reserve) are necessary to maintain the full and complete solvency of the old-age and survivors benefits funds, because there could be no more solemn public trust. This is inherent in the decision made by Congress in 1939.

It may be that the program, as amended in 1939, would ultimately involve some contributions from general revenue, but I doubt that Members of Congress, generally, are conscious of having made such a decision. I am inclined to question whether Congress would now, consciously, still further increase the future burden by again postponing the contributions provided for in the law as it stands. I am not opposed to a Government contribution to the social insurance system, if coverage is sufficiently broad; but it seems to me that the issue is of sufficient importance to be openly debated on the floor of the Senate. I suggest, therefore, that if such a step is contemplated, the provision be submitted as a separate and specific piece of legislation so that the whole question may be discussed on its merits. If after such discussion the Congress wishes to continue to freeze the tax, it is only reasonable and proper, in order that workers and employers be protected against unrea-

sonably high rates in the future, that Congress also specify, in the law, that the Government will provide a subsidy to the insurance system whenever the contribution rates, shared equally between employer and employee, would otherwise rise above a specified level.

Social insurance in the United States is a relatively new institution. It is essential, therefore, that all changes in our social insurance laws be considered not only in terms of their short-run effects but also in terms of their long-run implications. I have long been and still am an ardent advocate of sound social-security measures. But I recognize that if social security is to continue it must be financed on a sound, permanent, and long-run basis. I urge the Senate, therefore, to reconsider this entire question in this light.

In conclusion, I wish to say that in my opinion, after having studied this matter as a member of the Special Committee to Investigate the Old-Age Pension System, appointed by the Senate in 1941, this entire matter should be considered in relation to a broadening and expansion of the social-security program. If the coverage of the insurance system is extended to cover the millions of persons now outside the system, as I recommended in my report—Senate Report No. 666, Seventy-seventh Congress, first session, August 28, 1941—there would be a sound basis for revising the financial structure of the insurance system and providing a substantial contribution by the Federal Government out of general revenues. The broader the coverage of the insurance system the greater the justification for a governmental contribution in recognition of the fact that relief costs will be reduced thereby and that all members of the community will share in a basic minimum of protection.

I hope, therefore, that the distinguished Senator from Georgia, the chairman of the Senate Finance Committee, will, as soon as the pending bill is out of the way, begin a comprehensive review and hold public hearings on necessary changes in our social-security system. This, it seems to me, is a more logical way to handle the matter than in the tax bill.

Mr. VANDENBERG. Mr. President, this subject is technically dull, yet its importance is measured by probably \$1,500,000,000 of taxation on the workers and employers of the country in 1944.

Mr. WHITE. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum?

Mr. VANDENBERG. I thank the Senator for suggesting that a quorum be summoned, but I know that practically all Senators are familiar with the facts, and have made up their minds as to the stand they should take. My purpose in speaking as the author of the pending amendment is to make a record for the benefit of the House of Representatives, which has not this year passed upon the issue. Therefore I am content to proceed. I wish to make the record because the recent address by the able Senator from Rhode Island [Mr. GREEN], for example, indicates to me

that there is a total misconception of the basis upon which our social-security system is now proceeding.

Mr. WHITE. Mr. President, I can understand the feeling of the Senator and his desire to make a record, but I cannot help feeling also that many Senators now absent would like to hear the Senator's address.

Mr. VANDENBERG. I thank the Senator very much. At the conclusion of the argument, when we are approaching a yea-and-nay vote, I may again summarize the issue. For the time being, I am making the record.

The problem involved in this amendment is comparatively simple when shorn of complexities which are unavoidably present in the social-security laws themselves, but which have no pertinent or necessary place in this present discussion. Therefore, the first thing I wish to do is to strip the pending issue to its plainest, simplest terms.

The existing social-security statute requires that old-age and survivor benefits shall be financed by pay-roll taxes equally levied against employers and employees. The tax on each was 1 percent until January 1, 1944—a date, however, which was temporarily extended for 60 days by recent congressional resolution in order to permit conclusive congressional action on this pending amendment to the tax bill.

The existing statute, as thus temporarily amended, would double this tax—increase it 100 percent on both employers and employees to 2 percent pay-roll taxes on each—for 1944. I may add parenthetically that the existing statute automatically increases this tax to 2½ percent in 1947 and to 3 percent in 1949.

The Senate Finance Committee, by a vote of 4 to 1, recommends that these pay-roll taxes be frozen for 1944 at the existing 1-percent level; that this rate of tax will produce ample revenues to pay all old-age and survivor benefits, and all administration expense for 1944, and wholly sustain fully adequate reserves; that, therefore, the 100-percent increase in pay-roll taxes should be postponed until 1945 at the earliest. This purpose is accomplished by the final title in the pending tax bill.

Thus the pending question comes down to this, shall the Senate vote, pursuant to the heavily preponderant majority of its Finance Committee, to freeze these pay-roll taxes at 1 percent for another year as Congress has done upon two previous annual occasions? Shall it keep a needless burden of \$1,500,000,000 in unjustified taxation during 1944 from the backs of our workers and our employers?

Obviously the right answer depends upon whether the existing 1-percent tax is sufficient to pay old-age and survivor benefits in 1944, and also to sustain a completely adequate reserve which shall protect the unassailable integrity of the social-security system. Upon the importance of this latter objective there is absolutely no difference of opinion. It is a supremely sacred trust. Indeed, those of us who advocate the pending pay-roll tax freeze are so unequivocally

committed to this trust that we decline to have it used for any ulterior purpose, no matter how worthy within itself, as is the clear intent of the Secretary of the Treasury in opposing the Senate Finance Committee's recommendation. I shall come to that later.

Whether the existing 1-percent tax is sufficient for all legitimate purposes becomes in turn almost exclusively a question of reserves, because, at current levels and existing rates, about 90 percent of these pay-roll tax proceeds go into reserves.

To understand the status of the reserve problem requires a very brief résumé of the history of the Social Security Act. It was originally set up, about a decade ago, on the basis of a so-called full reserve—that is to say, upon substantially the same actuarial basis as a private insurance company would require, despite the clear fact that a public tax-supported insurance system can invincibly rely upon a far different type of resources and financing. This original set-up on a full reserve basis contemplated by 1980 a gargantuan reserve of \$47,000,000,000.

I have always been advised that the President's Committee on Economic Security, which did yeoman service in laying the groundwork for the Social Security Act, was opposed to the full reserve idea for a public tax-supported system, and that the Committee's actuarial advisers were a unit against it. I believe that most of these expert advisers favored an even smaller-contingent reserve than we now maintain. But the President insisted upon the full reserve; and it went into the original Social Security Act largely as a result of the appearance of Secretary of the Treasury Morgenthau before the House Ways and Means Committee on February 5, 1935. His testimony, which is available, speaks for itself. He candidly stressed the interest which the Treasury had—not in social security but in retiring a large part of the public debt from the proceeds of the pay-roll tax. He built up his case in favor of clearing away the general public debt before the country should confront the major burdens of the Social Security Act. In other words, his position was primarily related to the general national debt and not to social-security necessities.

Mr. President, I assert that this is the Secretary's position today. He is not contesting the pending recommendation of the Senate Finance Committee—he is not asking that these current pay-roll taxes on our workers and on our employers be doubled—because he questions the adequacy of social-security reserves. He could not because he is on record otherwise, as I shall presently explain. No; he is interested in 1944 as he was in 1935, in what? In retiring a large part of the public debt from these special taxes, levied for a trust purpose, and assessed against only a portion of our people. With the greatest sympathy, Mr. President, for Secretary Morgenthau's tough responsibility in financing our war bills, and without intending the slightest reflection upon his collateral

motives in this respect, I simply cannot agree with him that social-security payroll taxes should be levied for anything except direct and essential social-security obligations as written into our social-security contracts with some 40,000,000 workers. Such also is the position twice taken by Congress in recent years, and as once more taken by the Senate Finance Committee.

Lest there be any unfortunate misunderstanding about this business, let me clearly say that the use of social-security pay-roll revenues to retire the national debt does not even remotely suggest maladministration of the funds. This use is inherent in the system itself since all its reserves must be invested in Government bonds. The Treasury gets the money and spends it on general obligations. It puts equivalent bonds—its I O U, as it were—in the social-security reserve. It pays interest on the bonds. But if Social Security ever wants to use the bonds themselves, they must be sold all over again. The more bonds the Treasury puts into social security the less it has to sell to the public. Hence doubling social-security revenues this year is equivalent to a War-bond windfall for the Treasury. That has appealing aspects in these hard-pressing, red-ink days at the Treasury. But the point is that it has nothing to do with social security; and it is our incorrigible contention—speaking for a majority of the Senate Finance Committee upon this issue—that social-security taxes should never be levied for anything but direct and indispensable social-security purposes. That is our idea of a public trust.

But let me get back to my "reserve" narrative. The vice to which I have just referred is inherent in the "full reserve" formula upon which the Social Security Act was originally launched. Because a public, tax-supported insurance system does not require a "full reserve" for its own integrity, it is inevitable that a "full reserve" collects more pay-roll taxes than social security itself requires. This began to become apparent shortly after the old-age and survivor program was launched. Back in 1935, I quizzed 70 top executives of old-line life-insurance companies—I am sorry that the able Senator from Rhode Island [Mr. GLEEN] is not present to confront this testimony—I quizzed 70 top executives, experts whose judgment on such a subject should be the best available. Sixty-nine out of the seventy replied flatly that the existing "full reserve" in the Social Security Act was wrong and that the alternative of a much smaller "contingent reserve" was right. Two ex-presidents of the Actuarial Society of America were among these sustaining witnesses. By joint action of the Senate Finance Committee and the Social Security Board, a special, external advisory committee of experts was then set up to canvass this and other related social-security matters. The result is well summarized in a recent speech by Mr. M. Albert Linton, president of the Provident Mutual Life Insurance Co. of Philadelphia, who was a member of this advisory council. I quote:

Following a 4-year discussion of the financing of social security, Congress adopted in

1939 for the old-age and survivors insurance system a pay-as-you-go plan—

And this is precisely what we did, and we did it conscientiously and we knew exactly what we were doing. I continue with the quotation—

supplemented by a contingency reserve to offset, during times of poor business, possible decreasing tax receipts and increasing benefit payments. It was felt that the presence of a large excess of income over outgo year after year, accumulating in a reserve fund that might reach a total of \$40,000,000,000 or \$50,000,000,000, would make it difficult to protect the system against political pressure groups seeking to enlarge benefits dangerously or to spend the extra money in unsound ways. Successful efforts by such groups could easily undermine the foundations of the whole system.

Thus it came to pass in 1939 that Congress consciously abandoned the "full reserve" basis and went over to a "contingent reserve."

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

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from Michigan yield to the Senator from Montana?

Mr. VANDENBERG. I yield.

Mr. MURRAY. I should like to have the Senator from Michigan point out the statutory language by which Congress accomplished that result.

Mr. VANDENBERG. If the Senator from Montana will bear with me, I am coming to the point to which he refers in just a moment, and I shall quote the language verbatim.

Let me interrupt the narrative long enough to give one example why a public, tax-supported insurance system does not require a full reserve, because an understanding of this proposition is essential to an understanding of the basic problem which we confront in this regard. Remember that the original social-security prospectus contemplated an ultimate full reserve of \$47,000,000,000 at 3 percent in 1980. Call it \$50,000,000,000 for easy calculation. In 1980 the Government would have to raise \$1,500,000,000 in general taxes to pay the interest on the bonds in this \$50,000,000,000 reserve, in addition to having raised the \$50,000,000,000 previously by pay-roll taxes. But if instead in 1980 the Government made a direct appropriation of \$1,500,000,000 to social security, the net result to social security and to the taxpayer would be precisely the same; and it would not have been necessary to take the \$50,000,000,000 out of the hides and purses of the American people at all. The faith of the Government is behind social security precisely as it is behind its bonds. A default in either would be civil treason. In either event, social security has to depend upon Congress for an adequate appropriation. What difference does it make whether the appropriation is for bond interest or for direct contribution in the same amount? What difference does it make to social security? What difference does it make to the taxpayer? None, except that the taxpayer has been saved \$50,000,000,000 in the interim. If we keep the full reserve, we pledge the Congress to vote whatever appropriations are re-

quired to pay interest on the bonds. If we transfer to a contingent reserve, we pledge the Congress to an equivalent direct appropriation to social security to preserve the integrity of its obligations. But, in the latter event, we have saved our workers and our employers from the hard necessity of heavy taxes to accumulate the full reserve.

