5902. By Mr. PHILLIPS: Petition of W. M. Adair, and 488 other citizens requesting necessary action and endeavor in order to keep the Japanese and people of Japanese parentage, who have been removed from southern California, from returning; to the Committee on Military Affairs.

5903. By Mr. HALLECK: Petition of sundry citizens of Kosciusko County, Ind., in opposition to the May bill (H. R. 3947) providing universal military or naval tra ining for all male citizens; to the Committee on Military Affairs.

5904. Petition of sundry citizens of Milford, Ind., and vicinity, in opposition to the May bill (H. R. 3947) providing universal military or naval training for all male citizens; to the Committee on Military Affairs.

5905. By Mr. ROLPH: California Senate Resolution No. 28, relating to the market and price paid for newly produced gold; to the Committee on Banking and Currency.

5906. Also, California Senate Resolution No. 27, relating to continued deferment of boners in meat-packing industry; to the Committee on Military Affairs.

5907. Also, California Senate Joint Resolution No. 1 asking 160-acre limitation be removed in Central Valley; to the Committee on Flood Control.

SENATE

WEDNESDAY, JUNE 21, 1944

(Legislative day of Tuesday, May 9, 1944)

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

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

O God, whose spirit searcheth all things and whose love beareth all things, for this hallowed moment turning from our divisive loyalties and our party cries we would bow humbly in a unity of spirit, realizing our oneness in Thee. In the sincerity and truth with which we deeply desire to open our hearts to Thee, so we would broaden our sympathies with our brothers, Thy other children.

Forgive us for praying that Thy kingdom might come and then, by our own selfish stubbornness, barring the way when it has sought to come through us. Deliver us from the hypocrisy of giving lip service to the golden goals of Thy kingdom as if we looked for it without in others and not in our own hearts. Grant us a fundamental fealty to the common good, expressing itself in divergent attitudes and convictions which are the glory of our national heritage, yet putting above all partisan advantage the weal and welfare of the commonwealth to which we solemnly pledge our supreme allegiance. With the wrecks of nations which have broken Thy law of love smoking in ruins before our eyes, let the purifying stream of Thy mercy cleanse our national life lest our destruction be determined and we go the way of the nations that have forgotten God. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, June 20, 1944, was dispensed with, and the Journal was approved.

STATEMENT BY OLIVER LYTTELTON, BRITISH MINISTER OF PRODUCTION

Mr. LUCAS. Mr. President, from the time of our entry into the war and even before I supported measures on the floor of the Senate which I thought were helpful to the people of England in their struggle for liberty. At no time during this world crisis have I ever raised my voice against any military or naval strategy; neither have I joined issue with any man in the diplomatic corps or the Parliament or any man high in public life in England upon any statement that has been made. In fact, what I have said has always been in praise of the English people in their battle against tyranny.

But, Mr. President, sometimes circumstances alter all occasions. On last evening when I read in the press the statement made by Oliver Lyttelton, the British Minister of Production, I confess that I was not only shocked but greatly disappointed to learn that a man standing so high in the official life of Britain could make such a miserable mistake.

Oliver Lyttelton, in speaking before the Chamber of Commerce of America, said in his original remarks that—

> Japan was provoked into attacking the United States at Pearl Harbor. It is a travesty on history ever to say that America was forced into the war.

Mr. President, regardless of any correction or additional interpretation, regardless of the fact that Mr. Lyttelton may say that what he said was a matter of expression and not of intention, the original words will cling to all peace-loving Americans as one of the most incredible and stupefying statements that have been uttered by any man high in public life of the Allied Nations. Anyone who has the slightest knowledge of oriental history knows that Japan deliberately prepared herself for world conquest. She planned to attack this country and did, just as she planned to, and attacked other countries in the past. She knew that under no circumstances would we make unjustifiable concessions to her in the southwest Pacific and the Far East which might imperil our security in the years to come.

Had the statement of Mr. Lyttelton originated from the bureaus of Axis propaganda, we would have thought little or nothing of it. In fact, we might expect such utterances from radio Tokyo or radio Berlin. It is the job of the Axis propagandists to probe for a weak spot or a soft spot in American emotion. We all know that the only hope of the Nazis and the Japs is to divide and conquer. It is with the deepest regret that I am constrained to say that the statement made by Oliver Lyttelton strikes a hard blow at unity which is so vital to a complete and early victory. What Lyttelton said must have given Hitler and Tojo renewed hope in their desperate attempt to exploit what little discontent there is in this country over the progress and conduct of the war.

Mr. President, I commend the Secretary of State, Cordell Hull, for his rebuke of Lyttelton for the ugly slur that was placed against this Nation, but as a United States Senator I go even further: I say that those who have control of the British Government at this hour cannot afford to permit such an irresponsible character to continue in high public office for the good of the Allied cause. For the sake of continued unity, for the sake of continued success on the battlefields and on the sea lanes of the world, in the interest of saving the lives of American boys, the resignation of Lyttelton should be requested.

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. Maurer, one of its reading clerks, announced that the House had receded from its amendment to the bill (S. 1588) for the relief of the legal guardian of Eugene Holcomb, a minor.

The message also announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 2303. An act for the relief of O. W. James;

H. R. 2855. An act for the relief of the estate of John Buby;

H. R. 3102. An act for the relief of Mrs. Eva M. Delisle; and

H. R. 3661. An act for the relief of G. F. Allen, chief disbursing officer, Treasury Department, and for other purposes.

The message further announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 272. An act for the relief of Mrs. Vola Stroud Pokluda, Jesse M. Knowles, and the estate of Lee Stroud;

H. R. 1220. An act for the relief of Paul J. Campbell, the legal guardian of Paul M. Campbell, a minor; and

H. R. 4115. An act to give honorably discharged veterans, their widows, and the wives of disabled veterans, who themselves are not qualified, preference in employment where Federal funds are disbursed.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4183) making appropriations for the fiscal year ending June 30, 1945, for civil functions administered by the War Department, and for other purposes, and that the House receded from its disagreement to the amendment of the Senate numbered 7 to the bill, and concurred therein.

The message further announced that the House had receded from its disagreement to the amendment of the Senate numbered 10 to the bill (H. R. 4204) making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945,

and for other purposes, and concurred therein with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4679) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1945, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 39, 40, 41, 42, 82, 84, 88, 93, 94, 115, 169, 191, and 196 to the bill and concurred therein; that the House receded from its disagreement to the amendments of the Senate numbered 89, 116, 127, 128, 133, 138, 155, 202, and 203 to the bill and concurred therein severally with an amendment, in which it requested the concurrence of the Senate, and that the House receded from its disagreement to the amendments of the Senate numbered 156 and 166 to the bill and concurred therein each with amendments, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 1157) to amend section 61 of the National Defense Act of June 3, 1916, as amended, for the purpose of providing such training of State and Territorial military forces as is deemed necessary to enable them to execute their internal security responsibilities within their respective States and Territories, and it was signed by the Acting President pro tempore (Mr. GILLETTE).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

H. R. 4215. A bill to extend to the custodial-service employees of the Post Office Department certain benefits applicable to postal employees; with an amendment (Rept. No. 1000).

By Mr. HATCH, from the Committee on Public Lands and Surveys:

H. R. 3524. A bill to provide for the establishment of the Harpers Ferry National Monument; without amendment (Rept. No. 1001);

H. R. 4095. A bill confirming the claim of Robert Johnson and other heirs of Monroe Johnson to certain lands in the State of Mississippi, county of Adams; with an amendment (Rept. No. 1002); and

S. Res. 311. Resolution increasing the compensation of the temporary clerk to the Committee on Public Lands and Surveys; without amendment, and, under the rule, the resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

By Mr. GEORGE, from the Committee on Finance:

H. R. 4837. A bill to extend for an additional 2 years the suspension in part of the processing tax on coconut oil; with amendments (Rept. No. 1003); and

H. R. 4881. A bill to amend the Internal Revenue Code, the Narcotic Drug Import and Export Act, as amended, and the Tariff Act of 1930, as amended, to classify a new synthetic drug, and for other purposes; without amendment (Rept. No. 1004).

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

H. R. 4405. A bill to amend the act approved March 7, 1942 (56 Stat. 143), as amended (56 Stat. 1092; 50 App. U. S. C., Supp. III, 1001–1017, inclusive), so as to more specifically provide for pay, allotments, and administration pertaining to war casualties, and for other purposes; with amendments (Rept. No. 1005).

By Mr. WHERRY, from the Committee on Claims:

S. 1717. A bill for the relief of Luella F. Stewart; without amendment (Rept. No. 1006); and

S. 1995. A bill for the relief of Fred A. Dimler and Gwendolyn E. Dimler, his wife; without amendment (Rept. No. 1007).

By Mr. TUNNELL, from the Committee on Claims:

S. 1226. A bill for the relief of Charles T. Allen; with amendments (Rept. No. 1008);

H. R. 1963. A bill for the relief of G. H. Garner; with amendments (Rept. No. 1009);

H. R. 2965. A bill for the relief of Ross Engineering Co.; without amendment (Rept. No. 1010); and

H. R. 3929. A bill for the relief of Katherine Scherer; with an amendment (Rept. No. 1011).

By Mr. ROBERTSON, from the Committee on Claims:

H. R. 2151. A bill for the relief of Elizabeth Powers Long; without amendment (Rept. No. 1012);

H. R. 2333. A bill for the relief of Mrs. Samuel M. McLaughlin; without amendment (Rept. No. 1013);

H. R. 3481. A bill for the relief of J. William Ingram; without amendment (Rept. No. 1014); and

H. R. 4528. A bill for the relief of L. M. Feller Co. and Wendell C. Graus; without amendment (Rept. No. 1015).

By Mr. ELLENDER, from the Committee on Claims:

H. R. 2006. A bill for the relief of Mrs. Hagar Simpson, Mrs. Nat Price, Jr., and Griffin Bros. Clinic; with amendments (Rept. No. 1016);

H. R. 2530. A bill for the relief of John M. O'Connell; without amendment (Rept. No. 1017);

H. R. 3280. A bill for the relief of William Dyer; without amendment (Rept. No. 1018);

H. R. 3281. A bill for the relief of the estate of Nelson Hawkins; without amendment (Rept. No. 1019);

H. R. 3539. A bill for the relief of the estate of Carlos Pérez Avilés; without amendment (Rept. No. 1020);

H. R. 3586. A bill for the relief of Mrs. John Andrew Godwin; without amendment (Rept. No. 1021);

H. R. 3636. A bill for the relief of Josephine Guidoni; without amendment (Rept. No. 1022); and

H. R. 4197. A bill for the relief of Mr. and Mrs. John Cushman; without amendment (Rept. No. 1023).

By Mr. MALONEY (for Mr. WALSH of New Jersey), from the Committee on Commerce:

H. R. 4041. A bill to amend the act relating to the construction and maintenance of a bridge across the Missouri River at or near Nebraska City, Nebr.; without amendment (Rept. No. 1025).

By Mr. WALLGREN, from the Committee on Commerce:

H. R. 4935. A bill to provide for a study of multiple taxation of air commerce, and for other purposes; without amendment (Rept. No. 1026).

By Mr. THOMAS of Utah, from the Committee on Education and Labor:

H. R. 4624. A bill to consolidate and revise the laws relating to the Public Health Service, and for other purposes; with amendments (Rept. No. 1027).

ENROLLED BILLS PRESENTED

Mr. TRUMAN (for Mrs. CARAWAY), from the Committee on Enrolled Bills, reported that on June 19, 1944, that committee presented to the President of the United States the following enrolled bills:

S. 1479. An act providing for the suspension of certain requirements relating to work on tunnel sites; and

S. 1808. An act to authorize temporary appointment as officers in the Army of the United States of members of the Army Nurse Corps, female persons having the necessary qualifications for reappointments in such corps, female dietetic and physical therapy personnel of the Medical Department of the Army (exclusive of students and apprentices), and female persons having the necessary qualifications for appointment in such department as female dietetic or physical-therapy personnel, and for other purposes.

BILLS INTRODUCED

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

By Mr. LUCAS:

S. 2029. A bill to provide for the planning of rural electrification projects, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. EASTLAND (for Mr. McCARRAN):

S. 2030. A bill to improve the administration of justice by prescribing fair administrative procedure; to the Committee on the Judiciary.

By Mr. ELLENDER:

S. 2031. A bill for the relief of Lt. (T.) P. J. Voorhies; to the Committee on Claims.

POLITICAL ACTIVITIES AND FEDERAL CORRUPT PRACTICES ACTS (S. DOC. NO. 222)

Mr. GREEN. Mr. President, last March a special Senate committee was appointed to investigate the campaign expenditures of all the candidates for the office of President and Vice President of the United States in 1944. Such procedure was in accordance with a custom previously established. In accordance with such custom the committee has also issued a summary of existing legislation relating to political activities, especially contributions. A pamphlet has been prepared by the present committee, containing these laws, and a summary of them, which the committee asks to have printed as a Senate document, and therefore I ask unanimous consent that the pamphlet be so printed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MANPOWER IN THE WAR EFFORT

Mr. MAYBANK. Mr. President, recently, in connection with navy-yard operations and other manpower problems, there have been several visits to Washington by representatives of various unions and representatives of navy yards and other Government activities.

I ask unanimous consent to have printed in the RECORD a letter which the distinguished Secretary of the Navy has written to Mr. McNutt, Administrator of the War Manpower Commission. I may say that the letter has been sent to several of the committees.

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

THE SECRETARY OF THE NAVY,
Washington, June 12, 1944.

Hon. PAUL V. MCNUTT,
Administrator, War Manpower Commission, Washington, D. C.

DEAR PAUL: In this note I want to say two things:

1. Admiral Robinson tells me that your handling of the July 1 referrals under the War Manpower plan has been extremely well done. In view of the fact that you get rocks mostly, rather than roses, I want to take the opportunity of reporting this fact.

2. I have just been told also that Lawrence Appley is leaving, and I want to tell you how highly the services, and particularly the Navy, have valued his work. He has been consistently constructive and helpful, and his going will be a real loss.

In due course you will probably hear squawks and complaints, but I find that the record of those is more or less automatic, whereas we frequently fail to take note of the things well done. This is a minor effort in that direction.

Sincerely yours,

JAMES FORRESTAL.

P. S.—I am sending a copy of this letter to the members of the various committees in Congress concerned with manpower.

PREVENTION OF ACCIDENTS—ADDRESS BY SENATOR BARKLEY

[Mr. MEAD asked and obtained leave to have printed in the RECORD an address on the subject of accident prevention in the United States delivered by Senator BARKLEY at the Film Safety Awards Committee luncheon at Washington, D. C., on June 8, 1944, which appears in the Appendix.]

PROBLEMS OF THE POST-WAR WORLD—ADDRESS BY SENATOR MCCARRAN TO THE CALIFORNIA LEGISLATURE

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD an address on problems of the post-war world delivered by Senator MCCARRAN on June 9, 1944, before a joint session of the California Legislature, which appears in the Appendix.]

AMERICA ON THE MOVE—ADDRESS BY SENATOR MCCARRAN

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD an address entitled "America on the Move," delivered by Senator MCCARRAN before the convention of the American Trucking Association at San Francisco, Calif., on June 7, 1944, which appears in the Appendix.]

DISCRIMINATIONS IN RAILROAD FREIGHT RATES—STATEMENT BY SENATOR STEWART

[Mr. MCCLELLAN asked and obtained leave to have printed in the RECORD an argument on the subject of discriminations in railroad freight rates, delivered by Senator Stewart before the Interstate Commerce Commission at Washington, D. C., on June 14, 1944, which appears in the Appendix.]

PREVENTION OF ACCIDENTS—ADDRESS BY COL. JOHN H. STILLWELL

[Mr. MEAD asked and obtained leave to have printed in the RECORD an address on the subject of accident prevention in the United States delivered by Col. John H. Stillwell, president of the National Safety Council, at Hotel Statler, Washington, D. C., June 8, 1944, which appears in the Appendix.]

THE DISMISSAL OF MINISTER FROM FINLAND — ARTICLE BY CONSTANTINE BROWN

[Mr. SHIPSTEAD asked and obtained leave to have printed in the RECORD an article by Constantine Brown dealing with the dismissal of Hjalmar Procope, Minister from Finland to the United States, published in the Washington Star of June 20, 1944, which appears in the Appendix.]

APPROPRIATIONS FOR THE MILITARY ESTABLISHMENT

The Senate resumed the consideration of the bill (H. R. 4967) making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment on page 31, line 3, striking out "$1,800,217,000" and inserting "$1,799,000,000."

Under the order of yesterday, the Senator from Michigan [Mr. FERGUSON] has the floor.

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

The ACTING PRESIDENT pro tempore. Does the Senator from Michigan yield for the purpose of a quorum call?

Mr. FERGUSON. I yield.

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

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

Aiken	Gillette	Overton
Ball	Green	Pepper
Bankhead	Guffey	Radcliffe
Barkley	Gurney	Reed
Bilbo	Hatch	Revercomb
Brewster	Hill	Robertson
Burton	Holman	Russell
Bushfield	Jackson	Shipstead
Butler	Johnson, Calif.	Smith
Byrd	Johnson, Colo.	Stewart
Capper	Kilgore	Thomas, Okla.
Chavez	Lucas	Thomas, Utah
Clark, Mo.	McClellan	Tunnell
Connally	McFarland	Vandenberg
Cordon	McKellar	Wagner
Davis	Maloney	Waligren
Eastland	Maybank	Walsh, Mass.
Ellender	Mead	Walsh, N. J.
Ferguson	Murdock	Wherry
George	Murray	White
Gerry	O'Mahoney	Willis

Mr. HILL. I announce that the Senator from Washington [Mr. BONE] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from California [Mr. DOWNEY] is absent on official business for the Senate.

The Senator from Florida [Mr. ANDREWS], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Kentucky [Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], the Senator from Missouri [Mr. TRUMAN], the Senator from Arizona [Mr. HAYDEN], the Senator from Maryland [Mr. TYDINGS], and the Senator from Montana [Mr. WHEELER] are detained on public business.

The Senators from Nevada [Mr. MCCARRAN and Mr. SCRUGHAM] are absent on official business.

The Senators from North Carolina [Mr. BAILEY and Mr. REYNOLDS] are necessarily absent.

Mr. WHERRY. The Senator from New Hampshire [Mr. BRIDGES] is absent because of illness.

The Senator from Vermont [Mr. AUSTIN], the Senator from Illinois [Mr. BROOKS], the Senator from Delaware [Mr. BUCK], the Senator from Connecticut [Mr. DANAHER], the Senator from New Jersey [Mr. HAWKES], the Senator from North Dakota [Mr. LANGER], the Senator from Colorado [Mr. MILLIKIN], the Senator from Oklahoma [Mr. MOORE], the Senator from North Dakota [Mr. NYE], the Senator from Ohio [Mr. TAFT], the Senator from Idaho [Mr. THOMAS], the Senator from New Hampshire [Mr. TOBEY], the Senator from Massachusetts [Mr. WEEKS], and the Senator from Iowa [Mr. WILSON] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent, attending the wedding of his daughter.

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

The question is on agreeing to the amendment on page 31, line 3, striking out "$1,800,217,000" and inserting "$1,799,000,000."

Mr. FERGUSON. Mr. President, last evening I was speaking on a subject on which I wish to continue today. As we all know, each year the War Department submits to the Congress a request for an immense and staggering number of billions of dollars, and each year toward the end of the session we are told that it is necessary to rush through an appropriation about which the Congress necessarily can have little understanding, in order that the War Department may continue its most essential and necessary operations. Today we are considering a bill proposing to appropriate the staggering sum of $49,000,000,000. The bill is 64 pages long, and the Canol project presents an interesting example of how little information the War Department actually furnishes the Congress and how easy it is for War Department officials to obtain appropriations for their favored projects, whatever their merit or lack of merit may be.

A Senator diligently studying this 64-page bill would find an utterly meaningless item for the Corps of Engineers, of approximately $1,800,000,000.

If he were a member of the Appropriations Committee of the Senate and had sufficient time to do so, he could go over 10 volumes of so-called detail presented by the War Department. In all those 10 volumes he would not find one single, solitary reference to the Canol project, for which $16,439,688 is sought to be appropriated.

What he would find would be a one-line request for $34,250,000 for the Northwest Service Command, and even that would be marked "secret."

The War Department explains that it never intended to call the Canol project, the ill fame of which is known to the entire country, secret, but that there were other secret items with respect to the

Northwest Service Command which led it to classify the entire requested appropriation as secret.

If the Senator were insistent upon going into the matters referred to as secret—and we all hesitate to do so because of our great desire not to take any chance of assisting the enemy—and if the Senator were to make specific inquiry with respect to a project such as the Canol project, he would find that the War Department representatives had with them at the hearing a volume. A careful examination of that volume would disclose a half page of generalized figures with respect to the Canol project. This is what he would find upon that page:

Canol:	
Maintenance	$8,066,158
Operation	8,373,530
Total	16,439,688

Segregating the above Canol figures, the following division can be made:

	Refinery, access roads, crude line oil field	Distribution lines and flight strips
Operation	$6,326,540	$2,046,990
Maintenance	5,705,920	2,360,238
Total	12,032,460	4,407,228

The total of $12,032,460 is made up as follows:

	Maintenance	Operation
Production facilities at Norman Wells	$708,070	$2,843,720
297 miles crude pipe line to Whitehorse	1,334,740	1,167,540
528 miles service roads along pipe line	2,694,010	
Refinery at Whitehorse	969,100	2,315,280
Total	5,705,920	6,326,540

Obviously these figures are themselves mere generalizations, because they do not indicate how many thousand tons of supplies and how many thousands of men will be required for this operation, or what other operations will have to be sacrificed in order to provide the supplies and men. The Truman committee went into Canada and Alaska and made an investigation of this matter. Therefore, as a member of that committee, I am familiar with the country and the hardships to which men are subjected in order to maintain these roads and pipe lines, as well as the amount of food and equipment essential to be taken there. When we speak of spending $16,000,000 in that region, it means that there must be transported to that area many thousands of men, when we have a manpower shortage in the United States—at least, one is claimed—and a shortage of food, not only for ourselves, but for our allies.

It is proposed to spend $16,000,000 in that region in an effort to provide oil. Mr. President, the procuring of that oil is not a military secret. The Army itself hired men to write magazine articles about it. They were on the pay roll of the United States.

Even if we knew how many men and how much supplies would be required, the figures would still be meaningless unless we happened to know, as I do, and as the Truman committee knows through its detailed investigation of the Canol project, how many barrels of oil are expected to be obtained, and how much the Army is paying to obtain an equivalent quantity of oil elsewhere.

Nowhere in the reports submitted to the Congress will there be found any estimate of how much labor or material is required, or how much oil will be produced. The project is not a military project but an oil-producing project, and it cannot possibly be understood unless we know how much oil, and what kind of oil products are going to be obtained, and how much it would cost to procure the equivalent from other sources.

That is the reason why the Office of the Petroleum Administrator for War should have been consulted with respect to this project. I think it is disgraceful that the War Department should bullheadedly insist on disregarding the Government's experts on oil matters.

In December an Executive order was issued by the President of the United States naming Mr. Harold Ickes as Petroleum Administrator for War. It is significant in this particular case that when the project was started General Somervell acted upon it on the basis of a one-page memorandum. Nowhere in the history of this project can the Truman committee find that the Petroleum Administrator for War, Mr. Ickes, who is the Government's expert, was consulted. We are asked to appropriate $16,000,000. Up until today, in the preparation of the figures, those who are skilled in the production of oil, and should know what it costs to produce oil, have not been consulted.

Mr. President, why have they not been consulted? The reason is that they have not favored this project. It seems that if one does not favor a project, and may be considered a critic, he is not consulted. Only those who are "yes" men are consulted. I believe that when such appropriations are requested the Senate should require the departments of Government which may be considered critics to give us the facts. The experts in the Government should be consulted not only by the Army, but by the Senate.

The Truman committee has obtained from the War Department its estimates of how much aviation and truck gasoline and Diesel oil and fuel oil it expects to produce. Time alone will tell whether those estimates are realistic. If we vote this appropriation we take that chance.

Furthermore, those estimates include products some of which will necessarily be used to operate the Canol project. We cannot spend $12,000,000 to maintain highways, pipe lines, and other facilities for the Canol project without using large quantities of gasoline and other oil products. The oil products for which we are paying $12,000,000 for operation and maintenance are not the total production, but rather the total production less all the gasoline and oil used in connection with that portion of the Canol project. In other words, we will find that great amounts of gasoline and oil produced from those very wells will be used to maintain the wells and to keep the roads open, for they are located in territory where the temperature drops to as low as 70° below zero. The actual amount of oil products which will go to help the United States Government in the war effort will be very small.

The War Department was asked to furnish the Truman committee with information about the number of thousands of barrels of various oil products which would have to be used for the operation and maintenance of the Canol project. As yet it has not done so.

However, if we assume that every barrel of oil it is hoped to obtain is obtained, and if we assume, contrary to fact, that none of the oil is used in operation or maintenance of the Canol project, we still find, on the basis of the War Department's own figures, that we could buy an equivalent amount of products at Los Angeles and freight them to Skagway for $2,568,997. Or if we wanted to buy them at Aruba, in the West Indies, where oil supplies are more plentiful than on the west coast, we could buy them and freight them to Skagway for $3,267,893.

Up until now, so far as aviation gasoline is concerned, every gallon of gasoline has had to be sent to that northern area by water. Therefore, up until the present time, we have obtained no products for the war effort from this expenditure of manpower in an area where men have to work hard. Let me say that the records of the House show that the men who work there are guaranteed 240 hours a month, regardless of whether they work that long a time. If they work more than that, they are paid on the basis of time and a half, as the case may be. I do not criticize men who must work in temperatures ranging as low as 70 degrees below zero for wanting that much pay or for consuming the great amount of food they need. But the fact is that this project was undertaken on the basis of a one-page memorandum, and the Petroleum Administrator for War was not consulted to ascertain whether the project was a worth-while one to undertake while this country was fighting for its life. In other words, if we write off and throw away entirely the $130,000,000 investment, which is what the Canol project has cost thus far, plus another $140,000,000 for the highway—and it has been said that the highway is necessary because there are airfields which are approximately from 200 to 250 miles apart—it may be that we will save in the end. Incidentally, if it be true that the highway is necessary, then I ask the War Department why in Alaska, a territory which is owned by the United

States of America, we find no highway between Fairbanks and Nome, although they are 500 miles apart. Let me say that from Fairbanks to Bethel—and I have been to the airfield there—is a distance of approximately 500 miles, and on the trip between those two places the route crosses another airport known as McGraw. Yet no highways are built between those airfields in that country which is owned by the United States. But let me say that in Canada we find the airports linked by highways; and, Mr. President, we find that in linking them the thought is kept in mind that they are in Canada and will provide for future summer resorts—indeed, log cabins are being built. I myself have seen them. I think the time has come when, because we have battles to fight, we should not be thinking of post-war projects in Canada, but should be thinking about winning battles for America.

Mr. President, those in charge of the construction of this project on the basis of cost-plus-a-fixed-fee contract would not go to Whitehorse to live. They made their headquarters at Edmonton—which is 1,000 miles from Whitehorse—because Edmonton is a larger city. Then the United States Air Force was used to transport the executive officers back and forth over that 1,000 miles. Can we conceive of having such a thing done in time of war?

Mr. President, on the basis of cost-plus-a-fixed-fee contract they built a redwood palace. As we came from Alaska and Canada the soldiers who had worked under great hardships said to us, "Will you look over the redwood palace down at Edmonton?" It is an office building which we had erected there at a cost of $192,000. Eventually it will be turned over to the owner of the land and we will even have to spend $4,000 to put stucco on it, after the war is over. Mr. President, in order to house those who were going to help do that job, they took over a seminary, and spent $920,000 in remodeling it as living quarters for the officers and employees who were in Edmonton, doing a job on a cost-plus-a-fixed-fee contract basis, instead of going to Whitehorse or to Norman Wells, where the work was actually being performed.

Those are the things of which the general who was in charge and the Army say they are proud. It was in connection with those matters that General Somervell, the general in charge, said, in speaking about a check, "What difference did it make? They all use the same size paper." That is the kind of project we are now considering.

In other words, as I have said, if we write off and throw away entirely the $130,000,000 investment, and do not charge ourselves 1 cent of amortization or depreciation, the mere cost of operating and maintaining this refinery will be from four to five times the value of the products obtained. This is the Canol project of which the War Department states it is proud.

Although this is the detail or lack of detail which was furnished to the Congress when appropriations were requested, we all remember the publicity that was given a month or so ago when the refinery began to produce a little motor-truck gasoline, and the very lengthy fanfare with which we were told that the contracts made with Canada and the Imperial Oil had been revised so that we would have available to us a pool of 60,000,000 barrels of oil. This new contract, which deals with the production of oil for the United States, until 2 hours ago had never been furnished to the Petroleum Administrator for War, Mr. Ickes, or to his office. If they wanted to get any information, they had to obtain it from newspaper clippings or elsewhere.

So, again I say it is time for us to use every ounce of effort in the fight to win the war and and every ounce of energy and of judgment which may be available in our various departments. Criticism may be valuable, for a critical attitude may result in the prevention of considerable loss.

I wish to call attention to the fact that even with respect to that negotiation, and despite the recommendation of the Truman committee that the Petroleum Administrator for War be consulted on all points, the War Department did not even take up the question with the oil experts of the United States Government.

Of course, there is no guaranty that 60,000,000 barrels of oil can actually be obtained. The senior Senator from Texas [Mr. CONNALLY] yesterday evening called my attention to the fact that 60,000,000 barrels of oil would be obtained. We must remember that they have a proven well from which they anticipate obtaining 30,000,000 barrels of oil. They have an unproven field from which they anticipate obtaining an additional 30,000,000 barrels of oil. The latter field has not been tapped; they have no knowledge as to whether it has oil or whether it has 10,000,000, 30,000,000, 60,000,000, or any other number of barrels of oil. What we have to consider here and now is the question of what it will actually cost us to obtain those 60,000,000 barrels of oil, over and above what we would pay Canada and the Imperial Oil. I have not mentioned the 15 cents a barrel which we must pay to Canada for every barrel of oil that is taken out of there.

Under the requested appropriation it would cost us more than $4,000,000 a year merely to maintain the pipe line and its access road. It would require the limit of capacity of the pipe line for 60 years in order to transport 60,000,000 barrels of oil. If we acquired the oil for nothing, and if it cost nothing to produce it, nothing to refine it, and nothing to transport the finished products to market after they had been refined, the oil would still cost us $240,000,000.

Mr. President, I have computed that if we take into consideration all the products which have been anticipated, and consider the cost of maintenance and operation of equipment, the cost of the oil will be approximately $9 a barrel. We know what has been said on this floor relative to the price at which oil is sold in this country, and the O. P. A. will not allow the price of it to be increased 35 cents. The price is now down to approximately $1.17 a barrel. I believe that was the figure which was named. But if we compute the figures which have been given, we arrive at a cost of $9 a barrel.

The only possible justifications which have been suggested by the War Department are a shortage of tankers, a shortage of the product on the west coast, and a desire to prove up this project for future use. One tanker has been mentioned as making trips back and forth. When we are talking about one tanker, as compared to the total number of tankers in this country, it is to speak only of a small drop, as it were, compared to the amount of oil which is produced and transported by this country.

The argument that this field should be proved up for future use does not mean much. I do not believe that very many people will be interested in paying $12,000,000 a year for maintenance and operation of this kind of a project. The true meaning of the item is that we do not even yet know anything about operations in this area, and we may find our hopes for the production of oil vastly greater than the actualities will warrant.

Mr. President, I do not present these facts with the idea that the Senate today should delete the requested appropriation. I understand that the Joint Chiefs of Staff have assumed responsibility for handling the funds, and I do not desire in any way to preclude them from obtaining what they ask for, because we want to win the war. But, Mr. President, the responsibility which they agree to assume is one for which they will have to answer after the veil of secrecy has been lifted. I, for one, am now giving notice that when that veil of secrecy shall have been lifted I shall want to know, in behalf of the people of this country, and in a detailed way, why those to whom I have referred assumed such responsibility at such a critical time.

Next year we may have a similar request made to us to continue this boondoggling project. I think we should scrutinize any such request in great detail. I have referred to the Canol project at considerable length because I desired to call to the attention of the Senate the fact that we know very little about the actual use to which the War Department intends to place the $49,000,000,000 which it has requested of the Congress.

Mr. President, so far as strategy is concerned, and so far as guns and cannon are concerned, we want the War Department to get everything it needs; we feel the same about supplies; but we believe that the War Department should consult every available expert in regard to the matters involved, and that it should be willing to consider facts in connection with a project of this nature, which is not a military secret at all, and which has nothing to do with the military program except in its use of many of our soldiers and our civilian population.

Last year, when the War Department made a similar request, several Members of the Senate called attention to the fact that we knew very little about the project for which the money was to be used. It was stated this year that reliable information would be furnished on which

we could act. The whole Canol project grew out of a one-page memorandum from General Somervell, who was anxious to preserve paper, and the congressional authorization was for an item of $25,000,000, which was buried in one of the huge appropriation bills. That $25,000,000 item has since grown to $134,000,000 for the purpose of construction, and we are now being requested to appropriate more than $16,000,000 for operation and maintenance. The request is one which we may receive each year for the next 60 years if we are to obtain the 60,000,000 barrels of oil of which the War Department is so proud.

Mr. THOMAS of Oklahoma subsequently said: Mr. President, earlier today the junior Senator from Michigan [Mr. FERGUSON] discussed at some length the so-called Canol project in Canada and Alaska. I do not desire to make any reply to the statement submitted by the junior Senator from Michigan, but I do ask permission to have printed in the RECORD immediately following the address of the junior Senator from Michigan, a letter from the Under Secretary of War, Mr. Patterson, which states the viewpoint of the Army with respect to the matter discussed by the junior Senator from Michigan.

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

The letter is as follows:

WAR DEPARTMENT,
OFFICE OF THE UNDER SECRETARY,
Washington, D. C., June 21, 1944.

Hon. ELMER THOMAS,
United States Senate,
Washington, D. C.

DEAR SENATOR THOMAS: In the consideration of H. R. 4967, the Military Establishment appropriation bill, some objection was made on the floor of the Senate last night to that part of the Engineer Service appropriation providing for the operation and maintenance of the Canol project during the ensuing fiscal year. The total appropriations sought for such operation and maintenance, exclusive of the operation and maintenance of the distribution lines between Skagway, Whitehorse, Fairbanks, and Watson Lake, is $13,235,608, which includes the production of crude oil at Norman Wells, operation and maintenance of the crude pipe line from Norman Wells to Whitehorse and the operation and maintenance of the refinery at Whitehorse, as well as the road from Norman Wells which parallels the pipe line and the maintenance of flight strips along the Mackenzie River.

While the Truman committee criticized our undertaking of this project, it did not recommend that it be abandoned but stated that the decision as to whether the project should be abandoned should be made by the War Department in the light of whether equitable arrangements could be completed with Canada and Imperial Oil, Ltd., for suitable rights in the project. Such new arrangements have been made whereby in addition to obtaining oil for the war at a greatly reduced price, we have obtained an option to obtain up to 60,000,000 barrels at a net price of 15 cents a barrel, plus cost of production, for post-war use. The completion and operation of Canol has been determined by the Joint Chiefs of Staff to be a military necessity.

The project is now in full operation except for the final stage of manufacturing 100-octane gasoline and this also will be in operation in a few weeks.

It is idle to contend that the petroleum products, including 100-octane gas, could be obtained more cheaply on the Pacific coast where our supply is inadequate or from Aruba. We have neither tankers for its transportation to Skagway nor 100-octane gasoline in sufficient supply. The greatly stepped-up Air Force operations in support of our troops in Normandy is taxing our supply of aviation fuel to the limit, not to mention demands in other theaters throughout the world.

The Canol project will supply 100-octane gas and other petroleum products, where needed, along the Alaskan Highway and for airplanes being transported to theaters of operation. The project has been completed in light of the considerations left to our determination by the report of the Truman committee. After we have completed Canol, in pursuance of that report's recommendation, it would be folly not to make use of these facilities in supporting our Army.

To abandon use of this means of obtaining aviation and other fuel, where needed, after all that has been done to date to assure this necessary supply, should be unthinkable.

I hope that the Senate will follow the action of the House of Representatives where the matter was fully considered in committee by authorizing the inclusion of the item in our appropriation bill.

Yours sincerely,
ROBERT P. PATTERSON,
Under Secretary of War.

THE WAR AND PEACE AIMS

Mr. WHERRY. Mr. President, on the floor of the Senate during the past few days I heard the distinguished Senator from New Mexico [Mr. HATCH] speak extensively on the subject of a nonpartisan foreign policy. At the outset I should like to say that I am not a member of the Foreign Relations Committee. On that committee the minority in the Senate have a member who is amply able to represent us admirably when and where it is necessary to do so, and to express the viewpoint of our party on foreign policy. But after a brief discussion with many persons, as well as the distinguished Senator from New Mexico, I wish to say to him that I cannot leave the Senate Chamber and return to Nebraska unless I express an observation, and I wish to thank him for bringing the matter to my attention.

Since the morning of June 6, at 3:31 o'clock, millions of American homes have become shrines of prayer. The hearts of all men who love liberty and who look for justice quicken with our own, as the first sharp thrust of invasion settles into the steady rhythm of a gigantic offensive. The English Channel, the high European skies, and the fertile fields of France, have all become broad highways bearing our forces onward. Each stone and tree, and each hamlet and village left behind by our advancing troops has become a historic milepost on the road to victory.

The magnitude of this undertaking staggers the imagination. Long months of sacrifice, sweat, and toil, long hours of study, and self-discipline, long nights of waiting, tedious days of preparation—all have gone into this unprecedented operation.

We, whose lot it has been to participate only indirectly in this military venture, marvel at the energy, the ingenuity, and the courage which have made it possible. At this very moment our admiration knows no bounds, and our gratitude no words.

These, our boys—our fathers and brothers, our husbands and sons, and all who are carrying the shock of battle to the enemy side by side with our stanch Allies—bear with them our fervent prayers and our fondest hopes. Long since, they have earned our undying praise for the glory they have already brought upon themselves. As they go into the jaws of hell there is no uncertainty, no fear. But courage, heroism, and grim determination are the order of the day. Such are our fighting men. Such have our fighting men been, since this tragic war began.

Whence comes such devotion to duty, such unflinching heroism, such gallantry, and such overwhelming strength? Our own Secretary of State answered this question in his speech of June 20, 1940, at Harvard University when he said:

> Men will defend to the utmost only things in which they have complete faith. Those who took part in the struggle by which freedom was won for this Nation would have found its hardships unbearable if they had not been imbued with transcendent faith in the things for which they fought.

Mr. President, these men and boys of ours know far better than we how futile their striving would be as an end in itself. They are sustained by a faith in their American heritage, which has found its way into the very blood they are now pouring out on the altar of freedom.

The stakes for which they are risking their bodies, their minds, and their lives are unspoiled by cynicism or despair. They have left with us the sacred task of guarding and protecting this heritage, looking to us to keep it undefiled.

What is more, Mr. President, these fighting men of ours desire to crown their victory at arms by sharing this undefiled heritage with others. I cannot bring myself to believe they will be satisfied with any other outcome of the sacrifices they have already made and will continue to make.

Is it not well for us to remember that these men who are now enduring the tortures of the damned will be far more conscious of, and sensitive to, the needs of their fellow beings who have similarly suffered than many of us who have been entrusted with the task of crowning their military triumphs with peace? I shudder to think of the utter disillusionment that will follow this war in the hearts and minds of its veterans if they come to discover that we have failed them in these tasks which they desire fulfilled above all others.

Mr. President, let me remind you and my fellow Americans of these things, neither in the spirit of censure nor of antagonism. This is no time for bickering or dissension. America confronts the most critical hour in her history. The very fate of the human family is at stake. This is not the time to loose partisan thoughts or intentions in our midst. But it could happen again that, in spite of the tremendous difficulties and obstacles our armed forces have been compelled

to overcome, our tasks—the tasks which they have placed squarely in our hands to complete—may turn out to be more difficult than theirs. It is of this grave possibility, Mr. President, to which I wish to call attention.

Ideals and principles, whether moral, intellectual, spiritual, or political, are far more easily talked about than achieved. The price that would have to be paid by posterity for our failure is nowhere better expressed than in the words of our Secretary of State, who warned us on November 1, 1938:

> The world is at a crossroads. But its power of choice is not lost. One of the roads that wind into the future is that of increased reliance upon armed force as an instrument of national policy. So long as the construction of armaments for such a purpose continues to be the center of national effort in some countries, a policy of arming inescapably becomes a universal evil.
>
> Other nations find themselves compelled to divert to preparation for self-defense an increasing part of their substance and their effort. All this requires—in varying degrees, but in all countries alike—ever greater sacrifice of what mankind universally has regarded as a central objective of civilization and progress—namely, a rising level of national welfare and of well-being of the individual.
>
> All this imposes—again in varying degrees, not in all countries alike—a growth of autarchy, an ever more complete regimentation of national life, an impairment of personal liberty, a lowering of every standard of material, cultural, and spiritual existence. If the nations continue along this road, increasingly strewn with the wreckage of civilized man's most precious possessions, they will be marching toward the final catastrophe of a new world war the horror and destructiveness of which pass human imagination.
>
> The other of the two roads is that of ever-increasing reliance upon peaceful processes and upon the rule of law and order in the conduct of relations among individuals and nations.

There is no way for us to escape this choice. Certainly we cannot blame the Nazis or the Fascists for the mental, moral, and spiritual weakness of their opponents. The responsibility for the decision lies squarely on our shoulders. But I submit, Mr. President, that intelligent action is dependent upon access to the truth.

Moral strength is developed only in the exercise of responsibility, and spiritual insight cannot function in a vacuum. If we who are charged with the task of keeping our American ideals uncompromised and of sharing them with other peoples are faithful in carrying out those obligations we must then have more facts placed in our possession.

We would be false to our trust if in this critical hour we did not continue to insist that the gravity of the task that confronts us demands a frank and honest statement from our President as to what commitments he has made in our name.

What hope does he hold out to our men who are now fighting and dying on the battle fronts that their most fervent prayers will be answered? What plans have been made to insure the recognition of the inalienable rights of life, liberty, and the pursuit of happiness? What, indeed, are our boys even now fighting to secure for America, and for the suffering peoples of Europe? Until we know the answers to these questions we shall be unable to make a wise choice between the alternatives Mr. Hull so ably has presented.

Mr. President, on May 23 there was delivered on the floor of the Senate by the senior Senator from New Hampshire [Mr. BRIDGES] a direct appeal to our President to break his silence with respect to our war and peace aims and to broadcast them to the suffering people of the world, and, more particularly, to the citizens of the United States. I want at this time to identify myself with this appeal.

It has always been my understanding of the American tradition that when world currents of violence, greed, duplicity, or immorality swirled threateningly around the heads of our statesmen they refused to swim with the current.

In 1823, when America was only a weak stripling of a nation, with a population of only 7,000,000, Alexander I, the Czar of all the Russias, conqueror of Napoleon, addressed an ultimatum to the United States, declaring his intention of making the northern Pacific a Russian sea, excluding America from any rights in that vast area. Yet, John Quincy Adams forwarded a communication to Alexander I in which he said, in effect:

> This continent is no longer open to colonization by any foreign power.

This communication not only led to 120 years of peace with Russia, but also was later incorporated into the Monroe Doctrine, and has determined our foreign policy down to very recent years.

What if the obstacles to peace are dangerous and difficult to overcome? Are the American people engaged in this war merely to set up graver obstacles in the future, to be overcome only by an even more costly and hazardous resort to arms? What the American people are fighting for now is peace and freedom for all peoples. This is the task they have placed in the hands of their loved ones. They demand no less now from their statesmen.

A full-page Memorial Day tribute to our Nation's heroes appeared in the Potters Herald, of East Liverpool, Ohio, on May 25, 1944, from which I quote:

> It is fitting and proper that 1 day a year be set aside to honor those brave men and women who have given their lives for their country.
>
> This year, however, we feel the urge to do more than the usual flag waving and speech making. As thinking citizens, we believe that wars can be prevented. We see no logic or reason why thousands of our finest citizens must be called upon every generation to pay with their lives for the selfishness, greed, and blunders of a few stupid men in high places. History teaches that it requires far greater statesmanship to prevent wars than to fight them.
>
> Proud are we to be citizens of this great country. We would not be worthy of this citizenship if we did not raise our voices on this Memorial Day to insist that our leaders not only continue to bend every effort to bring this present war to a successful conclusion, but to plan now for a just and lasting peace.

Mr. President, at least the American people want to go on record, even though all hell has finally broken loose in the midst of men, though the spirit of man temporarily moves in the primitive field of brute and beast, that they have not surrendered their fight to keep alive the ideals of truth, goodness, justice, and liberty.

Mr. President, what are our peace aims? What commitments have been made?

God help us if in this dark hour we continue to leave our own people unenlightened, or the suffering peoples of Europe without a promise for the future.

Mr. HATCH. Mr. President, I have listened with a good deal of interest to what the Senator from Nebraska has said, and I find nothing in his remarks with which to disagree. What he has said is exactly what I have been urging.

I remind the Senator that responsibility for whatever peace is to be made or whatever is done by this country rests not alone upon the shoulders of the President of the United States, not alone upon the shoulders of the Secretary of State. This body is an equal partner in formulating and putting into effect any policy which may be determined upon.

I hope to hear the vigorous voice of the Senator from Nebraska raised here on the floor of the Senate stating his own peace aims, because he has his responsibility, and stating how far he is willing to go in an organization of the nations of the world to make an enduring and lasting peace, and to preserve it. I have some faith in the Senator from Nebraska, and I think he may do that. I hope he will.

APPROPRIATIONS FOR CIVIL FUNCTIONS OF THE WAR DEPARTMENT—CONFERENCE REPORT

Mr. THOMAS of Oklahoma submitted the following report:

> The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 4183) making appropriations for the fiscal year ending June 30, 1945, for civil functions administered by the War Department, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:
>
> That the Senate recede from its amendments numbered 1, 5, and 8.
>
> That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same.
>
> Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$51,344,000"; and the Senate agree to the same.
>
> The committee of conference report in disagreement amendment numbered 7.
>
> ELMER THOMAS,
> JOHN H. OVERTON,
> RICHARD B. RUSSELL,
> CHAN GURNEY,
> C. WAYLAND BROOKS,
> *Managers on the part of the Senate.*
>
> J. BUELL SNYDER,
> JOE STARNES,
> JOHN H. KERR,
> GEORGE MAHON,
> FRANCIS CASE (except as to No. 7),
> *Managers on the part of the House.*

The report was agreed to.

INTERIOR DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT

Mr. THOMAS of Oklahoma submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4679) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1945, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 4, 5, 6, 9, 10, 11, 12, 13, 14, 16, 17, 18, 19, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 35, 36, 38, 43, 45, 46, 47, 62, 63, 64, 70, 71, 72, 73, 75, 76, 77, 78, 79, 85, 86, 96, 97, 98, 99, 100, 101, 104, 106, 107, 110, 111, 114, 122, 123, 124, 125, 126, 129, 131, 132, 139, 140, 141, 142, 143, 144, 145, 146, 151, 152, 153, 154, 157, 158, 161, 162, 163, 164, 165, 167, 168, 170, 171, 172, 173, 174, 180, 181, 182, 185, 188, 194, 195, 197, and 206.

That the House recede from its disagreement to the amendments of the Senate numbered 15, 21, 34, 37, 49, 67, 68, 81, 83, 87, 90, 91, 102, 103, 105, 108, 121, 137, 177, 179, 187, 199, 200, 201, and 208, and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$115,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$8,500"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$3,813,540"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$45,000"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$175,000"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$302,130"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$79,960"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$132,953"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$212,827"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$132,953"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$212,827"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$345,780"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56 and agree to the same with an amendment as follows: In lieu of the ·um proposed insert "$10,500"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$39,900"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$39,200"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$39,900"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$39,200"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$89,600"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following: "not exceeding $21,650 for construction and equipment of a dormitory building at the Denehotso Day School on the Navajo Indian Reservation"; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "and on the Fort Apache Reservation, Arizona, $6,066,940"; and the Senate agree to the same.

Amendment numbered 69: That the House recede from its disagreement to the amendment of the Senate numbered 69, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$320,000"; and the Senate agree to the same.

Amendment numbered 74: That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,444,250"; and the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$85,650"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$200,000"; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$950,000"; and the Senate agree to the same.

Amendment numbered 109: That the House recede from its disagreement to the amendment of the Senate numbered 109, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$450,000"; and the Senate agree to the same.

Amendment numbered 112: That the House recede from its disagreement to the amendment of the Senate numbered 112, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$3,075,000"; and the Senate agree to the same.

Amendment numbered 113: That the House recede from its disagreement to the amendment of the Senate numbered 113, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$4,321,000"; and the Senate agree to the same.

Amendment numbered 117: That the House recede from its disagreement to the amendment of the Senate numbered 117, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$500,000"; and the Senate agree to the same.

Amendment numbered 118: That the House recede from its disagreement to the amendment of the Senate numbered 118, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$750,000"; and the Senate agree to the same.

Amendment numbered 119: That the House recede from its disagreement to the amendment of the Senate numbered 119, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$1,250,000"; and the Senate agree to the same.

Amendment numbered 120: That the House recede from its disagreement to the amendment of the Senate numbered 120, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$15,000"; and the Senate agree to the same.

Amendment numbered 130: That the House recede from its disagreement to the amendment of the Senate numbered 130, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$875,000"; and the Senate agree to the same.

Amendment numbered 134: That the House recede from its disagreement to the amendment of the Senate numbered 134, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$170,000"; and the Senate agree to the same.

Amendment numbered 135: That the House recede from its disagreement to the amendment of the Senate numbered 135, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$23,750"; and the Senate agree to the same.

Amendment numbered 136: That the House recede from its disagreement to the amendment of the Senate numbered 136, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,700,000"; and the Senate agree to the same.

Amendment numbered 147: That the House recede from its disagreement to the amendment of the Senate numbered 147, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$797,595"; and the Senate agree to the same.

Amendment numbered 148: That the House recede from its disagreement to the amendment of the Senate numbered 148, and agree to the same with an amendment as

follows: In lieu of the sum proposed insert "$90,000"; and the Senate agree to the same.

Amendment numbered 149: That the House recede from its disagreement to the amendment of the Senate numbered 149, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$7,000"; and the Senate agree to the same.

Amendment numbered 150: That the House recede from its disagreement to the amendment of the Senate numbered 150, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,024,480"; and the Senate agree to the same.

Amendment numbered 159: That the House recede from its disagreement to the amendment of the Senate numbered 159, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$657,640"; and the Senate agree to the same.

Amendment numbered 160: That the House recede from its disagreement to the amendment of the Senate numbered 160, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$50,000"; and the Senate agree to the same.

Amendment numbered 175: That the House recede from its disagreement to the amendment of the Senate numbered 175, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$200,000"; and the Senate agree to the same.

Amendment numbered 176: That the House recede from its disagreement to the amendment of the Senate numbered 176, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,106,278"; and the Senate agree to the same.

Amendment numbered 178: That the House recede from its disagreement to the amendment of the Senate numbered 178, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$317,540"; and the Senate agree to the same.

Amendment numbered 183: That the House recede from its disagreement to the amendment of the Senate numbered 183, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$865,000"; and the Senate agree to the same.

Amendment numbered 184: That the House recede from its disagreement to the amendment of the Senate numbered 184, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$334,900"; and the Senate agree to the same.

Amendment numbered 186: That the House recede from its disagreement to the amendment of the Senate numbered 186, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following, "$610,675"; and the Senate agree to the same.

Amendment numbered 189: That the House recede from its disagreement to the amendment of the Senate numbered 189, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$5,185,548"; and the Senate agree to the same.

Amendment numbered 190: That the House recede from its disagreement to the amendment of the Senate numbered 190, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$900,000"; and the Senate agree to the same.

Amendment numbered 192: That the House recede from its disagreement to the amendment of the Senate numbered 192, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$6,085,548"; and the Senate agree to the same.

Amendment numbered 193: That the House recede from its disagreement to the amendment of the Senate numbered 193, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$825,000"; and the Senate agree to the same.

Amendment numbered 198: That the House recede from its disagreement to the amendment of the Senate numbered 198, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,250,000"; and the Senate agree to the same.

Amendment numbered 204: That the House recede from its disagreement to the amendment of the Senate numbered 204, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$100,000"; and the Senate agree to the same.

Amendment numbered 205: That the House recede from its disagreement to the amendment of the Senate numbered 205, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"SEC. 8. Not to exceed a total of $40,000 of the appropriations contained in this Act shall be available for expenditure for long distance telephone tolls, and not to exceed a total of $40,000 shall be available for expenditure for telegrams and cablegrams, and the savings effected thereby in the items "communication services", as set forth in the Budget estimates submitted for such appropriations shall not be diverted to other use and shall be covered into the Treasury as miscellaneous receipts."

And the Senate agree to the same.

Amendment numbered 207: That the House recede from its disagreement to the amendment of the Senate numbered 207, and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment, strike out "9", and insert in lieu thereof "9a"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 39, 40, 41, 42, 82, 84, 88, 89, 93, 94, 115, 116, 127, 128, 133, 138, 155, 156, 166, 169, 191, 196, 202, and 203.

CARL HAYDEN,
KENNETH MCKELLAR,
ELMER THOMAS,
JOSEPH C. O'MAHONEY,
DENNIS CHAVEZ,
RUFUS C. HOLMAN,
CHAN GURNEY,
Managers on the part of the Senate.

JED JOHNSON,
JAMES M. FITZPATRICK,
MICHAEL J. KIRWAN,
W. F. NORRELL,
ALBERT E. CARTER,
ROBERT F. JONES (except as to amendments 106, 108, 109, 117, 118, 119, 120, 121, 130, 134, 135, 136, and 138),
BEN F. JENSEN,
Managers on the part of the House.

The report was agreed to.

The ACTING PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 4679, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
June 20, 1944.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 39, 40, 41, 42, 82, 84, 88, 93, 94, 115, 169, 191, and 196 to the bill (H. R. 4679) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1945, and for other purposes, and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 89 to said bill and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment insert "$556,450."

That the House recede from its disagreement to the amendment of the Senate numbered 116 to said bill and concur therein with an amendment as follows: In line 2 of the matter inserted by said Senate engrossed amendment strike out "$350,000" and insert "$340,000."

That the House recede from its disagreement to the amendment of the Senate numbered 127 to said bill and concur therein with an amendment as follows: In lieu of the sum named in said amendment insert "$2,500,000."

That the House recede from its disagreement to the amendment of the Senate numbered 128 to said bill and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment insert "$1,045,000."

That the House recede from its disagreement to the amendment of the Senate numbered 133 to said bill and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment insert "$12,142,200."

That the House recede from its disagreement to the amendment of the Senate numbered 138 to said bill and concur therein with an amendment as follows: In line 4 of the matter inserted by said Senate engrossed amendment, strike out "$800,000" and insert "$400,000."

That the House recede from its disagreement to the amendment of the Senate numbered 155 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment insert:

"Anthracite investigations: For all expenses necessary to conduct inquiries and scientific and technologic investigations concerning the mining, preparation, treatment, and use of anthracite coals; including purchase of special wearing apparel and equipment for the protection of employees while engaged in their work; and other items otherwise properly chargeable to the appropriation 'Contingent expenses, Department of the Interior'; purchase, not to exceed $3,000, operation, maintenance, and repair of passenger-carrying automobiles; and not to exceed $6,500 for personal services in the District of Columbia, $81,000: *Provided*, That the Secretary, through the Director of the Bureau of Mines, is authorized to accept buildings, equipment, and other contributions from public or private sources."

That the House recede from its disagreement to the amendment of the Senate numbered 156 to said bill and concur therein with amendments as follows:

In line 9 of the matter inserted by said Senate engrossed amendment, after "Columbia" insert "(not exceeding $90,000)";

In line 12 of the matter inserted by said Senate engrossed amendment, after "purchase" insert "(not exceeding $15,000)";

In line 16 of the matter inserted by said Senate engrossed amendment, strike out "$8,000,000" and insert "$5,000,000"; and

In line 34 of the matter inserted by said Senate engrossed amendment, after "shared" insert a period and strike out the remainder of the paragraph.

That the House recede from its disagreement to the amendment of the Senate numbered 166 to said bill and concur therein with amendments as follows:

In line 20 of the matter inserted by said Senate engrossed amendment, strike out "$75,000" and insert "$35,000";

In line 22 of the matter inserted by said Senate engrossed amendment, strike out "$150,000" and insert "$75,000";

In line 34 of the matter inserted by said Senate engrossed amendment, strike out "$120,000" and insert "$50,000"; and

In line 35 of the matter inserted by said Senate engrossed amendment, strike out "$6,000,000" and insert "$3,000,000."

That the House recede from its disagreement to the amendment of the Senate numbered 202 to said bill and concur therein with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert "$208,375, to be expended by and under the supervision and direction of the Governor."

That the House recede from its disagreement to the amendment of the Senate numbered 203 to said bill and concur therein with an amendment as follows: At the end of the matter inserted by said amendment before the period, insert "to be expended by and under the supervision and direction of the Governor."

Mr. THOMAS of Oklahoma. I move that the Senate agree to the amendments of the House to the amendments of the Senate Nos. 89, 116, 127, 128, 133, 138, 155, 156, 166, 202, and 203.

The motion was agreed to.

POST-WAR PLANNING AND POLICIES

Mr. McCLELLAN. Mr. President, for quite some time much has been said, a lot has been written, and a little done with respect to planning the course and the policies our Government shall pursue in the aftermath of the present war.

But few among us have ever seriously doubted that our arms would ultimately triumph on the field of battle. Our successes, although many times amounting to only comparatively small gains in this great conflict, have constantly stimulated our faith, and reassured us that we could and would develop the strength and power to administer a crushing defeat to all our enemies. If there was ever any justification for doubt regarding the final outcome of our military efforts, the recent matchless achievement in the history of wars consummated by the United Nations in the successful invasion of Europe should serve and does serve to dispel completely any thought of failure in the hearts and minds of the most timid and skeptical of our people. The landing of our troops on the beaches of occupied France marked the beginning of the decisive and inglorious defeat of Hitler and all the satellite countries of Germany. We are now on the road to Berlin. The day of judgment for tyrannical aggressors and would-be world conquerors draws closer as the battle lines are extended, and as we move steadily onward toward the heart of Nazi Germany.

However, with the certainty of ultimate military victory firmly established we are not rid of all the doubts and fears that have troubled our hearts regarding the attainment of a lasting peace. It is not too early to think about it or to plan for it. We have already taken the first step. The Connally resolution passed by the Senate and the Fulbright resolution passed by the House of Representatives express the hope and aspirations of the American people, and assert our willingness as a Nation to assume our responsibility of leadership in collaboration with the Government of the United Nations in the creation of an international organization to the end that peace may be made secure and perpetuated for many generations to follow.

The mechanics of peace, however, will not be readily discovered nor can they be easily applied to all of the conditions and complications that will necessarily arise in the post-war world. An economic struggle will follow this war. That appears inevitable. Commerce, transportation, communications, and business and economic relationships between countries and governments will tremendously expand, and new frontiers of trade and enterprise will appear which different countries and peoples will desire to embrace and will seek to attain. In this field of opportunity we shall be blind and unrealistic if we do not expect and anticipate competition, the keenest and most difficult of which we shall encounter among some nations which are now our allies, and who, like us, now fight to remain free. We are allies today in a common cause, in the cause of humanity, in defense of and for the survival of our civilization. In the world of economics tomorrow we shall be competitors.

The writing of the peace treaty will challenge the ingenuity and statesmanship of all who participate in its formulation. That document must serve as the foundation and the basis for the future security of a permanent peace. Assuming that the peace treaty as such and the international organization that we hope to establish will be predicated on principles and fundamentals equally as sound for world security as the Declaration of Independence and the Constitution of the United States proved to be for the building of this great Nation, still the job will not be finished. That achievement standing alone will not be sufficient. Establishing peace will be a great accomplishment within itself, but preserving the peace of the world will be a continuous job which will require endless effort and perseverance. The price of permanent peace is not the mere writing of a just treaty. It involves the cost of eternal vigilance for the enforcement of its provisions and for the protection and attainment of its continuous objectives.

In the twenty-odd-year interim between World War No. 1 and the present war some foreign powers were actively engaged in planting in this country many foreign-born ideas and isms. This was done for the purpose of softening the American people and influencing and shaping public opinion here along lines that would be of material benefit to them and harmful to us. They sought to make us complacent with respect to our own security while they feverishly prepared for our destruction. Surely they failed. At least, they did not succeed, but it cannot be successfully contended that they made no headway, or that to some degree they did not impair our strength, retard our preparedness, and affect our ability to make adequate defense before serious injury could be inflicted upon us. Because we were lulled into complacency and a false sense of security we were caught off balance and dealt some heavy blows before we could regain our equilibrium and get ready to defend ourselves in this mortal conflict. Because we were not ready and not adequately prepared, because we were not as alert and realistic about world conditions as we should have been, we failed to sense the impending danger and failed to prepare to meet it. Today we are having to pay for that mistake by the expenditure of billions and billions in values of the wealth of our material resources and with the blood and lives of hundreds of thousands of our finest young manhood.

Mr. President, this must never happen again. Whaever treaty we may write, whatever formula for peace may be adopted, it must not involve nor require America to disarm. We shall not sink our battleships, scrap our merchant marine, nor barter away our great air fleet and surrender bases that will be necessary for our use again should another Hitler arise or should any power ever enter upon another war of aggression against us.

Mr. President, there are other "isms" and propaganda that will be planted and used in this country to influence us in the shaping of our post-war policy with respect to international commerce in the future, and I refer particularly to air transportation. Today America leads all countries of the globe in developments and attainments in the field of aviation. Aviaticn will play an important part, it will be a major factor in world commerce when this war ends. There will be strong competition in this field of enterprise. Nation will strive against nation for advantages if not for control of the commerce of the air. This is or should be recognized by every intelligent citizen. It is therefore imperative that we be concerned about our national policy with respect to international air transportation. I doubt whether anyone is prepared at this hour to anncunce just what our national policy should be in this respect. It must yet be studied and developed. But no one with vision or foresight can contemplate the future without being concerned about it and without being anxious that our Government, and its leaders and statesmen who formulate our national and international policies, give it immediate thought and discuss it with the view of being prepared to establish a policy that will insure us our rightful place in this character of world commerce. This problem is of growing importance and every American has the right and duty not only to discuss it but to express his or her thoughts and views to their representatives in the National Congress and to the executive officials of the Nation who have a responsibility connected with the foreign policy of our Government. In this connection, the Congress has a serious and demanding obligation. In no small way, in my opinion, is the future prosperity, safety, and security of our Nation involved, and it is the solemn duty of the Congress to accept and meet intelligently and courageously this responsibility. We must give the subject study and endeavor to arrive at sound conclusions, and make effective the policy that will best serve our country and afford it the greatest measure of protection in the future.

Sometimes we hear disturbing rumors, and particularly so here in Washington, regarding secret agreements being made with other governments with respect to post-war policies and obligations of our country. It is intimated that some of these are made without congressional deliberations, sanction, or approval. Perhaps these rumors are unfounded. I hope all of them are without foundation of fact, but it is a part of our responsibility here in Congress to make certain that there is and shall be no trading away of American rights, no matter how sincere the purpose or how honest the motives may be of those who would undertake to obligate our Government, until and unless the matters involved have first been made public and fully cognizant to the Congress and to the American people.

It is divulging no military secret when we face the fact and frankly admit that there are many differences of opinions between leaders of the Allied Nations with respect to post-war policies and spheres of influence which are expected and intended to be established in the post-war world. I doubt that there is anyone in our Government today who knows and can give us assurance as to what will be the post-war policies of Stalin and Churchill, or of other leaders of major powers in the United Nations. Our statesmanship and the courage of our leaders are challenged by this situation. We shall certainly be faced in the peace era with new problems which we have not yet had an opportunity to study, with some we do not yet know about and which will be so entirely new, complicated, and far reaching that they can be potentially of great danger to our country and its future security.

Theories and idealistic suggestions are interesting as subjects of study and entertainment, but in facing these problems and undertaking to meet and solve them, we cannot afford to be anything other than most realistic, intelligent, and patriotic in our endeavor to find their proper and rightful solution.

As an example of confused thinking, misleading information, and conflicting statements, our attention has been called to a somewhat recent press dispatch from London which stated that Lord Beaverbrook announced in the House of Lords that Great Britain now favors the American-sponsored plan of freedom of the air, having reluctantly abandoned a Canada backed post-war plan for central international control of post-war civil aviation, following United States opposition. Lord Beaverbrook is reported to have said that the American plan for fixing standards and rates was based along the lines of the four freedoms of the air, namely, according to his interpretation, (1) the right to fly, (2) the right to land, (3) the right to set down passengers, mail, and cargo and (4) the right to pick them up, anywhere in the world.