Perhaps I have oversimplified the problem in my anxiety to make it plain. But in essence this was the issue in 1939 when Congress, upon expert advice, abandoned the full reserve and went over to a contingent reserve. Congress has twice confirmed this decision in the intervening years. It is precisely the same issue, Mr. President, which once more confronts the Senate today, because, beyond peradventure, the existing 1-percent pay-roll tax is totally sufficient for an old-age and survivors' benefits reserve.

It only remains for me to prove this sufficiency. I do it out of the mouth of Secretary Morgenthau himself, and out of the text of the statute.

This is the question: How large a "contingent reserve" should we provide in order absolutely to maintain the complete integrity of the old-age and survivor benefit reserve under social security? How large should the reserve be? That is the only question.

I am now coming to a direct answer to the question submitted to me by the able Senator from Montana.

Testifying before the House Ways and Means Committee on March 24, 1939, Secretary Morgenthau really addressed himself for once to social-security considerations and temporarily abandoned his previous and his present "public debt" theme. He laid down a specific yardstick to measure an adequate reserve. This was it—Mr. Morgenthau speaking:

We should not accumulate a reserve fund any larger than is necessary to protect the system against unforeseen declines in revenues or increases in the volume of benefit payments. Specifically—

Mr. Morgenthau still speaking—

Specifically, I would suggest to Congress that it plan the financing of the old-age-insurance system with a view to maintaining for use in emergencies an eventual reserve amounting to not more than three times the highest prospective annual benefits in the ensuing 5 years.

There is only one weasel word in that otherwise admirable definition—"eventual." I do not know when "eventual" is. But I submit that "eventual" certainly is now, when we have had practically 10 years of experience with the social-security law, and when the reserves far exceed even what Secretary Morgenthau "eventually" approved.

In any event, Congress gave the Secretary's advice immediate and current application. It amended, in 1939, title II of the Social Security Act to read as follows:

The Board of Trustees of the Old-Age and Survivors' Trust Fund is required . . . to report immediately to Congress whenever the Board of Trustees is of the opinion that during the ensuing 5 fiscal years the trust fund will exceed three times the highest annual expenditures anticipated during that 5-fiscal-year period—

There is Morgenthau's rule embedded in the law.

and whenever the Board of Trustees is of the opinion that the amount of the trust fund is unduly small.

In other words, the law, insofar as it could, adopted the Morgenthau rule in respect to the essential size of the reserve; and while it could not specifically dictate the application of such a rule, it clearly expressed its own congressional approval of the Secretary's recommendation; and when this rule is observed, we have sustained wholly the integrity of the social-security reserves.

Mr. MURRAY. Mr. President—

Mr. VANDENBERG. I yield to the Senator from Montana.

Mr. MURRAY. I do not consider the language the Senator has just read as accomplishing what he states it accomplishes. It merely provides that whenever the board of trustees is of the opinion that during the ensuing 5 fiscal years the trust fund will exceed three times the highest annual expenditures anticipated during the fiscal-year-period, a report will be required from them; but there is nothing in that language to indicate that the Congress adopted any plan in connection with the matter at all. It merely calls for a report and states the time when the report will be required. That is all I can read from that language so far as its actual wording is concerned.

Mr. VANDENBERG. I do not think the Senator and I have any disagreement with regard to the statutory effect of the language and I tried to say so myself, but otherwise I disagree with him totally, for when the Congress consciously changed in 1939 in respect to its attitude toward these reserves and when by direct and specific recommendation of the Secretary of the Treasury it imbedded the Secretary's rule in instructions to the trustees of the social-security fund, I submit that it created a yardstick by which it intended the preliminary decisions at least to be made in respect to the solvency of the social-security reserves.

Mr. MURRAY. It seems to me that if they had any such purpose in mind they would have used appropriate language to express it so that there would not be any doubt about it. All this language does is merely to provide for report.

Mr. VANDENBERG. I think they did use the appropriate language. There was no way by which they could dictate specifically to the trustees of this fund precisely what their course should be, but no one can ignore the fact that this action of the Congress was preceded by a direct, specific, and unequivocal statement officially made by the Secretary of the Treasury to the House Ways and Means Committee in respect to this particular problem that a reserve three times as large as the anticipated expenditure in any one of 5 ensuing years was a reserve wholly adequate for the purpose indicated. If the Secretary was within a mile of being right, then we certainly need no action today looking toward an increase in the rate, because I shall now indicate how much safer we are than

even the Secretary himself would have required.

Remember the language of the statute. Congress in the statute put upon the board of trustees—and the Senator from Montana cannot misread at least this phase of the statute—the statute put upon the board of trustees of the old-age and survivors' trust fund the obligation of notifying us if, as, and when they thought the reserve was endangered, and particularly if it were endangered through any lapse in this Morgenthau rule.

Has the board of trustees reported to us that the amount of the trust fund is unduly small? It has not. Has the board of trustees reported that "during the ensuing 5 fiscal years the trust fund will exceed three times the highest annual expenditures anticipated during that 5-fiscal-year period"? It most emphatically has, and I present the indisputable figures. Follow me, Senators. This is the crux of the whole matter. These figures must be the basis of our verdict.

For the fiscal year ending June 30, 1943, we collected \$1,130,000,000 in these pay-roll taxes. We paid out \$149,000,000 in contractual benefits and \$27,000,000 in administrative expenses. The balance of \$954,000,000 went into the contingent reserve. This brought the reserve up to \$4,300,000,000.

Now, let us get back to Mr. Morgenthau's rule. He volunteered it. He gave it to us as his best judgment. He made it official. Let us apply his rule.

The heaviest annual cost of benefits and administrative expenses from 1943 to 1948 is estimated by the Social Security Board from a low of \$415,000,000 to a remotely possible high of \$813,000,000. In other words—and remember the Morgenthau rule—the present contingent reserve is about 11 times instead of 3 times the low estimate of the greatest expenditure in the next 5 years and better than 5 times instead of 3 times the highest.

The low estimate is the one which the Social Security Board has made in respect to normal expectancy under existing circumstances. The normal expectancy under existing abnormal circumstances is that the reserve is 11 times instead of 3 times the highest anticipated expenditure in the next 5 years, and if we conjure every possible hazard possible, and reduce the figure to a mathematical magnitude, which is the utter limit of the imagination of the Social Security Board, if we take its high estimate of the highest expenditure to be contemplated in the next 5 years, still the reserve is about 5 times instead of 3 times the necessary size. And Mr. Morgenthau certainly can sleep nights.

Mr. President, the situation is even more challenging than this set of figures indicates. The very able Dr. Altmeyer, the Chairman of the Social Security Board, although opposing this "freeze" because he still thinks in terms of "full reserves" conceded in his current testimony before the Senate Finance Committee—and listen to me—that if no employer or employee contributions were collected at all in 1944, the reserve assets

on December 31, 1944, would amount to about \$4,600,000,000, which is more than 3 times the estimated expenditure 5 years later, in 1949. In other words, the most authoritative witness there is, the Chairman of the Social Security Board himself, testified officially to the Senate Finance Committee that if we did not levy a penny of pay-roll taxes in 1944, at the end of the year still the reserve would be within the rule of complete safety and integrity.

Mr. President, in the face of such situations and such unanswerable statistics as those, I do not understand how any responsible Member of Congress can agree that pay-roll taxes should be increased 100 percent in 1944 upon the workers and upon the employers of this land.

I submit that Mr. Morgenthau's rule is completely vindicated, and so is the integrity of the social-security reserve, by maintaining the present pay-roll tax rate of 1 percent, the spirit of the statute is fully observed, the social-security reserves remain wholly adequate. Indeed—and this is official—we shall collect more in 1944 in the way of pay-roll taxes at the existing 1-percent rates on workers and employers, than was contemplated to have been obtained at 2 percent when the 2-percent rate was written into the original statute. Let anyone get away from that who can.

It is said we must live up to the literal intent of this section which was written into the law several years ago. Yet, when this literal statute was enacted, it contemplated a certain given income from pay-roll taxes in 1944, at 2 percent. We shall have more at 1 percent than was contemplated at 2 percent.

Under such circumstances, I repeat, there is not one scintilla of justification for doubling the pay-roll tax next year, as will occur automatically unless the pending amendment shall be approved. I submit that it would be an unconscionable tax gouge, from which our workers and our employers are entitled to be protected when they confront so many perplexing and difficult fiscal burdens.

I wish to add merely one or two desultory observations Mr. President. It has been said that this tax should be permitted to double next year by way of attacking inflation. I totally agree that we must be at all-out war against inflation, but the war against inflation is the problem of our whole people, and I submit that we have no right to reach into a trust fund of the Government of the United States, held there presumably for the trust benefit of the old-age and survivor beneficiaries—in order to deal with inflation, or any other collateral objective. We cannot use a trust fund for collateral purposes without violating the trust, and, so far as I am concerned, the Social Security Act is as solemn a trust as it would be humanly possible for the Government of the United States to enter upon.

It has been said that we should wink at the increase in the rate at this time, and let it go, in spite of the fact that the arithmetic denies any semblance of justification for doubling the tax. It is said we should do it because it is easy now for workers to pay more taxes.

Again, Mr. President, that is a collateral consideration; but I wish to observe this much in connection with it. There are fifteen or twenty million white-collar workers in this country who have had no increased increment because of the war effort. Practically all of them are included under social security, and if there is any group of citizens in this land who need the sympathetic consideration of the Congress, it is the classification of white-collar workers, who are among the prime casualties of the war effort.

The President himself in his message sent today to the Congress, spoke most feelingly about the necessity for remembering the plight of these people. I quote the President—it is nice to agree with him—

And I hope you will remember that all of us in this Government represent the fixed income group just as much as we represent business owners, workers, and farmers. This group of fixed-income people include: teachers, clergy, policemen, firemen, widows, and minors on fixed incomes, wives and dependents of our soldiers and sailors, and old-age pensioners. They and their families add up to one-quarter of our 130,000,000 people. They have few or no high-pressure representatives at the Capitol. In a period of gross inflation they would be the worst sufferers.

I am speaking for that particular group, Mr. President, at this moment. I am saying that that group has a primary right to expect Congress to save it from a double social-security tax when the doubling of that tax has no relationship whatsoever to the integrity of the social-security system.

Then I hear it said that this is an easy time for employers to confront a little extra levy by the way of taxation. Mr. President, that is true in a great many cases, but here again there are tens of thousands of the small businesses of this country which are just on the border line between life and economic death. No one knows that better than the able Senator from Montana [Mr. MURRAY], who has done such yeoman service in their behalf. Without any exception, I venture to say, these small businessmen up and down the country are begging Congress not to increase needlessly by 100 percent a pay-roll tax which is not necessary to maintain the solvency of the social-security trust funds. They are entitled to be heard.

Mr. President, I wish to add that this question has nothing whatever to do with the expansion of social-security coverage or the increase in social-security benefits. There can be no question in the world that Congress ought to expand social-security coverage in many sensible directions; there can be no question in the world that social-security benefits in many aspects ought to be increased; but when that time comes the pay-roll taxes should be adjusted to the new contracts, and the contracts should never have to pay for anything except the things which are in the contracts. I submit that we have no right to use the existing contractual obligation for the creation of funds that shall be used for some other expanded purpose. That question will be met on its own merits when the time comes.

Mr. President, I could present countless letters from the country sustaining the committee's recommendations. I am content to present only two, but I think they are highly significant. I suggest to the Senate that the National Association of Life Underwriters, which ought to know more about the techniques of insurance responsibilities than any other group of men in this land, stands squarely behind the Senate Finance Committee in recommending the approval of the pending proposal.