What Lord Beaverbrook may have meant by the expression "American sponsored" plan of freedom of the air, I do not know. I am not advised of any officially recognized or established American plan as yet. If there is one that is authentic and bearing official sanction, I know nothing about it. Apparently then, Lord Beaverbrook must have had in mind some scheme devised and possibly defined by some individual or by some particular group in America. If so, it is certainly misleading to refer to it as "the American plan." In my judgment, informed opinion is now beginning to crystallize along lines which are much different from the so-called "four freedoms of the air."

Those who have made a careful study of this situation have discovered that the so-called "four freedoms," the right to fly, the right to land, the right to set down passengers, mail, and cargo, and the right to pick them up anywhere in the world, has implications which extend far beyond and mean far more than freedom of the air. Such a policy would certainly involve the surrender and relinquishment of the ownership of air space above our own country. That concept of freedom of the air, as expressed by Lord Beaverbrook, would simply mean that the commercial aircraft of any country in the world would be entitled to fly to any inland point or air base in the United States, to pick up or discharge passengers, mail, and cargo, and to carry on an air commerce business into, in and out of this country, and make use of local and domestic airports in direct and destructive competition with the enterprise of our own domestic air lines and commerce.

Moreover, if that broad conception of freedom of the air were to be adopted without qualification we would have no jurisdiction over foreign airplanes operated within the borders of our own country—not even with respect to safety regulations, precautions, and traffic control.

I understand that Lord Beaverbrook's statement in the House of Lords was made following a conference in London by a representative of our State Department, Adolf Berle, Jr., United States Assistant Secretary of State—with representatives of the British Government. The details and conversations of that conference, so far as I know, have never been made public.

However, the Secretary of State has given assurances that these conversations were merely exploratory and that they in no way committed this Government to any particular policy or course of action. Therefore, I do not intend that my remarks shall be construed as criticism of the conversations that took place, nor do I necessarily intend to raise a point of controversy with Lord Beaverbrook over his interpretation or his application of the freedom of the air theory, but I do point out that such occurrences and such utterances as may have emanated from this conversation on the important subject of international air-transportation policy can only add confusion rather than contribute to clarification of this issue.

Mr. President, the consequences that can ensue as a result of policies we may ultimately adopt are of such great significance as to command sober thinking and diligent study, in the hope that no mistake will be made, and that our interest as a government and as the leading Nation in the field of aviation and the future security of our country will be adequately protected.

The Congress has not been unmindful of this problem. A Senate Commerce Committee subcommittee under the leadership of the senior Senator from Missouri [Mr. CLARK] has been conducting extensive hearings in an endeavor to establish the facts and to get a cross-section of opinion from the best informed with respect to international air transportation and what the policy of our Government should be in the post-war period. This subcommittee is giving this subject much time and most careful study. I am informed it has had many competent and expert witnesses before it, including executives or representatives of all of our American air lines. In all probability, this committee will be able soon to make a report and give us the benefit of the information it has obtained and of its conclusions and recommendations.

It is obvious that very controversial questions are involved. For this reason I understand that the subcommittee's hearings have been held in executive sessions, with the view that all witnesses might, therefore, be able to speak freely and frankly on the subject without incurring the risk of misinterpretations in the publication of their ideas during the intermediate period of their presentation. This subject is of such complexity and importance that I know this committee has had a heavy task in studying the details of various theories which may have been advanced and recommended. It is exercising the utmost care to avoid reaching conclusions in haste, in a sincere effort to develop the facts, to serve as the basis for future congressional action.

Since this committee will likely soon report to the Congress, it appears to me that no one should be influenced at this time by any foreign propaganda or by any statements or information that may be given out by any prejudiced persons or groups or by any self-serving interests.

Unfortunately, there may be many interests, some for purely selfish reasons, endeavoring to shape or influence national policy with respect to this matter who are not giving adequate thought, primary concern, or consideration to the welfare of our country as a whole. No particular air-line agency, group, association, or corporation should be favored as such. The welfare, development, success, further expansion, or prosperity of any particular air line in America as such is not of first importance. Superseding their interest is the future safety and security of our country. Our national policy must be formulated with that as our paramount objective.

I recognize that sharp contention has arisen among our domestic companies over air policy with respect to foreign commerce. Some want this field of enterprise thrown wide open to all existing and established commercial air-transport systems. Others hold to the view that one large over-all company, owned and participated in by all of our

domestic aviation interests, can best compete with foreign commercial aviation and thus can operate more efficiently and secure for us a greater share of the world's air-transport business. Mr. President, this controversy will be resolved by whatever policy our Government establishes and pursues. We should not be primarily concerned about the welfare or advantages of any special interest or particular air-transport system. Our country and its welfare must come first. We must determine, if we can, which of these methods of approach in creating a national policy will, when in operation, afford the greatest protection from the standpoint of national security and which will produce for our country the maximum amount of foreign air commerce. When we know the answer to this, then our course will be clear and our duty compelling.

Foreign commerce during the past half century has greatly increased in importance. In the next quarter of a century that importance will be greatly accentuated and multiplied. Therefore, every American activity even remotely affecting our future foreign commerce should be dealt with in the soundest possible manner. In this connection, I am convinced that our policy should embrace plans that will result in a far greater percentage of our future foreign commerce being carried on American bottoms and in American planes than ever before in the history of our country.

Why should we not carry a substantial part of our own exports and imports? Any post-war plans and policies of our Government should provide for this. In 1922 approximately 50 percent of our foreign commerce was carried on American ships. According to charts and records of the United States Department of Commerce that percentage continuously declined until in 1939 it was below 25 percent. Think of this country transporting less than one-fourth of its own foreign trade. Shall we permit that to occur again? If we, through lack of vision or courage, fail to provide for and secure for American air lines our rightful share of air commerce in the post-war era we shall be derelict in our duty, and the future economy and welfare of our country will greatly suffer on account of such failure.

As the greatest Nation in the world and as the leader in the field of aviation, it is our solemn duty to prepare now to secure for our people our fair share of the anticipated increase in international commerce in the post-war world. We will have the greatest number of trained aviators the largest number and the finest quality of airplanes. We will have greater capacity for their production and better facilities for their maintenance and operation than any other country in the world. Shall those who are now engaged in this great and growing industry and who are receiving this training and being equipped for such a career and this character of labor come home following the war to find our country unprepared and apparently little interested in giving them the opportunity that they will so richly deserve? If we are to take our rightful place in post-war aviation and commerce those who now are keeping our bombers and fighter planes flying in this fight for freedom will not come home when the war is over and find they have to join the ranks of the unemployed. We must make it possible for a substantial number of them, at least, and for many American families to gain their livelihood from such activities, and we should continue to train a fair percentage of our youth to engage in this field of endeavor.

We have a standard of living to maintain. It can be maintained if we shall only continue to exercise the same ingenuity of thought and effort which have attended the growth, development, and prosperity America has enjoyed in the past.

Mr. President, the subject I am now discussing is not insignificant or of indifference to the great masses of our people. Many of them are giving this problem serious thought, and are making it the object of study and concern. The leadership of some of the great labor organizations of our country are vitally interested in this problem. Quite naturally, the executives and leaders of those organizations have undertaken to visualize the situation, particularly as to how it will involve and affect wage levels and standards of living. Their interest and the welfare of their members, as well as the interest and welfare of all laboring people, whether members of labor organizations or not, should be considered. It is both wise and expedient that labor leaders, labor organizations, and the laboring man, whether in or out of a union, should give thought to what our post-war policy should be regarding air transportation. Post-war standards of living are of paramount importance to the laboring man, as well as to all of the rest of us. From expressions which come from the leaders of those organizations, it is apparent they are looking not only to their own immediate interests, but are thinking in terms of the welfare of this Nation as a whole. For example, Mr. Alvanley Johnson, grand chief engineer of the Brotherhood of Locomotive Engineers, and Mr. A. F. Whitney, president of the Brotherhood of Railway Trainmen, issued a joint statement regarding national policy on aviation, and I take the liberty of quoting from it:

> That the post-war development of international air commerce will have a far-reaching effect upon our world society and the future of America is regarded as a major post-war certainty by nearly everyone. We believe that the time has come when our Government should assume a leading part in the shaping of America's future international and domestic air-transport policy. We believe that there should be a thorough public discussion of this important problem, and that its solution should not be left entirely to diplomatic negotiations. The people of the United States should move now to formulate and establish a comprehensive policy.
>
> The present war has seen the development of air power as a third major branch of the military. Nations heretofore have competed principally in the building up of armies and navies. We have now three-dimensional warfare. If the United Nations fail to establish the machinery to secure world peace, then a key issue in the preparation for the inevitable World War No. 3 will be that of air policy. Therefore, considerations of international air policy are not alone simple considerations of labor policy, as such, and of maximum service at minimum cost. International—and also domestic—air-transport policy is inextricably enmeshed with the issue of national safety and of war and peace.
>
> "Sovereignty of the skies" describes the system under which all international air transport has been developed.

Mr. President, I doubt if it is wise to abandon that system without careful and cautious consideration.

I continue to quote from the joint statement:

> It is established that each nation shall have full authority or "sovereignty" over the air space above its own territorial domain. Under this system, air lines carrying the American flag are now leading in the field of international air commerce. This principle means that foreign air lines cannot land, refuel, and do business in this country, or fly their planes over it, except as authorized in a specific franchise.
>
> The term "freedom of the air" would seem to imply the right of the international air carriers of all nations to fly anywhere and land anywhere and do business anywhere on the face of the earth without restriction of national boundaries. The British interests, who are now the leading exponents of the principle, have broken down the definition into three parts: First, the freedom of peaceful transit over all territories for the aircraft of all nations; second, the free access to airports and other air facilities; third, the freedom to transport international traffic, including goods and passengers, under any flag from any point of origin to any destination.
>
> In general we believe that the unsettled international situation and the unpredictable ultimate results of post-war peace plans call for a continued maintenance, in fact a "freezing," of our policy. We are therefore opposed to any relaxation of our present control of our air space. For the present we must consider complete sovereignty of the air as a necessary principle of national safety. Until the machinery of post-war peace has been designed and made operative it would be unrealistic, in fact national folly, to barter away any military and commercial protection or advantage which sovereignty now gives the United States. * * *
>
> High wage standards are essential in a highly skilled industry like air transportation. Government policy should be devoted to the support of such standards and the protection of the American carrier, maintaining them against cheap labor of foreign powers. Such a policy will react to maintain wage standards in all other forms of transportation and the American standard of living. We have, therefore, suggested in point 1 above that the Congress study this problem.
>
> It is by no means certain that the United Nations will be able to agree on a "decent and durable peace" after the Axis Powers are defeated. In any event, until such a peace is assured, the American people should not sink their Navy; junk, abandon, or sell their merchant marine; barter away our large reserves of aircraft; or in any way relinquish their present advantages in commercial aeronautics and military air power.

I should like also to call attention to a recently published statement by Mr. George Meany, secretary-treasurer of the American Federation of Labor, published in the American Federationist, in which he goes rather thoroughly into the implications of international air transportation as it may affect the future of our

country. I quote two paragraphs from his article:

In the final analysis, let us remember that the whole problem of civilian air transport in the future is inevitably tied to our future as a nation. Who flies airplanes over our country is our business. Who makes the airplanes that fly over our country, and at what wages these planes are made, is also our business. Let us in the case decide coolly and calmly for ourselves what we should do in the air-transport field of the future to protect ourselves. Let us not make such decision on an emotional basis superinduced by a slogan that sounds good to us.

Let those who are interested in avoiding unnecessary unemployment among American workers and in protecting American wage standards from the unfair competition of low-wage countries operating through Government-subsidized monopolies, avoid being carried away by "freedom of the air."

Another interesting article on this subject has been written by Dr. Arthur E. Traxler, and appeared in the December issue of International Conciliation, circulated by the Carnegie Endowment for International Peace. In the article he analyzes the various theories and recommendations advanced by certain groups and then summarizes the situation in part as follows:

Commercial air power, whether we like it or not, is going to be a spearhead instrument of national policy so long as any vestige of nationalism remains in the world political structure. To ignore this fact would be dangerous and to neglect it would be suicidal. The policy of the United States on international air transport should be one of enlightened self-interest for the immediate future, coupled with a dynamic long-term policy of international cooperation and good neighborliness.

The idea of "freedom of the air" is admirable as a long-term goal, but it is utterly impracticable under present conditions. With an International Civil Aeronautics Administration, which would necessarily work in cooperation with other international bodies, the ideology of "freedom of the air" is simply a cloak for anarchy in international air transportation. Neither the idealists nor the air-line leaders who take a realistic point of view should stand in the way of an undertaking to secure regulation of world air traffic. The fact that the voices which have been raised in favor of this so-called freedom are articulate and strong will not count in the balance when the problem is really faced and all the facts are represented in international negotiations.

The present practice of the major powers with respect to the securing of operating rights in other countries should be continued. This practice consists of the conclusion of liberal reciprocal agreements between the leading nations and the obtaining of unilateral franchises covering rights to operate air lines in other countries.

Mr. President, thousands of American boys have already given their lives in this war. Thousands upon thousands more will die on the field of battle before it shall end. They do not believe they are giving their lives in vain. They are inspired to go beyond the call of duty in deeds of daring and heroism and to sacrifice life itself in order to preserve to their country—your country and mine—and to their loved ones, and to posterity, that something that we have always regarded even more precious than the life of any individual, that something that we call freedom, that which we term "The American way of life," what the world knows and recognizes as Christian civilization. We are not fighting a war of conquest. We are not aggressors. We are defenders in this conflict, defending the precious heritage that is ours, that was bought with the price our forefathers had to pay before they could establish this land of the free and the home of the brave. We all know that our country has no desire or war aims to seize territory from, or to encroach upon or destroy, the just rights of any nation as a result of this war. It is not our purpose to take anything away from any other nation, victor or vanquished, that is rightfully theirs. We seek only a world in which the family of nations can live and survive in friendship, peace, and good will. That is our goal. God grant that we may achieve it. But, Mr. President, we, the lovers and defenders of liberty for the human race, must be on guard. We do not want to find ourselves in the position, when the smoke of battle shall have cleared away, or to take any course thereafter which would be tantamount to having acquiesced in, or, much less, of having deliberately arranged through neglect or indifference to give away to other nations anything that rightfully belongs to America, and which is vitally essential to our future posterity and national security.

We should bear in mind the statement of Prime Minister Churchill of England when he said on November 10, 1942, "I have not become the King's First Minister in order to preside over the liquidation of the British Empire."

Mr. President, we are not fighting this war with the purpose of surrendering or liquidating American sovereignty after the military victory shall have been won. Premier Marshal Stalin has repeatedly in public utterances taken a firm stand with reference to the future of his country. These two leaders of our major allies have definitely indicated to the rest of the world that they have no thought of either surrendering or impairing the national sovereignty of their countries when this war shall end, although their governments, as well as ours and others of the United Nations, must pursue a course of collaboration and united effort to maintain peace. Nevertheless, I believe as do they—and the thinking people of America agree—that the way to lasting peace should be found and can be found without the surrender of national sovereignty.

Mr. President, we are doing our full share in this war. Not only are we pouring our own blood on the field of battle, giving the lives of the bravest and best of the fair youth of our land, but we are also, by reason of our abundant resources and tremendous productive capacity, making available through lend-lease and other methods, the sinews of war in large quantities to all of our allies. We are literally taking care of and feeding hundreds of thousands, and possibly millions of refugees and liberated peoples in areas which we have retaken from the enemy.

Oh, yes, Mr. President, some of those peoples and some of those countries may soon forget our generosity, and our great effort and contribution toward their liberation when this war is over, but history cannot fail to take full account of it. We do not mind these sacrifices. I make no criticism of them. I am glad that my country is able and that our people are willing to make those sacrifices, and to make such a contribution to the needs of humanity. But, Mr. President, I also believe that in doing all those things, and as we fight in battle to achieve what is in the hearts and minds of us all as the clear, immediate objective—the winning of the war—we should not be indifferent to the welfare of our country, nor to its future security, the happiness and prosperity of our people when this war shall end. Duty and devotion to country compel diligent, intelligent, and courageous statesmanship as we undertake the solution of this tremendous and vital problem.

APPROPRIATIONS FOR THE MILITARY ESTABLISHMENT

The Senate resumed the consideration of the bill (H. R. 4967) making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes.

Mr. THOMAS of Oklahoma. Mr. President, I ask for the regular order, which is action on the pending amendment, so that we may finish the amendments on the War Department appropriation bill.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 31, line 3, striking out "$1,800,217,000" and inserting "$1,799,000,000."

Mr. WHITE. Mr. President, will the Chair advise me what is immediately before the Senate?

The PRESIDING OFFICER. The question before the Senate is the amendment just stated by the Chair on page 31, line 3.

Mr. WHITE. It is a committee amendment, as I understand?

The PRESIDING OFFICER. It is a committee amendment.

Mr. WHITE. Very well.

Mr. BALL. Mr. President, the junior Senator from Michigan [Mr. FERGUSON] has discussed the Canol project at some length. I understand from him that no amendment to eliminate the project from the pending bill is to be offered. I think that is a wise decision. At this late hour, obviously it could not have the consideration which it should have. However, before the amendment is adopted I desire to express my general agreement with the statement made by the junior Senator from Michigan.

I sat on the Truman committee during the whole investigation of the Canol project and while the original intent of finding new sources of oil unquestionably was sound, I think the evidence we collected demonstrated that long after the feasibility and wastefulness of the project from an economic point of view had been proved the War Department insisted on bulling it through regardless of cost. It is true that there is a tremendous amount of waste involved in fighting a war, but it seems to me that when the usefulness of a given project has been demonstrated, as it has been

demonstrated in the case of this project, there is no excuse for going on with it.

I merely want to add that, as a member of the Appropriations Committee, I hope that next year this bill will come to the Senate soon enough so that the committee may really dig into this particular item.

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

Mr. BALL. I yield.

Mr. WILLIS. Can the Senator inform me whether there was ever a specific appropriation by the Congress for the Canol project?

Mr. BALL. I understand there was an item of $25,000,000 in an appropriation bill 2 years ago.

Mr. WILLIS. The total amount expended to date approximates what sum?

Mr. BALL. The amount is approximately $135,000,000, as I recall.

Mr. WILLIS. So it is revealed that, regardless of whether Congress makes the appropriations, these wasteful projects go on?

Mr. BALL. As the Senator knows, since the beginning of the war military appropriations have been lump-sum appropriations, with very wide latitude in the expending agencies.

Mr. WILLIS. And this shows the wisdom of giving a little more specific attention to and providing limitations on some of these appropriations.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 31, line 3.

The amendment was agreed to.

The PRESIDING OFFICER. The Clerk will state the next amendment reported by the committee.

The next amendment was, on page 31, line 3, after the amendment last agreed to, to strike out "of which $1,217,000 shall be available for obligations incurred prior to July 1, 1944."

The amendment was agreed to.

The next amendment was, on page 32, line 15, after the word "purposes", to strike out the following proviso: *"Provided further,* That, notwithstanding any other provision of law, the Secretary of War shall not be authorized to lease, sell, or otherwise dispose of any lands acquired or owned by the United States prior to July 2, 1940, nor shall he declare any such lands surplus for disposition by any other officer, board or commission: *Provided further,* That this prohibition shall not apply to nor prevent the transfer of real estate or other property to the Veterans' Administration for the care and treatment of veterans", and in lieu thereof to insert the following: *"Provided further,* That notwithstanding any other provision of law, the Secretary of War shall not be authorized to sell any military post, or reservation, nor part thereof, acquired or owned by the United States prior to July 2, 1940, nor shall he declare any such military post, or reservation, nor any part thereof, surplus for disposition by any other officer, board or commission: *Provided further,* That this prohibition shall not apply to nor prevent the transfer of real estate or other property to the Veterans' Administration for the care and treatment of veterans or to the Navy Department."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. THOMAS of Oklahoma. Mr. President, I submit an amendment correcting a total in one particular.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 35, line 4, it is proposed to strike out "$2,197,212,500" and insert "$2,195,995,500."

The amendment was agreed to.

Mr. BALL. Mr. President, I move to amend the bill on page 15, line 24, by striking out the words "military or." I offer this amendment on behalf of the Senator from South Dakota [Mr. GURNEY], who proposed it in the committee. The chairman of the subcommittee in charge of the bill, the Senator from Oklahoma, has already discussed it, and I believe is willing to accept it.

Mr. THOMAS of Oklahoma. Mr. President, the proposal came up for discussion in the committee and the committee had no objection to the amendment. Later the subject matter was referred to the Department and I have a communication from the Secretary of War of date June 20. I am glad to accept the amendment, and, following action on the amendment, I ask that the original letter sent to the committee by the Secretary of War be published in the CONGRESSIONAL RECORD.

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

The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. BALL] on behalf of the Senator from South Dakota [Mr. GURNEY].

The amendment was agreed to.

The letter ordered printed in the RECORD on request of Mr. THOMAS of Oklahoma is as follows:

WAR DEPARTMENT,
Washington, June 20, 1944.

Hon. ELMER THOMAS,
Chairman, Subcommittee on War Department Appropriations, Committee on Appropriations, United States Senate.

DEAR SENATOR THOMAS: Reference is made to your inquiry concerning the proviso of H. R. 4967 (Military Appropriation Act, 1945) beginning on page 15, line 19, and ending on page 16, line 3, which reads as follows: *"Provided,* That no appropriation contained in this act shall be available for payment to or expenditure on account of any military or civilian personnel employed outside continental United States to paint or otherwise reproduce war scenes except by means of photography, or to paint portraits, or for payment to or expenditure on account of any military personnel within continental United States who engage in decorative art projects or painting portraits to the exclusion of regular military duties"; and the effect of eliminating from that proviso the words "military or" contained in line 3 of the proviso.

The effect of the elimination of the words "military or" from line 3 of the proviso would be to remove the restriction against using military personnel outside continental United States to paint or otherwise reproduce war scenes.

Because of the scarcity of manpower, it is the policy of the War Department to utilize every available man in the Army for strictly military activities directly connected with prosecuting the war. However, there is some responsibility to those participating in this war and to those who may participate in future wars, to place on canvas the more outstanding war scenes characteristic of this global struggle. This has been done in past wars and is now being done by the Navy, the Marine Corps, and our allies in the present war.

If the words "military or" are eliminated, as has been suggested, it would permit the War Department to utilize such talent as it now has, in small numbers, to depict on canvas characteristic war scenes abroad. Under no circumstances will it permit the appointment of civilians to a commissioned status or will it accept civilians for induction solely for these purposes.

Sincerely yours,

HENRY L. STIMSON,
Secretary of War.

The PRESIDING OFFICER. If there be no further amendment to be proposed, 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. 4967) was read the third time and passed.

Mr. THOMAS of Oklahoma. I move that the Senate insist upon its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. THOMAS of Oklahoma, Mr. HAYDEN, Mr. OVERTON, Mr. RUSSELL, Mr. TRUMAN, Mr. REYNOLDS, Mr. BRIDGES, Mr. GURNEY, and Mr. BROOKS conferees on the part of the Senate.

STATEMENT BY OLIVER LYTTELTON, BRITISH MINISTER OF PRODUCTION

Mr. SHIPSTEAD. Mr. President, there is an old definition of diplomacy which has been recognized all over the world as the most classic of all, given a long time ago by Clausewitz, who said that diplomacy is merely an extension of politics. Consequently, while it has been admitted to be true that diplomacy is an extension of politics, under the euphonious name of "diplomacy," international politics is naturally an extension of national politics, and a reflection of national politics. Clausewitz has also been quoted as saying that war is an instrument of politics. National politics may be designated, again, as a difference of opinion which comes to the top as a reflection of the thought of the people of a nation. International politics, usually called diplomacy, is, therefore, a matter of conflict of opinions and politics in international affairs.

It has been said that diplomats have their ways in clouds and darkness, but try to do things well. Their duty is to try to carry into action the policies of those in control of a nation's foreign politics.

It is an established opinion among men who understand politics—which I

do not pretend to do—that the best policy in politics is to say as little as possible. However, there are times when a man must speak whether it is diplomatic or politic to do so.

I have much sympathy for the man who is quoted in the newspapers today. He is the Minister of Production in Great Britain, and a cabinet officer, Oliver Lyttelton, who is quoted as having made a speech at the American Chamber of Commerce in London in which he said, "It is a travesty of history to say that America was forced into the war."

The Senator from Illinois [Mr. LUCAS], for whom I have high regard, this morning asked for Mr. Lyttelton's resignation. I am a human being, or I hope I am, and I think the honorable gentleman should be excused. He is not a politician, he is not a diplomat, and for that reason I think we can excuse him. I assume he was in the navy establishment when the present Prime Minister was Lord of the Admiralty, so I believe that the castigation and statement of the Senator from Illinois, to the effect that he should resign, was a little severe.

Evidently Mr. Lyttelton wanted to compliment the Government of the United States for its assistance to Great Britain, and so he said, "It is a travesty of history to say that America was forced into the war."

When, according to the press, the consternation the statement aroused in the United States and also in Britain was called to his attention, he turned diplomat. A few hours later he changed his statement, and said that what he really meant was to compliment the Government of the United States for coming into the war as early as it did.

I wish to express my feeling of sympathy for this man, who has made a mistake, an honest mistake. Had he been a diplomat or a politician, he perhaps would not have made the statement. We have to make allowances for people. He evidently had not been trained in politics or in diplomacy.

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

Mr. SHIPSTEAD. I yield.

Mr. BARKLEY. I am informed that in the Parliament today Mr. Lyttelton, who is the subject of the comments of the Senator, and who is quoted as having made the speech yesterday, commented upon his remarks of yesterday, and made a very comprehensive apology for what he said, and practically told the Parliament that his continuance in office was entirely within their hands, that he did not resign, but he admitted he had made a serious mistake, and that it was up to the Parliament to determine whether he should remain in office. It was an honorable acknowledgment of a serious error of judgment in making the statement he did make.

Mr. SHIPSTEAD. I have no doubt that the gentleman is a very honorable gentleman, and spoke what he thought was the truth, and evidently he came to the conclusion that he should not have said it. It was a mistake any human being could have made. Even some Senators sometimes make such mistakes, although we do not always admit it.

In view of the retraction he made, in the circumstances under which he made it, I do not think we should demand his resignation. He may be of great service to His Majesty's Government, and evidently not having been trained as a politician or a diplomat, like all human beings, talked "out of turn" even if he told the truth.

However, I should like to have the entire report of this incident, as printed in the New York Times, including the statement of refutation by Secretary Hull, printed in the RECORD. I think Secretary Hull is entitled to have his statement in the RECORD. I have always had the highest regard for our Secretary of State, and he cannot be blamed because all diplomats and all members of foreign cabinets may not be as discreet as he is. I certainly do not want to cast any reflection on our Secretary of State, or on his honor, or his magnificent capacity for silence, which was not emulated by Mr. Lyttelton.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

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

HULL AGAIN DENIES WE INCITED JAPAN—UNPARALLELED STATEMENT ISSUED DESPITE LONDON MINISTER'S RETRACTION OF CHARGE

WASHINGTON, June 20.—Secretary of State Cordell Hull declared tonight that an assertion by Oliver Lyttelton, British Minister of Production, today that the United States had provoked Japan to attack Pearl Harbor was "entirely in error as to the facts and fails to state the true attitude of the United States."

The United States, Mr. Hull said, was actuated by the "single policy of self-defense" and Japan's attack was "unprovoked."

[The United Press quoted the British Minister as follows: "Japan was provoked into attacking the Americans at Pearl Harbor. It is a travesty on history ever to say that America was forced into the war. Everyone knows where American sympathies were. It is incorrect to say that America was ever truly neutral, even before America came into the war on an all-out fighting basis."]

Mr. Lyttelton made his remark as an extemporaneous interpolation in a prepared address he was delivering before the American Chamber of Commerce in London. Subsequently an official addition was made to his extemporaneous remark to the effect that Japan was distinctly the aggressor nation.

This addition, in the nature of a qualification, was not regarded here as changing essentially the point of his original remark, nor as a retraction of that remark.

When Secretary Hull had satisfied himself of the accuracy of the report of Mr. Lyttelton's address, which was directed in main to the theme of lend-lease, he issued his statement. It was intended to set the record straight from the American standpoint. It also reflected the considerable indignation in the State Department over the British Minister's remark.

HULL STATEMENT

The statement follows:

"Unfortunately the statement of the British Minister of Production is entirely in error as to the facts and fails to state the true attitude of the United States both during the earlier stages of military preparation for world conquest by Germany and Japan and during the later aggressions by these two countries.

"This Government from the beginning to the end was actuated by the single policy of self-defense against the rapidly increasing danger to this Nation. The aid given to Great Britain and other countries who were resisting conquest was, in the words of the Lend-Lease Act, 'vital to the defense of the United States.'

"Japan for years had notoriously pursued a program of the widest conquest. In 1931 she seized Manchuria; in 1937 she invaded China; in 1940 she entered Indochina, and finally in 1941 she launched the unprovoked attack on the United States at Pearl Harbor."

HULL ACTION UNPARALLELED

The repudiation of Mr. Lyttelton's assertion was unprecedented in this war. Never before has a high official felt called upon to repudiate flatly an utterance of a ranking and responsible official of an Allied government.

Moreover, the fact that the qualification issued in London was not considered as disposing of the matter sufficiently for Mr. Hull to consider a statement unnecessary indicated that further clarification of the incident might be in order.

Mr. Lyttelton has the reputation of being an official who would not ordinarily blunder. One theory is that he may have thought he was paying the United States a compliment by making the point that this country was not a cringing nation before the Japanese imperialists.

Whatever the explanation, it would be regretted if Japan took the incident as a gesture toward her from her former ally, Britain, which, Tokyo might believe, was thinking of the first two decades of this century, when the two Empires stood together in the Far East against czarist Russia.

Secretary Hull's first reaction to the London report revealed that he would check its accuracy and that then something might be said here. When he held his press conference at noon he said he had just heard of the remark and so must reserve his views.

HULL DENOUNCED JAPAN'S NOTE

His statement this evening recalled to many his denunciation of the Japanese note handed him as Pearl Harbor was under attack on December 7, 1941. Upon reading the note Mr. Hull denounced it to the Japanese envoys, Admiral Kichisaburo Nomura and Saburo Kurusu, as containing infamous falsehoods and distortions.

Last year the State Department issued its White Book on the diplomacy of the Pacific in the decade from 1931 to 1941 to show how Japan had long been bent upon aggression and would not stop at war.

Members of Congress reacted instantly to Mr. Lyttelton's remark.

Representative SOL BLOOM of New York, chairman of the House Committee on Foreign Affairs, was emphatic in his comment.

"If it is correct that Mr. Lyttelton made this statement," Mr. BLOOM said, "he does not know what he is talking about, and if he really did say what he is quoted as having said, he is a very dangerous man to have occupying the position he occupies today.

"I can hardly believe that any sane person who knows anything about the situation would ever make a statement of this kind, for there is absolutely no truth in it."

Representative CHARLES A. EATON, of New Jersey, ranking Republican member of the House Foreign Affairs Committee, said:

"We could no more have escaped getting into this war than a ship can escape the water it is sailing in. Japan and Germany got us into the war and the only way we can get out of it is to defeat them both."

HALIFAX REPORTED PERTURBED

WASHINGTON, June 20.—The British Information Service would not comment on Minister Lyttelton's remarks, but it was understood that Viscount Halifax, British Ambassador, was so perturbed by his statement

that he telephoned 10 Downing Street, home of Prime Minister Churchill, and asked for a full report. It was emphasized in British circles here that the issue was of such importance that any reaction must come from London.

Mr. Lyttelton authorized his secretary to say that he did not dispute the published version of his statement, but that he had made his remarks as an aside and phrased them badly, a London dispatch said.

MINISTER EXPLAINS REMARKS

(By John MacCormac)

LONDON, June 20.—British Minister of Production Lyttelton made a luncheon speech today intended to cement Anglo-American relations, then had to amend it because of interpretation placed upon his remarks. What he meant to say was that the United States long before it was attacked by Japan was morally against the Axis, but what he was reported to have said was that America behaved in such a way that she provoked Japanese attack on Pearl Harbor.

Tonight the Minister of Production issued a written clarification of his remarks. The vexatious passage in his luncheon speech was not incorporated in the prepared text.