I present one other letter. Mr. President, I suppose the greatest pioneer in behalf of social-security legislation in the history of the United States was the late Mr. Abraham Epstein, of New York, who for many years was president of the American Association for Social Security. Since his death his wife has served as vice president of the same organization. Mrs. Epstein speaks today, as her husband spoke before her, against the full reserve system in respect to the social-security financial structure, and speaks specifically and directly and appealingly in favor of a pay-as-you-go basis, a contingent reserve, and the amendment which once more is pending before the Senate.

In conclusion I wish to say, Mr. President, that Congress has acted upon this question twice before under similar circumstances. The last time the Senate voted on the question was on October 9, 1942, when it voted, 50 to 35, in favor of the same kind of a freeze which once more is contemplated by the pending amendment. It is not a partisan question, as indicated by the fact that of the 50 Members of the Senate who upon the last roll call upon this subject voted to freeze the pay-roll tax, 26 were Republicans and 24 were Democrats. It is not a question which divides upon political or partisan grounds. It is a question rooted in economics.

I submit that the amendment of the Senate Finance Committee is sustained by the record, it is sustained by the figures, it is sustained by the recommendations of the Treasury, and is sustained by ordinary common sense.

Mr. MURRAY. Mr. President, I am opposed to the amendment which the Finance Committee has added in title IX of the 1943 tax bill. This amendment would again delay the increase in old-age and survivors' insurance tax rates from 1 to 2 percent, which is scheduled to go into effect on March 1.

We believe that continued delay in increasing these rates is very unwise, not only from the standpoint of present and future social-security contributors and beneficiaries, but also from the standpoint of general taxpayers and the future fiscal position of the Federal Treasury. The reasons advanced by the committee in support of the proposed amendment absolutely fail to justify the proposed action. Finally, I will proceed to show that the committee report on the tax bill contains statements which undertake to modify the whole method of financing social security and without Congress having taken any corresponding action on the law itself. I will discuss the committee report later.

In 1935 Congress provided that pay-roll tax rates for old-age insurance should begin at 1 percent each on employers and employees in 1937, and increase at 3-year intervals by one-half percent until rates reached 3 percent each in and after 1949. The reason for taking 12 years to reach the full 3-percent rates was to impose the ultimate tax burden of the program gradually.

In 1939, after careful deliberation both by an advisory council and by Congress, benefit provisions were changed so as to increase benefits in the early years and the original tax provisions were somewhat modified. The 1939 legislation provided that the rate of 1 percent each on employers and employees would continue through 1942. The rates were then to rise to 2 percent each in the next 3 years—1943, 1944, and 1945, as originally scheduled; and were to be 2½ percent each in 1946, 1947, and 1948, and 3 percent each in and after 1949. The Revenue Act of 1942 again postponed the scheduled increase by amending the 1939 legislation to continue the 1-percent rate of employees and employers throughout 1943. House Joint Resolution 171, after amendment in the Senate, extended the 1-percent rates through February 1944. The committee amendment now before us proposes to freeze the 1-percent rates throughout the whole of 1944.

Mr. President, the basic reason why it is unwise to freeze rates at 1 percent for the eighth successive year is that the social-security program is committed to pay benefits which will lead to steadily increasing disbursements for a long time. Because the program is new, only a small part of the present aged population can qualify for benefits. As time goes on, many more people will hold benefit rights when they reach age 65. The proportion of old people in our total population also is increasing rapidly. In addition, benefit payments increase rapidly in the initial years of any insurance program which pays long-term benefits, because new beneficiaries are added to the rolls more rapidly than names are removed by death or for other cause. Still another special factor has held down current benefit costs. That is the opportunity which older workers have in wartime to continue in jobs or go back to work rather than to retire and claim benefits. There are more than 600,000 aged workers—and in many cases also the aged wives of such workers—who now hold rights to insurance benefits which they can claim whenever they wish to or must retire. We must expect a sharp and sudden rise in benefit disbursements whenever war activity slows down and young men return to industry and the older workers retire. Even more important, we must expect that disbursements will continue to rise for a half century or more. Actuaries estimate that the annual expenditure for benefits will increase to as much as 20 to 25 times the amount spent in 1943.

Unless ample provision is made for meeting high future disbursements, there is grave danger that before long we will find that our system of old-age insurance is not soundly financed. This requires that those receiving benefits in

the early years of the system, together with their employers, should pay proper premiums for their benefits. If unsound financing should become evident later, this situation would demand drastic financial action by Congress or would constitute a serious threat to the future benefit rights of persons who are now contributing regularly to the program and who are looking forward to receiving benefits in their old age. Thus, the policy laid down in the committee report, again freezing the tax rates, jeopardizes the future finances of the program.

Mr. President, no one has challenged the fact that the cost of old-age insurance will be higher in later years. Actuaries both within and outside the Government have estimated at various times that the annual disbursements may become as much as 10 or even 12 percent of pay rolls, though it may turn out to be somewhat less. The highest contribution rates now scheduled in the law—those for 1949 and thereafter—would total only 6 percent. It would be shortsighted and dangerous to shut our eyes to these future costs by failing to lay aside money in the earlier years when disbursements are deceptively low. Such ill-considered action would pass almost the entire financial burden along to future generations. It would mean also that without more than cursory consideration we took it upon ourselves to reverse the judgment of past Congresses which, after long deliberation, established the basic policy of an early and regular increase in contribution rates up to the level of 3 percent each.

The committee report advances as one justification of its proposal that collections at the 1-percent rates are now actually higher than were originally estimated for the same period at the 2-percent rates. This statement is only half the story, and proves nothing by itself, since it takes no account of changes in the obligations of the system.

It is true that high wartime employment and wages have led to an increase in contribution revenues not foreseen when the 1939 legislation was passed. But another equally unforeseen thing has also happened. The war has substantially increased the future obligations of the system as well. The number of contributors to old-age and survivors insurance, which determines the number of future beneficiaries, was less than 32,000,000 in 1938. By 1942 the number had risen to nearly 45,000,000. Workers are earning more than ever before. Therefore, the individual benefits eventually payable to this larger number of workers will also be larger than was estimated. Thus, the committee report gives a wholly inadequate picture of the effect of the war on the finances of old-age and survivors' insurance by stressing only the revenue side of the picture—stressing only current income, and ignoring currently accruing obligations.

The committee report records the belief of the Finance Committee "that the present and prospective revenues from this tax will amply protect the full and complete solvency of the old-age and survivors' benefits fund." I cannot un-

derstand how the committee has found it possible to determine the effects of its proposal on the long-run solvency of the fund. This problem requires intensive actuarial analysis for which the committee itself has no facilities. The committee's conclusion as to the desirability of freezing the rates is, it should be noted, in direct conflict with the judgment of the Social Security Board and the Board of Trustees of the system, agencies which have the necessary technical facilities for making a comprehensive actuarial analysis.

Leading newspapers whose editorial views are customarily given much weight differ sharply from the committee on the soundness of its proposed amendment. Among major newspapers which have taken a forthright position against the freezing of the pay-roll tax rates are the Wall Street Journal, the New York Times, the Chicago Sun, the Washington Post, and the Chicago Herald and Examiner. I shall read brief extracts from recent editorials of each of these newspapers, which I understand have been ordered printed in the RECORD at the request of another Member of the Senate, who spoke earlier in the day.

In the Wall Street Journal of December 27, 1943, the editor states:

This newspaper believes that the increase in this pay-roll tax which the statute had scheduled for the opening of 1944 should have been allowed to go into effect; it believes that Congress should permit that to happen on March 1 by allowing the 60-day postponement to expire.

The editorial goes on at much length in discussing this matter.

The Wall Street Journal, in an editorial published on November 29, 1943, said:

So far as this newspaper is aware, no good reason bearing upon the merits of the pension system has been advanced for again postponing the increase at a time when both employers and employees are well able to bear it.

That editorial likewise extends its remarks to some considerable length in discussing the matter.

In the New York Times of September 26, 1943, the editor says:

The scheduled increase in the tax, therefore, should now be permitted. The annual yield would be approximately \$1,000,000,000.

The Chicago Sun said on November 24, in discussing the matter:

The law calls for an automatic rise in these contributions on January 1, just as it did a year ago. Senator VANDENBERG succeeded in forestalling the rise then on the argument that obligations of the social-security fund in the immediate future could be met at the lower rate of taxation. He offers the same argument for a tax freeze this year.

If the Senator has his way, individuals and corporations will be relieved of \$1,200,000,000 in scheduled pay-roll taxes, and thus the job of controlling inflation will be rendered that much harder. The Treasury, assuming that this \$1,200,000,000 would be collected, has told us that \$10,500,000,000 additional were needed to provide adequate tax safeguards against inflation. The House reduced this figure to slightly over \$2,000,000,000, and now Senator VANDENBERG proposes to reduce that by another \$1,200,000,000. The net effect would be to levy taxes of less than \$1,000,000,000 in the face of expert testimony that more than \$11,-

700,000,000 are needed. That comes mighty close to a congressional strike against inflation control.

Apart from the inflationary implications, there is excellent ground for following the original intent of the social-security law. Due to heavy war employment, new obligations are being created every day, and to make sure of meeting them contributions must rise gradually, as previously contemplated. Arthur J. Altmeyer, Chairman of the Social Security Board, has warned Congress that it would be unwise to defer the increase in contribution rates now scheduled to take effect on January 1. As he points out, deferment of the increase can only mean that contributors will have to pay higher rates later, perhaps under less favorable circumstances.

The major labor organizations of the country have taken an unequivocal stand in opposition to the further freezing of pay-roll tax rates. These organizations, it should be noted, represent millions of workers who stand ready to pay an increase in their contributions. Statements from both the Congress of Industrial Organizations and the American Federation of Labor were introduced at the hearings before the Finance Committee in October on the freezing of pay-roll tax rates—pages 53 and 54—in opposition to the course now proposed by the committee. Labor is fully willing to pay the increased tax, because it knows that the program is worth while and wants it maintained on a solid financial basis. Therefore, it hardly behooves persons not representing labor to profess that they are serving the interests of workers when they oppose the increase in contributions. Labor knows clearly that failure to finance the program soundly now may endanger the program itself in the not-too-distant future. It is unwilling to take this risk.

The basic theme running through the remarks on the Finance Committee report—pages 18 and 19—is that freezing of pay-roll tax rates would represent only a continuation of a policy established in 1939. I propose to show that this is not only an incorrect view, but also that the committee report actually undertakes to rewrite the whole basis of financing old-age and survivors insurance. The report, moreover, proposes to do this, not by amending the law but merely through the medium of the committee report itself. I trust that the Senate will agree with me that changes involving billions of dollars in a program of the far-reaching importance of the social-security program should not be made simply through the medium of the text in a committee report. So sweeping a change in policy should be made only through specific statutory provisions on which there have been full hearings and debate in both Houses of Congress.

As I have indicated, in 1939 Congress amended the benefit provisions and delayed an increase in social-security tax rates for 3 years, with the intention of regaining the level of the original schedule in 1943. Congress did not, in any way, however, define the type of reserve it was setting up, nor did it set forth any policy as to what either the maximum or minimum size of the reserve should be.

A provision—section 201 (b) (3)—was inserted in the Social Security Act in 1939 requiring the board of trustees to report immediately to Congress whenever the board was “of the opinion that during the ensuing 5 fiscal years the trust fund will exceed three times the highest annual expenditures anticipated during that 5-fiscal-year period, and whenever the board of trustees is of the opinion that the amount of the trust fund is unduly small.” The committee report now claims that the first part of this provision established a new congressional policy as to what the maximum size of the reserve should be. There is absolutely nothing in the law itself to confirm this claim, nor can anything on this point be found in the reports of the Senate Finance Committee or the House Ways and Means Committee on the 1939 legislation. The so-called three-times rule means just what it says. That is, it is a rule which does no more than specify the circumstances in which the Board of Trustees shall make interim reports to Congress in addition to the regular annual report. It does not in any way represent a binding congressional rule specifying when reserves are adequate or setting the maximum size of the reserve.

If, as the committee report asserts, Congress intended that this provision—which deals solely with reports to be made by the board of trustees—should establish a new congressional policy, such an intent would be similarly inherent in the latter part of the provision which requires a trustee's report when the fund is unduly small. Moreover, there is nothing in the law or in the 1939 committee reports explaining that part of the provision—there is no indication of what standard should be applied to determine when the fund is too small or what action Congress would take to rectify the smallness. The essential point I wish to make is that the provision of the law containing the three-times rule, on which the present committee report primarily rests its argument for freezing the tax rates, does not in actual fact prescribe any specific reserve policy—full reserve or contingent reserve. In fact, these words do not appear in the law, and there is no agreement what those words mean.

Despite this fact the committee report—page 18, second paragraph, second sentence—appears to be promulgating a formal interpretation which would make the three-times rule agree with the views of those who now wish to freeze the tax, although that rule was written into the law only as a rule determining when certain reports shall be made to Congress by the board of trustees. The present committee report reads the following interpretation into the law:

Congress indicated that these contingent reserves are adequate whenever they exceed three times the highest cost of the system in any 1 of 5 subsequent years.

Through this statement the committee report actually undertakes to rewrite the whole financial basis of old-age and survivors' insurance by setting up what is not now in the Social Security Act, namely, a rule to determine when the

reserve is adequate in size. I submit that a change of this magnitude is a matter which should be debated and voted on by the Congress, on its merits, after adequate hearings and full debate. It should not be effectuated merely through a discursive phrase in a committee report on a general tax bill. Whether or not the committee amendment to the tax bill is adopted, it should be made perfectly clear by the Senate at this time that the attempt to rewrite the basic financial provisions of the insurance system by means of the committee report does not represent Senate action upon the matter.

In the last paragraph of the committee's statement on social-security taxes (page 19), the report states that it is obviously true that the new reserve policy which it reads into recent congressional actions on pay-roll taxes means that Congress obligates itself to make whatever subsidies are necessary to maintain the solvency of the trust fund. That this commitment is less obvious than the committee's statement implies is evident from the report by the same committee on the social-security amendments of 1939—report 734 of the Seventy-sixth Congress, first session. In its 1939 report the committee pointed out, on page 18, that if future pay-roll tax collections plus interest should prove insufficient to meet future annual expenditures for benefits, it would be necessary to increase the pay-roll tax or to make up the deficiency out of general taxes, or to do both. In other words, in 1939 the committee declared that there were three alternative ways—not one obvious way—of meeting a deficiency in social security revenues: First, through raising pay-roll taxes; second, through a Government subsidy; or, third, through both. The committee's 1943 report does not mention the possibility of increasing pay-roll taxes above the scheduled 3 percent if the freezing of rates in early years impairs the solvency of the fund: it says only that Congress is obviously obligated to provide a Government subsidy if one is needed. The disagreement between the 1939 and 1943 reports would indicate that an implicit congressional obligation to provide a subsidy was by no means so obviously intended as is now stated in the committee report.

If contribution rates are kept persistently below those originally scheduled, in direct conflict with the advice of agencies administering the program, the least that Congress should do now to protect the financial integrity of the system is to incorporate a provision in the Social Security Act itself, immediately and explicitly authorizing a Government subsidy. This would replace revenues lost to the fund through congressional action in scaling down the scheduled contributions. I assume that the Finance Committee would have no objection to such an amendment, since its report states that Congress has already obligated itself to provide subsidies. Such an amendment would ensure that the finances of the program would not be endangered by past and projected freezings of the tax rate. It would also

provide statutory recognition of the process which is actually taking place, namely, the process of shifting to future taxpayers most of the cost of benefits now being earned by present contributors. At the 1 percent rate, present contributors, together with their employers, are paying only a fraction of the full cost of their benefits. Congress should not adopt so imprudent a fiscal policy; but if it does, Congress should make sure that it is not adopted at the expense of future beneficiaries.

Mr. President, I come to another aspect of this subsidy question. I wish to refer to a section of the committee report which makes a serious factual blunder, one which is so large and so serious as to suggest that this entire section of the committee report must have been hastily prepared and inadequately considered. Perhaps this can be explained for us by the distinguished chairman of the committee, or by the Senator from Michigan, who has been the most active Member of the Senate in pressing for the pay-roll-tax freeze.

On page 19, in the last paragraph of the section on pay-roll taxes, the committee report declares that it makes no difference to the taxpayer whether one and one-half billion dollars is appropriated to pay interest on the investments of a reserve fund, or whether one and one-half billion dollars is directly appropriated as a Government subsidy to the old-age and survivors' insurance system. I shall show that it makes a very great difference. In fact, it makes a difference of precisely one and one-half billion dollars. Let me explain this very important point.

The committee report uses two illustrations. It assumes in one case that there is no old-age reserve, and in the other case that there is a reserve of \$50,000,000,000 in Government securities. At a 3-percent rate of interest, the interest earnings of \$50,000,000,000 are one and one-half billion dollars a year. Therefore, if there were a reserve of \$50,000,000,000 invested in Government securities, the taxpayers would provide the Treasury with one and one-half billion dollars a year to pay the interest. And this one and one-half billion would go to the insurance system to help pay the benefit disbursements as they come due each year. If there were no reserve, the insurance system could get a subsidy of the same amount by the taxpayer paying one and one-half billion dollars in taxes to finance a direct subsidy. Up to this point, and only up to this point in the analysis, the committee report is correct. But beyond this, the report commits a serious error. It overlooks an essential point.

The committee report completely forgets or ignores that if there is a reserve of \$50,000,000,000 in the trust fund, the Treasury has had the use of that \$50,000,000,000 invested in Government securities, and that that is \$50,000,000,000 which the Treasury did not need to borrow from other sources. In other words, if there is this reserve fund, the rest of the public debt is just that much less than it would otherwise have been.

The interest obligation on the public debt, other than the trust fund, is therefore one and one-half billion dollars less than it would have been if there were not this reserve in the trust fund.

On the other hand, if there is not this reserve fund, the rest of the public debt would be \$50,000,000,000 larger and there would be an additional interest obligation of \$1,500,000,000 on that additional public debt in the hands of the public.

We must keep in mind that the size of the total public debt depends on factors additional to the presence or absence of an old-age reserve, and that the total amount of the public debt will be approximately the same whether or not there is an old-age reserve. What is concerned here is how much of that public debt is owned by the old-age trust fund.

Now let me summarize. If there is no such reserve fund of \$50,000,000,000, taxpayers will have to pay out each year \$3,000,000,000—\$1,500,000,000 in interest to private holders of \$50,000,000,000 in Government securities, plus \$1,500,000,000 as a subsidy to the social-insurance system. If there is such a reserve fund, taxpayers will have to pay only the interest on that \$50,000,000,000 to the credit of the insurance trust fund, which is only \$1,500,000,000 a year. The difference between \$3,000,000,000 a year and \$1,500,000,000 a year, or \$1,500,000,000 a year, is what the paragraph on page 19 of the committee report dismisses as something which makes no difference. Yet it must be clear on careful inspection that the taxpayers' burden will be double if they pay in the form of a Government subsidy. It will make a great difference—at least to taxpayers—which policy is followed, whether a reserve is or is not built up.

I have taken some time to explain this point in detail, because it shows how serious and how far reaching are the changes proposed in the committee report in its defense of "freezing" the pay-roll tax. The mistakes made in the committee report are so serious that they deserve a full inspection and explanation. I repeat what I said earlier, namely, that I hope the chairman of the committee, or the Senator from Michigan, will address himself to this problem. I can only say that the fallacy to which I have called attention further confirms what I have said, that the pay-roll tax "freeze" has been inadequately considered, its full effects have not been realized, and the Senate should not accept the amendment proposed in title IX of the revenue bill now before us.

Next, I want to take up another point which follows logically. Objection has been raised in the past against a Government subsidy to the old-age and survivors' insurance system because the system covers only a limited fraction of the population. So long as coverage is limited, only part of the population would benefit from a direct Government subsidy, while the whole population would be taxed to finance such a subsidy. The limited coverage still exists, so that a Government subsidy is not wholly equitable. With each freezing of

the pay-roll tax rates, however, the likelihood that such a subsidy will be necessary in order to maintain the solvency of the system, becomes increasingly probable and imminent. Thus, freezing the tax rates contributes toward needing a subsidy, but a subsidy should be preceded by broadened coverage.

The obvious solution of this dilemma is to extend the coverage of the system now. Such extension has been widely urged, but no action has yet been taken. The bill (S. 1161) which the Senator from New York (Mr. WAGNER) and I have introduced, providing for a unified social-insurance system, would extend coverage to nearly all groups now excluded. Nearly everyone would be covered. Then there could be no objection to a Government subsidy, because all workers as well as all business and the entire nation would be benefiting from the insurance system. The interrelationship between tax rates, Government subsidy, and coverage is evident. Because of this interrelationship and the importance of the issues involved, I believe that the only proper course for the Senate is to reject the committee amendment to the tax bill and to look forward to prompt consideration by the Finance Committee of the whole field of social-security legislation. This course would permit careful review of the underlying financial principles of the entire program. It would avoid inadequately considered changes in the present basic financial policy of the program through the mere medium of a short committee amendment tacked onto the end of a long tax bill and a few brief statements in a committee report. This committee amendment should be defeated.

I urge that, instead, the committee give full and comprehensive attention to the need for broad social-security legislation at the first proper occasion. The public has shown through many public-opinion polls that it wants such legislation and is prepared to pay for the benefits.

The PRESIDING OFFICER. The question before the Senate is on the adoption of the committee amendment inserting Title IX—Social Security Taxes.

Mr. BARKLEY. Mr. President, I wish very briefly to address myself to this amendment as one of the members of the Finance Committee who voted against its adoption in the committee.

I think that this is the third time the Congress has been asked to freeze the pay-roll tax. It has been done heretofore, at the beginning of 1943 and 1942. On one other occasion when the same proposal was before the Senate I expressed my doubt of its wisdom. I have graver doubt now of its wisdom than I have had heretofore.

I realize how attractive it is to freeze taxes; I realize that when taxes are not for war purposes, freezing them offers an attractive argument against further increases, no matter what the purpose of the taxation may be. But I think we must consider the basis of the social-security law and its purpose as wholly independent from war taxation. It is for that reason that the original act

passed in 1935 provided for a pay-roll tax, 1 percent to be paid by employers, 1 percent by employees, which was to be stepped up automatically until it reached the total of 6 percent, divided equally between employers and employees, with a view ultimately of creating a fund of some \$50,000,000,000, which, at the 3-percent rate provided for in the law, would yield one and one-half billion dollars a year for the benefit of those who had created the fund.

Of course, in passing that law the Congress of necessity had to take a longer view than any 5-year period which we could then contemplate or can now contemplate. I do not believe any 5-year period since the law was enacted, the present 5-year period or any imaginable 5-year period within the next few years, can be used as a yardstick or fair criterion for determining what this fund will ultimately need when the peak of these obligations has been reached.

Those who were responsible for the original enactment of the legislation held long hearings and made exhaustive investigations not only of the situation in the United States, but of the experiences of other countries in social-security legislation. The provisions of the act were largely based upon the accumulated experience of the world, including our own country, our States, and other nations in determining what sort of social-security legislation would be necessary to cover those who were taken into its folds.

We all realized then and I think we must still realize that as time goes on, notwithstanding any temporary interference or interruptions with the normal flow of manhood and womanhood who will ultimately be entitled to the benefits of this law we must all look forward to a larger number not only of those who will be entitled to the benefits of the fund as it may grow but those who will be covered by additional legislation and those who will be required under it to pay their proportion into the fund from which they will draw security payments in their old age. Therefore, I think that we must not be deluded by the present favorable situation, nor lured from the original purpose by it or by the comparatively small amount of benefits now being paid, into doing something that will jeopardize the stability of the fund and of the system in the years to come. The fact that the total outlay this year may amount to not more than one hundred and forty-nine or one hundred and fifty million dollars offers no reason why I by any thought I may utter should undertake to convince myself that because the outlay now is comparatively small we can overlook the long-term obligations which it seems to me we labor under in dealing with this entire social-security system.