Long after his speech had been delivered and reported Mr. Lyttelton said he would like to have included in it the following paragraph to clarify the "obvious misunderstanding":

"I wish to make the point that the Americans did not wait until they entered the war before showing where their sympathies lay, and the aid they gave Britain will always be remembered with the liveliest sense of gratitude. This aid was, of course, directed to the war against Germany and could not be regarded as provocation by a peace-minded Japan. But the Japanese aggressor chose to regard it as provocation and made the unjustified, treacherous attack at Pearl Harbor."

Mr. SHIPSTEAD. Mr. President, I also refer to an editorial from the Wall Street Journal, the edition of this morning, entitled "Calling for the Facts," and with the permission of the Senate, unless there is some pending business which the majority leader or the minority leader desires to press, I should like to read it, and I should like to have the Senate in possession of the information.

Mr. BARKLEY. I have no objection to the Senator reading it, regardless of whether there is any pending business or not. We hope to have some pending pretty soon.

Mr. SHIPSTEAD. If the reading of the article interferes with business, I will yield to the Senator for the transaction of business.

The editorial published in the Wall Street Journal under the heading "Calling for the facts" is interesting, informative, and, I believe, important. It is as follows:

CALLING FOR THE FACTS

The United Press quotes Capt. Oliver Lyttelton, a member of the British war cabinet, as saying that America provoked Japan to the attack on Pearl Harbor, the event which brought this Nation into the war as an active belligerent. "It is a travesty on history ever to say that America was forced into the war," are the words which Captain Lyttelton is represented as speaking to a luncheon of the American Chamber of Commerce in London.

An addition to the official text of the speech issued some hours after first reports of it were published puts a somewhat different aspect on the minister's remarks. However, explanations in cases of this kind do not always close the incident.

Now that the question has been raised in London—so many vital questions seem to be raised there while we are adjured to silence on this side of the water—would it not be an excellent idea to settle it once for all?

The simple way to do that is to disclose all the facts of the Pearl Harbor attack and the events which led up to it. That has never been done.

We have been told that the administration at Washington expected an attack by Japan. We have not been told why, in the light of those expectations, our fleet was lined up in the harbor like so may sitting ducks. We have never learned what particular qualifications raised the commander of that fleet to his high position. We have never learned clearly what orders he had from those Washington officials who, according to later writings, expected the attack. It would be interesting to know why the Secretary of the Navy on the very morning of December 7, 1941, issued an annual report stating that the Navy was ready and to contrast that statement with later statements of Admiral King which seem to show that the Navy was anything but ready.

Probably the great majority of American people believe, as does this newspaper, that sooner or later the Japanese meant to attack this Nation. That still leaves the question of whether or not a wiser diplomacy could have postponed the attack until we were more nearly ready.

Whatever he meant to do or say, Captain Lyttelton has raised an interesting question. The times being what they are, we should expect to hear more of it.

Mr. President, I think that when the proper time comes the Senate should take cognizance of the debates in the House of Commons, and ask ex-Ambassador Kennedy to come here and let us know whether he permitted the secret code of the Government of the United States to be used by Winston Churchill; whether that was done by the consent of our then Ambassador. I cannot believe that Winston Churchill, while Lord of the Admiralty, would connive with this man Kent, a subordinate in the American Embassy. That would be an insult to his intelligence, and he is a very intelligent man.

The Senator from Nebraska [Mr. WHERRY] earlier today made an eloquent speech in answer to the speech delivered some days ago by the Senator from New Mexico [Mr. HATCH]. I have the highest regard for both Senators. Their sincerity of purpose and desire for world peace cannot be questioned by anyone.

I shall occupy the time of the Senate for a few moments to call the attention of the Senate to what I consider is the difficulty of arriving at a just peace. It is difficult enough to obtain justice and agreement and unity in national politics, and national politics is extended into international politics. Since that is true, there must always be conflict in international politics, sometimes called diplomacy. When there is conflict, then as Clausewitz says, war becomes an instrument of national politics and of international politics. Much is said about means of attaining peace in this world. Everyone desires peace. I do not cast reflection upon anyone who disagrees with me concerning the ways of attaining peace. In my opinion there is but one way to attain a real peace, and that is by having a treaty of peace of such a nature that the people of the various countries involved can live and make a living, and be rid of exploitation by foreign nations in the matter of raw materials, markets, and so forth. The will to peace by all governments involved must be sincere, and they must be willing to work in a spirit of sincerity, in a spirit of give and take, not for the purpose of having balances of power, or having the kind of treaty of peace that permits the great and powerful nations to exploit the thousands of millions who do not have military power. Such treaties have been the cause of much trouble in the past. They are a reflection of national politics, which becomes international politics, and then war. Unless a real treaty of peace can be signed there cannot be any hope of enduring peace. Unless we have a real peace treaty signed we can be assured that men will continue to be born to battle, to slay and to be slain. Unless a real peace treaty is adopted the talk of permanent peace is but prattle, it is a dream that is half insane.

Mr. CONNALLY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a newspaper article containing the statement by Secretary of State Hull with reference to the supposed statement by Oliver Lyttelton, British Minister of production.

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

LYTTELTON'S WORDS DENOUNCED BY HULL—FORMAL STATEMENT DECLARES BRITON "ENTIRELY IN ERROR"

Secretary of State Cordell Hull last night denounced in a formal statement yesterday's remarks by the British Minister of Production, Oliver Lyttelton as "entirely in error as to the facts" and failing to state the true attitude of the United States.

Hull ordinarily does not comment on public statements, but, because of the furore raised by Lyttelton's declarations, he issued the following formal statement after Lyttelton had explained his remarks:

"Unfortunately the statement of the British Minister of Production is entirely in error as to the facts, and failed to state the true attitude of the United States both during the earlier stages of military preparations for world conquest by Germany and Japan and during the later aggressions by those two countries.

"This Government from the beginning to the end was actuated by the single policy of self-defense against the rapidly increasing danger to this Nation. The aid given to Great Britain and other countries who were resisting conquest was, in the words of the Lend-Lease Act, 'vital to the defense of the United States.'

"Japan for years had notoriously pursued the program of the widest conquest. In 1931 she seized Manchuria; in 1937 she invaded China; in 1940 she entered Indochina; and finally in 1941, she launched the unprovoked attack on the United States at Pearl Harbor."

DISTRICT OF COLUMBIA APPROPRIATIONS

Mr. O'MAHONEY. Mr. President, I move that the Senate proceed to consider House bill 4861, the bill making appropriations for the District of Columbia.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 4861) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

EXTENSION OF SUSPENSION IN PART OF PROCESSING TAX ON COCONUT OIL

Mr. GEORGE. Mr. President, I have conferred with the Senator from Wyoming [Mr. O'MAHONEY], in charge of the District of Columbia appropriation bill, and it is agreeable to him that the Senate take up for immediate consideration House bill 4837, which was unanimously favorably reported by the Senate Finance Committee earlier today. I therefore move that the pending measure be temporarily laid aside, and that the Senate proceed to consider House bill 4837.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 4837) to extend for an additional 2 years the suspension in part of the processing tax on coconut oil, which had been reported from the Committee on Finance with amendments.

Mr. GEORGE. Mr. President, this bill extends an act which was passed by the Congress a little more than 2 years ago suspending in part the duty on coconut oil and copra for a period of 2 years. That period expires on June 30. A processing tax of 3 cents was levied in 1934 on coconut oil and copra, copra being the raw material from which the oil is made. An additional 2 cents was levied on the same products not derived wholly from Philippine production or the production of our own insular possessions. The obvious purpose was to give preference to the Philippines. Actually, between 1937 and 1939 we imported 99.1 percent of all coconut oil from the Philippines, and 93.1 percent of all copra from the Philippines. So nearly all our importations came from the Philippines, and the processing tax was paid by manufacturers and users of the raw products.

It is desirable to extend this partial suspension again, because the Philippines are receiving no benefit from the processing tax, and it simply adds to the cost. Coconut oil and copra are one of the chief sources of glycerine, which is a highly necessary war product. The extension was recommended by all the appropriate agencies of the Government which were consulted, and the bill was unanimously passed by the House.

The Senate committee has added one amendment to the bill. The amendment merely corrects a typographical error in the tax simplification bill recently passed by the Congress. Persons having a gross adjusted income of at least $1,075, and not more than $1,100, according to the table printed in the bill actually signed by the President, were to pay a tax of $100, whereas the bill as it passed the House and Senate fixed the tax at $110. The amendment reported by the Senate Finance Committee is merely to correct that typographical error.

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

Mr. GEORGE. I yield.

Mr. WHITE. Do I correctly understand the Senator to say that in addition to the approval of the various governmental agencies interested in the matter, the bill comes to the Senate with the unanimous approval of the Finance Committee?

Mr. GEORGE. It does.

The PRESIDING OFFICER. The clerk will state the amendment reported by the committee.

The amendment of the Committee on Finance was, on page 1, after line 6, to insert a new section as follows:

SEC. 2. (a) Section 400 of the Internal Revenue Code, as amended, is amended by striking out, in the third column of the table contained therein, the figures "100" the second time they appear in such column and inserting in lieu thereof the figures "110."

(b) The amendment made by subsection (a) shall apply to the computation of income tax under Supplement T of chapter 1 of such Code in the case of taxable years beginning after December 31, 1943.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill H. R. 4837 was read the third time and passed.

The title was amended so as to read: "An act to extend for an additional 2 years the suspension in part of the processing tax on coconut oil, and to correct a typographical error in the Individual Income Tax Act of 1944."

Mr. GEORGE. Mr. President, I thank the Senator from Wyoming for his courtesy.

Mr. O'MAHONEY. The Senator from Georgia is very welcome.

DISTRICT OF COLUMBIA APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 4861) making appropriations for the Government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes.

Mr. O'MAHONEY. Mr. President, there is nothing controversial in this supply bill for the District of Columbia. The measure, as it passed the House of Representatives, contained an appropriation of $68,585,607. In the Senate there was added to this sum $563,441, most of which is accounted for by supplemental estimates which were submitted by the Bureau of the Budget after the House had acted. There were one or two further items—three, as a matter of fact—the largest of which was $61,779, to supply housekeeping assistance under the Health Department. I am sure that Senators will find from an examination of the report, which I ask unanimous consent to have printed in the RECORD at this point, that the recommendations of the committee should be accepted. As I say, there is nothing controversial in the bill, and I ask that the Senate now proceed to the consideration of the committee amendments.

There being no objection, the report (No. 988) was ordered to be printed in the RECORD, as follows:

The Committee on Appropriations, to whom was referred the bill (H. R. 4861) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made:

Amount of bill as passed House	$68,585,607
Amount added by Senate	563,441
Amount of bill as reported to Senate	69,149,048
Amount of regular and supplemental estimates for 1945	67,849,959
Amount of appropriations, 1944	58,127,344
The bill as reported to the Senate—	
Exceeds the estimates for 1945	1,299,089
Exceeds the appropriations for 1944	11,021,704

SUPPLEMENTAL ESTIMATES

The committee had before it for consideration in connection with the District of Columbia appropriation bill for the fiscal year 1945, the following supplemental estimates contained in Senate Document No. 200:

(1) Regulatory agencies. Department of Insurance	$6,351
(2) Public schools: Permanent improvement of grounds, as follows: Stabilization and drainage of the grounds at the Young Elementary School, Browne Junior High School, and Phelps Vocational School	110,000
(3) Fire Department: To provide funds to cover increases made under Public Law 297, approved May 5, 1944, for captains, lieutenants, and sergeants	48,000
(4) Courts: Municipal court (reallocation increases approved by the Civil Service Commission since the Budget was transmitted to Congress)	14,700
(5) Health Department: Glenn Dale Tuberculosis Sanatorium	19,000
Gallinger Municipal Hospital	66,184
(6) Public Welfare: Capital outlay, child care (site for a new receiving home and admission center for children)	30,000
Capital outlay, Juvenile Correction Service (site for National Training School for Girls and other public-welfare institutions)	58,000
(7) Public Works: Office of Municipal Architect	16,600
Total supplemental estimates	368,835

The changes in the amounts of the House bill recommended by the committee are as follows:

Increases and limitations

Regulatory agencies:	
Department of Insurance	$6,351

This increase was proposed in S. Doc. 200 for the following:

Deputy Superintendent, P–5	$4,600
Rate clerk, CAF–9	3,200
Clerk-stenographer, CAF–4	1,800
Overtime	900
Gross increase	10,500
Less 1 position to be absorbed, $3,800 plus $300 overtime	−4,100
	6,400

(This item is recommended in a supplemental Budget estimate contained in S. Doc. 200.)

Minimum Wage and Industrial Safety Board:	
1 inspector, Industrial Safety Unit, SP–6	2,000
Overtime for proposed position	300
Travel	60
Total, Minimum Wage and Industrial Board	2,360
Office of Recorder of Deeds: Salaries	4,692
Public Utilities Commission: Printing of laws of Public Utility Commission	650
Total, regulatory agencies	14,053

Public schools:

Operating expenses:	
General administration:	
Department of school attendance and work permits:	
2 attendance officers	2,800
1 clerk, CAF–3	1,620
Clerical service room: 3 clerks, CAF–2	4,320
Statistical office: 1 clerk, CAF–3	1,620
Adjusted amount for wartime additional compensation and overtime pay	1,745
Total, general administration	12,105
General supervision and instruction:	
8 clerks, CAF–3 (10 months)	10,800
Overtime pay for 8 clerks (10 months)	2,000
Restoration of over-all reduction	12,800
Total, general supervision	25,600
Capital outlay:	
For permanent improvement of grounds, as follows: Stabilization and drainage of the grounds at the Young Elementary School, Browne Junior High School, and Phelps Vocational School	110,000

(This amount is recommended together with the unexpended balance of the appropriation of $25,000 for stabilization and drainage of the grounds of the Browne Junior High School and Phelps Vocational School contained in the District of Columbia Appropriation Act, 1944.)

(This item was recommended in a supplemental budget estimate contained in S. Doc. 200.)

For an additional amount for the construction of a new extensible 8-room elementary school building, in the vicinity of Hillside Road and Alabama Avenue SE	$45,000
Total, public schools	192,705

Recreation Department:

Operating expenses:	
2 senior recreation directors, Sp 5	3,600
4 recreation directors, Sp. 4	6,480
1 messenger, CPC–3	1,320
Overtime	2,100
Total, Recreation Department	13,500

Metropolitan Police:

The committee recommend that the following language be stricken from the bill: "the present property clerk with the rank and pay of inspector."

The committee recommend that the following language be stricken from the bill: "with the rank and pay", and that the following be inserted in lieu thereof: "in the salary grade."

Fire Department	48,000

This proposed increase is based on a supplemental estimate included in S. Doc. 200, in order to provide funds to cover increases made under Public Law 297, approved May 5, 1944, for captains, lieutenants, and sergeants in the Fire Department.

Department of Civilian Defense:

The committee recommend that the following provision be amended as indicated:

"For all expenses necessary for carrying out the provisions of the act of December 26, 1941, to authorize black-outs in the District of Columbia, as amended, including the protective services of the Citizens Defense Corps; the employment of personal services without regard to civil-service or classification laws, and printing and binding; $100,000, to remain available until expended."

The Commissioners stated that since the passage of the bill in the House, they have received notice that it is the desire of the War Department to decrease civilian-defense activities, and they are accordingly now in process of effecting economies in expenditures for those activities, and now feel that an adequate civilian defense organization can be maintained during the fiscal year 1945 within the amount allowed by the House bill, which was a decrease of $50,000 under the Budget estimates.

However, the proposed change of language is necessary in order to include within the activities proposed to be covered by this appropriation item the civilian war services division, under the authority of an amendment to the Black-out Act approved July 13, 1943, Public Law 145, 78th Cong.

Courts:

Juvenile court: 1 probation officer at $2,000 plus overtime	$2,300
Municipal court:	
Reallocations	14,700
Recommended in a supplemental budget estimate contained in S. Doc. 200.	
1 CAF position, $1,620 per annum plus overtime	1,920
Total, municipal court	16,620
Municipal court of appeals: 3 law clerks, P–2, at $2,600 each	7,800
Overtime of the 3 law clerks at $300 each	900
Total, municipal court of appeals	8,700
Total, courts	27,620

Health Department:

Health Department (excluding hospitals): Housekeeping assistance	61,779

(The committee recommend this amount to continue this service during the fiscal year 1945, and to provide for an increase in the number of housekeeping aides from 30 to 50.)

The committee recommend that the following language be added to the bill: ", including housekeeping assistance in cases of authentic indigent sick."

Glenn Dale Tuberculosis Sanatorium	19,000

The amount recommended by the committee, and proposed in a supplemental budget estimate contained in Senate Document 200, is for the following purposes:

3 chauffeurs, CPC–4, at $1,500	$4,500
Overtime for 3 chauffeurs	900
Rental of 3 busses, 365 days at $4.70 per day each	5,260
Maintenance of busses, 76,300 miles, at $0.11 per mile	8,404
Total	19,064
Gallinger Municipal Hospital: To increase salary of the Superintendent from $6,500 to $9,500 per annum	3,000
Repairs and improvements	66,184

The amount of $66,184 recommended by the committee is for the following purposes:

Psychopathic ward:	
(a) Painting exterior woodwork and metal work	$15,000
(b) Repair of all damaged plaster	1,250
(c) Replacement of main lobby floor with terrazo floor	3,000
(d) Sanding and refinishing wood floors	2,000
(e) Surfacing all concrete floors with asphalt tile	9,000

Health Department—Continued.
(f) Shades, draperies, pictures, furniture, etc $3,000
(g) Protection of all stairwells by screens except the administration and pediatric wings 6,000
Painting ward buildings 2 and 3 .. 15,000
Painting nurses' home and refinishing floors 12,000
Total 66,250

(This increase of $66,184 is recommended in a supplemental Budget estimate contained in S. Doc. 200.)

Total, Gallinger Municipal Hospital $69,184

Total, Health Department .. 149,963

Public Welfare:
Family welfare service: For acquisition of site for a new receiving home and admission center for children 80,000

The committee recommend that the unexpended balance of the appropriation of $121,300 for the construction of a new receiving home for children on land owned by the District of Columbia in square 2885, contained in the District of Columbia Appropriation Act, 1942, be rescinded.

This proposed appropriation and repeal of the unexpended balance referred to were recommended in a supplemental budget estimate contained in S. Doc. 200.

Juvenile correctional service:
Capital outlay: National Training School for Girls .. 58,000

The committee recommend that the following provision be added to the bill:

"Capital outlay: For the acquisition of land in the vicinity of the District Training School near Laurel, Md., as a site for the National Training School for Girls, $58,000, together with the unexpended balance of the appropriation of $42,000 for this purpose contained in the District of Columbia Appropriation Act, 1944: *Provided*, That title to said property shall be taken directly to and in the name of the United States, and in case a satisfactory price cannot be agreed upon for the purchase of said property, the Attorney General of the United States, at the request of the Commissioners, shall institute condemnation proceedings to acquire such property as may be selected

Public Welfare—Continued.
in accordance with the laws of the State of Maryland, and expenses of procuring evidences of title or of condemnation, or both, shall be paid out of this appropriation: *Provided further*, That the unexpended balance of the appropriation of $40,000 for the construction of temporary buildings for the National Training School for Girls on a new site to be acquired in Maryland, contained in the District of Columbia Appropriation Act, 1944, is reappropriated and made available for repairs, alterations and improvements to existing buildings on the site to be acquired for said National Training School for Girls, including furniture and equipment and the installation of necessary utilities."

The foregoing item was proposed in a supplemental budget estimate contained in S. Doc. 200. In recommending this item, the committee does so with the understanding ing that before any commitments of any kind are made, and before the inmates in the present National Training School for Girls are transferred to some other location, a complete report on the present operation and cost of the National Training School for Girls, the proposed site to be purchased, the building program involved, the number of inmates to be housed, and all other pertinent information and data relating to the present operation and cost of the National Training School for Girls and the program planned for this institution, shall be made to the Senate and House Committees on Appropriations by the Public Welfare Board through the Commissioners of the District of Columbia within 6 months from the beginning of the fiscal year 1945.

Total, public welfare ... $88,000

Public works:
Office of Municipal Architect:
For test borings and soil investigations in connection with construction projects for which plans and specifications will be prepared by the office of the Municipal Architect 16,600

(This increase was recommended in a supplemental budget estimate contained in S. Doc. 200.)

Public Works—Continued.
Position of maintenance engineer $3,000
Total, office of Municipal Architect 19,600
Department of Vehicles and Traffic: Traffic lights 10,000
Total, public works 29,600
Total increase 563,441
Amount of bill as reported to Senate 69,149,048

The PRESIDING OFFICER. The clerk will state the amendments reported by the committee.

The first amendment of the Committee on Appropriations was, under the heading "Fiscal service," on page 5, line 10, after "(36 Stat. 967)", to insert a semicolon and "and including $10,000 for change-making purposes."

The amendment was agreed to.

The next amendment was, under the heading "Regulatory agencies," on page 7, line 23, after the words "Department of Insurance", to strike out "$41,949" and insert "$48,300."

The amendment was agreed to.

The next amendment was, on page 8, line 13, after the name "Minimum Wage and Industrial Safety Board", to strike out "$36,562" and insert "$38,922."

The amendment was agreed to.

The next amendment was, on page 8, line 18, after the words "rest room", to strike out "$157,730" and insert "$162,422."

The amendment was agreed to.

The next amendment was, on page 8, line 21, after the word "newspapers", to strike out "$107,309" and insert "$107,959."

The amendment was agreed to.

The next amendment was, under the heading "Public schools—Operating expenses," on page 9, line 16, before the words "of which", to strike out "$338,000" and insert "$350,105."

The amendment was agreed to.

The next amendment was, on page 10, line 2, after the words "schools for crippled children", to strike out "$9,754,400" and insert "$9,780,000."

The amendment was agreed to.

The next amendment was, under the subhead "Capital outlay," on page 12, after line 13, to insert:

The permanent improvement of grounds, as follows: Stabilization and drainage of the grounds at the Young Elementary School, Browne Junior High School, and Phelps Vocational School, $110,000, together with the unexpended balance of the appropriation of $25,000 for stabilization and drainage of the grounds of the Browne Junior High School and Phelps Vocational School contained in the District of Columbia Appropriation Act, 1944.

The amendment was agreed to.

The next amendment was, on page 12, after line 21, to insert:

For construction of school buildings and additions thereto, as follows:

For an additional amount for the construction of a new extensible eight-room elementary-school building, four rooms to be left unfinished, in the vicinity of Hillside Road and Alabama Avenue SE., $45,000, in-

cluding $2,345 for preparation of new plans and specifications.

The amendment was agreed to.

The next amendment was, on page 13, after line 3, to strike out:

For construction of school buildings and additions thereto, including plans and specifications, as follows.

And in lieu thereof to insert the following:

For preparation of plans and specifications for school buildings and additions thereto, as follows.

The amendment was agreed to.

The next amendment was, under the heading "Recreation Department," on page 19, line 2, after the word "binding", to strike out "$593,000" and insert "$606,500."

The amendment was agreed to.

The next amendment was, under the heading "Metropolitan Police," on page 19, line 20, after the word "services", to strike out "the present property clerk with the rank and pay of inspector"; and on page 20, line 2, after the word "detectives", to strike out "with the rank and pay" and insert "in the salary grade."

The amendment was agreed to.

The next amendment was, under the heading "Fire Department," on page 21, line 24, after the words "buildings and grounds", to strike out "$2,757,000" and insert "$2,805,000."

The amendment was agreed to.

The next amendment was, under the heading "Department of Civilian Defense," on page 22, line 14, after the word "amended", to strike out "by the act of August 6, 1942 (56 Stat. 740)."

The amendment was agreed to.

The next amendment was, under the heading "Courts," on page 23, line 3, after the words "juvenile court", to strike out "$147,300" and insert "$149,600."

The amendment was agreed to.

The next amendment was, on page 23, line 11, after the word "judges", to strike out "$341,000" and insert "$357,620."

The amendment was agreed to.

The next amendment was, on page 23, line 19, after the words "municipal court of appeals", to strike out "$57,000" and insert "$65,700."

The amendment was agreed to.

The next amendment was, under the heading "Health Department," on page 25, line 2, after the word "service", to insert a comma and "including housekeeping assistance in cases of authentic indigent sick"; and on page 26, line 2, after the word "inspectors", to strike out "$1,440,000" and insert "$1,501,779."

The amendment was agreed to.

The next amendment was, on page 26, line 15, after the word "services", to insert "rental, maintenance, repair, and operation of busses"; and in line 18, after the word "grounds", to strike out "$995,000" and insert "$1,014,000."

The amendment was agreed to.

The next amendment was, on page 27, line 3, after the word "services", to insert "one superintendent at $9,500 per annum"; and in line 20, after the word "grounds", to strike out "$2,104,316" and insert "$2,173,500."

The amendment was agreed to.

The next amendment was, under the heading "Public welfare—Family welfare service," on page 29, line 5, before the word "For", to strike out "Child care" and insert "Operating expenses, child care."

The amendment was agreed to.

The next amendment was, on page 30, after line 11, to insert:

Capital outlay, child care: For the acquisition of approximately 3 acres of land in parcel 141/68 as a site for a new receiving home and admission center for children, $30,000, and the availability for the expenditure of the unexpended balance of the appropriation of $121,300 for the construction of a new receiving home for children on land owned by the District of Columbia in square 2885, contained in the District of Columbia Appropriation Act, 1942, is hereby rescinded.

The amendment was agreed to.

The next amendment was, under the subhead "Juvenile Correctional Service," on page 33, after line 18, to insert:

Capital outlay: For the acquisition of land in the vicinity of the District Training School near Laurel, Md., as a site for the National Training School for Girls, $58,000, together with the unexpended balance of the appropriation of $42,000 for this purpose contained in the District of Columbia Appropriation Act, 1944: *Provided*, That title to said property shall be taken directly to and in the name of the United States, and in case a satisfactory price cannot be agreed upon for the purchase of said property, the Attorney General of the United States, at the request of the Commissioners, shall institute condemnation proceedings to acquire such property as may be selected in accordance with the laws of the State of Maryland, and expenses of procuring evidences of title or of condemnation, or both, shall be paid out of this appropriation: *Provided further*, That the unexpended balance of the appropriation of $40,000 for the construction of temporary buildings for the National Training School for Girls on a new site to be acquired in Maryland, contained in the District of Columbia Appropriation Act, 1944, is reappropriated and made available for repairs, alterations, and improvements to existing buildings on the site to be acquired for said National Training School for Girls, including furniture and equipment and the installation of necessary utilities.

The amendment was agreed to.

The next amendment was, under the heading "Public works," on page 37, line 11, after the word "binding", to insert "and $16,600 exclusively for test borings and soil investigations"; and in line 12, after the amendment just above stated, to strike out "$64,000" and insert "$83,600."

The amendment was agreed to.

The next amendment was, on page 46, line 20, after the word "law", to strike out "$395,000" and insert "$405,000."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. O'MAHONEY. Mr. President, by authority of the committee, I have two legislative amendments to offer. The first is an amendment providing an appropriation of $10,100 for psychiatric services for the juvenile court of the District of Columbia. Last year in the appropriation bill a legislative proposal was carried authorizing the Commissioners of the District of Columbia to utilize the services of the Public Health Service to maintain a psychiatric clinic in connection with the juvenile court. This year, however, the Budget Bureau, feeling that this was a service which ought to be carried in the District of Columbia bill, struck out of the Public Health Service estimates the amount necessary to pay the compensation of the persons who were detailed to this service.

The District bill carries an appropriation setting up in the Public Health Department a service of mental hygiene, but that provision will not operate as quickly as it should. So the amendment is designed to prevent an interruption of the service in the municipal court. There was no objection to the amendment. I send it to the desk, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. Under the heading "Courts" following the paragraph for the "Juvenile court", it is proposed to insert the following paragraph:

For a psychiatric service for the juvenile court of the District of Columbia, $10,100: *Provided*, That the Board of Commissioners of the District of Columbia is authorized to obtain said psychiatric service for the juvenile court of the District of Columbia from the United States Public Health Service, and, at the request of the Board of Commissioners, the Surgeon General is authorized to detail the necessary medical and other personnel, not to exceed one psychiatrist, one psychologist, and one nurse, for this purpose: *Provided further*, That the amount herein appropriated shall be transferred to the United States Public Health Service for reimbursement for the medical and other personnel so detailed.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming.

The amendment was agreed to.

Mr. O'MAHONEY. Mr. President, I offer a legislative amendment which I send to the desk and ask to have stated. The amendment was offered from the floor last year by the senior Senator from North Dakota [Mr. NYE], the ranking minority member of the District of Columbia Subcommittee on Appropriations. However, it was rejected in the conference. The Senator from North Dakota requested that it be presented again, and the Senate committee endorsed his request.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. Under the heading "Public Works," and in the paragraph for "Department of Vehicles and Traffic (payable from highway fund)," it is proposed to strike out the figure "$405,000" and insert in lieu thereof "$405,800," and at the end of said paragraph, insert the following proviso: "*Provided further*, That the employee of the Department of Vehicles and Traffic who is charged with the immediate responsibility for, and exercises supervision over, the issuance of tags and certificates of title and the registration of motor vehicles and trailers shall hereafter be known as the Registrar of Titles and Tags, and so long

as the present incumbent of the position for which a designation is hereby provided continues to hold such position it shall be classified in grade 9 of the clerical, administrative, and fiscal service under the Classification Act of 1923, as amended."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming for the Senator from North Dakota.

The amendment was agreed to.

Mr. O'MAHONEY. That concludes the amendments.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, 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. 4861 was read the third time and passed.

Mr. O'MAHONEY. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. O'MAHONEY, Mr. GLASS, Mr. OVERTON, Mr. THOMAS of Oklahoma, Mr. BILBO, Mr. NYE, Mr. HOLMAN, and Mr. BURTON conferees on the part of the Senate.

AUTHORIZATION TO FILE REPORT ON DEFICIENCY BILL—STATUS OF APPROPRIATION BILLS

Mr. WAGNER obtained the floor.

Mr. McKELLAR. Mr. President, will the Senator from New York yield to me for a moment in order that I may make a unanimous-consent request to report a bill?

Mr. WAGNER. I yield.

Mr. McKELLAR. I ask unanimous consent to be permitted to file the report on the second deficiency appropriation bill, if the committee finishes it this afternoon, so that it may be considered by the Senate tomorrow.

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

Mr. BARKLEY. Mr. President, may I ask the Senator from Tennessee what is the status of any unfinished appropriation bills at this time, either in conference or in the committee?

Mr. McKELLAR. The Interior Department appropriation bill and the war civil functions bill have both been sent to the President today. It may be possible to get the Agricultural Department appropriation bill through today, and there is a possibility that the State, Justice, and Commerce appropriation bill may be finally disposed of today. The other appropriation bills are getting along very well. The District of Columbia appropriation bill, as the Senator knows, passed the Senate a while ago. With respect to the war agencies bill, we have had a conference on that, but it has not as yet been concluded. The Labor and Federal Security Agency appropriation bill is now in conference. The Military Establishment appropriation bill has gone to conference, the conferees having been appointed. We hope to be able to report the second deficiency appropriation bill this afternoon, but hardly in time before adjournment or recess, and so I have asked permission to file the report later today. That is the situation with the appropriation bills.

Mr. BARKLEY. I thank the Senator. Does that reveal the likelihood that all the appropriation bills will be finally disposed of by Friday?

Mr. McKELLAR. I am not so sure about Friday, but unless something untoward happens, I am very hopeful that we can get them through this week.

Mr. BARKLEY. I thank the Senator.

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS OF 1942—CONFERENCE REPORT.

Mr. WAGNER. Mr. President, I ask unanimous consent for the present consideration of the conference report on Senate bill 1764, extending the Price Control and Stabilization Acts. Pursuant to the order entered yesterday, I submitted the report later in the day, and it is printed in the House proceedings at page 6420.

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

There being no objection, the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1764) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes.

Mr. WAGNER. Mr. President, I desire to explain as briefly as I can the amendments which have been under consideration, and which now are contained in the report. All Senators are aware of the fact that the stabilization extension bill, which I am reporting from conference on behalf of the managers on the part of the Senate, is the product of extended yet intensive consideration. To the protracted hearings and executive sessions of the Banking and Currency Committees of both Houses, and to the many days of debate on the floor of the House and Senate, have now been added 4 long days of deliberation by the conference committee.