One of the reasons why the outlay is small now is because men and women who would now be entitled to the benefits of it, either because they draw more in wages due to employment which is traceable to the war or because of a patriotic desire notwithstanding their age to do a duty for their country in the midst of war, are not claiming its benefits. Except for that situation, the

amount of money now being paid out annually would largely exceed the figures given by the Senator from Michigan [Mr. VANDENBERG].

There is a debatable question involved as to whether in 1939 by the change in the language of the act we really went from a full reserve system to a contingent reserve system. That has been assumed by interpretation, but there is nothing in the statute that refers to a full or contingent fund.

Specifically it made no difference, but by implication it did, because of the requirement that the Board should report, in addition to making its annual reports, whenever the fund was three times the amount of the outlay in any one year of the 5-year period. It might well be assumed that such a report would be for the information of the Congress. That did not automatically create a different sort of fund, or a new basis upon which the tax should be levied. That is a matter for lawyers to disagree about, however, and I happen to be one of those who do not accept the interpretation that that was intended by Congress automatically, without specifically saying so. It changed it from a full reserve to a contingent reserve system.

I would be the last man in the world to desire to create an enormous fund which was not needed, whether it were created by general taxation, or by the application of the pay-roll tax to employers and employees. Nor am I one of those who desire to create an enormous fund merely in order that the Treasury may use it in lieu of other revenue. We provided in the law that that might be done, but in the midst of a great war, not then anticipated, for which no provision was then made, which was not in contemplation when we provided that these funds might be used by the Treasury at a certain fixed rate of interest, I realize how attractive it is to have a large fund available at a rate fixed by Congress. But I would not, because of that, vote to increase the fund.

I have always believed that taxation should be levied for revenue purposes, and I have not been one of those who have felt very strongly in favor of levying a tax for some purpose other than the raising of money with which to conduct the Government of the United States or any of the political subdivisions in the United States. On the contrary, I would not vote against an increase of the fund merely because the Treasury could use it and wanted to use it instead of going out into the open market and borrowing money from private individuals or private institutions.

I base my position on the pending amendment on my strong feeling, if it is not even a conviction, that in the long run a very large fund will be necessary, when the present favorable circumstances and conditions may have terminated, when older men and women will no longer find it convenient or possible to work at the high rates of pay they receive, which they prefer to the benefits they would receive under the old-age subsistence provisions of the social-security law. I know that it is just as inevitable as that the sun will set tonight

and rise tomorrow that that condition will come about. We all know it, and we all know that the longer we go on as a government and as a people the more men and women are going to make use of this fund, and are going to be required to contribute to it. I think we must take a long-range view of conditions, not a short-range view.

In the report of the committee occurs this language, to which I agree:

The interest on \$50,000,000,000 at 3 percent is \$1,500,000,000 per annum.

I do not agree to this particular sentence:

It makes no difference to the taxpayer whether this \$1,500,000,000 is appropriated to pay the interest on \$50,000,000,000 of Government bonds in a reserve fund or whether it is a direct appropriation to the support of the old-age and survivors' system.

I presume it would make no difference to that portion of the taxpayers who are both paying taxes and making payroll contributions, but, as the Senator from Montana [Mr. MURRAY], has pointed out, it would make a considerable difference to those taxpayers who were not in the system, either as employers or employees, if they were required to contribute out of the general fund of taxation to the creation of a fund which should be in existence because of the payroll tax levied upon those involved on one side or the other, as employees or employers.

The committee proceeds:

It is obviously true that the change to the basis of contingent reserves, as contemplated by the amended statutes, that Congress obligates itself in the future to make whatever direct appropriations (in lieu of appropriations for interest on bonds in reserve) are necessary to maintain the full and complete solvency of the old-age and survivors benefits funds, because there could be no more solemn public trust.

I agree with the statement of the committee that if we should be short-sighted enough—and I think we would be if we adopted the pending amendment—to jeopardize the fund, so that in the years to come, in the long run, it would not be sufficient, it would be necessary to make up the difference by double taxation, because we cannot fail in our obligation and in our promise to the aged and the infirm, for whose benefit the law was originally enacted.

I certainly should not like to see the time come when we would have to go into the general funds of the Treasury, put there by general taxation, to make up a deficit created by our desire to relieve employers and employees now of an increase in the rate of tax, which automatically steps up 1 percent unless the pending amendment shall be agreed to. I do not believe we would render to industry or to the employees of industry any service by making it possible that we would have to make up a deficit in the fund later. We certainly would render no service to industry by relieving them now of this 1 percent of tax, and then later on be required to levy higher taxes upon them in order to make up the deficit we would create by the action proposed here today.

Mr. President, without taking further time of the Senate I may say that for the reasons I have stated I voted against the amendment in the committee, and I feel it my duty to vote against it in the Senate.

The Senator from Rhode Island [Mr. GREEN] and the Senator from Montana [Mr. MURRAY] have referred to editorials contained in certain large newspapers. Certainly those newspapers can fairly be said to represent the interests of business—the Wall Street Journal, of New York, the Washington Post, the Chicago Sun, and other newspapers, to mention only a few. None of them could be said to be unfair in their general policy toward business and industry, or to employees, or to labor. In my opinion they are fair journals. Since the Senate committee adopted the pending amendment, and even since the Senate extended the time by 60 days, under the resolution offered by the Senator from Michigan [Mr. VANDENBERG], these newspapers have expressed themselves editorially as convinced of the unwisdom of the policy. The editorials have already been ordered inserted in the RECORD on the request of the Senator from Rhode Island [Mr. GREEN].

In today's mail I received a letter addressed to me yesterday by Mr. A. J. Altmeyer, chairman of the Social Security Board, in which he goes into some detail in discussing the pending proposal. It is a full-page letter, which I shall not read, because the Senator from Montana covered most of the points outlined in it. I have merely mentioned them in a general way. But I think that for the RECORD, and in order that Congress may know the implications, and the results which are feared by the Social Security Board, which is charged with the responsibility of administering the law, the letter should go into the RECORD at this point, and I ask unanimous consent that it may be printed as a part of my remarks.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Is there objection?

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

FEDERAL SECURITY AGENCY,
SOCIAL SECURITY BOARD,
Washington, D. C., January 10, 1944.
HON. ALBEN W. BARKLEY,
United States Senate,
Washington 25, D. C.

DEAR SENATOR BARKLEY: I noticed from the newspapers that Senator GEORGE has announced that the first item of the 1943 revenue bill, which will be considered by the Senate, is the provision dealing with the so-called freezing of the present old-age and survivors insurance tax rate. I thought it might be helpful to you if I marked certain portions of the hearings before the Senate Committee on Finance which cover the essential facts and arguments. Therefore, you will find enclosed a marked copy of this document.

There is very little that I can add to the testimony I have already given before the Senate Finance Committee. However, it may be helpful if I summarize the situation as I see it:

1. Senator VANDENBERG contends that Congress amended the Social Security Act in 1939 to change "from the basis of a so-called full reserve to the basis of a contingent reserve."

However, there is nothing in the law itself relative to the amount or character of the reserve that is contemplated will be built up. The terms "full reserve" and "contingent reserve" are nowhere used or defined. Moreover, actuaries are not in agreement as to just what these terms mean. Therefore, there seems to be no advantage in arguing relative to terms that are undefined, indefinite, and somewhat charged with an emotional content.

2. Senator VANDENBERG further contends that when Congress amended the Social Security Act in 1939 to require the Board of Trustees of the Old-Age and Survivors Insurance Trust Fund to "report immediately to Congress whenever the Board of Trustees is of the opinion that during the ensuing 5 fiscal years the trust fund will exceed three times the highest annual expenditures anticipated during that 5-fiscal-year period," Congress indicated that "these contingent reserves are adequate whenever they exceed three times the highest cost of the system in any one of 5 subsequent years." However, Congress also instructed the Board of Trustees to submit "a statement of the actuarial status of the trust fund." Senator VANDENBERG is under the impression that what he considers to be the congressional judgment is supported by the report of the Advisory Council on Social Security in 1939. However, this Advisory Council did not recommend any specific yardstick. In fact, the Chairman of the Advisory Council on Social Security, in the testimony which he gave in 1939, warned against the danger of applying any yardstick rigidly during the first few years of the operation of the system.

3. The abnormal situation as regards contributions and benefit payments brought about by the advent of the war emphasizes the hazard of basing any conclusion as regards the long-range financing of this system upon such a short-range basis as 5 years. The increased liabilities due to the fact that benefits are geared to past wages, which will include the unusually high level and highly paid wartime employment, will extend for many years beyond the immediate 5-year period. All actuarial calculations indicate a steeply increasing annual cost for many years to come. These eventual annual disbursements will probably be from 15 to 20 times their present annual rate. Expressed as a percentage of pay roll, these annual costs may range from 7½ percent to 12½ percent. Under certain assumptions the level annual cost has been estimated to be 7 percent of pay rolls. On this basis there would already exist a deficit of nearly \$13,500,000,000.

4. The chief reason why a graduated schedule of contribution rates was incorporated in the 1935 Social Security Act was to permit the ultimate contribution rate to become effective gradually, and thereby give employees, employers, and the economy generally an opportunity to become adjusted to the changes. The automatic step-up has already been postponed twice. These postponements have already had the effect of substituting uncertainty for certainty, which should be an essential characteristic of social insurance. If we once again depart from the original schedule of contributions at a time when ability to make these contributions is at a maximum, we greatly increase that uncertainty. Usually when the time comes to increase taxes, many reasons are advanced as to why the imposition of additional taxes is unwise. But in this case there will never be a better time than the present when the beneficiaries are able to pay and are willing to pay because they realize they are getting their money's worth.

5. It is only equitable that persons retiring during these early years should contribute more than they are now contributing, since the actuarial value of their benefits is very many times the value of their contributions.

For example, a single individual who contributes for 10 years to the system and at the maximum salary taxable under the law (\$250 per month) might have obtained from a commercial insurance company an annuity of \$2 per month with his own contributions, whereas this law entitles him to a benefit of \$44 per month—or 22 times the amount purchasable from an insurance company of his own contributions (S. Rept. 734, 76th Cong., p. 16). A married man might be entitled to \$66 per month, or 33 times the value of his own contributions.

6. It is most important that contributors who will not receive benefits until after many years have elapsed shall not be treated inequitably because of failure to charge reasonably adequate rates in the early years of the system. It is a mathematical certainty that the longer the present pay-roll tax rate remains in effect the higher the future pay-roll tax rate must be if the old-age and survivors insurance system continues to be financed wholly by pay-roll taxes. Therefore, the indefinite continuation of the present contribution rate (assuming a self-sustaining system, the costs of which are shared equally by the employees and employers) will eventually necessitate raising the employee's contribution rate later to a point where future beneficiaries will be obliged to pay more for their benefits than if they obtained this insurance from a private insurance company. Consequently, from the standpoint of equity, as well as from the standpoint of financial soundness, it is essential that the automatic increase in the contribution rate be permitted to go into effect.

Retaining the present rate creates a moral obligation on the part of Congress to provide a Government subsidy later on to the extent necessary to avoid levying inequitably high pay-roll tax rates in the future. It appears that the Senate Finance Committee undertakes to recognize this responsibility in the following statement appearing in its report (p. 19): "It is obviously true that (sic) the change to the basis of contingent reserves, as contemplated by the amended statutes, that Congress obligates itself in the future to make whatever direct appropriations (in lieu of appropriations for interest on bonds in reserve) are necessary to maintain the full and complete solvency of the old-age and survivors benefits funds, because there could be no more solemn public trust. This is inherent in the decision made by Congress in 1939." However, it is doubtful whether this conclusion is "inherent in the decision made by Congress in 1939," since the report of the Senate Finance Committee in 1939 (p. 18) specifically recognized three possibilities as follows: "If future annual pay-roll tax collections plus available interest are insufficient to meet future annual benefits it will be necessary, in order to pay the promised benefits, to increase the pay-roll tax or provide for the deficiency out of other general taxes, or do both." There is a further possibility which was not mentioned and that is a reduction in the benefits promised. Therefore, it is essential that the law itself specify how the insurance system shall be financed in the event that the pay-roll contribution rates, which reach a maximum of 3 percent each on employers and employees in 1949, are inadequate to finance the benefits promised.

7. The Senate Finance Committee report contains the surprising statement that "It makes no difference to the taxpayer whether this \$1,500,000,000 is appropriated to pay the interest on \$50,000,000,000 of Government bonds in a reserve fund or whether it is a direct appropriation to the support of the old-age and survivors system." This indicates the basic misunderstanding which I believe exists. With no reserve funds the taxpayers would be required to pay \$1,500,000,000 subsidy to the old-age and survivors

insurance system and also be required to pay \$1,500,000,000 interest to private investors on securities held by them instead of by the Old-Age and Survivors Insurance Trust Fund. With a \$50,000,000,000 reserve fund the taxpayers would pay only \$1,500,000,000 into the Old-Age and Survivors Insurance Trust Fund in the form of interest on the securities held by it. Therefore, without a reserve fund the taxpayers' burden would be exactly double. I attempted to present this explanation a little more fully in a letter which I wrote Senator VANDENBERG under date of August 27 and which he inserted in the CONGRESSIONAL RECORD of September 14, 1943. A marked copy of this letter is enclosed. But even though this explanation is completely rejected, there can be no escaping the fact that in this present calendar year of 1944 the Federal Government, which must pay these social-insurance benefits, will actually receive \$1,400,000,000 less in contributions if the automatic step-up is not permitted to go into effect.

As you may know, both the American Federation of Labor and the Congress of Industrial Organizations have urged that the increase in the contribution rate be permitted to go into effect (pp. 53-54 of the hearings before the Senate Finance Committee). It is also interesting to note that three leading newspapers which previously advocated freezing the rate now advocate that the automatic increase be permitted to take effect. These are the Wall Street Journal, the New York Times, and the Washington Post. Copies of the editorials appearing in these papers are enclosed.

If there is any further information I can furnish you, I shall of course be only too glad to do so.

Sincerely yours,

A. J. ALTMAYER,
Chairman.

Mr. VANDENBERG. Mr. President, I think probably this concludes the debate. I ask for the yeas and nays on the pending amendment, and if they are ordered, I shall suggest the absence of a quorum. The yeas and nays were ordered.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

Aiken	Green	Revercomb
Andrews	Guffey	Reynolds
Austin	Gurney	Scruggam
Ball	Hatch	Shipstead
Barkley	Hawkes	Stewart
Brewster	Hayden	Taft
Bridges	Hill	Thomas, Idaho
Buck	Holman	Thomas, Utah
Burton	Johnson, Colo.	Tobey
Bushfield	Kilgore	Tunnell
Byrd	La Follette	Tydings
Capper	Langer	Vandenberg
Caraway	Lodge	Van Nuys
Chavez	Lucas	Walsh, Mass.
Clark, Mo.	Maloney	Walsh, N. J.
Connally	Maybank	Wheeler
Davis	Millikin	Wherry
Downey	Murray	White
Eastland	O'Daniel	Wiley
Ferguson	Overton	Willis
George	Pepper	Wilson
Gerry	Reed	

The PRESIDING OFFICER. Sixty-five Senators having answered to their names, a quorum is present.

Mr. GEORGE. Mr. President, I do not wish to take any time at all, but I should make a personal statement regarding the pending matter. In committee I did not favor freezing the social-security pay-roll tax, but nevertheless

I feel bound by the vote of the majority of the committee, because the judgment of the committee was overwhelmingly against that view. I did not oppose the freezing of the tax for any of the reasons or any of the fears advanced. I am satisfied in my own mind that there is no reason for the automatic step-up of this tax for the next 12 months. The period is short. If at the end of this year there is a necessity for stepping up the tax or for increasing it, of course that can be done.

Mr. President, I have only one view about the social-security matter. I am profoundly convinced that social security should stand on its own basis, that funds raised for social-security purposes should be kept intact, and that the integrity of those funds should be absolutely preserved.

This tax is a hard one. It seems easy, but in fact it is a hard tax. It is a capital tax. It is a tax which the employer must pay and which the worker must pay, whether they are making money or whether they are running in the red. It is a difficult tax so far as competitive conditions between all competitors in the same lines are concerned.

It is true that the same tax falls on everyone in proportion to the number of workers and the pay received by workers, but the tax is essentially a capital tax. Perhaps under these conditions we do not worry about it so much, but I have known a great many persons who have paid this tax out of their capital since the system has been inaugurated.

I think there is a strong view for a Federally supported social-security system, in part at least, so that the tax will not become so burdensome upon borderline employers and upon employees whose income represents a bare subsistence level. I thought it perhaps would be wiser not to freeze this tax again this year, on the one, sole ground that to a slight extent the increased tax would reduce purchasing power and, in view of the concern about inflation, that the siphoning-off of the sum represented by the tax would amount to at least the diminution by a little bit of the water in the pail. It was on that theory that I thought we would be unwise to freeze the tax at the present rate, nevertheless I did not take that position because of any of the reasons stated and presented by other Senators in the debate today. I say this with all due respect to those who have presented them.

Solely because in committee I voted the other way, but feel compelled to vote now with a very clear majority of the committee on this particular issue, I wished to offer this explanatory statement.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment inserting on page 189 new title pertaining to the Social Security Tax. 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. DAVIS (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. CHANDLER]. I do not know how he would vote on this question. I transfer that pair to the junior Senator from Illinois [Mr. BROOKS] who would vote as I intend to vote. I am therefore at liberty to vote, and vote "yea."

Mr. REED (when his name was called). I have a general pair with the Senator from New York [Mr. WAGNER]. I transfer that pair to the Senator from North Dakota [Mr. NYE] and will vote. I vote "yea."

The roll call was concluded.

Mr. BARKLEY. The Senator from Georgia [Mr. RUSSELL] desired to be recorded in the negative. He has been unavoidably called from the Chamber. I make that announcement in his behalf.

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Missouri [Mr. TRUMAN] and the Senator from Washington [Mr. WALLGREN] are absent on official business for the Special Committee to Investigate the National Defense Program.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Wyoming [Mr. O'MAHONEY] are detained in Government departments on matters pertaining to their respective States.

The Senator from North Carolina [Mr. BAILEY], the Senator from Alabama [Mr. BANKHEAD], the Senator from Mississippi [Mr. BILBO], the Senator from Washington [Mr. BONE], the Senator from Kentucky [Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], the Senator from Louisiana [Mr. ELLENDER], the Senator from Iowa [Mr. GILLETTE], the Senator from Nevada [Mr. McCARRAN], the Senator from Arizona [Mr. MCFARLAND], the Senator from Tennessee [Mr. McKELLAR], the Senators from New York [Mr. MEAD and Mr. WAGNER], the Senator from South Carolina [Mr. SMITH], and the Senator from Oklahoma [Mr. THOMAS] are necessarily absent. I am advised that if present and voting, the Senators from New York would vote "nay."

The Senator from Washington [Mr. BONE] is paired with the Senator from Nebraska [Mr. BUTLER]. I am advised that if present and voting, the Senator from Washington would vote "nay," and the Senator from Nebraska would vote "yea."

The Senator from Maryland [Mr. RADCLIFFE], who is detained on public business, is paired with the Senator from Nevada [Mr. McCARRAN]. I am advised that if present and voting, the Senator from Maryland would vote "yea," and the Senator from Nevada would vote "nay."

The Senator from Utah [Mr. MURDOCK], who is detained in one of the Government departments on matters pertaining to the State of Utah, is paired with the Senator from Wyoming [Mr. ROBERTSON]. I am advised that if present and voting, the Senator from Utah would vote "nay," and the Senator from Wyoming would vote "yea."

Mr. WHITE. The Senator from Oregon [Mr. McNARY] is absent because of illness.

The Senator from Illinois [Mr. BROOKS], the Senator from North Dakota [Mr. NYE], and the Senator from Wyoming [Mr. ROBERTSON] are necessarily absent. I am advised that if present they would vote "yea."

The Senator from Oklahoma [Mr. MOORE] is absent from the city attending hearings of a subcommittee of the Committee on Indian Affairs.

The Senator from Nebraska [Mr. BUTLER] is necessarily absent. If present he would vote "yea."

The result was announced—yeas 49, nays 16, as follows:

YEAS—49

Aiken	George	Taft
Andrews	Gerry	Thomas, Idaho
Austin	Gurney	Tobey
Ball	Hawkes	Tunnell
Brewster	Holman	Tydings
Bridges	Johnson, Colo.	Vandenberg
Buck	Lodge	Van Nuys
Burton	Lucas	Walsh, Mass.
Bushfield	McClellan	Walsh, N. J.
Byrd	Maybank	Wheeler
Capper	Millikin	Wherry
Caraway	O'Daniel	White
Clark, Mo.	Overton	Wiley
Connally	Reed	Willis
Davis	Revercomb	Wilson
Eastland	Reynolds	
Ferguson	Shipstead	

NAYS—16

Barkley	Hill	Pepper
Downey	Kilgore	Scruggam
Green	La Follette	Stewart
Guffey	Langer	Thomas, Utah
Hatch	Maloney	
Hayden	Murray	

NOT VOTING—31

Bailey	Gillette	O'Mahoney
Bankhead	Glass	Radcliffe
Bilbo	Johnson, Calif.	Robertson
Bone	McCarran	Russell
Brooks	McFarland	Smith
Butler	McKellar	Thomas, Okla.
Chandler	McNary	Truman
Chavez	Mead	Wagner
Clark, Idaho	Moore	Wallgren
Danaher	Murdock	
Ellender	Nye	

So the amendment was agreed to.

Mr. BARKLEY. Mr. President, I understand that the Senator from Georgia [Mr. GEORGE] does not care to continue with the consideration of the tax bill at this time, because of the lateness of the hour.

Mr. GEORGE. Mr. President, I had anticipated that this question would consume most of the afternoon. I stated to several Senators that we would not reach the consideration of other features of the bill until tomorrow.

Mr. BARKLEY. That is satisfactory.

Mr. GEORGE. I should be very glad to suspend at this time.

CONSTRUCTION OF CERTAIN PUBLIC WORKS BY THE NAVY

Mr. BARKLEY. Mr. President, the Senator from Massachusetts [Mr. WALSH] is very anxious to have a certain bill considered. I suggest that he ask that the unfinished business be temporarily laid aside.

Mr. WALSH of Massachusetts. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to

the consideration of House bill 3741, Calendar No. 631.

Mr. WHITE. Mr. President, reserving the right to object, may I ask what the bill is?

Mr. WALSH of Massachusetts. It is Calendar No. 631, House bill 3741.

Mr. WHITE. That does not identify it to me. Will the Senator explain what it is?

Mr. WALSH of Massachusetts. Certainly. This is the bill which I tried to have passed on the last day of the session in December.

Mr. WHITE. Is this the bill to which I objected on the last day of the previous session?

Mr. WALSH of Massachusetts. It is. The Senator objected because it was understood that no business would be transacted on that day. The bill would authorize the Secretary of the Navy to proceed with the construction of certain public works.

Mr. WHITE. So far as I know, no Senator on this side of the aisle is opposed to the bill, and I have no objection to its consideration.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 3741) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Naval Affairs, with amendments, on page 2, line 3, after the word "facilities", to strike out "\$27,000,000" and insert "\$50,000,000"; at the end of line 3, to strike out "\$20,000,000" and insert "\$23,000,000"; at the end of line 4, to strike out "\$72,000,000" and insert "\$92,000,000"; at the beginning of line 8, to strike out "\$14,000,000" and insert "\$4,000,000"; and in line 12, after the word "exceed", to strike out "\$235,060,000" and insert "\$271,060,000."

The amendments were agreed to.

Mr. WALSH of Massachusetts. On behalf of the committee, I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Massachusetts will be stated.

The CHIEF CLERK. On page 2, line 16, after the word "acquisitions", it is proposed to change the period to a colon and insert "And provided further, That the Secretary of the Navy is hereby authorized to enter into contracts under the appropriation 'Public Works, Bureau of Yards and Docks' for public-works equipment, materials, and construction, including collateral public-works items, to the extent of the total cost hereby authorized and without regard to the provisions of section 3709, Revised Statutes."