The committee was confronted with the task of passing on a total of more than 40 amendments divided between the 2 bills. Very few of these were identical, most of them were important, and all of them presented technical difficulties requiring careful treatment. The House bill included the greater number of amendments, but quite a few of these gave rise to no points of controversy between the Houses or from the standpoint of the executive agencies concerned. For the most part, the work of the committee resolved itself into the business of finding the best possible solution to problems which both Houses had recognized. In this task, amendments, which directly or indirectly, would have permitted inflationary increases in rents or prices were eliminated or drastically revised. Other amendments which would have paralyzed the Price Administrator's power to enforce his regulations were similarly treated. The resulting changes were numerous, and will, I fear, make this report a long one.

The end product of a give-and-take process always leaves some people disappointed. Some Senators will, I know, be dissatisfied as to certain provisions we have changed, and other Senators will be dissatisfied with other actions. But when allowance is made for such disappointments, I hope the Senate will agree that the bill as reported is an effective measure to protect the earnings and the savings of the American people from the menace of inflation, and that it is, at the same time, a satisfactory answer to justifiable criticisms of the existing law.

Before turning to the specific provisions of the conference agreement, I should explain that the order in which they will be discussed will follow that of the bill. First, the amendments to the Emergency Price Control Act will be considered, and then the amendments to the Stabilization Act. Some of the most controversial of the matters dealt with relate to provisions of the latter act.

With respect to the termination of the two measures, the conference committee adopted the provision in the House bill fixing the terminal dates at June 30, 1945.

SECTION 2

The Senate bill had made no amendments to section 2 (a) of the Emergency Price Control Act, the basic source of authority to establish maximum prices. The conference committee has adopted three of the amendments contained in the House bill. The first of these forbids the Price Administrator from requiring the determination of costs otherwise than in accordance with established accounting methods. This amendment was agreed to because, while imposing a salutary limitation on the Administrator's discretion by denying him authority to prescribe the use of accounting methods conflicting with those methods generally established in the accounting profession, the provision does not restrict the Administrator's discretion in establishing maximum prices or in prescribing the factors to be used in calculating maximum prices.

Section 2 (a) has contained provisions requiring that the Administrator consult with representative members of the industries subject to regulation and with industry advisory committees established in such industries. The conference agreement includes two House provisions making explicit the Administrator's duty to give consideration to the recommendations of the industry members and industry advisory committees with whom he consults.

The basic provision authorizing the establishment of maximum rents contained in section 2 (b) was altered by a single clarifying amendment contained in the House bill. This amendment requires that the Administrator, in making general adjustments in the maximum rents in a particular defense rental area, shall give consideration to the general increas-

es in property taxes and operating costs which have taken place in that particular area, and not those occurring elsewhere.

The Senate conferees have accepted with minor modifications an amendment to section 2 (c) contained in the House bill, which directs the Administrator to provide by regulation for making individual adjustments in maximum rents in those classes of cases where, due to peculiar circumstances, the rent on the maximum rent date was substantially higher or lower than the rents generally prevailing in the rental area for comparable accommodations. The Senate conferees, however, declined to accept in the House bill an individual adjustment provision which would have opened the door to a flood of applications based on cost increases, and which would have been administratively unworkable and inflationary in effect. In place of this provision a substitute was devised which requires the Administrator to provide by regulation for individual adjustments in classes of cases in which a substantial hardship has resulted since the maximum rent date from substantial and unavoidable increases in taxes and costs. This will permit the Administrator to restrict, by appropriate adjustment provisions, the granting of relief to those cases which are clearly deserving.

A further change has been made in the text of section 2 (b) which makes explicit the duty existing by implication under the present law to release areas from rent control where the need for such control no longer exists. The provision makes mandatory the abolition of control in any defense rental area or portion thereof specified by the Administrator when conditions in such area are found to make rent control unnecessary in order to eliminate abnormal increases in rents and to prevent profiteering and speculative practices resulting from abnormal market conditions caused by congestion. The standards specified for decontrol are in harmony with those specified for the imposition of control, and the amendment also includes a provision authorizing the reestablishment of rent control in decontrolled areas in accordance with those standards.

The differing views with respect to the handling of the subsidy problem which were embodied in the Senate and House bills have been resolved by the adoption of the restrictions contained in both bills. The House bill had forbidden any additional commodity intended to be used as human food from being defined as a strategic or critical material with the result that no new food product may be added to those now being subsidized under the Reconstruction Finance Corporation Act. This provision does not affect existing R. F. C. subsidies nor does it curtail subsidies granted by the Commodity Credit Corporation. As it will be recalled, the Senate bill forbids all subsidy payments after June 30, 1945, unless the money required therefor has been appropriated by the Congress for such purpose. To facilitate the appropriation of moneys for subsidy purposes a further amendment has been adopted which expressly authorizes such appropriations.

The Senate conferees refused to accept the House amendment to section 2 (h) which would have denied to the Administrator the authority to compel changes in business practices in those cases in which such practices were being used as means of circumventing or evading price regulations and where evasion could not be prevented without changing such practices.

The conference agreement does amend section 2 (h) to require the Administrator to make an affirmative finding of the necessity to compel changes in business practices in order to prevent circumvention or evasion.

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

Mr. WAGNER. Does the Senator wish to ask a question?

Mr. WHERRY. Yes.

Mr. WAGNER. I suggest that if I may be allowed to continue I may answer the question which the Senator has in mind. I would prefer to continue with my statement relative to the different amendments. Then I shall be delighted to yield to the Senator, and to the best of my ability, answer any question that he may wish to ask.

Mr. WHERRY. I thank the Senator.

Mr. WAGNER. The conferees have adopted an amendment to section 2 (i). This amendment forbids the establishment of a maximum price for any fishery commodity below its average price in 1942. The base year had previously been 1941. The 1942 base is in line with the current pricing practice of the Office of Price Administration.

The House bill contained a paragraph forbidding the continued use in O. P. A. price regulations of the so-called highest price line limitation. The objections to this provision, which was designed to discourage shifts from lower- to higher-priced lines of goods, had come almost exclusively from retail stores, although the limitation had been applied to other distributors and to producers. The amendment, as embodied in the conference agreement, applies the prohibition only to retail sellers and thereby permits the Administrator to continue to use this method of maintaining the supply of low-priced merchandise at levels where its employment can be both effective for price control and acceptable to business.

A House amendment requiring 15 days' notice in advance of planting before any maximum price is established or lowered on any agricultural commodity, was agreed to after some revision to limit its application to crops planted annually or seasonally, and some revision relating to the manner in which the notice is to be given. This provision will become effective as to 1944 crops in major producing areas in which the normal planting season occurs after July 31, 1944.

The House conferees accepted an amendment in the Senate bill forbidding the imposition of conditions to the payment of subsidies or to purchase agreements relating to agricultural commodities, to the allocation of materials or facilities, or to the fixing of production or selling quotas for such commodities, if the conditions or penalties are not authorized by the acts (or regulations issued thereunder) applicable to such payments, contracts, allocations, or quotas. Appropriate provision is also made for the judicial review of orders violating this prohibition.

In view of the number of amendments in the House bill which were agreed to by the Senate conferees, it may not be inappropriate to remark that, in addition to insisting upon the revision of a number of the House provisions which were accepted, the Senate conferees declined to accept a number of amendments to section 2 contained in the House bill, among them being provisions exempting judicial sales and watermelons from price control. The House conferees also receded from an amendment which would have compelled the granting of individual adjustments for the correction of gross inequities.

The bill reenacts without change section 2 (j) of the present act, which was added to the act by the Commodity Credit Corporation Act of 1943. This will leave in effect the established construction of that subsection which is that the Price Administrator is authorized to make use of standards of specifications, in establishing maximum prices, in three situations and in those situations only: First, where the standards or specifications have been in general use in the trade or industry affected; second, where they have been promulgated and their use lawfully required by another Government agency; and third, when the Administrator finds that there is no practicable alternative for securing effective price control of the commodity involved. A denial of authority to use standards or specifications in any one of those three situations would seriously impair the price-control program. I make this statement as chairman of the Senate conferees because there is a statement in the report of the House managers which might be understood as being to the contrary, and I want to make clear the understanding of the Senate conferees.

SECTION 3

Section 3 of the Emergency Price Control Act contains special provisions relating to the establishment of maximum prices for agricultural commodities.

Both the Senate and the House bills had contained provisions requiring appropriate price action to be taken by the Administrator where any fresh fruits or vegetable sustained substantial reductions in yield, unusual increases in production costs, or other unusual factors resulting from hazards occurring in connection with the production and marketing of the commodity. The Senate conferees agreed to the House amendment.

SECTION 201. ADMINISTRATION

The House conferees accepted a Senate amendment to section 201 authorizing the purchase of commodities for information or evidence as to violations

of price, rent, and rationing regulations, a provision removing what had long proved a handicap to effective enforcement.

The House amendment requiring the publication in the Federal Register of the formal written directives of Government agencies or officers, issued in the exercise of supervisory or policy-making powers over O. P. A., W. F. A., and W. P. B., was agreed to by the Senate conferees. These documents embody matter of great public importance and interest and clearly merit inclusion in the official publication. An appropriate exception is made to prevent the divulging of secret military information.

SECTION 202

The Senate conferees also agreed to a House amendment to Section 202 (a) giving explicit authority to the Administration to conduct hearings in aid of the administration and enforcement of the act and to an amendment adding a new subsection (i) to section 202 which assures to any person subpenaed under the section the right to counsel and to make a record of his testimony. The House conferees agreed to the elimination of a further provision which would have required that the proceedings be public. This unusual requirement was considered incompatible with effective investigation of suspected violations.

SECTION 203. PROCEDURE

The Senate conferees accepted a House amendment withdrawing the requirement heretofore made that protests be filed within 60 days after the issuance of a regulation or after new grounds of protest had arisen. Under the amendment to section 203 (a), protests to regulations may be filed with the Administration at any time.

The Senate conferees also agreed to an amendment, added by the House bill, to the provision made in both bills for the consideration of protests to O. P. A. regulations by an administrative review board advisory to the Administrator. The House amendment makes clear that the board or any subcommittee thereof may sit outside the District of Columbia. It also provides for the issuance of subpenas upon the request of protestants and a proper showing of the need therefor. Protestants will thereby be aided in obtaining material facts for inclusion in rebuttal evidence which they are entitled to submit in writing to the board. Every protestant is also assured an opportunity for oral argument before the board and to be informed of the board's recommendations and of the Administrator's reasons for rejecting them should he do so.

Both bills contained identical provisions authorizing judicial relief wherever the Administrator may fail to act on protests within a reasonable time after filing.

SECTION 204

Both bills contained a provision, requested by the Chief Judge of the Emergency Court of Appeals, providing that two judges should constitute a quorum of the court and of each division thereof.

Both bills also contained provisions for the stay of enforcement proceedings in cases where other proceedings were pending to determine the validity of the regulations under which the enforcement cases had been brought. However, these provisions varied in certain respects. After extended and careful consideration, the conferees of both Houses agreed upon a revision. As revised, the provision agreed to provide for stays in enforcement cases where the trial court has granted leave to the defendant to file a complaint in the Emergency Court of Appeals setting forth his objections to the validity of any provision which he is alleged to have violated, provided the court finds the objection is made in good faith and there is reasonable and substantial excuse for the defendant's failure to present it in a protest to the Administrator. Where leave to complain is granted, the procedure to be followed by the emergency court is, it should be explained, analogous to that followed by it in reviewing denials of protests.

The provision also requires a stay during the pendency of any protest which had been filed by the defendant before the enforcement proceeding against him was begun if the court finds that his objections to the regulation protested have been made in good faith.

Stays are also provided for during the pendency of any judicial proceeding instituted by the defendant with respect to any protest as to which the required finding has been made or any complaint filed pursuant to leave granted by the court.

Leaves to complain may be applied for only within 30 days after arraignment in criminal proceedings—unless the court allows a longer period for good cause shown—and within 5 days after judgment in any civil or criminal proceeding. Moreover, where no leave is applied for but instead the defendant asks for a stay because of the pendency of a protest, the stay will be granted in civil cases only after judgment.

Where a stay is granted in an injunction suit, the court is expressly required to issue a temporary injunction enjoining violations by the defendant during the period of the stay.

The Price Administrator has expressed great concern lest the right accorded by this procedure be abused by defendants resorting to protests and leaves to complain as a means of deferring or even avoiding the trial of criminal cases and of staying the execution of judgment in civil proceedings. But the procedure provided in the amendment does not represent a regular method to be followed in enforcement cases. Rather, it is an exceptional procedure which has been made available to avoid the risk of injustice that existed under the original act under which a defendant who had excusably failed to file a protest within the strict time limits the act allowed, might be denied any opportunity to question the validity of the regulation which he was charged with violating. The remedial procedure prescribed by the conference committee is available only to defendants whose objections the courts find have been made in good faith, and not primarily for the purpose of delay. The committee is confident that the courts will be vigilant in administering the standard of good faith to deny stays to defendants who have not previously availed themselves of the unrestricted opportunity to protest but who have been violating regulations on the gamble that, if caught, they could then protest and secure stays of proceedings which would afford them a good chance to avoid trial or the execution of judgment.

SECTION 205

Subsection (c) is amended to require that all damage suits brought under subsection (e) shall be brought in the district or county in which the defendant resides or has a place of business, an office, or an agent.

Both the Senate and the House bills contained different amendments to subsection (e), reducing in appropriate cases the amount of damages recoverable thereunder. The original act set the damages at three times the amount of the overcharge or $50, whichever was the greater. The conference agreement is designed to provide a range of damages within which the court has discretion to determine the amount recoverable in a given case. The minimum limits of the range are the amount of the overcharge or $25, whichever is the greater. The maximum limits are three times the amount of the overcharge or $50, whichever is the greater. As under the original act, the seller is also liable for reasonable attorney's fees and costs.

As a part of the process of readjusting the provisions for damages, the conferees agreed to a substitute for the amendments proposed by both Houses which would afford defense in any civil proceeding to a defendant who showed that his violation was neither willful nor the result of failure to take practicable precautions. The substitute provision would limit the damages recoverable in the event the defendant made such a showing to the minimum range of the damages provided, namely, the amount of the overcharge or $25, whichever is greater. The amendment receded from had provided that the court might allow the amount of the overcharge to be recovered, so the conference committee's deviation from the provision as adopted is not great.

Two provisions dealing with rationing orders were agreed to. The House provision, as revised by the conferees, forbids the inclusion in orders issued under the Federal rationing legislation of provisions requiring the observance of regulations issued under the Price Control and Stabilization Acts. The Senate provision agreed to contains appropriate provisions for the expeditious review, exclusively in the Federal courts, of orders for suspensions of allocations or denying stays thereof.

AMENDMENTS TO THE STABILIZATION ACT

The Senate conferees agreed to a House amendment to section 3 making mandatory what heretofore had been regarded as a discretionary power on the part of the President to adjust the maximum prices of agricultural commodities to the extent he finds necessary to correct gross inequities. This power, which

may be exercised even where it reduces a maximum price below the highest price of the commodity between January 1 and September 15, 1942, has heretofore been exercised chiefly to effect reductions; but it must also be used to increase maximum prices wherever the President makes the appropriate finding.

The House conferees declined to accept a Senate amendment which would exempt from the operation of the act voluntary increases in wages and salaries not resulting in payments greater than $37.50 per week. This provision had been criticized not only as incompatible with the wage stabilization policy but also as likely to compel widespread increases in price ceilings.

The provision of the Senate bill making an amendment to section 8 (a) (1) increasing the loan rate on basic commodities to 95 percent of the parity price is modified by the conference agreement to provide only an increase in the rate to 92½ percent in the case of cotton.

The committee agreed to a substitute for the Senate amendment which had proposed a specific formula for the establishment of maximum prices for textile products processed in whole or substantial part from cotton or cotton yarn.

The first sentence of this amendment repeats the requirement of existing law that maximum prices for commodities processed in whole or substantial part from agricultural commodities must reflect the highest of the minimum legal standards for the price of the agricultural commodity, and adds a special requirement applicable to commodities processed in whole or major part from cotton or cotton yarn. The new requirement is that the applicable standard for such commodities should be applied separately for each major item. The requirement of reflection means that the price of the processed commodity must be such that it will not prevent the price of the basic agricultural commodity from reaching the applicable statutory standard for a maximum price on that commodity. When applied separately to particular items processed from cotton or cotton yarn, such as denims, chambrays, or ducks, this will mean that the prices of such items, separately considered, must afford a processing margin which permits producers of the item to pay that standard out of returns on that item. The purpose of confining the applicability of the separate item standard to major items is to assure that at least 80 percent by volume of the cotton consumed shall be covered, because of the belief that the objectives of this section would not be achieved if any lesser portion of the total consumption were covered. It is also designed to exclude comparatively insignificant items which would have no appreciable effect on the price of cotton.

The second sentence of the amendment is designed to achieve the objective of maintaining the prices of the basic agricultural commodities (cotton, corn, wheat, rice, tobacco, and peanuts) and of nonbasic agricultural commodities as to which public announcement has been made under section 4 (a) of the Commodity Credit Corporation Act of 1941 at levels at least as high as the higher of the two prices specified in clauses (1) and (2) of section 3 of the Stabilization Act. The amendment states that objective and directs the President to take all lawful action, such as purchase and sale or other support operations, to see that it is accomplished.

The substitute retains the original provision of the Senate amendment with respect to the method of determining the parity price for cotton.

Mr. WHERRY. Mr. President, I thank the Senator from New York for his detailed explanation of the report. I should like to ask him to refer back to section 2 (e), and particularly to the action taken which is set out on page 17 of the conference report as submitted to the House. This has to do with "Payments of subsidies to processors conditioned on proof of payments to producers in compliance with price standards."

The House amendment added to section 2 (e) of the Emergency Price Control Act of 1942 an amendment which was not adopted in the Senate. I had contemplated offering the amendment in the committee and then on the floor of the Senate, but that was not done, and the bill went to the House and there it was adopted. The amendment provided:

Provided further, That from and after the enactment of this act it shall be unlawful to pay any subsidy to the processor of any product manufactured in whole or substantial part from any agricultural commodity, unless such processor shall, before receiving such subsidy payment, submit satisfactory evidence that he has paid to the producers of such agricultural commodity, prices that are not below the price standards established by the act of October 2, 1942 (Public Law 729, 77th Cong.). Nothing in this provision shall be construed to authorize or approve the payment of any subsidy either directly or indirectly which is not authorized by existing law.

Mr. WAGNER. I think the Senator has in mind the so-called Kleberg amendment.

Mr. WHERRY. Yes. That amendment was adopted in the House because of the fact that we in the Middle West who produce livestock felt that at times in marketing the livestock the support prices had fallen below the prices established by the Administration. We felt that no maximum ceiling prices should be established by the Office of Price Administration below the support prices, that they should always reflect parity, and that processors should be compelled to certify that all the subsidies they received were reflected through the prices to the producers. That is the only way to assure the producers that they get the subsidy.

Mr. WAGNER. The conferees agreed that it was administratively unworkable as it was, and, secondly, that the Bankhead compromise, which we have accepted, really would take care of the situation.

Mr. WHERRY. I appreciate the remarks of the Senator from New York. What I should like to ask him at this time is this: In the rejection of this amendment by the conference, which had it under consideration, the following language has been used:

This provision has not been included in the conference substitute.

The fact that this amendment is omitted is not intended to indicate that the conferees are not in full sympathy with its purpose. It is believed that the objective of this amendment can best be attained by specific legislation covering this subject. However, it is also believed that the purpose of this amendment could be attained by proper administration of the present law, there being ample authority in the law to warrant such administrative action. It is intended that the directive given to the President in the amendment made by the bill to section 3 of the Stabilization Act of 1942, with respect to agricultural prices, shall be carried out to the fullest extent necessary to accomplish the purpose of this amendment.

I have quoted the exact language contained in the report.

Mr. WAGNER. That is the statement of the House managers.

Mr. WHERRY. It is the statement of the managers on the part of the House made on the House amendment which has been stricken from the bill, that is the Kleberg amendment. I ask the Senator from New York if that is not correct?

Mr. WAGNER. Yes.

Mr. WHERRY. I appreciate very much what has been done by the conferees, even though the amendment was not left in the bill. I feel it should have been left in it.

Mr. WAGNER. The Senator from Nebraska was himself very successful in his effort.

Mr. WHERRY. The Senator from New York means with respect to the regulatory amendment?

Mr. WAGNER. Yes.

Mr. WHERRY. Of course, the retention of that amendment makes it a better law, and everyone likes it better, and it will be more enforceable. What I wanted to say to the distinguished Senator from New York was that I agree that it is a question of administration. I have always agreed with that contention, and I hope that what really are the instructions on the part of the conferees will be carried into effect by the Office of Price Administration. The language in the statement by the managers on the part of the House is in reality a recommendation in lieu of the amendment. I wanted that to be made clear in the CONGRESSIONAL RECORD.

I desire to thank the conference committee for its consideration of an amendment which it finally struck out, but in the language which is found on page 17 of the statement by the managers on the part of the House they say they agree with the principle of the amendment, and they think its purposes should be effectuated.

Mr. WAGNER. I may say incidentally the conferees were unanimous in their expression on that point.

Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. SHIPSTEAD subsequently said: Mr. President, I was called out of the Senate Chamber for a few minutes, and while I was absent the conference report on the O. P. A. bill was agreed to without a record vote. I wish to have the RECORD show that I am opposed to the passage of the bill because of the lack of agricultural safeguarding provisions.

Mr. BARKLEY. Mr. President, I wish to congratulate the able Senator from New York [Mr. WAGNER], the chairman of the Banking and Currency Committee of the Senate, and chairman of the conference committee which has dealt with this very important subject, upon the skill and ability with which he has guided the conference to a consummation which I think will be generally satisfactory, notwithstanding the fact that everyone did not get what he wanted in the bill. That never happens. I think the Senator from New York and the committees of the two Houses and the conference committee have really performed a very constructive piece of work in the long consideration they have given to this legislation.

Mr. WAGNER. Mr. President, I thank the Senator for his complimentary statement, which is not deserved. If it were not for the distinguished majority leader, who is a member of the committee, and the other members of the committee, both Democrats and Republicans, I could have accomplished nothing.

Mr. BARKLEY. I wish my remarks to be construed to include, with the exception of myself, the conferees who worked on this legislation, representing both the House and the Senate, and representing both political parties.

Mr. WAGNER. I thank the Senator.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore:

H. R. 272. An act for the relief of Mrs. Vola Stroud Pokluda, Jesse M. Knowles, and the estate of Lee Stroud;

H. R. 1220. An act for the relief of the legal guardian of Paul M. Campbell, a minor;

H. R. 2303. An act for the relief of O. W. James;

H. R. 2855. An act for the relief of the estate of John Buby;

H. R. 3102. An act for the relief of Mrs. Eva M. Delisle;

H. R. 3661. An act for the relief of G. F. Allen, chief disbursing officer, Treasury Department, and for other purposes;

H. R. 3891. An act to provide night differential for certain employees; and

H. R. 4115. An act to give honorably discharged veterans, their widows, and the wives of disabled veterans, who themselves are not qualified, preference in employment where Federal funds are disbursed.

NOTICE OF CALL OF THE CALENDAR TOMORROW

Mr. BARKLEY. Mr. President, I wish to advise the Senate that tomorrow, at some convenient time, I hope we may call the calendar for consideration of bills to which there is no objection. I do not think the Senate should recess for any length of time without first calling the calendar, and I think we will find it convenient to do so tomorrow.

IRRIGATION AND RECLAMATION IN RELATION TO DEVELOPMENT OF WATERWAYS—LETTER FROM THE PRESIDENT

Mr. O'MAHONEY. Mr. President, at a meeting of the Commerce Committee today I am advised that the Senator from Louisiana [Mr. OVERTON] read a letter which was addressed to him by the President of the United States dealing with the rivers and harbors bill recently approved by that committee. The letter of the President is of great interest particularly to those who are concerned with the manner in which reclamation and reclamation projects shall be handled in this and other legislation. The matter is of such importance that I feel the letter should be printed at length in the CONGRESSIONAL RECORD. I, therefore, ask unanimous consent that the President's letter addressed to the Senator from Louisiana may be printed in the RECORD as a part of my remarks.

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

JUNE 13, 1944.

Hon. JOHN H. OVERTON,
United States Senate, Washington, D. C.

DEAR SENATOR OVERTON: I appreciate your letters of May 27 regarding the river and harbor bill and the problems that you are seeking to solve in connection with that measure and the flood-control bill. I am aware of the difficult job that you have undertaken in your work on these bills that deal with important matters of concern to many interests throughout the country and of the statesmanlike perseverance with which you and the members of the Commerce Committee have gone about the task.

The action of the committee with respect to the river and harbor bill is highly gratifying in most respects. I was particularly pleased that the California projects would be protected by your action on the river and harbor bill and suppose that this will be true in the case of the flood-control measure. I am somewhat disturbed, however, by the provision against the construction or acquisition of transmission lines that was inserted in section 6 of the river and harbor bill. I do not clearly see the necessity for this broad restriction, particularly when the Congress would always be asked to appropriate money for any transmission lines that might be planned in connection with these projects, and I foresee that it might unduly hamper the disposition of power in a beneficial manner. I hope that this problem will be given some further attention.

As you yourself recognize, moreover, the problem of the use of the waters of the Missouri River requires further consideration. In my judgment the compromise that you propose does not quite offer the solution. It is my understanding that if navigation facilities were constructed on the main stem of the river, the water required to make them useful might deplete supplies needed for irrigation.

I think that when considering that part of the country in which the laws of nature inexorably accord to the beneficial consumptive use of water a primary role, we must bow to those laws in our plans and legislation to the fullest extent compatible with the full comprehensive development of our streams for the good of the Nation as a whole. Several suggestions have been put forward in the Congress, some as amendments to the river and harbor bill, which have merit in firmly establishing the primary importance of the beneficial consumptive use of water without requiring any cession of Federal jurisdiction under the commerce clause of the Constitution. I fully agree with you, of course, that any means of solution that may be adopted must be workable and equitable. I realize the immense complexity of the problem, but I hope that you and your colleagues will find a way to work it out within the general confines of these principles.

With kindest personal regards.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. TUNNELL in the chair) laid before the Senate a message from the President of the United States, which was referred to the appropriate committee.

(For nomination this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

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

Commodore Andrew F. Carter, United States Naval Reserve, to be a rear admiral in the Naval Reserve, for temporary service, to continue while serving as executive, Army-Navy Petroleum Board.

By Mr. GEORGE, from the Committee on Finance:

Sundry officers for appointment and/or promotion in the United States Public Health Service.

By Mr. WAGNER, from the Committee on Interstate Commerce:

Frank P. Douglass, of Oklahoma, to be a member of the National Mediation Board for the remainder of the term expiring February 1, 1946, vice William M. Leiserson.

By Mr. HATCH: From the Committee on Public Lands and Surveys:

William Riddell, of Montana, to be register of the land office at Billings, Mont. (reappointment).

From the Committee on the Judiciary:

Herbert Wechsler, of New York, to be Assistant Attorney General, vice Hugh B. Cox;

Arthur D. Fairbanks, of Colorado, to be United States marshal for the district of Colorado;

Bernard Fitch, of Connecticut, to be United States marshal for the district of Connecticut;

Frank C. Blackford, of New York, to be United States marshal for the western district of New York;

Thomas N. Curran, of Maine, to be United States marshal for the district of Maine, vice John G. Utterback, resigned; and

Frank C. Bingham, of Alaska, to be United States attorney for division 2 of Alaska, vice Charles J. Clasby, resigned.

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

Sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

DEPARTMENT OF THE NAVY

The Chief Clerk read the nomination of Ralph A. Bard, of Illinois, to be Under Secretary of the Navy.

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

FARM CREDIT ADMINISTRATION

The Chief Clerk read the nomination of Ivy W. Duggan, of Mississippi, to be Governor for the unexpired term of 6 years from June 15, 1940.

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

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters on the calendar may be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc.

THE ARMY

The Chief Clerk proceeded to read sundry nominations in the Army.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the nominations in the Army may be confirmed en bloc, with the exception of the nomination of Ephraim Franklin Jeffe, under Calendar No. 1423, to be brigadier general. I make an exception in that case at the request of the Senator from Montana [Mr. MURRAY] a member of the Military Affairs Committee, and one or two other Senators who have requested that that nomination go over.

Mr. WHITE. Will the Senator again state what nomination he asks go over?

Mr. BARKLEY. The nomination of Ephraim Franklin Jeffe to be brigadier general, under Calendar No. 1423.

The PRESIDING OFFICER. With the exception of the nomination referred to by the Senator from Kentucky, the nominations in the Army, without objection, are confirmed en bloc.

Mr. BARKLEY. I ask that the President be immediately notified of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be so notified.

That completes the Executive Calendar.

RAYMOND E. McCANSE—NOMINATION RECONSIDERED AND REJECTED

Mr. BARKLEY subsequently said: Mr. President, when we were considering the Executive Calendar, inadvertently the nomination of Raymond E. McCanse to be postmaster at Mount Vernon, Mo., was confirmed. I note that there was an adverse report on that nomination. I ask unanimous consent that the vote by which the nomination was confirmed be reconsidered, and that the nomination be rejected, in accordance with the report of the committee.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

LEGISLATIVE SESSION

Mr. BARKLEY. I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

SIGNING OF THE BILL CONTINUING THE SUGAR ACT OF 1937

Mr. O'MAHONEY. Mr. President, I call to the attention of the Senate the fact that yesterday the President of the United States attached his signature to House Bill 4833 extending the Sugar Act of 1937 for 2 additional years. The fact that the President has signed this bill will be good news to the growers of sugar beets of 20 States. This measure, which will now remain in effect until the end of 1946, has been one of the most successful laws ever enacted by Congress. Not only have the growers of sugar beets benefited but the processors as well.

The fact that the bill continuing the act was passed through both Houses of Congress within a few weeks and with practically no dissent or criticism, is itself testimony that the legislation has been an outstanding achievement of this administration in meeting the many difficult and complicated problems of the sugar industry. Certainly without it the industry could not have survived. The law has successfully balanced complicating interests involving both domestic and foreign trade.

When Representative FLANNAGAN, in the House, and the Senator from Colorado [Mr. JOHNSON] and I in the Senate, introduced the bills this year to continue the act, the proposal received support from every factor of the industry. Not only were the growers of beets in favor of the continuance of the law as expressed by the formal resolution of the National Beet Growers Association, but the refiners of sugarcane in the United States also endorsed the measure. In the House the bill had the unanimous approval of the Committee on Agriculture, and likewise in the Senate it was reported by the Finance Committee without disagreement.

In marked contrast to the attitude of suspicion and controversy which greeted the initial efforts in working out the sugar legislation of 1934, there appears to have been virtually unanimous agreement on the part of the various branches of the sugar industry and of their Representatives in the Congress that a satisfactory structure has been worked out in this very difficult matter. In 1934, despite the fact that the income of sugar growers had fallen for several years, that many processors had been operating at a loss, and that various other evils afflicted the industry, those of us who worked on this program found some branches of the industry uncertain that the program was really in their best interest. It is fortunate, indeed, that sugar producers, generally, supported the Congress and the administration in working out the sugar program which has since conferred so many benefits on sugar growers, processors, and laborers.

In addition to the value of this legislation in meeting the problems of the industry in the pre-war depression period, the administrative machinery and authority provided for under the act greatly facilitated the transition to wartime conditions, as Judge Jones, the War Food Administrator, recently pointed out.

The first beet-sugar crop marketed after we entered the war was of near record volume. Consequently, when the Axis carried out an intensive campaign of submarine warfare on the Atlantic seaboard, large quantities of beet sugar were available for marketing in the distress areas of the eastern seaboard shut off from the usually abundant offshore supplies. In the two subsequent crops sugar-beet acreage has unfortunately been reduced through a number of adverse wartime factors. It is to be hoped that the Government's support in continuing the 1937 Sugar Act will be further evidence to our growers of the administration's interest in attaining a large sugar-beet acreage.

One of the virtues of this legislation is that it has stabilized the sugar industry and has increased the returns to growers without increasing the cost of sugar to the consumer. The law is self-sustaining and although substantial payments are made to the growers of sugar beets the fund out of which they are paid is raised by a tax which operates to redistribute the profits of the industry without increasing the cost of sugar on the table or in the factory.

Mr. President, I ask to have printed in the RECORD at this point a table showing the sugar-beet payments made in 1943 in the 20 States which are affected.