Mr. WALSH of Massachusetts. This amendment would give the Department

permission to enter into contracts pending the appropriation being made.

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

Mr. WALSH of Massachusetts. I yield.

Mr. WHITE. Is this a committee amendment?

Mr. WALSH of Massachusetts. It is, and it was unanimously agreed to by the committee. It is the result of a letter from Admiral Horne, Acting Secretary of the Navy, to the committee, which I shall read into the RECORD:

Hon. DAVID I. WALSH,
Chairman of the Committee
on Naval Affairs,
United States Senate.

MY DEAR MR. CHAIRMAN: The bill (H. R. 3741) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes, was reported out by your committee on 18 December, 1943, with certain amendments.

The prospective adjournment of Congress, together with other developments, make it imperative that the Navy Department obtain contract authority for the full amount of the authorization contained in the bill (H. R. 3741) prior to the adjournment of Congress.

Though this letter was written prior to the adjournment of Congress, that statement is still applicable.

Continuing with the letter:

The Bureau of the Budget has cleared the request of the Navy Department to submit to the Senate Naval Affairs Committee, for possible inclusion in H. R. 3741, a provision which will grant the necessary contract authority. Accordingly, it is requested that your committee offer an amendment to the bill H. R. 3741 which will include the provision as cleared by the Budget. It is recommended that the amendment read as follows:

"At the end of section 1, change the period to a colon and add the following:

"And provided further, That the Secretary of the Navy is hereby authorized to enter into contracts under the appropriation 'Public Works, Bureau of Yards and Docks' for public-works equipment, materials, and construction, including collateral public-works

items, to the extent of the total cost hereby authorized and without regard to the provisions of section 3709, Revised Statutes."

Sincerely yours,

F. J. HORNE,

Acting Secretary of the Navy.

In this connection, I ask that the report of the committee be printed in the RECORD.

There being no objection, the report (No. 621) was ordered to be printed in the RECORD, as follows:

The Committee on Naval Affairs, to whom was referred the bill (H. R. 3741) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The purpose of the bill, as amended by the committee, is to authorize the appropriation of \$271,060,000 for the establishment or development of naval shore activities by the construction of such temporary or permanent public works as the Secretary of the Navy may consider necessary, including buildings, facilities, accessories, and services, with which shall be included the authority to acquire the necessary land.

The bill provides that the approximate cost indicated for each category may, in the discretion of the Secretary of the Navy, be varied upward or downward but that the total cost shall not exceed \$271,060,000. This flexibility is deemed necessary in order to permit the Navy Department to make changes in its construction program as the military situation changes.

The bill also provides that prior to the acquisition, by lease or otherwise, of any land under authority of this act, the Secretary of the Navy shall report to the Senate and House Naval Affairs Committees all such prospective acquisitions.

The bill as originally introduced authorized an appropriation of \$200,000,000. This amount was increased by the House of Representatives to \$235,060,000. The Senate committee increased the amount authorized to be approved under three headings and reduced the amount under one heading. The original amount, the increases, the decreases, and the total now authorized to be appropriated, are as follows:

	Original bill	Changes made by the House of Representatives	Changes made by the Senate committee	Total now authorized
Fleet facilities.....	\$4,000,000			\$4,000,000
Aviation facilities.....	25,000,000	+\$2,000,000	+\$23,000,000	50,000,000
Storage facilities.....	20,000,000		+3,000,000	23,000,000
Ordnance facilities.....	60,000,000	+12,000,000	+20,000,000	92,000,000
Personnel training and housing facilities.....	\$1,200,000	+11,060,000		12,260,000
Shore radio facilities.....	5,000,000			5,000,000
Naval Research Laboratory.....	800,000			800,000
Miscellaneous structures.....	4,000,000	+10,000,000	-10,000,000	4,000,000
Total.....	200,000,000	+35,060,000	+36,000,000	271,060,000

The necessity for the additional appropriations is explained as follows:

FLEET FACILITIES

The \$4,000,000 authorized for fleet facilities will be used for the expansion of amphibious training facilities at points selected by the Navy Department on the east, west, or Gulf coasts of the United States. With the increase in amphibious warfare, training facilities must keep pace with the augmented program and it is therefore considered essential that additional facilities to the extent requested by the Navy Department be allowed at this time.

AVIATION FACILITIES

Additional aviation shore facilities required by the Navy Department during the remainder of the fiscal year 1944 are estimated to cost \$50,000,000. This increase over the funds made available in the Naval Appropriation Act for the fiscal year 1944 is required for the following purposes:

(a) To make general increases in personnel facilities at various stations to permit a greater degree of mobility of fleet units. Experience has shown that capacities somewhat in excess of minimum theoretical requirements are necessary to provide for sudden

changes of station by fleet units in accordance with tactical requirements.

(b) To make general increases in basic facilities required as a result of increased plane complements and sizes, training devices, etc.

(c) To improve runways and taxiways to accommodate the later types of heavy planes.

(d) To provide facilities for training of personnel and the maintenance and repair of equipment, in connection with new developments in naval aviation.

It is expected that \$27,000,000 of the funds authorized will be expended as follows:

Expansion of naval air stations and facilities to support fleet and sea frontier forces:	
North Atlantic area.....	\$940,000
Middle Atlantic area.....	3,050,000
South Atlantic area.....	290,000
West coast area.....	10,984,000
Total.....	15,264,000
Expansion of naval air stations and facilities for training:	
Naval Air Primary Training Command.....	
Command.....	1,808,500
Naval Air Intermediate Training Command.....	
Command.....	2,261,000
Naval Air Operational Training Command.....	
Command.....	2,510,000
Total.....	6,579,500
Expansion of naval air stations and facilities for Naval Air Transport Service terminals....	
.....	2,156,500
Expansion of naval air stations and facilities pertaining to material development, flight test and aircraft delivery units..	
.....	3,000,000
Total.....	27,000,000

The additional \$2,000,000 authorized by the House of Representatives will be used to construct additional facilities for the naval air transport service at or near Alameda, Calif., to meet the rapidly increasing demand for facilities to handle the large increase in naval air-transport operations.

The necessity for the additional \$23,000,000 authorized by the Senate Committee on Naval Affairs is explained in the following letter, dated December 17, 1943, from the Secretary of the Navy to the chairman, Senate Committee on Naval Affairs:

NAVY DEPARTMENT,
Washington, December 17, 1943.

Hon. DAVID I. WALSH,
Chairman of the Committee on Naval Affairs, United States Senate.

MY DEAR MR. CHAIRMAN: On November 26, 1943, a letter was addressed to you by the Acting Secretary of the Navy, enclosing a copy of a letter that was forwarded to the Speaker of the House of Representatives together with a copy of a proposed bill to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes.

This proposed bill was introduced in the House of Representatives on November 26, 1943, as H. R. 3741, which bill was reported out by the Committee on Naval Affairs of the House of Representatives, on December 3, 1943, and was passed by the House on December 10, 1943, with amendments increasing the amount authorized for certain items contained in the bill, including one of \$25,000,000 for aviation facilities which was increased to \$27,000,000.

As the result of exhaustive studies of the aviation facilities requirements for the remainder of the fiscal year completed subsequent to the submission of the proposal for the authorizing legislation to the Bureau of the Budget, additional determinations as to the aeronautical program of the Navy Depart-

ment have been made. The now known requirements for urgent projects indicate that additional authorization in the amount of \$23,000,000 is required. An itemized statement of the additional requirements is appended hereto.

These requirements were submitted to the Bureau of the Budget, which has informed the Navy Department that there would be no objection to the increased authorization of \$23,000,000 for aviation facilities.

It is, therefore, requested that your committee recommend amendment of the bill H. R. 3741, increasing the item for aviation facilities by \$23,000,000 and the total amount authorized in the bill by the same amount.

Sincerely yours,

FRANK KNOX.

It is expected that the additional funds authorized by the Senate committee will be expended as follows:

North Atlantic area.....	\$405,000
Middle Atlantic area.....	6,865,000
South Atlantic area.....	100,000
West coast area.....	4,546,600
Naval air primary training.....	860,000
Naval air intermediate training..	455,000
Naval air operational training....	1,923,000
Additional aviation facilities pertaining to the material development, flight test, and aircraft delivery units.....	7,845,400
Total.....	23,000,000

STORAGE FACILITIES

At the present time there are in the Navy Department projects amounting to \$23,000,000 for the development of additional storage facilities to meet the increased requirements for storage space for general stores in all categories. The Navy Department estimates that during the remainder of this fiscal year additional authorization is required for this \$23,000,000 in public-works construction to meet present anticipated demands. The work involves expansion in 16 localities and consists of additional storehouses and miscellaneous improvements and extensions.

The Senate committee authorized an expenditure of \$3,000,000 for additional storage facilities at six different locations in the United States. These funds will be expended for the construction of storehouses, transit sheds, roads, railroad trackage, and other services of this nature.

ORDNANCE FACILITIES

In recommending \$92,000,000 for ordnance storage facilities, the Navy Department has been guided by the necessity for economy in its considerations of additional public-works construction, but is, nevertheless, cognizant of the fact that additional ordnance testing facilities, storage facilities, and reserve facilities are essential to keep pace with the development of new weapons. The principal items included in the Navy Department's request are three shipping depots on the west coast to relieve the shortage in this type of facilities, additional ordnance testing and reserve facilities at seven locations, expansion of ammunition storage facilities at five locations, additional housing facilities for ordnance battalions at various locations, and additional ammunition loading facilities at existing depots. The amount requested by the Navy Department for the above facilities is \$72,000,000.

The additional \$12,000,000 authorized by the House is required for the establishment of shipping facilities in the Puget Sound area to relieve the extremely hazardous condition now existing in the heart of the city of Seattle where high explosives to a large degree are being handled through the congested water front of the city of Seattle.

The funds will be employed in the construction of an extension of the railroad from Shelton, Wash., to the vicinity of the Bremerton Navy Yard, a distance of approximately 32 miles, and the development of shipping facilities in the near vicinity to relieve the hazardous condition now existing.

The Senate committee authorized an additional \$20,000,000 to reimburse other bureaus whose funds were temporarily diverted to finance urgently required ordnance facilities. The committee was informed that the Navy Department had used the latitude authorized in the act of March 26, 1943, to proceed with the construction of \$20,000,000 worth of work for the Bureau of Ordnance by withholding a similar amount from other categories. The Navy Department did not recommend to the Congress that this amount be included in the present bill when it was originally sent to the Congress for approval, as it was under the impression that these additional funds could be appropriated by the Congress without any additional authorizations. However, the Bureau of the Budget has informed the Navy Department that it will not entertain a request for an additional appropriation and has advised the Navy Department to seek reauthorization of this amount.

The committee therefore recommends an increase of \$20,000,000 in the amount authorized to be appropriated under the heading of "Ordnance facilities."

PERSONNEL TRAINING AND HOUSING FACILITIES

The funds requested by the Navy Department for this Bureau include housing and training facilities for 55,000 men on the west coast divided between the eleventh, twelfth, and thirteenth naval districts to accommodate the increased movement of men being dispatched to the west coast for replacement crews and to provide housing for those men being returned from combat areas; training facilities for armed guard crews; anti-aircraft training, radar training, and advanced training for Diesel engineering, etc., and expansion of the existing naval training stations to provide facilities removed from east coast training stations which are being developed as operational training stations; welfare recreational and physical training facilities and chapels. In addition to the above, the Navy Department is requesting \$36,533,000 to cover projects released by the Secretary of the Navy for the Bureau of Naval Personnel which were not specifically included in the original break-down of either the Supplemental Appropriation Act for the fiscal year 1943 or the Naval Appropriation Act for the fiscal year 1944. All of the projects within these funds requested were approved by the Secretary of the Navy in compliance with the provisions of the authorizing act of March 26, 1943, Public Law No. 19, Seventy-eighth Congress, which allowed the Secretary of the Navy leeway for increasing or decreasing the allocations for each specific bureau as the program of the war dictated. These funds were temporarily diverted from other bureau allocations to finance the urgently required projects for the Bureau of Naval Personnel and must now be reimbursed in order that their original program may be proceeded with.

The additional \$11,060,000 authorized by the House of Representatives will be used to provide additional housing facilities in the eleventh, twelfth, and thirteenth naval districts to meet the requirements imposed by the increased personnel being dispatched to the west coast for replacement crews of ships and to provide for the personnel being returned from the combat areas.

SHORE RADIO

The Navy Department has requested the sum of \$5,000,000 for expansion of existing radio installations and for the development of radio facilities at strategic points along the Atlantic and Pacific coasts for military

and combat intelligence. Included in the \$5,000,000 is a request for authorization of \$1,980,000 to cover projects released by the Secretary of the Navy which were not included in original appropriations as in the case of the Bureau of Naval Personnel quoted above. The additional new construction requested by the Navy Department under this heading is \$3,020,000.

NAVAL RESEARCH LABORATORY

Expansion at the Naval Research Laboratory, Anacostia, D. C., is requested by the Navy Department to provide for an aeronautical laboratory, miscellaneous laboratory facilities, and shore protection at the Naval Research Laboratory Annex at Randall Cliff, Md. The total amount requested by the Navy Department for the research laboratory is \$800,000.

MISCELLANEOUS STRUCTURES AND FACILITIES

These funds are requested by the Navy Department to provide for deficiencies in power supply and distribution, water supply and distribution, sewage and sanitary facilities, shore communication facilities, and miscellaneous structures at various naval activities. The funds requested by the Navy Department for this category of projects are \$4,000,000. Included in the miscellaneous facilities and structures stated above, the Navy Department is requesting funds in the amount of \$100,000 to comply with the requirements of H. R. 2886 providing for the removal of oysters from York River and replacing same in unpolluted waters in the vicinity.

The House of Representatives authorized an increase of \$10,000,000 under the heading "Miscellaneous structures and facilities" to provide access facilities to Terminal Island, San Pedro, Calif. The Senate committee is not convinced that these additional funds should be authorized for this purpose at the present time and has accordingly reduced the amount authorized to be appropriated under this heading to the original amount requested by the Navy Department, namely \$4,000,000.

The committee was furnished a complete break-down under each of the preceding headings and considered most carefully each item before giving its approval.

The following letter from the Secretary of the Navy, addressed to the Speaker of the House of Representatives, sets forth the views and recommendations of the Navy Department on this bill and is hereby made a part of this report:

NAVY DEPARTMENT,
Washington, November 26, 1943.

HON. SAM RAYBURN,

Speaker of the House of Representatives.

MY DEAR MR. SPEAKER: There is transmitted herewith a draft of a proposed bill to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes.

The purpose of this proposed bill is to provide authority for the construction of public works projects, including the authority to acquire necessary land to meet the demands of the various bureaus and offices of the Navy Department in carrying out their mission to advance the progress of the war. The various facilities and activities that are planned and the approximate amounts that it is estimated will be required for each are set forth in the proposed bill.

It has become apparent that additional authorization is necessary over that included in the authorization act of March 26, 1943, Public Law 19, Seventy-eighth Congress. The appropriations made pursuant to this authorization are rapidly becoming exhausted, and it is anticipated that the Navy

Department will be without public works funds by the end of this calendar year.

The ultimate cost to the Government of the enactment of the proposed legislation, if the expected appropriations are subsequently made, will be \$200,000,000.

The Navy Department recommends enactment of the proposed legislation.

The Navy Department has been advised by the Bureau of the Budget that there would be no objection to the submission of the proposed legislation to the Congress.

Sincerely yours,

JAMES FORRESTAL, Acting.

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

Mr. WALSH of Massachusetts. I yield.

Mr. WHITE. I have been asked whether the amendment which the Senator has just offered would permit the letting of contracts without competitive bidding.

Mr. WALSH of Massachusetts. The bill would, in the discretion of the Department.

Mr. SHIPSTEAD. Mr. President, is it not an unusual procedure to let such large contracts without competitive bidding?

Mr. WALSH of Massachusetts. The Navy Department already has authority, under existing law, to make such contracts as it deems necessary to expedite the construction of shore establishments, to which the bill relates. Various methods are used by the Navy Department in negotiating contracts, and the letting of contracts without first obtaining bids is resorted to only when competitive bidding is not feasible, such as contracts outside the United States. The general policy of the Navy Department today in all cases is to have competitive bidding if possible.

Mr. SHIPSTEAD. Is this bill limited in its scope? Does it involve a matter of time in which to advertise for bids?

Mr. WALSH of Massachusetts. The committee has been furnished with a break-down of the amounts which are asked for in the bill for the building of shore establishments of various kinds and descriptions all over the United States. From time to time the Navy Department presents a shore-establishment bill. As the Navy expands and enlarges, it becomes necessary to build additional storage houses, to build hangars when it is necessary to expand airports, and to build aviation, hospital, dock, ordnance, and other facilities of various kinds. Among other items provided for in this bill there is the building of radio facilities and chapels at naval establishments. It is the kind of bill which appears two or three times a year and does not come in at any stated time because the Navy desires to finish a particular line of public work and exhaust its authority to construct and build before taking up new projects.

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

Mr. WALSH of Massachusetts. I yield.

Mr. WHITE. As I understand, whatever authority would be given to ne-

gotiate and effectuate contracts without competitive bidding would be limited to the amounts carried in the bill.

Mr. WALSH of Massachusetts. Yes; and, also, it would be subject to the approval of the Appropriations Committee.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. WALSH] on behalf of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment. If there be no further amendment to be offered, the question 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. 3741) was read the third time and passed.

NOMINATIONS ON EXECUTIVE CALENDAR

Mr. BARKLEY. Mr. President, there are only three or four nominations on the Executive Calendar, and I ask unanimous consent that they be considered as in executive session.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the nominations on the Executive Calendar.

COLLECTOR OF INTERNAL REVENUE

The legislative clerk read the nomination of Denis W. Delaney to be collector of internal revenue for the district of Massachusetts.

Mr. WALSH of Massachusetts. I ask that the nomination be confirmed.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

THE MARINE CORPS—TEMPORARY SERVICE

The legislative clerk read the nomination of Col. William J. Wallace to be brigadier general.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Col. Thomas J. Cushman to be brigadier general.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

NOMINATION PASSED OVER

The legislative clerk read the nomination of Col. William P. T. Hill to be quartermaster of the Marine Corps, with the rank of brigadier general, for a period of 4 years from February 1, 1944.

Mr. BUSHFIELD. Mr. President, lying on my desk are a number of objections to the immediate confirmation of the nomination of Colonel Hill. Those objections came to me this morning, and I have not had an opportunity to look into them. I ask that the nomination be passed over for a day or two until I can look into it.

The PRESIDING OFFICER. Without objection, the nomination will be passed over.

Mr. BARKLEY. Mr. President, I ask that the President be immediately notified of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

Mr. WHITE. Mr. President, was the Hill nomination passed over?

The PRESIDING OFFICER. It was.

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 3 o'clock and 54 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, January 12, 1944, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 11, 1944:

COLLECTOR OF INTERNAL REVENUE

TO BE COLLECTOR OF INTERNAL REVENUE FOR THE DISTRICT OF MASSACHUSETTS

Denis W. Delaney

IN THE MARINE CORPS

TO BE BRIGADIER GENERALS, FOR TEMPORARY SERVICE

William J. Wallace
Thomas J. Cushman

HOUSE OF REPRESENTATIVES

TUESDAY, JANUARY 11, 1944

The House met at 12 o'clock noon.

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

Most merciful Father of mankind, as we have beating hearts which laugh and weep, we pray for Thy blessing to lift us above the corroding cares of urgent toil. Help us to cultivate those conditions in our lives out of which come spiritual knowledge and understanding. With a deep recognition of Thy relationship to us, may we seek to attain Thy fatherly presence in all our decisions. O Thou, in whose hands are all things—power to bring good out of evil, to make the sinful upright, and the selfish generous—take our weakness and mold it into Thy strength.

In the urgency of our country's need, arouse the soul of America to seek the very heights of honor and self-sacrifice. Grant that all forces enslaved in pride and arrogance may be united in the kinship of a common endeavor, a common purpose to overthrow a common enemy. Raise us up, looking forward with unconquerable chivalry, leaving nothing undone to maintain the grandeur of our free institutions. Let Thy words which fell from the inspired lips of Thy prophet surround every lonely fireside, every waiting soul, and every patriot in the civilian and armed forces:

When thou passeth through the waters, I will be nigh thee; and through the

rivers, they shall not overflow thee; when thou walkest through the fire thou shalt not be burned, neither shall the flame kindle upon thee, for I am the Lord thy God, the Holy One of Israel, thy Saviour.

In our Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

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

EXTENSION OF REMARKS

Mr. SABATH. Mr. Speaker, I ask unanimous consent that I may extend my remarks and insert a short editorial from the Washington Post in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to extend my remarks by including a speech I delivered over Station WHN, at a forum at which were present five of my colleagues from New York.

The SPEAKER. Is there objection?

There was no objection.

Mr. TOLAN. Mr. Speaker, I ask unanimous consent to extend my own remarks and include an article from the Albany Times.

The SPEAKER. Is there objection?

There was no objection.

Mr. WICKERSHAM. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in three brief instances.

The SPEAKER. Is there objection?

There was no objection.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an article entitled "No More Sanctuary."

The SPEAKER. Is there objection?

There was no objection.

POLITICAL OPINION OF MEMBERS OF THE ARMED FORCES

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

The SPEAKER. Is there objection?

There was no objection.

Mr. CELLER. Mr. Speaker, yesterday in Chicago, Republican National Chairman Harold E. Spangler boasted that he had asked four officers of our armed forces in England, four captains or lieutenants, to conduct a poll, a political poll, among our soldiers at the overseas bases, as to how they would vote for President. He also implied that he had similarly taken some sort of political poll in the Pacific area. I draw attention to the fact that the Articles of War in Circular No. 41, issued February 4, 1943, reads as follows:

Polls, ballots, or "straw votes" on opinion research other than those which have been authorized by the War Department will not be permitted among members of the Army of the United States.

I would say to the generous-minded the action of Mr. Spangler constituted a faux pas, but to the more critical and discriminating I would state it was a

stupid and egregious error. I do not think the episode should be overlooked or forgiven.

Mr. Spangler deserves condign criticism. I hope his colleagues will appropriately warn him and chastise him. We cannot allow such flagrant violations of Army regulations to go unnoticed. What right has he to induce Army officers to indulge in political activity, particularly in combat areas? His action was unpardonable and most reprehensible.

The SPEAKER. The time of the gentleman has expired.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection? There was no objection.

Mr. MARTIN of Massachusetts. My good friend from New York has just made a statement about some alleged sampling having been made by some Republicans to find out the sentiment of the soldiers. To make the record complete I want to read an article from the Associated Press, which was published in the Washington Post on December 27, 1943. Says this article:

The administration believes the Democrats will get 70 percent of the service vote in the 1944 election and so plans a determined drive in Congress next month for legislation to provide Federal supervision of the absentee balloting.

One high Democratic official said samples of sentiment had led the party organization to think that the service vote may be the determining factor in the Presidential race in such pivotal States as New York, Illinois, and California. Republicans disagree.

According to this Associated Press dispatch there must have been some sampling conducted by high Democratic officials, because they are quoting one of them. Therefore, apparently the Democratic Committee is not without blame, because apparently they were doing the same sampling. If we are to have an investigation let both sides be investigated, or, better still, let both sides drop it. An effort is being made to magnify a casual remark.

The SPEAKER. The time of the gentleman has expired.

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

The SPEAKER. Is there objection?

There was no objection.

Mr. McCORMACK. Mr. Speaker, the remarks made by Mr. Spangler, of course, are known as Spangler's flop. However, I think the suggestion made by the gentleman from Massachusetts [Mr. MARTIN] is best. So far as I am concerned, I am perfectly content to let the matter rest as it is and let the American public appraise the significance of Spangler's flop because certainly his statement is one that nobody can support, and one that no one can justifiably approve. On the other hand, it is probably best to let the matter rest in the judgment of the American people.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. McCORMACK. I yield.