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

California	$2,692,129.37
Colorado	4,159,221.09
Idaho	1,627,142.85
Illinois	25,525.43
Indiana	55,613.50
Iowa	22,008.51
Kansas	100,843.42
Michigan	996,417.13
Minnesota	598,043.01
Montana	1,694,706.47
Nebraska	1,455,860.91
New Mexico	4,750.89
North Dakota	309,310.76
Ohio	301,180.12
Oregon	371,502.47
South Dakota	115,458.85
Utah	1,084,793.47
Washington	464,871.04
Wisconsin	279,564.92
Wyoming	730,720.98
Total	17,089,665.19

ALLOWANCES FOR MILEAGE OF GRADUATES OF THE MILITARY ACADEMY

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1669) to clarify the law relative to allowances for mileage of graduates of the United States Military Academy and transportation of their dependents on assignment to their first duty station and to the mileage allowance of persons entering the United States Military Academy as cadets, which was, on page 3, line 7, after "Academy" to insert, "*Provided*, That a person discharged from the armed forces to enter the United States Military Academy shall receive a mileage allowance at the rate of 5 cents per mile for travel performed not in excess of the distance by the shortest usually traveled route between the place

of discharge as certified by him and the United States Military Academy: *Provided further,* That no travel allowance shall be payable under this section for travel performed outside the continental limits of the United States."

Mr. JOHNSON of Colorado. Mr. President, I move that the Senate concur in the House amendment.

Mr. WHITE. Mr. President, will the Senator indicate generally what the House amendment is?

Mr. JOHNSON of Colorado. The bill has to do with transportation allowances to graduates of the United States Military Academy at West Point. The House amendment affects the transportation of persons who are appointed to West Point from the Army. It would provide a mileage allowance of 5 cents a mile between the place of the discharge and the United States Military Academy.

The House amendment authorizes an allowance of 5 cents a mile to a soldier discharged to enter West Point, from the place of discharge to West Point.

There are two groups involved:

First. Soldiers appointed by Senators or Representatives, who are discharged at military stations before starting for West Point.

Second. Soldiers appointed from the Army, who are sent to West Point as soldiers, and furnished transportation, and who are then discharged at West Point. The House amendment would permit this group to pay their own way to West Point and then ask for reimbursement of 5 cents a mile.

The War Department approves the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Colorado [Mr. JOHNSON] to concur in the House amendment.

The motion was agreed to.

AUTHORIZATION FOR SPECIAL COMMITTEE TO INVESTIGATE GASOLINE AND FUEL SHORTAGES TO FILE REPORT

Mr. MALONEY. Mr. President, I ask unanimous consent that the Special Committee to Investigate Gasoline and Fuel-Oil Shortages be authorized to submit a report during the recess of the Senate.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut? The Chair hears none, and it is so ordered.

NOMINATION OF FRANK P. DOUGLASS TO BE A MEMBER OF THE NATIONAL MEDIATION BOARD

Mr. WAGNER. Mr. President, earlier in the day there was reported from the Committee on Interstate Commerce the nomination of Frank P. Douglass, of Oklahoma, to be a member of the National Mediation Board, succeeding William M. Leiserson, who has resigned. One of the members of the Board is ill, and the Board cannot function effectively until a new member is appointed to form a quorum. For that reason I ask unanimous consent, as in executive session, for the present consideration of the nomination.

Mr. WHITE. Mr. President, from what committee does the nomination come?

Mr. WAGNER. From the Committee on Interstate Commerce.

Mr. WHITE. What is it for?

Mr. WAGNER. It is the nomination of Frank P. Douglass to be a member of the National Mediation Board. One of the members of the Board is now ill. The Board has a membership of three. Therefore, the Board will be unable to conduct business unless this nomination is confirmed. Mr. Douglass was nominated to succeed Mr. William M. Leiserson, who has just resigned.

Mr. WHITE. Was the nomination reported today?

Mr. WAGNER. Yes.

Mr. WHITE. Is there some special reason for speed?

Mr. WAGNER. I have stated the reason. The Board has a great deal of business to do, and it cannot transact business without a quorum.

Mr. WHITE. It is necessary that the nomination be confirmed in order that the Board may have a quorum.

Mr. WAGNER. Exactly.

The PRESIDING OFFICER. Is there objection to the present consideration of the nomination as in executive session? The Chair hears none, and the nomination will be stated.

The legislative clerk read the nomination of Frank P. Douglass to be a member of the National Mediation Board.

The PRESIDING OFFICER. Without objection, as in executive session, the nomination is confirmed.

Mr. WAGNER. I ask that the President be immediately notified.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

APPROPRIATIONS FOR DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE—CONFERENCE REPORT

Mr. McKELLAR submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on amendment numbered 10 of the Senate to the bill (H. R. 4204) making appropriations for the Departments of State, Justice, and Commerce for the fiscal year ending June 30, 1945, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

The committee of conference report in disagreement amendment numbered 10.

KENNETH MCKELLAR,
CLYDE M. REED,
WALLACE H. WHITE, JR.,
TOM CONNALLY,
RICHARD B. RUSSELL,
Managers on the part of the Senate.
JOHN H. KERR,
BURTON B. HARE,
THOMAS J. O'BRIEN,
ALBERT E. CARTER,
KARL STEFAN,
ROBERT F. JONES,
Managers on the part of the House.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate the message from the House of Representatives announcing its action on a certain amendment of the Senate to House bill 4204, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
June 21, 1944.

Resolved, That the House recede from its disagreement to the amendment of the Senate No. 10 to the bill (H. R. 4204) making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945, and for other purposes, and concur therein with an amendment as follows: At the end of the matter inserted by said amendment, after "1944" insert *"Provided,* That none of the funds appropriated in this paragraph shall be expended for field work in connection with such census prior to January 1, 1945."

Mr. McKELLAR. Mr. President, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

Mr. McKELLAR. Mr. President, does that complete legislative action on the bill?

The PRESIDING OFFICER. That completes legislative action on the bill.

Mr. McKELLAR. And it will now go to the President?

The PRESIDING OFFICER. It will now go to the President.

TERM OF OFFICE OF DISTRICT ATTORNEY AND MARSHAL FOR THE CANAL ZONE

Mr. CLARK of Missouri. Mr. President, I ask unanimous consent that the Senate proceed to consider House bill 3646, Calendar No. 971, a bill to amend section 42 of title 7 of the Canal Zone Code, which was reported from the Committee on Interoceanic Canals with an amendment.

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

The CHIEF CLERK. A bill (H. R. 3646) to amend section 42 of title 7 of the Canal Zone Code.

Mr. CLARK of Missouri. Mr. President, this bill was reported with an amendment. The reason I am anxious to have it considered at this time is that it will be necessary that the amendment be considered in conference.

The bill would merely extend the term of office of the district attorney and the marshal for the Canal Zone from 4 to 8 years, to conform with the term of the United States Federal judge who is now appointed for 8 years.

The reason assigned by the Department officials and the Canal Zone authorities is that it is impossible to obtain anyone in the Panama Canal Zone itself to fill these offices, inasmuch as practically the entire population of the Panama Canal Zone consists of Government employees, and it is difficult to obtain the proper persons to go down there for so short a term as 4 years.

The committee amendment provides that the act shall take effect February 1, 1945.

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

Mr. CLARK of Missouri. I yield.

Mr. WHITE. Does the bill come before the Senate with the unanimous approval of the committee?

Mr. CLARK of Missouri. Yes.

Mr. WHITE. I understand that the occasion for requesting its present consideration is because it will have to go to conference, for further consideration there?

Mr. CLARK of Missouri. Yes; we are adding an amendment, and it will be necessary for it to go to conference. At the present time vacancies are existing in the office of the United States marshal in the Canal Zone.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Missouri?

There being no objection, the Senate proceeded to consider the bill (H. R. 3646) to amend section 42 of title 7 of the Canal Zone Code, which had been reported from the Committee on Interoceanic Canals, with an amendment, on page 1, after line 7, to insert:

SEC. 2. This act shall take effect February 1, 1945.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. CLARK of Missouri. Mr. President, I ask that the Senate insist on its amendment, request a conference thereon with the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. STEWART, Mr. PEPPER, and Mr. BUSHFIELD conferees on the part of the Senate.

ESTABLISHMENT, MANAGEMENT, AND PERPETUATION OF KERMIT ROOSEVELT FUND

Mr. BARKLEY. Mr. President, Senate Joint Resolution 134, Calendar No. 981, which has been reported from the Committee on Military Affairs, provides for the establishment in the War Department of a board to be known as the Trustees of the Kermit Roosevelt Fund, and also provides for the management and perpetuation of that fund. The War Department desires that the joint resolution be enacted as soon as possible. Therefore, I ask unanimous consent for the present consideration of the joint resolution, so that if it is passed, there may be opportunity for its passage by the House.

The PRESIDING OFFICER. Is there objection?

Mr. WHITE. Mr. President, as I understand the joint resolution, it imposes on the War Department no obligation or burden except that of management of the fund. Is that true?

Mr. BARKLEY. That is true. It provides for the creation within the War Department of a Kermit Roosevelt fund, and for its management and perpetuation.

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

There being no objection, the joint resolution (S. J. Res. 134) to provide for the establishment, management, and perpetuation of the Kermit Roosevelt fund was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That there is hereby established in the War Department a board to be known as the Trustees of the Kermit Roosevelt Fund, whose duty it shall be properly to administer all money and property which hereafter may come under its control as part of the Kermit Roosevelt fund, created pursuant to section 2 hereof. The Board shall be composed of the Chief of Finance, United States Army, ex officio, and three general officers of the Army who shall be appointed to the Board and may be replaced thereon by the Secretary of War.

SEC. 2. The Board is hereby authorized to accept from Mrs. Kermit Roosevelt such money and property as she may tender, to receipt therefor on behalf of the United States, and to deposit the funds so received in the Treasury of the United States as the original corpus of a trust fund, to be known as the Kermit Roosevelt fund, which shall be used for the purpose of fostering a better understanding and a closer relationship between the military forces of the United States and those of the United Kingdom by sponsoring lectures or courses of instruction to be delivered by officers of the British Army at the United States Military Academy and elsewhere in the United States and by officers of the United States Army at Sandhurst Royal Military College and elsewhere in the United Kingdom or, should such exchange lectures prove or become impracticable or unnecessary for any reason, by such other application of the funds as the Board, with the approval of the Secretary of War, may determine. The original corpus of the fund and the income therefrom may be disbursed at the discretion of the Board in furtherance of the stated purpose, and shall be subject to investment and reinvestment as provided in section 3 hereof.

SEC. 3. The Board is also authorized to accept, receive, hold, and administer gifts, bequests, and devises of money, securities, or other property, whether real or personal, from any source, for the benefit of the Kermit Roosevelt fund, but no such gift, bequest, or devise which entails any expenditure not to be met out of the gift, bequest, devise, or the income thereof shall be accepted without the consent of Congress. Such additional sums or property shall be receipted for by the Chief of Finance and may, at the discretion of the Board and unless otherwise restricted by the terms of the gift, bequest, or devise, be administered and disbursed in the same manner as the original corpus of the fund and the income therefrom. The Board may, in its discretion, sell or exchange securities or other property given, bequeathed, or devised to or for the benefit of the Kermit Roosevelt fund, and may invest and reinvest the proceeds thereof, together with any other moneys in the fund, in such investments as it may determine from time to time: *Provided, however*, That the Board is not authorized to engage in any business, nor shall it make any investments for the account of the fund which could not lawfully be made by a trust company in the District of Columbia, except that it may make any investment directly authorized by the instrument of gift, bequest, or devise under which the funds to be invested are derived, and may retain any investments accepted by it.

SEC. 4. The income from any property held or administered by the Board, as and when collected, shall be deposited in the Treasury of the United States to the credit of the trust fund established pursuant to section 2 hereof, and it shall be and remain subject to investment, reinvestment, and disbursement by the Board for the uses and purposes set forth herein.

SEC. 5. The Board shall have all the usual powers of a trustee in respect to all property administered by it, but the members of the Board shall not be personally liable, except for misfeasance, on account of any acts performed in their trust capacity. The members of the Board shall not be required to furnish bond, and no additional compensation shall accrue to any of them on account of their duties as trustees. Within the limits prescribed by sections 2, 3, and 4 hereof the administration, control, and expenditure of this fund and its application to the purposes intended shall be according to the sole discretion of the Board, and the exercise of its discretion and authority in regard thereto and its decisions thereon, including any payments made or authorized by it to be made from the Kermit Roosevelt fund, shall not be subject to review except by the Secretary of War to whom the Board shall, on the 1st day of January each year, render a full report of its activities during the preceding 12 months. The actions of the Board shall not be subject to judicial review exceept in an action brought in the United States District Court for the District of Columbia, which is hereby given jurisdiction of such suits, for the purpose of enforcing the provisions of any trust accepted by the Board.

ADDITIONAL PAY FOR INFANTRYMEN AWARDED THE EXPERT INFANTRYMAN BADGE OR THE COMBAT INFANTRYMAN BADGE

Mr. HILL. Mr. President, I ask unanimous consent for the present consideration of Senate bill 1973, Calendar No. 982. The measure provides additional pay for enlisted men of the Army assigned to the Infantry who are awarded the expert infantryman badge or the combat infantryman badge.

Let me say to the distinguished senior Senator from Maine that the bill has been unanimously reported by the Committee on Military Affairs. General Marshall is very anxious to have the bill passed. It simply provides recognition for infantrymen, particularly those who today are out in the fox holes in the battle theaters overseas.

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

Mr. HILL. I yield.

Mr. WHITE. The majority leader has already given indication that there is to be a call of the calendar tomorrow, I think we should postpone any further unanimous-consent requests for the consideration of measures at this time.

Nevertheless, inasmuch as the Senator from Alabama was kind enough to speak to me a while ago about the bill, and inasmuch as there is another measure in which the Senator from Rhode Island [Mr. GERRY] is interested, I shall not object to the unanimous-consent request of the Senator from Alabama, and I shall not object to a similar request which I understand will be made by the Senator from Rhode Island. However, thereafter I think we should wait until the call of the calendar tomorrow.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Alabama?

There being no objection, the Senate proceeded to consider the bill (S. 1973) to provide additional pay for enlisted men of the Army assigned to the Infantry who are awarded the expert infantryman badge or the combat infantryman badge.

Mr. WHERRY. Mr. President, I should like to ask a question about the bill. Why are infantrymen singled out? I do not quite understand the purpose.

Mr. HILL. The reason why infantrymen are singled out is that today the infantryman receives, on the average, less pay than is received by the personnel of any other branch of the service, and because General Marshall is very anxious to do something to raise the morale of the infantryman, to challenge him and to let him know that he is appreciated for the tremendously important part he is playing today in the winning of the war. We have done much for other branches of the service, but to date we have done practically nothing for the infantryman.

Mr. WHERRY. What would the bill do?

Mr. HILL. It simply provides that there shall be two badges of distinction for infantrymen, one called the expert infantryman badge, and the other called the combat infantryman badge. The expert infantryman badge is won by a man who reaches a high degree of proficiency as an infantryman. An infantryman who wins that badge will receive an additional $5 a month in pay.

The combat infantryman badge is won by an infantryman who displays exemplary conduct in contact with the enemy. When he wins that badge he will receive an additional $10 a month in pay.

Mr. WHERRY. Was the bill unanimously reported from the Committee on Military Affairs?

Mr. HILL. Yes.

Mr. WHERRY. I thank the Senator.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That during the present war and for 6 months thereafter, any enlisted man of the Army assigned to the Infantry who is entitled, under regulations prescribed by the Secretary of War, to wear the expert infantryman badge or the combat infantryman badge, shall be paid additional compensation at the rate of $5 per month when he is entitled to wear the expert infantryman badge and at the rate of $10 per month when he is entitled to wear the combat infantryman badge: *Provided*, That additional compensation for both awards may not be paid at the same time.

SEC. 2. The appropriations heretofore or hereafter made for "Finance Service, Army", shall be available for carrying into effect the provisions of this act.

SEC. 3. The provisions of this act shall become effective as of January 1, 1944.

ESTABLISHMENT OF GRADE OF ADMIRAL OF THE FLEET, UNITED STATES NAVY

Mr. GERRY. Mr. President, from the Committee on Naval Affairs, I report favorably, with amendments, Senate bill 2019, providing for the establishment of the grade of Admiral of the Fleet, United States Navy, and I submit a report (No. 1024) thereon. I ask unanimous consent for the present consideration of the bill.

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

The CHIEF CLERK. A bill (S. 2019) to establish the grade of Admiral of the Fleet of the United States Navy, 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.

The amendments of the Committee on Naval Affairs were, on page 1, line 3, after the words "grade of", to strike out "Admiral of the Fleet" and insert "Fleet Admiral"; on page 2, line 1, after the word "two", to strike out the comma and "exclusive of the officer serving as Chief of Naval Operations"; after line 2, to strike out: "SEC. 2. The Chief of the Naval Operations while so serving shall have the same rank, pay, and allowances as provided for an Admiral of the Fleet of the United States Navy"; in line 7, to change the section number from 3 to 2; in line 16, after the words "grade of", to strike out "Admiral of the Fleet" and insert "Fleet Admiral"; in line 19, after the word "appointment", to insert a comma and "except as otherwise provided herein"; in line 20, to change the section number from 4 to 3; in the same line, after the word "shall", to insert a comma and "while on active duty"; after line 22, to strike out:

SEC. 5. An officer retired while serving as Admiral of the Fleet of the United States Navy, or who shall have served 1 year or more as such, may, in the discretion of the President, by and with the advice and consent of the Senate, be placed on the retired list with the highest grade or rank held by him while on the active list: *Provided*, That no increase in retired pay shall accrue as a result of such advanced rank on the retired list.

On page 3, after line 5, to insert new sections, as follows:

SEC. 4. In the discretion of the President, by and with the advice and consent of the Senate, each officer who shall have served in the grade or rank of fleet admiral shall, upon retirement or reversion to the retired list, as the case may be, have on the retired list the highest grade or rank held by him on the active list: *Provided*, That each such officer shall be entitled to retired pay equal to 75 percent of the active-duty pay provided herein for a fleet admiral: *Provided further*, That no officer of the naval service on the active or retired list shall be appointed or advanced to the grade or rank of fleet admiral except as provided in this act.

SEC. 5. This act shall be effective only until 6 months after the termination of the wars in which the United States is now engaged as proclaimed by the President, or such earlier date as the Congress by concurrent resolution may fix.

So as to make the bill read:

Be it enacted, etc., That the grade of fleet admiral of the United States Navy is hereby established on the active list of the line of the Regular Navy as the highest grade in the Navy. Appointments to said grade shall be made by the President, by and with the advice and consent of the Senate, from among line officers on the active list and retired line officers on active duty serving in the rank of admiral in the Navy at the time of such appointment. The number of officers of such grades on the active list at any one time shall not exceed two.

SEC. 2. Appointments under authority of this act shall be made without examination and shall continue in force during such period as the President shall determine. The permanent or temporary status of officers of the active list appointed to a higher grade pursuant to section 1 hereof shall not be vacated solely by reason of such appointment, nor shall such appointees be prejudiced in regard to promotion, in accordance with laws relating to the Navy. An officer appointed from the retired list to the grade of fleet admiral of the United States Navy on the active list as provided in section 1 hereof shall, upon the termination of such appointment, revert to the status held by him prior to such appointment, except as otherwise provided herein.

SEC. 3. Appointees under this act shall, while on active duty, receive the same pay and allowances as a rear admiral of the upper half, plus a personal money allowance of $5,000 per annum.

SEC. 4. In the discretion of the President, by and with the advice and consent of the Senate, each officer who shall have served in the grade or rank of fleet admiral shall, upon retirement or reversion to the retired list, as the case may be, have on the retired list the highest grade or rank held by him on the active list: *Provided*, That each such officer shall be entitled to retired pay equal to 75 percent of the active-duty pay provided herein for a fleet admiral: *Provided further*, That no officer of the naval service on the active or retired list shall be appointed or advanced to the grade or rank of fleet admiral except as provided in this act.

SEC. 5. This act shall be effective only until 6 months after the termination of the wars in which the United States is now engaged as proclaimed by the President, or such earlier date as the Congress by concurrent resolution may fix.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to establish the grade of fleet admiral of the United States Navy, and for other purposes."

USE OF CASHIER'S CHECKS IN PAYMENT FOR REVENUE STAMPS

Mr. PEPPER. Mr. President, I request the attention of the able senior Senator from Georgia [Mr. GEORGE]. I move that the Senate proceed to the consideration of Senate bill 1419, Calendar No. 829, to authorize collectors of internal revenue to receive cashier's checks of certain banking institutions in payment for revenue stamps. The bill is on the calendar, let me say, by favorable report of the Finance Committee, and I ask for its immediate consideration.

Mr. WHITE. Mr. President, will the clerk indicate what the bill is?

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

The CHIEF CLERK. A bill (S. 1419) to authorize collectors of internal revenue to receive cashier's checks of certain banking institutions in payment for revenue stamps.

Mr. WHITE. Is the Senator from Florida requesting unanimous consent for the present consideration of the bill?

Mr. PEPPER. I am.

Mr. WHITE. Mr. President, the bill is on the calendar. As I said just a moment ago, the majority leader has indicated that tomorrow there will be a call of the calendar. I also said a few moments ago that I would object to consideration today by unanimous consent of any other bills which are on the calendar and are in order for consideration tomorrow. Therefore, I must object to the request of the Senator from Florida.

Mr. PEPPER. Mr. President, if the able senior Senator from Maine will withhold his objection for a moment, let me say that unfortunately I shall not be able to be present in the Senate tomorrow afternoon. The bill is a matter of public interest. It is recommended by the bankers' associations. It has been favorably reported by the able Committee on Finance. The bill and two or three amendments which I have proposed to it are agreeable to the Treasury. The Senator would greatly oblige me if he would permit me to present this matter at this time.

The PRESIDING OFFICER. Did the Senator from Florida request unanimous consent for present consideration of the bill, or did he move its present consideration? The Chair understood that the Senator made such a motion.

Mr. PEPPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PEPPER. Is unanimous consent necessary for the present consideration of this bill?

The PRESIDING OFFICER. A motion for its consideration is in order.

Mr. PEPPER. That is what I thought. I first made a motion for its present consideration, but I heard a reference made to unanimous consent.

However, because of the fact that I shall not be in the Senate Chamber tomorrow afternoon, I hope the able senior Senator from Maine will not object to having the bill taken up at this time.

Mr. WHITE. Mr. President, I must insist on standing where I stood a few moments ago when I announced that I would object to unanimous-consent requests for the consideration of bills which are on the calendar and are in order for consideration tomorrow.

Mr. PEPPER. Mr. President, I now move that the Senate proceed to the consideration of Senate bill 1419.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida [putting the question].

The motion was rejected.

Mr. GEORGE. Mr. President, I very much hope that this matter may be disposed of at this time. Allow me to suggest that if the Senator from Florida [Mr. PEPPER] is unable to be present in the Chamber tomorrow, amendments to the bill be considered this afternoon, and tomorrow I shall undertake to secure the passage of the bill on the call of the calendar.

Mr. WHITE. My only purpose is to keep within the rules of the Senate.

Mr. GEORGE. I understand.

Mr. PEPPER. Mr. President, I did not hear the statement of the Senator from Georgia.

Mr. GEORGE. I suggested that the Senator from Florida have his amendments to the bill presented, and after they are disposed of the final passage of the bill can wait until tomorrow. I stated that tomorrow I would endeavor to have it passed.

Mr. PEPPER. The Senator from Georgia is very kind.

Mr. GEORGE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate bill 1419, that the amendments be now considered, and that final passage of the bill be postponed until tomorrow.

There being no objection, the Senate proceeded to consider the bill (S. 1419) to authorize collectors of internal revenue to receive cashier's checks of certain banking institutions in payment for revenue stamps, which had been reported from the Committee on Finance with an amendment to the bill and an amendment to the title.

The amendment of the Committee on Finance was to strike out all after the enacting clause and insert:

That section 3656 of the Internal Revenue Code (relating to payment of taxes by check) is amended to read as follows:

"SEC. 3656. Payment by check and money orders.

"(a) Certified, cashiers', and treasurers' checks and money orders.—

"(1) Authority to receive: It shall be lawful for collectors to receive for internal revenue taxes or in payment of stamps to be used in payment of internal revenue taxes certified, cashiers', and treasurers' checks drawn on National and State banks and trust companies and United States postal money orders during such time and under such regulations as the Commissioner, with the approval of the Secretary, may prescribe.

"(2) Discharge of liability.—

"(A) Check duly paid: No person who may be indebted to the United States on account of internal revenue taxes or stamps used or to be used in payment of internal revenue taxes who shall have tendered a certified, cashier's, or treasurer's check or checks as provisional payment therefor, in accordance with the terms of this subsection, shall be released from the obligation to make ultimate payment thereof until such certified, cashier's, or treasurer's check so received has been duly paid.

"(B) Check unpaid: If any such check so received is not duly paid by the bank on which it is drawn, the United States shall, in addition to its right to exact payment from the party originally indebted therefor, have a lien for the amount of such check upon all the assets of such bank; and such amount shall be paid out of its assets in preference to any or all other claims whatsoever against said bank, except the necessary costs and expenses of administration and the reimbursement of the United States for the amount expended in the redemption of the circulating notes of such bank.

"(b) Other checks.—

"(1) Authority to receive: Collectors may receive checks in addition to those specified in subsection (a) in payment of taxes other than those payable by stamp during such time and under such rules and regulations as the Commissioner, with the approval of the Secretary, shall prescribe.

"(2) Ultimate liability: If a check so received is not paid by the bank on which it is drawn the person by whom such check has been tendered shall remain liable for the payment of the tax and for all legal penalties and additions to the same extent as if such check had not been tendered."

Mr. PEPPER. Mr. President, apropos of the amendment which has been read, and as having a bearing on the amendments which I shall offer, I should like to read a portion of a letter which I received from the Acting Secretary of the Treasury dated May 19, 1944, addressed to Hon. WALTER F. GEORGE, chairman of the Committee on Finance, United States Senate. I read from the letter for the purpose of making clearer the definition of the term "money orders" used in the amendment. The portion of the letter which I wish to read is as follows:

The most difficult problem presented by this proposal is to define with any precision what the words "money orders" mean. In addition to postal money orders, there are in common use certain instruments for the transfer of money issued by the American Express Co. and the Western Union Telegraph Co. which are referred to as "money orders." At present there is also a growing practice for banks to issue instruments having characteristics of cashiers' checks, but also bearing the name of the purchaser, which are denominated as "money orders." So far as legal authorities are concerned there is a paucity of any consideration as to what constitutes a money order, none of the reported court decisions undertaking any detailed or reliable definition of the term.

It is believed, however, that making any of the instruments in use, to which reference has been made above, acceptable in payment of revenue stamps would result in no greater loss of revenue than the acceptance of certified checks now provided for by the statute. Each of these instruments conforms to the important test that once delivered to the collector it would not be revocable by the remitter. Hence, if acceptance by the collectors could be confined to these instruments, this Department would have no objection to Senator PEPPER'S proposal.

I wanted it to be understood, Mr. President, that I was keeping faith with the Treasury by making it clear in connection with the adoption of the amendments which I shall propose, that we were talking about the kind of money orders enumerated and identified in the letter from which I have read.

Mr. President, on page 2, line 15, in the committee amendment, after the word "postal", I move to amend by inserting "bank and express."

The amendment to the amendment was agreed to.

Mr. PEPPER. On the same page, line 23, after the word "check", I move to amend by striking out the words "or checks" and inserting "or money order."

The amendment to the amendment was agreed to.

Mr. PEPPER. On page 3, line 2, after the word "check", I move to amend by inserting "or money order."

The amendment to the amendment was agreed to.

Mr. PEPPER. On the same page, line 4, after the words "such check", I move to amend by inserting "or money order."

The amendment to the amendment was agreed to.

Mr. PEPPER. On the same page, line 5, after the word "paid", I move to amend by striking out "by the bank on which it is drawn."

The amendment to the amendment was agreed to.

Mr. PEPPER. On the same page, line 8, after the word "amount", I move to strike out "of such check."

The amendment to the amendment was agreed to.

Mr. PEPPER. On the same page, line 9, after the word "of", I move to amend by inserting "the bank on which drawn or upon all the assets of the issuer of said money order."

The amendment to the amendment was agreed to.

Mr. PEPPER. On the same page, line 12, after the word "bank", I move to amend by inserting "or issuer."

The amendment to the amendment was agreed to.

The committee amendment as amended was agreed to.

Mr. GEORGE. Mr. President, that disposes of all the amendments.

The PRESIDING OFFICER. Pursuant to the request of the Senator from Georgia [Mr. GEORGE], the final disposition of the bill will be postponed until tomorrow.

LOUIS COURCIL—CONFERENCE REPORT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 248) for the relief of Louis Courcil having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the figures "$3,500" insert "$5,000"; and the Senate agree to the same.

ALLEN J. ELLENDER,
JAMES M. TUNNELL,
GEO. A. WILSON,
Managers on the part of the Senate.

DAN R. MCGEHEE,
W. A. PITTENGER,
Managers on the part of the House.

The report was agreed to.

REV. C. M. MCKAY—CONFERENCE REPORT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 544) for the relief of Rev. C. M. McKay having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the figures "$581.10" insert "$781.10"; and the Senate agree to the same.

ALLEN J. ELLENDER,
JAMES M. TUNNELL,
GEO. A. WILSON,
Managers on the part of the Senate.

DAN R. MCGEHEE,
J. EDGAR CHENOWETH,
Managers on the part of the House.

The report was agreed to.

DELORES LEWIS—CONFERENCE REPORT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1313) for the relief of Delores Lewis having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the figures "$369" insert "$700"; and the Senate agree to the same.

ALLEN J. ELLENDER,
TOM STEWART,
E. V. ROBERTSON,
Managers on the part of the Senate.

DAN R. MCGEHEE,
T. G. ABERNETHY,
Managers on the part of the House.

The report was agreed to.

EDDIE T. STEWART—CONFERENCE REPORT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1411) for the relief of Eddie T. Stewart having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the figures "$1,292.50" insert "$2,000"; and the Senate agree to the same.

ALLEN J. ELLENDER,
JAMES M. TUNNELL,
GEO. A. WILSON,
Managers on the part of the Senate.

DAN R. MCGEHEE,
JOHN JENNINGS, Jr.,
NAT PATTON,
Managers on the part of the House.

The report was agreed to.

MILDRED B. HAMPTON—CONFERENCE REPORT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1412) for the relief of Mildred B. Hampton having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the figures "$487.50" insert the figures "$1,000.00"; and the Senate agree to the same.

ALLEN J. ELLENDER,
KENNETH S. WHERRY,
Managers on the part of the Senate.

DAN R. MCGEHEE,
NAT PATTON,
Managers on the part of the House.

The report was agreed to.

EDWARD E. HELD AND MARY JANE HELD—CONFERENCE REPORT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2625) for the relief of Edward E. Held and Mary Jane Held having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the figures "$4,000" insert the figures "$4,500"; and the Senate agree to the same.

ALLEN J. ELLENDER,
JAMES O. EASTLAND,
ARTHUR CAPPER,
Managers on the part of the Senate.

DAN R. MCGEHEE,
JOHN JENNINGS, Jr.,
NAT PATTON,
A. M. FERNANDEZ,
Managers on the part of the House.

The report was agreed to.

MAVIS NORRINE COTHRON AND THE LEGAL GUARDIAN OF NORMA LEE COTHRON ET AL.—CONFERENCE REPORT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3390) for the relief of Mavis Norrine Cothron and the legal guardian of Norma Lee Cothron, Florence Janet Cothron, and Nina Faye Cothron having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered (1) and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered (2), and agree to the same with an amendment, as follows: In lieu of the figures "$3,000" insert the figures "$4,000"; and the Senate agree to the same.

ALLEN J. ELLENDER,
JAMES M. TUNNELL,
GEO. A. WILSON,
Managers on the part of the Senate.

DAN R. MCGEHEE,
LEX GREEN,
Managers on the part of the House.

The report was agreed to.

REV. JAMES T. DENIGAN—CONFERENCE REPORT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3538) for the relief of Rev. James T. Denigan having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the figures "$5,578.85" insert the figures "$6,500"; and the Senate agree to the same.

ALLEN J. ELLENDER,
KENNETH S. WHERRY,
Managers on the part of the Senate.

DAN R. MCGEHEE,
W. A. PITTENGER,
Managers on the part of the House.

The report was agreed to.

SETTLEMENT OF CLAIMS ARISING FROM TERMINATED WAR CONTRACTS—CONFERENCE REPORT

Mr. JOHNSON of Colorado submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1718) to provide for the settlement of claims arising from terminated war contracts, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"OBJECTIVES OF THE ACT

"SECTION 1. The Congress hereby declares that the objectives of this Act are—

"(a) to facilitate maximum war production during the war, and to expedite reconversion from war production to civilian production as war conditions permit;

"(b) to assure to prime contractors and subcontractors, small and large, speedy and equitable final settlement of claims under terminated war contracts, and adequate interim financing until such final settlement;

"(c) to assure uniformity among Government agencies in basic policies and administration with respect to such termination settlements and interim financing;

"(d) to facilitate the efficient use of materials, manpower, and facilities for war and civilian purposes by providing prime contractors and subcontractors with notice of termination of their war contracts as far in advance of the cessation of work thereunder as is feasible and consistent with the national security;

"(e) to assure the expeditious removal from the plants of prime contractors and subcontractors of termination inventory not to be retained or sold by the contractor;

"(f) to use all practicable methods compatible with the foregoing objectives to prevent improper payments and to detect and prosecute fraud.

"SURVEILLANCE BY CONGRESS

"SEC. 2. (a) To assist the Congress in appraising the administration of this Act and in developing such amendments or related legislation as may further be necessary to accomplish the objectives of the Act, the appropriate committees of the Senate and the House of Representatives shall study each report submitted to the Congress under this Act and shall otherwise maintain continuous surveillance of the operations of the Government agencies under the Act.

"(b) In January, April, July, and October of each year, the Director shall submit to the Senate and House of Representatives a quarterly progress report on the exercise of his duties and authority under this Act, the status of contract terminations, termination settlements, and interim financing and such other pertinent information on the administration of the Act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

"DEFINITIONS

"SEC. 3. As used in this Act—

"(a) The term 'prime contract' means any contract, agreement, or purchase order heretofore or hereafter entered into by a contracting agency and connected with or related to the prosecution of the war; and the term 'prime contractor' means any holder of one or more prime contracts.

"(b) The term 'subcontract' means any contract, agreement, or purchase order heretofore or hereafter entered into to perform any work, or to make or furnish any material to the extent that such work or material is required for the performance of any one or more prime contracts or of any one or more other subcontracts; and the term 'subcontractor' means any holder of one or more subcontracts.

"(c) The term 'war contract' means a prime contract or a subcontract; and the term 'war contractor' means any holder of one or more war contracts.

"(d) The terms 'termination', 'terminate', and 'terminated' refer to the termination or concelation, in whole or in part, of work under a prime contract for the convenience or at the option of the Government (except for default of the prime contractor) or of work under a subcontract for any reason except the default of the subcontractor.

"(e) The term 'material' includes any article, commodity, machinery, equipment, accessory, part, component, assembly, work in process, maintenance, repair, and operating supplies, and any product of any kind.

"(f) The term 'Government agency' means any executive department of the Government, or any administrative unit or subdivision thereof, any independent agency or any corporation owned or controlled by the United States in the executive branch of the Government, and includes any contracting agency.

"(g) The term 'contracting agency' means any Government agency which has been or hereafter may be authorized to make contracts pursuant to section 201 of the First War Powers Act, 1941, and includes the Reconstruction Finance Corporation and any corporation organized pursuant to the Reconstruction Finance Corporation Act (47 Stat. 5), as amended, the Smaller War Plants Corporation, and the War Production Board.

"(h) The term 'termination claim' means any claim or demand by a war contractor for fair compensation for the termination of any war contract and any other claim under a terminated war contract, which regulations prescribed under this Act authorize to be asserted and settled in connection with any termination settlement.

"(i) The term 'interim financing' includes advance payments, partial payments, loans, discounts, advances, and commitments in connection therewith, and guaranties of loans, discounts, advances, and commitments in connection therewith and any other type of financing made in contemplation of or related to termination of war contracts.

"(j) The term 'Director' means the Director of Contract Settlement.

"(k) The term 'person' means any individual, corporation, partnership, firm, association, trust, estate, or other entity.

"(l) The term 'termination inventory' means any materials (including a proper part of any common materials), properly allocable to the terminated portion of a war contract except any machinery or equipment subject to a separate contract specifically governing the use or disposition thereof.

"(m) The term 'final and conclusive', as applied to any settlement, finding, or decision, means that such settlement, finding, or decision shall not be reopened, annulled, modified, set aside, or disregarded by any officer, employee, or agent of the United States or in any suit, action, or proceeding except as provided in this Act.

"DIRECTOR OF CONTRACT SETTLEMENT

"SEC. 4. (a) There is hereby established the Office of Contract Settlement which shall be headed by the Director of Contract Settlement. The Director shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $12,000 per year, and shall serve for a term of two years.

"(b) In order to insure uniform and efficient administration of the provisions of this Act, the Director, subject to such provisions, by general orders or general regulations—

"(1) shall prescribe policies, principles, methods, procedures, and standards to govern the exercise of the authority and discretion and the performance of the duties and functions of all Government agencies under this Act; and

"(2) may require or restrict the exercise of any such authority and discretion, or the performance of any such duty or function, to such extent as he deems necessary to carry out the provisions of this Act.

"(c) The exercise of any authority or discretion and the performance of any duty or function, conferred or imposed on any Government agency by this Act, shall be subject to such orders and regulations prescribed by the Director pursuant to subsection (b) of this section. Each Government agency shall carry out such orders and regulations of the Director expeditiously, and shall issue such regulations with respect to its operations and procedures as may be necessary to carry out the policies, principles, methods, procedures, and standards prescribed by the Director. Any Government agency may issue such further regulations not inconsistent with the general orders or regulations of the Director as it deems necessary or desirable to carry out the provisions of this Act.

"(d) The Director may, within the limits of funds which may be made available, employ and fix the compensation of necessary personnel in accordance with the provisions of the civil-service laws and the Classification Act of 1923 and make expenditures for supplies, facilities, and services necessary for the performance of his functions under this Act. Without regard to the provisions of the civil-service laws and the Classification Act of 1923, he may appoint a Deputy Director and may employ certified public accountants, qualified cost accountants, industrial engineers, appraisers, and other experts, and fix their compensation, and contract with certified public accounting firms and qualified firms of engineers in the discharge of the duties imposed upon him and in furtherance of the objectives and policies of this Act. The Director shall perform the duties imposed upon him through the personnel and facilities of the contracting agencies and other established Government agencies, to the extent that this does not interfere with the function of the Director to insure uniform and efficient administration of the provisions of this Act.

"(e) All orders and regulations prescribed by the Director or any Government agency under this Act shall be published in the Federal Register.

"CONTRACT SETTLEMENT ADVISORY BOARD

"SEC. 5. There is hereby created a Contract Settlement Advisory Board, with which the Director shall advise and consult. The Board shall be composed of the Director, who shall act as its Chairman, and of the Secretary of War, the Secretary of the Navy, the Secretary of the Treasury, the Chairman of the Maritime Commission, the Administrator of the Foreign Economic Administration, the chairman of the board of directors of the Reconstruction Finance Corporation, the Chairman of the War Production Board, the chairman of the board of directors of the Smaller War Plants Corporation, and the Attorney General or any alternate or representative designated by any of them. The Director shall request other Government agencies to participate in the deliberations of the Board whenever matters specially affecting them are under consideration.

"SEC. 6. (a) It is the policy of the Government, and it shall be the responsibility of the contracting agencies and the Director, to provide war contractors with speedy and fair compensation for the termination of any war contract, in accordance with and subject to the provisions of this Act, giving priority to contractors whose facilities are privately owned or privately operated. Such fair compensation for the termination of subcontracts shall be based on the same principles as compensation for the termination of prime contracts.

"(b) Each contracting agency shall establish methods and standards, suitable to the conditions of various war contractors, for determining fair compensation for the termination of war contracts on the basis of actual, standard, average, or estimated costs, or of a percentage of the contract price based on the estimated percentage of completion of work under the terminated contract, or on any other equitable basis, as it deems appropriate. To the extent that such methods and standards require accounting, they shall be adapted, so far as practicable, to the accounting systems used by war contractors, if consistent with recognized commercial accounting practice.

"(c) Any contracting agency may settle all or any part of any termination claim under any war contract by agreement with the war contractor, or by detemination of the amount due on the claim or part thereof without such agreement, or by any combination of these methods. Where any such settlement is made by agreement, the settlement shall be final and conclusive, except (1) to the extent otherwise agreed in the settlement; (2) for fraud; (3) upon renegotiation to eliminate excessive profits under the Renegotiation Act, unless exempt or exempted under that Act; or (4) by mutual agreement before or after payment. Where any such settlement is made by determination without agreement, it shall likewise be final and conclusive, subject to the same exceptions as if made by agreement, unless the war contractor appeals or brings suit in accordance with section 13 of this Act: *Provided*, That no settlement agreement hereunder involving payment to a war contractor of an amount in excess of $50,000 (or such lesser amount as the Director may from time to time determine) shall become binding upon the Government until the agreement has been reviewed and approved by a settlement review board of three or more members established by the contracting agency in the bureau, division, regional or district office, or other unit of the contracting agency authorized to make such settlement, or in the event of disapproval by the settlement review board, unless approved by the head of such bureau, division, regional or district office, or other unit. Failure of the settlement review board to act upon any settlement within 30 days after its submission to the board shall operate as approval by the board. The sole function of settlement review boards shall be to determine the over-all reasonableness of proposed settlement agreements from the point of view of protecting the interests of the Government. In determining, for purposes of this subsection, whether review of any settlement agreement is required because of the amounts involved, no deduction shall be made on account of credits for property chargeable to the Government or for advance or partial payments, but amounts payable under such settlement agreement for completed articles or work at the contract price and for the discharge of the termination claims of subcontractors shall be deducted.

"(d) Except as hereinafter provided, the methods and standards established under subsection (b) of this section for determining fair compensation for termination claims which are not settled by agreement shall be designed to compensate the war contractor fairly for the termination of the war contract, taking into account:

"(1) the direct and indirect manufacturing, selling, and distribution, administrative and other costs and expenses incurred by the war contractor which are reasonably necessary for the performance of the war contract and properly allocable to the terminated portion thereof under recognized commercial accounting practices; and

"(2) reasonable costs and expenses of settling termination claims of subcontractors related to the terminated portion of the war contract; and

"(3) reasonable accounting, legal, clerical, and other costs and expenses incident to termination and settlement of the terminated war contract; and

"(4) reasonable costs and expenses of removing, preserving, storing and disposing of termination inventories; and

"(5) such allowance for profit on the preparations made and work done for the terminated portion of the war contract as is reasonable under the circumstances; and

"(6) interest on the termination claim in accordance with subsection (f) of this section; and

"(7) the contract price and all amounts otherwise paid or payable under the contract.

"The following shall not be included as elements of cost:

"(i) Losses on other contracts, or from sales or exchanges of capital assets, fees and other expenses in connection with reorganization or recapitalization, antitrust or Federal income-tax litigation, or prosecution of Federal income-tax claims or other claims against the Government (except as provided in paragraph (3) above); losses on investments; provisions for contingencies; and premiums on life insurance where the contractor is the beneficiary.

"(ii) The expense of conversion of the contractor's facilities to uses other than the performance of the contract.

"(iii) Expenses due to the negligence or willful failure of the contractor to discontinue with reasonable promptness the incurring of expenses after the effective date of the termination notice.

"(iv) Costs incurred in respect to facilities, materials, or services purchased or work done in excess of the reasonable quantitative requirements of the entire contract.

"The failure specifically to mention in this subsection any item of cost is not intended to imply that it should be allowed or disallowed. The Director may interpret the provisions of this subsection (d) and may provide for the inclusion or exclusion of other costs in accordance with recognized commercial accounting practice.

"Where the small size of claims or the nature of production or performance or other factors make it impracticable to apply the principles stated in this subsection (d) to any class of settlements which are subject to this subsection (d), the contracting agencies may establish alternative methods and standards for determining fair compensation for that class of termination claims. The aggregate amount of compensation allowed in accordance with this subsection (excluding amounts allowed under paragraphs (3) and (4) above) shall not exceed the total contract price reduced by the amount of payments otherwise made or to be made under the contract.

"(e) In order to carry out the objectives of this Act, termination claims shall be settled by agreement to the maximum extent feasible and the methods and standards established under subsection (b) of this section shall be designed to facilitate such settlements. To the extent that he deems it practicable to do so without impeding expeditious settlements, the Director shall require the contracting agencies to take into account the factors enumerated in subsection (d) above in establishing methods and standards for determining fair compensation in the settlement of termination claims by agreement.

"(f) Each contracting agency shall allow and pay interest on the amount due and unpaid from time to time on any termination claim under a prime contract at the rate of 2½ per centum per annum for the period beginning thirty days after the date fixed for termination and ending with the date of final payment, except that (1) if the prime contractor unreasonably delays the settlement of his claim, interest shall not accrue for the period of such delay, (2) if interest for the period after termination on any advance payment or loan, made or guaranteed by the Government, has been waived for the benefit of the contractor, the amount of the interest so waived allocable to the terminated contract or the terminated part of the contract shall be deducted from the interest otherwise payable hereunder, and (3) if after delivery of findings by a contracting agency, the contractor appeals or sues as provided in section 13, interest shall not accrue after the thirtieth day following the delivery of the findings on any amount allowed by such findings, unless such amount is increased upon such appeal or suit. In approving, ratifying, authorizing, or making termination settlements with subcontractors, each contracting agency shall allow interest on the termination claim of the subcontractor on the same basis and subject to the same conditions as are applicable to a prime contractor.

"(g) Where any war contract does not provide for or provides against such fair compensation for its termination, the contracting agency, either before or after its termination, shall amend such war contract by agreement with the war contractor, or shall authorize, approve, or ratify an amendment of such war contract by the parties thereto, to provide for such fair compensation.

"SEC. 7. (a) Where, in connection with the settlement of any termination claim by a contracting agency, any war contractor makes settlements of the termination claims of his subcontractors, the contracting agency shall limit or omit its review of such settlements with subcontractors to the maximum extent compatible with the public interest. Any contracting agency (1) may approve, ratify, or authorize such settlements with subcontractors upon such evidence, terms, and conditions as it deems proper; (2) shall vary the scope and intensity of its review of such settlements according to the reliability of the war contractor, the size, number, and complexity of such claims, and other relevant factors; and (3) shall authorize war contractors to make such settlements with subcontractors without review by the contracting agency, whenever the reliability of the war contractor, the amount or nature of the claims, or other reasons appear to the contracting agency to justify such action. Any such settlement of a subcontract approved, ratified, or authorized by a contracting agency shall be final and conclusive as to the amount due to the same extent as a settlement under subsection (c) of section 6 of this Act, and no war contractor shall be liable to the United States on account of any amounts paid thereon except for his own fraud.

"(b) Whenever any contracting agency is satisfied of the inability of a war contractor to meet his obligations it shall exercise supervision or control over payments to the war contractor on account of termination claims of subcontractors of such war contractor to such extent and in such manner as it deems necessary or desirable for the purpose of assuring the receipt of the benefit of such payments by the subcontractors.

"(c) The Director shall prescribe policies and methods for the settlement as a group, or otherwise, by any contracting agency of

some or all of the termination claims of a war contractor under war contracts with one or more (1) bureaus or divisions within a contracting agency, (2) contracting agencies, or (3) prime contractors and subcontractors, to the extent he deems such action necessary or desirable for expeditious and equitable settlement of such claims. After consulting with the contracting agencies concerned, the Director may provide for assigning any war contractor to a contracting agency for such settlement, and such agency shall have authority to settle, on behalf of any other contracting agency, some or all of the termination claims of such war contractor.

"(d) Any contracting agency may settle directly termination claims of subcontractors to the extent that it deems such action necessary or desirable for the expeditious and equitable settlement of such claims. In making such termination settlements any contracting agency may discharge the claim of the subcontractor by payment or may purchase such claim, and may agree to assume, or indemnify the subcontractor against, any claims by any person in connection with such claim or the termination settlement. Any contracting agency undertaking to settle the termination claim of any subcontractor shall deliver to the subcontractor and the war contractor liable to him written notice stating its acceptance of responsibility for settling his claim and the conditions applicable thereto, which may include the release, or assignment to the contracting agency, of his claim against the war contractor liable to him; upon consent thereto by the subcontractor, the Government shall become liable for the settlement of his claims upon the conditions specified in the notice.

"(e) Any contracting agency may make settlements with subcontractors in accordance with any of the provisions of this Act without regard to any limitation on the amount payable by the Government to the prime contractor.

"(f) If any contracting agency determines that in the circumstances of a particular case equity and good conscience require fair compensation for the termination of a war contract to be paid to a subcontractor who has been deprived of and cannot otherwise reasonably secure such fair compensation, the contracting agency concerned may pay such compensation to him although such compensation already has been included and paid as part of a settlement with another war contractor.

"INTERIM FINANCING

"SEC. 8. (a) It is the policy of the Government, and it shall be the responsibility of the contracting agencies and the Director, in accordance with and subject to the provisions of this Act, to provide war contractors having any termination claim or claims, pending their settlement, with adequate interim financing, within thirty days after proper application therefor.

"(b) Each contracting agency shall, to the greatest extent it deems practicable, make available interim financing through loans and discounts, and commitments and guaranties in connection therewith, in contemplation of or related to termination of war contracts. Where interim financing is made by advance payments or partial payments, it shall, insofar as practicable, consist of the following:

"(1) An amount equal to 100 per centum of the amount payable, at the contract price, on account of acceptable items completed prior to the termination date under the terms of the contract, or completed thereafter with the approval of the contracting agency; plus

"(2) An amount equal to 90 per centum of the cost of raw materials, purchased parts, supplies, direct labor, and manufacturing overhead allocable to the terminated portion of the war contract; plus

"(3) A reasonable percentage of other allowable costs, including administrative overhead, allocable to the terminated portion of the war contract not included in the foregoing; plus

"(4) Such additional amounts, if any, as the contracting agency deems necessary to provide the war contractor with adequate interim financing.

"(5) In lieu of the costs referred to in clauses (2) and (3) of this subsection, where a detailed ascertainment of such costs is not suitable to the conditions of any war contractor and is apt to cause delay in the obtaining of interim financing by him, that portion of such interim financing shall be equal to an amount not greater than 90 per centum of the estimated costs which are allocable to the terminated part or parts of the war contract or group of war contracts, and are ascertained in accordance with such methods and standards as the Director shall prescribe.

"(6) There shall be deducted from the amount of such interim financing any unliquidated balances of advance and partial payments theretofore made to such war contractor, which are allocable to the terminated war contract or the terminated part of the war contract.

"(c) The Director shall prescribe (1) the types of estimates, certificates, or other evidence to be required to support such interim financing; (2) the terms and conditions upon which such interim financing shall be made including the use of standard forms for agreements with respect to such interim financing to the extent practicable; (3) the classes of cases in which such interim financing shall be refused; and (4) such methods of supervision and control over such interim financing as he deems necessary or desirable to assure adequate and speedy interim financing to subcontractors of the war contractor.

"(d) In case of an overstatement by any war contractor of the amount due on his termination claim or claims in connection with any interim financing under this Act, such contractor shall pay to the United States, as a penalty, an amount equal to 6 per centum of the amount of the overstatement, but the Director may suspend or modify any such penalty if in his opinion the imposition thereof would be inequitable. Any penalty may be deducted from any amounts due the war contractor upon such termination claim or claims, or otherwise, or may be collected from the war contractor by suit. The obligation to pay any penalty imposed and to repay any interim financing made or assumed by the United States under this Act shall constitute a debt due to the United States within the meaning of Revised Statutes, section 3466 (31 U. S. C., sec. 191).

"(e) Any contracting agency may allow any advance payments, previously made or authorized by it in connection with the performance of a war contract, to be used for payments and expenses related to the termination settlement of such contract, upon such terms and conditions as it deems necessary or appropriate, to protect the interest of the Government.

"(f) No interim financing shall be made by any contracting agency under this Act unless the terms of such financing provide for the liquidation by the war contractor of all loans, discounts, advance payments, or partial payments thereunder not later than the time of final payment of the amount due on the settlement of the termination claim or claims of the war contractor involved or such time thereafter as the contracting agency deems necessary for the liquidation of such interim financing in an orderly manner.

"(g) Any contracting agency may settle, upon such terms and conditions as it deems proper, any claim or obligation due by or to the Government arising from or related to any interim financing made, acquired, or authorized by it. Any interim financing made, acquired, or authorized by any contracting agency before the effective date of this Act shall be valid to the extent it would be authorized under the provisions of this Act if made after its effective date.

"SEC. 9. (a) Any contracting agency may make advance or partial payments to any war contractor on account of any termination claim or claims, and may authorize, approve, or ratify any such advance or partial payments by any war contractor to his subcontractors, upon such conditions as it deems necessary to insure compliance with the provisions of subsection (b) of this section. Each contracting agency shall make final payments from time to time on partial settlements or on settlements fixing a minimum amount due before complete settlement, or as tentative payments before any settlement of the claim or claims.

"(b) Where any such advance or partial payment is made to any war contractor by any contracting agency or by another war contractor under this section, except a final payment on a partial settlement, any amount in excess of the amount finally determined to be due on the termination claim shall be treated as a loan from the Government to the war contractor receiving it, and shall be payable upon demand together with a penalty computed at the rate of 6 per centum per annum, for the period from the date such excess advance or partial payment is received to the date on which such excess is repaid or extinguished. Where the advance or partial payment was made by a war contractor and authorized, approved, or ratified by any contracting agency, the war contractor making it shall not be liable for any such excess payment in the absence of fraud on his part and shall receive payment or credit from the Government for the amount of such excess payment.

"SEC. 10. (a) Any contracting agency is authorized—

"(1) to enter into contracts with any Federal Reserve bank, or other public or private financing institution, guaranteeing such financing institution against loss of principal or interest on loans, discounts, or advances or on commitments in connection therewith, which such financing institution may make to any war contractor or to any person who is or has been engaged in performing any operation deemed by such contracting agency to be connected with or related to war production, for the purpose of financing such war contractor or other person in connection with or in contemplation of the termination of one or more such war contracts or operations;

"(2) to make, enter into contracts to make, or to participate with any Government agency, any Federal Reserve bank or public or private financing institution in making loans, discounts, or advances, or commitments in connection therewith, for the purpose of financing any such war contractor or other person in connection with or in contemplation of the termination of such war contracts or operations.

"(b) Any such loan, discount, advance, guaranty, or commitment in connection therewith may be secured by assignment of, or covenants to assign, some or all of the rights of such war contractor or other person in connection with the termination of such war contracts or operations, or in such other manner as the contracting agency may prescribe.

"(c) Subject to such regulations as the Board of Governors of the Federal Reserve System may prescribe with the approval of the Director, any Federal Reserve bank is authorized to act, on behalf of the contracting agencies, as fiscal agent of the United States in carrying out the purposes of this Act.

"(d) This section shall not limit or affect any authority of any contracting agency, under any other statute, to make loans, discounts, or advances, or commitments in connection therewith or guaranties thereof.

"ADVANCE NOTICE

"SEC. 11. (a) In order to facilitate the efficient use of materials, manpower, and facilities for war and civilian purposes, each contracting agency—

"(1) shall provide its prime contractors with notice of termination of their prime contracts as far in advance of the cessation of work thereunder as is feasible and consistent with the national security without permitting unneeded production or performance;

"(2) shall establish procedures whereby prime contractors shall provide affected subcontractors with immediate notice of termination; and

"(3) shall permit the continuation of some or all of the work under a terminated prime contract whenever the agency deems that such continuation will benefit the Government or is necessary to avoid substantial injury to the plant or property.

"(b) Whenever a contracting agency hereafter directs a prime contractor to cease or suspend all or a substantial part of the work under a prime contract, without terminating the contract, then, unless the contract provides otherwise, (1) the contracting agency shall compensate the contractor for reasonable costs and expenses resulting from such cessation or suspension, and (2) if the cessation or suspension extends for thirty days or more, the contractor may elect to treat it as a termination by delivering written notice of his election so to do to the contracting agency, at any time before the contracting agency directs the prime contractor to resume work under the contract.

"(c) The Director shall have no authority under this Act to regulate or control the classes of contracts to be terminated by the contracting agencies.

"REMOVAL AND STORAGE OF MATERIALS

"SEC. 12. (a) It is the policy of the Government, upon the termination of any war contract, to assure the expeditious removal from the plant of the war contractor of the termination inventory not to be retained or sold by the war contractor.

(b) Any war contractor may submit to the contracting agency concerned or to any other Government agency designated by the Director, one or more statements showing the materials which such war contractor claims to be termination inventory under one or more war contracts and desires to have removed by the Government. Such statements shall be prepared in such form and detail, shall be submitted in such manner, through the prime contractor or otherwise, and shall be supported by such certificates or other data, as may be prescribed under this Act.

"(c) Within sixty days after the submission of any such statement by a war contractor, or such shorter period as may be prescribed under this Act, or within such longer period as the war contractor may agree, the Government agency concerned (1) shall arrange, upon such terms and conditions as may be agreed, for the storage by the war contractor on his own premises or elsewhere of all such claimed termination inventory which the war contractor does not retain or dispose of, except any part which may be determined not to be allocable to the terminated war contract or contracts, or (2) shall remove from the plant or plants of the war contractor all of such claimed termination inventory not retained, disposed of, or stored by the war contractor or determined not to be allocable to the terminated war contract or contracts.

"(d) Upon the failure of the Government so to arrange for storage by the war contractor or to remove any termination inventory within the period specified under subsection (c) of this section, the war contractor, subject to regulations prescribed under this Act, may remove some or all of such termination inventory from his plant or plants and may store it on his own premises or elsewhere for the account and at the risk and expense of the Government, using reasonable care for its transportation and preservation. If any war contractor intends so to remove any claimed termination inventory, he shall deliver to the Government agency concerned written notice of the date fixed for removal and a statement showing the quantities and condition of the materials so to be removed, certified on behalf of the war contractor to have been prepared in accordance with a concurrent physical inventory of such materials. Such notice and statement shall be delivered at least twenty days in advance of the date fixed for removal and may be delivered before or after the expiration of the period specified under subsection (c) of this section. If the Government agency fails to check such materials, at or before the time of their removal by the war contractor, a certificate of the war contractor specifying the materials shown on such statement which were so removed, and filed with the Government agency concerned within thirty days after the date fixed for removal, shall constitute prima facie evidence against the United States as to the quantities and condition of the materials so removed, and the fact of their removal.

"(e) Notwithstanding any other provisions of law, but subject to subsection (h) of this section, the contracting agency concerned or the Director, or any Government agency designated by him, on behalf of the United States, may, by the exercise of any contract rights or otherwise, acquire and take possession of any termination inventory of any war contractor, and any materials removed by the Government or stored for its account under subsections (c) and (d) of this section, whether or not such materials are finally determined not to constitute termination inventory. With respect to any such materials, the Government shall be liable to any war contractor concerned only for their return to such war contractor or for their disposal value at the time of their removal or for the proceeds realized by the Government from their disposal, at the election of the Government agency concerned, unless the Government agency and the war contractor agree or have agreed on a different basis. Any amount so paid or payable to a war contractor for materials allocable to a terminated war contract shall be credited against the termination claim under such contract but shall not otherwise affect the amount due on the claim, unless the Government agency concerned and the war contractor agree or have agreed otherwise. Any materials to which the Director takes title under this section shall be delivered for disposal to any appropriate Government agency authorized to make such disposal.

"(f) No contracting agency shall postpone or delay any termination settlement beyond the period specified in subsection (c) of this section for the purpose of awaiting disposal by the war contractor or the Government of any termination inventory reported in accordance with subsection (b) of this section.

"(g) Whenever any war contractor no longer requires, for the performance of any war contract, any Government-owned machinery, tools, or equipment installed in his plant for the performance of one or more war contracts, the Government agency concerned, upon written demand by the war contractor, and within sixty days after such demand or such other period as may be prescribed under this Act, and upon such conditions as may be so prescribed, shall remove or provide for the removal of such machinery, tools, or equipment from such plant, unless the Government agency concerned and the war contractor, by facilities contract or otherwise, have made or make other provision for the retention, storage, maintenance, or disposition of such machinery, tools, or equipment. The Government agency concerned may waive or release on behalf of the United States any obligation of the war contractor with respect to such machinery, tools, or equipment upon such terms and conditions as the agency deems appropriate. Upon the failure of the Government so to remove or provide for removal of any such machinery, tools, or equipment, the war contractor, subject to regulations prescribed under this Act, may remove all or part of such machinery, tools, or equipment from his plant and may store it on his own premises or elsewhere, for the account and at the risk and expense of the Government, using reasonable care for its transportation and preservation.

"(h) Nothing in this Act shall limit or affect the authority of the War Department, Navy Department, or Maritime Commission, respectively, to take over any termination inventories and to retain them for their use for any purpose or to dispose of such termination inventories for the purpose of war production, or to authorize any war contractor to retain or dispose of such termination inventories for the purpose of war production.

"(i) Nothing in this section shall be construed to prevent the removal and storage of any termination inventory by any war contractor, at his own risk, at any time after termination of any war contract to which it is allocable.

"APPEAL

"SEC. 13. (a) Whenever the contracting agency responsible for settling any termination claim has not settled the claim by agreement or has so settled only a part of the claim, (1) the contracting agency at any time may determine the amount due on such claim or such unsettled part, and prepare written findings indicating the basis of the determination, and deliver a copy of such findings to the war contractor, or (2) if the termination claim has been submitted in the manner and substantially the form prescribed under this Act, the contracting agency, upon written demand by the war contractor for such findings, shall determine the amount due on the claim or unsettled part and prepare and deliver such findings to the war contractor within ninety days after the receipt by the agency of such demand. In preparing such findings, the contracting agency may require the war contractor to furnish such information and to submit to such audits as may be reasonably necessary for that purpose. Within thirty days after the delivery of any such findings, the contracting agency shall pay to the war contractor at least 90 per centum of the amount thereby determined to be due, after deducting the amount of any outstanding interim financing applicable thereto.

"(b) Whenever any war contractor is aggrieved by the findings of a contracting agency on his claim or part thereof or by its failure to make such findings in accordance with subsection (a) of this section, he may, at his election—

"(1) appeal to the Appeal Board in accordance with subsection (d) of this section; or

"(2) bring suit against the United States for such claim or such part thereof, in the Court of Claims or in a United States district court, in accordance with subsection (20) of section 24 of the Judicial Code (28 U. S. C. 41 (20)), except that, if the contracting agency is the Reconstruction Finance Corporation, or any corporation organized pursuant to the Reconstruction Finance Corporation Act (47 Stat. 5), as amended, or any corporation owned or controlled by the United States, the suit shall be

brought against such corporation in any court of competent jurisdiction in accordance with existing law.

"(c) Any proceeding under subsection (b) of this section shall be governed by the following conditions:

"(1) When any contracting agency provides a procedure within the agency for protest against such findings or for other appeal therefrom by the war contractor, the war contractor, before proceeding under subsection (b) of this section, (i) in his discretion may resort to such procedure within the time specified in this contract or, if no time is specified, within thirty days after the delivery to him of the findings; and (ii) shall resort to such procedure for protest or other appeal to the extent required by the Director, but failure of the contracting agency to act on any such required protest or appeal within thirty days shall operate as a refusal by the agency to modify its findings. Any revision of the findings by the contracting agency, upon protest or appeal within the agency, shall be treated as the findings of the agency for the purpose of appeal or suit under subsection (b) of this section. Notwithstanding any contrary provision in any war contract, no war contractor shall be required to protest or appeal from such findings within the contracting agency except in accordance with this paragraph.

"(2) A war contractor may initiate proceedings in accordance with subsection (b) of this section (i) within ninety days after delivery to him of the findings by the contracting agency, or (ii) in case of protests or appeal within the agency, within ninety days after the determination of such protest or appeal, or (iii) in case of failure to deliver such findings, within one year after his demand therefor. If he does not initiate such proceedings within the time specified, he shall be precluded thereafter from initiating any proceedings in accordance with subsection (b) of this section, and the findings of the contracting agency shall be final and conclusive, or if no findings were made, he shall be deemed to have waived such termination claim.

"(3) Notwithstanding any contrary provision in any war contract, the Appeal Board or court shall not be bound by the findings of the contracting agency, but shall treat such findings as prima facie correct, and the burden shall be on the war contractor to establish that the amount due on his claim or part thereof exceeds the amount allowed by the findings of the contracting agency. Whenever the Appeal Board or court finds that the war contractor failed to negotiate in good faith with the contracting agency for the settlement of his claim or part thereof before appeal or suit thereon, or failed to furnish to the agency any information reasonably requested by it regarding his termination claim or part thereof, or failed to prosecute diligently any protest or appeal required to be taken under subsection (c) (1) (ii) of this section, the Appeal Board or court (i) may refuse to receive in evidence any information not submitted to the contracting agency; (ii) may deny interest on the claim or part thereof for such period as it deems proper; or (iii) may remand the case to the contracting agency for further proceedings upon such terms as the Appeal Board or court may prescribe. Unless the case is remanded, the Appeal Board or court shall enter the appropriate award or judgment on the basis of the law and facts, and may increase or decrease the amount allowed by the findings of the contracting agency.

"(4) Any such proceedings shall not affect the authority of the contracting agency concerned to make a settlement of the termination claim, or any part thereof, by agreement with the war contractor at any time before such proceedings are concluded.

"(d) (1) The Director shall appoint an Appeal Board, composed of such number of members as he deems necessary from time to time to hear appeals under this section. The members of the Appeal Board shall be qualified and experienced attorneys, engineers, accountants, or persons possessing sufficient business experience or professional skill. He shall, without regard to the provisions of the civil-service laws and the Classification Act of 1923, appoint and fix the compensation and term of office of the members of the Appeal Board: *Provided*, That no member shall receive compensation at a rate in excess of $10,000 per annum nor be appointed for a term longer than two years.

"(2) Panels of one or more members may act for the Appeal Board and shall sit from time to time in localities throughout the country, reasonably convenient for war contractors having proceedings before them. A panel of one member of the Appeal Board may hear any appeal whenever (i) the amount in controversy in the appeal is $25,000 or less; or (ii) the amount in controversy exceeds $25,000, but the war contractor taking the appeal fails to demand a panel of three members at the time of filing his appeal. If the war contractor is aggrieved by the decision of the Appeal Board or panel (other than an order remanding the case to the contracting agency under subsection (c) (3) (iii) of this section), then within ninety days after such decision he may bring suit on the claim or unsettled part thereof in accordance with subsection (b) (2) of this section. Such suit shall proceed as if no appeal had been taken under subsection (b) of this section. All costs of such suit shall be borne by the war contractor unless the court awards such contractor an amount in excess of that allowed by the Appeal Board or panel. Upon failure of the war contractor so to sue within such period, the decision of the Appeal Board or panel shall be final and conclusive.

"(3) The Director or, if authorized by him, the Appeal Board shall prescribe the practice and procedure to govern proceedings for the Appeal Board. The Appeal Board or any panel thereof shall have power to administer oaths to witnesses and to compel by subpena the attendance of witnesses, and the production of books, papers, documents, and other records. All provisions of law (including penalties and provisions relating to self-incrimination) applicable with respect to subpenas issued under the Federal Trade Commission Act shall be applicable with respect to subpenas issued by the Appeal Board insofar as such provisions are not inconsistent with the provisions of this Act.

"(e) The contracting agency responsible for settling any claim and the war contractor asserting the claim, by agreement, may submit all or any part of the termination claim to arbitration, without regard to the amount in dispute. Such arbitration proceedings shall be governed by the provisions of the United States Arbitration Act to the same extent as if authorized by an effective agreement in writing between the Government and the war contractor. Any such arbitration award shall be final and conclusive upon the United States to the same extent as a settlement under subsection (c) of section 6, but shall not be subject to approval by any settlement review board.

"(f) Whenever any dispute exists between any war contractor and a subcontractor regarding any termination claim, either of them, by agreement with the other, may submit the dispute—

"(1) to the Appeal Board in accordance with subsection (d) of this section;

"(2) to a contracting agency for mediation or arbitration whenever authorized by the agency or required by the Director.

"Any award or decision in such proceedings shall be final and conclusive as to the parties so submitting any such dispute and shall not be questioned by the United States in settling any related claim, in the absence of fraud or collusion.

"COURT OF CLAIMS

"SEC. 14. (a) For the purpose of expediting the adjudication of termination claims, the Court of Claims is authorized to appoint not more than ten auditors and not more than twenty commissioners in addition to those provided for by the Act of February 24, 1925 (ch. 301, 43 Stat. 964), as amended by the Act of June 23, 1930 (ch. 573, 46 Stat. 799), and the provisions of said Act shall apply to such additional commissioners in all respects as if they had been appointed thereunder without limitation as to nature of duties which they may be called upon to perform.

"(b) The Court of Claims, on motion of either of the parties, or on its own motion, may summon any and all persons with legal capacity to be sued to appear as a party or parties in any suit or proceeding of any nature whatsoever pending in said court to assert and defend their interests, if any, in such suits or proceedings, within such period of time prior to judgment as the Court of Claims shall prescribe. If the name and address of any such person is known or can be ascertained by reasonable diligence, and if he resides within the jurisdiction of the United States, he shall be summoned to appear by personal service; but if any such person resides outside of the jurisdiction of the United States, or is unknown, or if for any other good and sufficient reason appearing to the court personal service cannot be had, he may be summoned by publication, under such rules as the court may adopt, together with a copy of the summons mailed by registered mail to such person's last known address. The Court of Claims may, upon motion of the Attorney General, in any suit or proceeding where there may be any number of persons having possible interests therein, notify such persons to appear to assert and defend such interests. Upon failure so to appear, any and all claims or interests in claims of any such person against the United States, in respect of the subject matter of such suit or proceeding, shall forever be barred and the court shall have jurisdiction to enter judgment pro confesso upon any claim or contingent claim asserted on behalf of the United States against any person who, having been duly served with summons, fails to respond thereto, to the same extent and with like effect as if such person had appeared and had admitted the truth of all allegations made on behalf of the United States. Upon appearance by any person pursuant to any such summons or notice, the case as to such person shall, for all purposes, be treated as if an independent proceeding had been instituted by such person pursuant to section 145 of the Judicial Code, as amended, and as if such independent proceeding had then been consolidated, for purposes of trial and determination, with the case in respect of which the summons or notice was issued, except that the United States shall not be heard upon any counterclaims, claims for damages or other demands whatsoever against such person, other than claims and contingent claims for the recovery of money hereafter paid by the United States in respect of the transaction or matter which constitutes the subject matter of such case, unless and until such person shall assert therein a claim, or an interest in a claim, against the United States, and the Court of Claims shall have jurisdiction to adjudicate, as between any and all adverse claimants, their respective several interests in any matter in suit and to award several judgments in accordance therewith.

"(c) The jurisdiction of the Court of Claims shall not be affected by this Act except to the extent necessary to give effect to this Act, and no person shall recover judg-

ment on any claim, or on any interest in any claim, in said court which such person would not have had a right to assert in said court if this section had not been enacted.

"PERSONAL FINANCIAL LIABILITY

"SEC. 15. (a) Whenever any payment is made from Government funds to any war contractor or other person as an advance, partial or final payment on any termination claim, or pursuant to any loan, guaranty, or agreement for the purchase of any loan, or any commitment in connection therewith, entered into by the Government, no officer or other Government agent authorizing or approving such payment or settlement, or certifying the voucher for such payment, or making the payment in accordance with a duly certified voucher, shall be personally liable for such payment, in the absence of fraud on his part. In settling the accounts of any disbursing officer the General Accounting Office shall allow any such disbursements made by him notwithstanding any other provisions of law.

"(b) For the purpose of making termination settlements or interim financing any Government agency is authorized to rely upon such certificates of war contractors as it deems proper and to permit war contractors and other persons to rely upon such certificates without financial liability in the absence of fraud on their part.

"THE GENERAL ACCOUNTING OFFICE

"SEC. 16. (a) Any other provision of law notwithstanding, the function of the General Accounting Office with respect to any termination settlement made, authorized, ratified, or approved by a contracting agency shall be confined to determining, after final settlement, (1) whether the settlement payments to the war contractor were made in accordance with the settlement, and (2) whether the records transmitted to it, or other information, warrant a reasonable belief that the settlement was induced by fraud. For this purpose the General Accounting Office shall have the authority to examine any records maintained by any contracting agency or by any war contractor relating to any termination settlement.

"(b) Whenever the Comptroller General is convinced that any settlement was induced by fraud, he shall so certify, together with all the facts relating thereto, to the Department of Justice, to the Director, and to the contracting agency concerned. Upon receipt of such certificate (1) the Department of Justice shall make an investigation to determine whether such settlement was induced by fraud, and (2) until the Department of Justice notifies the contracting agency that in its opinion the facts do not support the belief that the settlement was induced by fraud, the contracting agency, by set-off or otherwise, may withhold, from amounts owing to the war contractor by the United States under such settlement or otherwise, the amount of the settlement, or the portion thereof, which, in the opinion of the Comptroller General as stated in his certificate, was affected by the fraud. In any such case the Department of Justice shall take such action as it deems appropriate to recover payments made to such war contractor. The General Accounting Office shall not suspend credit to any disbursing officer on any disbursements made by him under such settlement in the absence of fraud on his part.

"(c) The Comptroller General may investigate the settlements completed by each contracting agency for the purpose of reporting to the Congress from time to time on—

"(1) whether the settlement methods and procedures employed by such agency are of a kind and type designed to result in expeditious and fair settlements in accordance with and subject to the provisions of this Act and the orders and regulations of the Director;

"(2) whether such methods and procedures are followed by such agency with care and efficiency; and

"(3) whether such methods and procedures adequately protect the interest of the Government.

"If in any such report the Comptroller General shall find that the settlement methods and procedures fail to meet the foregoing standards, he shall make suggestions and recommendations to such agency for the improvement of such methods and procedures and to the Congress for any additional legislation needed to carry out the policies of this Act. At least thirty days before filing any such report with the Congress, the Comptroller General shall deliver a copy thereof to the agency concerned and the Director, and shall forward to the Congress together with such report any comments of such agency with respect thereto.

"(d) The jurisdiction of the Comptroller General of the United States shall not be affected by this Act except to the extent necessary to give effect to the specific provisions thereof.

"DEFECTIVE, INFORMAL, AND QUASI CONTRACTS

"SEC. 17. (a) Where any person has arranged to furnish or furnished to a contracting agency or to a war contractor any materials, services, or facilities related to the prosecution of the war, without a formal contract, relying in good faith upon the apparent authority of an officer or agent of a contracting agency, written or oral instructions, or any other request to proceed from a contracting agency, the contracting agency shall pay such person fair compensation therefor.

"(b) Whenever any formal or technical defect or omission in any prime contract, or in any grant of authority to an officer or agent of a contracting agency who ordered any materials, services, and facilities might invalidate the contract or commitment, the contracting agency (1) shall not take advantage of such defect or omission; (2) shall amend, confirm, or ratify such contract or commitment without consideration in order to cure such defect or omission; and (3) shall make a fair settlement of any obligation thereby created or incurred by such agency, whether expressed or implied, in fact or in law, or in the nature of an implied or quasi contract.

"(c) Where a contracting agency fails to settle by agreement any claim asserted under this section, the dispute shall be subject to the provisions of section 13 of this Act.

"(d) The Director shall require each contracting agency to formalize all such obligations and commitments within such period as the Director deems appropriate.

"RECORDS, FORMS, AND REPORTS

"SEC. 18. (a) The Director shall establish policies for such supervision and review within the contracting agencies of termination settlements and interim financing as he deems necessary and appropriate to prevent and detect fraud and to assure uniformity in administration and to provide for expeditious settlements. For this purpose he shall prescribe (1) such records to be prepared by the contracting agencies and by war contractors as he deems necessary in connection with such settlements and interim financing; and (2) the records in connection therewith to be transmitted to the General Accounting Office. He shall seek to reduce the amount of record keeping, reporting, and accounting in connection with the settlement of termination claims and interim financing to the minimum compatible with the reasonable protection of the public interest. Each contracting agency shall prescribe forms for use by war contractors in connection with termination settlements and interim financing to the extent it deems necessary and feasible.

"(b) The Director shall require the Government agencies preforming functions under this Act to prepare such information and reports regarding terminations of war contracts, settlements of termination claims, and interim financing, as he deems necessary to assist him in appraising their operations or to assist him or other Government agencies in performing their functions under this Act, and may prescribe the terms and conditions upon which such information and reports shall be made available to other Government agencies. The Director may require any Government agency to furnish such information under its control as he deems necessary for the performance of his functions under this Act, but any such agency, in its discretion, may furnish any such information deemed by it to affect the national security only to the Director himself.

"(c) The Director, by regulation, shall provide for making available to any interested Government agency such advance notice and other information on cut-backs in war production resulting from terminations or failures to renew or extend war contracts, as he deems necessary and appropriate.

"(d) The Director shall make such investigations as he deems necessary or desirable in connection with termination settlements and interim financing. For this purpose he may utilize the facilities of any existing agencies and if he determines that the facilities of existing agencies are inadequate, he may establish a unit in the Office of Contract Settlement to supplement and facilitate the work of existing agencies. He shall report to the Department of Justice any information received by him indicating any fraudulent practices, for appropriate action.

"(e) Whenever any contracting agency or the Director believes that any settlement was induced by fraud, the agency or Director shall report the facts to the Department of Justice. Thereupon, (1) the Department of Justice shall make an investigation to determine whether such settlement was induced by fraud, and (2) until the Department of Justice notifies the contracting agency that in its opinion the facts do not support the belief that the settlement was induced by fraud, the contracting agency, by set-off or otherwise, may withhold, from amounts owing to the war contractor by the United States under such settlement or otherwise, the amount of the settlement, or the portion thereof, which, in its opinion, was affected by the fraud. In any such case the Department of Justice shall take such action as it deems appropriate to recover payments made to such war contractor.

"PRESERVATION OF RECORDS; PROSECUTION OF FRAUD

"SEC. 19. (a) It shall be unlawful for any person willfully to secrete, mutilate, obliterate, or destroy, or cause to be secreted, mutilated, obliterated, or destroyed—

"(i) any records of a war contractor relating to the negotiation, award, performance, payment, interim financing, cancelation or other termination, or settlement of a war contract of $25,000 or more; or

"(ii) any records of a war contractor and any purchaser relating to any disposition of termination inventory in which the consideration received by any war contractor or any Government agency is $5,000 or more,

until (1) five years after such disposition of termination inventory by such war contractor or Government agency, or (2) five years after the final settlement of such war contract, or (3) five years after the termination of hostilities in the present war as proclaimed by the President or by a concurrent resolution of the two Houses of Congress, whichever applicable period is longer.

"As used in this subsection, the term 'records' includes, but is not limited to, books, ledgers, checks and check stubs, pay-roll data,

vouchers, memoranda, correspondence, inspection reports and certificates. Any corporation violating any provision of this subsection shall be fined not more than $50,000 and any natural person violating any provision of this subsection shall be fined not more than $10,000, or imprisoned for not more than five years, or both: *Provided, however*, That the Director, by regulation, may authorize the destruction of such records upon such terms and conditions as he deems appropriate, which may include the making and retaining of photographs or microphotographs. Photographs or microphotographs of any records made in compliance with such regulations of the Director shall have the same force and effect as the originals thereof would have and shall be treated as originals for the purpose of admissibility in evidence.

"(b) The first section of the Act of August 24, 1942 (56 Stat. 747; title 18, U. S. C., Supp. II, sec. 590a), is amended to read as follows:

"'The running of any existing statute of limitations applicable to any offense against the laws of the United States (1) involving defrauding or attempts to defraud the United States or any agency thereof whether by conspiracy or not, and in any manner, or (2) committed in connection with the negotiation, procurement, award, performance, payment for, interim financing, cancelation or other termination or settlement, of any contract, subcontract, or purchase order which is connected with or related to the prosecution of the present war, or with any disposition of termination inventory by any war contractor or Government agency, shall be suspended until three years after the termination of hostilities in the present war as proclaimed by the President or by a concurrent resolution of the two Houses of Congress. This section shall apply to acts, offenses, or transactions where the existing statute of limitations has not yet fully run, but it shall not apply to acts, offenses, or transactions which are already barred by provisions of existing law.'

"(c) (1) Every person who makes or causes to be made, or presents or causes to be presented to any officer, agent, or employee of any Government agency any claim, bill, receipt, voucher, statement, account, certificate, affidavit, or deposition, knowing the same to be false, fraudulent, or fictitious or knowing the same to contain or to be based on any false, fraudulent, or fictitious statement or entry, or who shall cover up or conceal any material fact, or who shall use or engage in any other fraudulent trick, scheme, or device, for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any benefit, payment, compensation, allowance, loan, advance, or emolument from the United States or any Government agency in connection with the termination, cancelation, settlement, payment, negotiation, renegotiation, performance, procurement, or award of a contract with the United States or with any other person, and every person who enters into an agreement, combination, or conspiracy so to do, (1) shall pay to the United States an amount equal to 25 per centum of any amount thereby sought to be wrongfully secured or obtained but not actually received, and (2) shall forfeit and refund any such benefit, payment, compensation, allowance, loan, advance, and emolument received as a result thereof and (3) shall in addition pay to the United States the sum of $2,000 for each such act, and double the amount of any damage which the United States may have sustained by reason thereof, together with the costs of suit.

"(2) The several district courts of the United States, the District of Columbia, the several district courts of the Territories of the United States, within whose jurisdictional limits the person, or persons, doing or committing such act, or any one of them, resides or shall be found, shall, wheresoever such act may have been done or committed, have full power and jurisdiction to hear, try, and determine such suit, and such person or persons as are not inhabitants of or found within the district in which suit is brought may be brought in by order of the court to be served personally or by publication or in such other reasonable manner as the court may direct.

"(d) The provisions of section 35–A of the Criminal Code (18 U. S. C., sec. 80) shall apply to any statement, representation, bill, receipt, voucher, roll, account, claim, certificate, affidavit, or deposition made or used or caused to be made or used for any purpose under this Act or under any regulations pursuant to this Act.

"(e) It shall be unlawful for any person employed in any Government agency, including commissioned officers assigned to duty in such agency, during the period such person is engaged in such employment or service, to prosecute, or to act as counsel, attorney, or agent for prosecuting, any claim against the United States, or for any such person within two years after the time when such employment or service has ceased, to prosecute, or to act as counsel, attorney, or agent for prosecuting, any claim against the United States involving any subject matter directly connected with which such person was so employed or performed duty. Any person violating any provision of this subsection shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

"GENERAL PROVISIONS

"SEC. 20. (a) Each contracting agency shall have authority, notwithstanding any provisions of law other than contained in this Act, (1) to make any contract necessary and appropriate to carry out the provisions of this Act; (2) to amend by agreement any existing contract, either before or after notice of its termination, on such terms and to such extent as it deems necessary and appropriate to carry out the provisions of this Act; and (3) in settling any termination claim, to agree to assume, or indemnify the war contractor against, any claims by any person in connection with such termination claims or settlement. This subsection shall not limit or affect in any way any authority of any contracting agency under the First War Powers Act, 1941, or under any other statute.

"(b) Any contracting agency may prescribe the amount and kind of evidence required to identify any person as a war contractor, or any contract, agreement, or purchase order as a war contract for any of the purposes of this Act. Any determination so made that any person is a war contractor, or that any contract, agreement, or purchase order is a war contract, shall be final and conclusive for any of the purposes of this Act.

"(c) There are hereby authorized to be appropriated such sums as may be necessary for administering the provisions of this Act.

"(d) All policies and procedures relating to termination of war contracts, termination settlements, and interim financing, prescribed by the Director of War Mobilization or any contracting agency, in effect upon the effective date of this Act, and not inconsistent with this Act, shall remain in full force and effect unless and until superseded by the Director in accordance with this Act, or by regulations of the contracting agency not inconsistent with this Act or the policies prescribed by the Director.

"(e) Nothing in this Act shall be deemed to impair or modify any war contract or any term or provision of any war contract or any assignment of any claim under a war contract, without the consent of the parties thereto, if the war contract, or the term, provision, or assignment thereof, is otherwise valid.

"(f) Any contracting agency may authorize or direct its officers and employees, as a part of their official duties, to advise, aid, and assist war contractors in preparing and presenting termination claims, in obtaining interim financing, and in related matters, to such extent as it deems desirable. Such advice, aid, or assistance shall not constitute a violation of section 109 of the Criminal Code (18 U. S. C. 198) or of any other law, provided the officer or employee does not receive therefor benefit or compensation of any kind, directly or indirectly, from any war contractor.

"(g) The Smaller War Plants Corporation is hereby directed—

"(1) to disseminate information among small business concerns with respect to interim financing, termination settlements, removal and storage of termination inventories pursuant to the provisions of this Act and the regulations of the Director; and

"(2) to assist small business concerns in connection with the securing of interim financing and the preparation of applications for such interim financing, the effecting of termination settlements, and the removal and storage of termination inventories, and to make interim loans and guaranties, in order to assure that small business concerns receive fair and equitable treatment from prime contractors and intermediate subcontractors in connection with the termination of war contracts.

"OTHER FUNCTIONS OF THE DIRECTOR

"SEC. 21. In addition to his other functions under this Act, the Director shall—

"(a) promote the training of personnel for termination settlement and interim fiancing by contracting agencies, war contractors, and financing institutions;

"(b) collaborate with the Smaller War Plants Corporation in protecting the interests of smaller war contractors in obtaining fair and expeditious termination settlements and interim financing;

"(c) promote decentralization of the administration of termination settlements and interim financing by fostering delegation of authority within contracting agencies and to war contractors, to the extent he deems necessary and feasible; and

"(d) consult with war contractors through advisory committees or such other methods as he deems appropriate.

"USE OF APPROPRIATED FUNDS

"SEC. 22. Any contracting agency is authorized—

"(a) to use for interim financing, the payment of claims, and for any other purposes authorized in this Act any funds which have heretofore been appropriated or allocated or which may hereafter be appropriated or allocated to it, or which are or may become available to it, for such purposes or for the purposes of war production or war procurement;

"(b) to use any such funds appropriated, allocated, or available to it for expenditures for or in behalf of any other contracting agency for the purposes authorized in this Act; and

"(c) to determine by agreement, joint estimate, or any other method authorized by the Director, the part of any expenditure made pursuant to subsection (b) hereof to be paid by each contracting agency concerned and to make transfers of funds between such contracting agencies accordingly. Transfers of funds between appropriations carried upon the books of the Treasury shall be made by the Secretary of the Treasury in accordance with joint requests of the contracting agencies involved.

"DELEGATION OF AUTHORITY

"SEC. 23. (a) The Director may delegate any authority and discretion conferred upon him by this Act to any Deputy Director, and may delegate such authority and discretion, upon such terms and conditions as he may prescribe, to the head of any Government agency to the extent necessary to the handling and solution of problems peculiar to that agency.

"(b) The head of any Government agency may delegate any authority and discretion conferred upon him or his agency by or pursuant to this Act to any officer, agent, or employee of such agency or to any other Government agency, and may authorize successive redelegations of such authority and discretion.

"(c) Any two or more Government agencies may exercise jointly any authority and discretion conferred upon each of them individually by or pursuant to this Act.

"(d) Nothing in this Act shall prevent the Director from exercising any authority conferred upon him by any other statute.

"APPLICABILITY

"SEC. 24. (a) This Act shall become effective twenty days after the date of its enactment. With the exception of the provisions of paragraphs (b), (c), (d), and (e) of section 12, and of sections 6, 7, 8, 9, 10, and 13, this Act shall be applicable in the case of any terminated war contract which has been finally settled at or before the effective date of this Act.

"(b) Nothing in this Act shall limit or affect any authority conferred by the Act of March 11, 1941 (55 Stat. 31), as amended, or Acts supplemental thereto.

"SEC. 25. Subject to policies prescribed by the Director, any contracting agency may exempt from some or all of the provisions of this Act (a) any war contract made or to be performed outside the continental limits of the United States or in Alaska, or (b) any termination inventory situated outside of the continental limits of the United States or in Alaska, or (c) any modification of a war contract pursuant to its terms for the purpose of changing plans or specifications applicable to the work without substantially reducing its extent.

"SEPARABILITY OF PROVISIONS

"SEC. 26. If any provision of this Act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

"SHORT TITLE

"SEC. 27. This Act may be cited as the 'Contract Settlement Act of 1944'."

And the House agree to the same.

JAMES E. MURRAY,
EDWIN C. JOHNSON,
MON C. WALLGREN,
CHAN GURNEY,
CHAPMAN REVERCOMB,
Managers on the part of the Senate.

HATTON W. SUMNERS,
FRANCIS E. WALTER,
ESTES KEFAUVER,
CLARENCE E. HANCOCK,
JOHN W. GWYNNE,
Managers on the part of the House.

The report was agreed to.

RECESS

Mr. BARKLEY. Mr. President, if there is no further business to be transacted at this time, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 5 minutes p. m.) the Senate took a recess until tomorrow, Thursday, June 22, 1944, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate June 21 (legislative day of May 9), 1944:

DEPARTMENT OF LABOR

Frieda S. Miller, of New York, to be Director of the Women's Bureau, United States Department of Labor.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 21 (legislative day of May 9), 1944:

DEPARTMENT OF THE NAVY

Ralph A. Bard to be Under Secretary of the Navy.

FARM CREDIT ADMINISTRATION

Ivy W. Duggan to be Governor of the Farm Credit Administration for the unexpired term of 6 years from June 15, 1940.

NATIONAL MEDIATION BOARD

Frank P. Douglass to be a member of the National Mediation Board for the remainder of the term expiring February 1, 1946.

PROMOTIONS IN THE REGULAR ARMY

To be colonels

Edward James Dwan, Cavalry.
John Ross Mendenhall, Infantry.
Norman Randolph, Infantry.
George Edward Stratemeyer, Air Corps.
Eustis Lloyd Hubbard, Cavalry.
Frederic William Boye, Cavalry.
Leroy Hugh Watson, Infantry.
Arthur Arnim White, Field Artillery.
John Keliher, Field Artillery.
Thomas Fenton Taylor, Infantry.
Marshall Henry Quesenberry, Infantry.
Richard Wilmer Cooksey, Cavalry.

To be first lieutenants

William Allen Daniel, Air Corps.
Robert Gabel Emmens, Air Corps.
Franklin H. MacNaughton, Air Corps.
William John Kennedy, Air Corps.
John Bailey Henry, Jr., Air Corps.
Harry MacCulloch Pike, Air Corps.
Kenneth Walter Northamer, Air Corps.
Jack Gillespie Milne, Air Corps.
Luther Henry Richmond, Air Corps.
William Frank Savoic, Air Corps.
Carver Thaxton Bussey, Air Corps.
Glenn Smith Finley, Jr., Cavalry.
Philip Wendell Constance, Ordnance Department.
Lindsey Hartford Vereen, Air Corps.
Charles David Sonnkalb, Air Corps.
Carl Erwin Drewes, Ordnance Department.
James Wyatt Newsome, Air Corps.
James Raymond Lyons, Air Corps.
Harry Hunt Towler, Jr., Air Corps.
Nathan Bourne Hays, Air Corps.
Russell Keith Brock, Air Corps.
James William Guthrie, Air Corps.
Quinter Paul Gerhart, Air Corps.
Robert Wiygul Burns, Air Corps.
James Collins Bagg, Quartermaster Corps.
James Willard Guest, Field Artillery.
Harold Broudy, Coast Artillery Corps.
Arnold Beverly Addlestone, Ordnance Department.
Joseph Lowery Amell, Jr., Field Artillery.
Allan Gardner Pixton, Field Artillery.
Joseph Ruane McGuire, Field Artillery.
Henry John Amen, Air Corps.
William Elmer Zins, Air Corps.
Grover Cleveland Brown, Air Corps.
Albert James Moye, Air Corps.
Harry James Sands, Jr., Air Corps.
David Warren Hassemer, Air Corps.
Robert Brown Coen, Air Corps.
Ralph Leslie Michaelis, Air Corps.
Arthur Clarke Perry, Air Corps.
Frank Leslie Nims, Air Corps.
Robert Haynes McCutcheon, Air Corps.
Charles McDonald Parkin, Jr., Corps of Engineers.
Keith Philip Fabianich, Infantry.
Herman Richard Schell, Infantry.
Alexis Michael Gagarine, Infantry.
Harland Glen Wood, Coast Artillery Corps.
John Carl Sparrow, Quartermaster Corps.
Arthur McMurrough Murphy, Infantry.
Donald Heck, Signal Corps.
Albin Felix Irzyk, Cavalry.
Richard James Darnell, Infantry.
Lewis Warner Fogg 3d, Corps of Engineers.
Gordon Lowell Chambers Scott, Corps of Engineers.
Ray C. Conner, Ordnance Department.
Peter Leon Urban, Coast Artillery Corps.
James Erwin Crosby, Jr., Air Corps.
Robert Eldon Phelps, Infantry.
Morris Cowan Stout, Field Artillery.
James Moore Boyd, Air Corps.
Douglas Hugh Sullivan, Field Artillery.
Glen Carl Long, Infantry.
Alvin Ethelbert Cowan, Infantry.
Fred Allan Pierce, Jr., Infantry.
Jeff William Boucher, Corps of Engineers.
Gerald Elbert Gowell, Cavalry.
James Miller Hustead 2d, Field Artillery.
Zebulon LaFayette Strickland, Jr., Coast Artillery Corps.
Leonard Shirley Wilhelm, Infantry.
Jean Albert Jack, Air Corps.
Wilburt James Irwin, Field Artillery.
Robert Arnold Martin, Cavalry.
Thomas John Sharpe, Field Artillery.
Joe Vandiver Langston, Infantry.
Reuben Eugene Wheelis, Quartermaster Corps.
John Herbert Savage, Ordnance Department.
Frederick John Wells, Corps of Engineers.
Karekin Gaspar Arabian, Chemical Warfare Service.
Rawlins Murrell Colquitt, Jr., Coast Artillery Corps.
Charles Edward Tennesson, Jr., Field Artillery.
Lloyd LeRoy Hanes, Infantry.
Jules Maurice DuParc, Coast Artillery Corps.
William Bernard Pohlman, Jr., Coast Artillery Corps.
Leon Francis Kosmacki, Field Artillery.
Benjamin Alan Swartz, Field Artillery.
George Alexander Clayton, Infantry.
Robert Alroy Olson, Air Corps.
Richard Boyd Bullock, Infantry.
John William Paxton, Corps of Engineers.
Warren Earl Walters, Infantry.
Rudolph Kermit Brunsvold, Infantry.
James William Sutherland, Jr., Infantry.
John Arthur Benner, Coast Artillery Corps.
Edwin Herbert Garrison, Air Corps.
John William O'Neill, Air Corps.
William Franklin LaHatte, Coast Artillery Corps.
Harry Kelly Thomson, Field Artillery.
William Donald Ward, Coast Artillery Corps.
George Ira Taylor, Field Artillery.
Harry Vaughn Beck, Infantry.
Robert Clare Foulston, Jr., Infantry.
Chester Henry Bigger, Field Artillery.
James Victor Sanden, Field Artillery.
John Wesley Simmons, Infantry.
James Lester Ballard, Jr., Infantry.
Laurence Arthur Madill, Infantry.
Donald Henry Janz, Coast Artillery Corps.
Frank Selden Holcombe, Infantry.
Burt Lunney Mitchell, Jr., Infantry.
William Fredrick Cathrae, Field Artillery.
Floyd Allison Soule, Infantry.

James Francis McCarthy, Jr., Air Corps.
Henry Van Middleworth, Infantry.
James Penquite Mulcahy, Field Artillery.
Elmer Hugo Almquist, Jr., Field Artillery.
John Logan Schutz, Infantry.
William Marks Hutson, Coast Artillery Corps.
Owen Beall Knight, Field Artillery.
Henry Price Tucker, Infantry.
Hugh Woodrow Benson, Coast Artillery Corps.
Wilson Freeman, Field Artillery.
William Neville Sloan, Jr., Quartermaster Corps.
Andrew Peach Rollins, Jr., Corps of Engineers.
Max George Hensel, Infantry.
Gordon B. Cauble, Signal Corps.
John Farley Splain, Coast Artillery Corps.
Arthur Wendell Gunn, Field Artillery.
Chester Elwood Kennedy, Cavalry.
William E. Feeman, Corps of Engineers.
James William Haley, Infantry.
Eugene Philip Palmer, Coast Artillery Corps.
Robert Charles Barthle, Signal Corps.
Joseph Theodore McQuaide, Corps of Engineers.
Bernard Paul Haley, Infantry.
Arthur John Howland, Field Artillery.
Burton Bryant Chandler, Cavalry.
Edward Bernard Jennings, Corps of Engineers.
Otho Eugene Holmes, Infantry.
Robert Usher Gaines, Jr., Air Corps.
Francis Loring Douglass, Infantry.
Leo Bond Jones, Field Artillery.
Maxie Thurmond, Cavalry.
Byron Mark Kirkpatrick, Corps of Engineers.
Louis Edward Aull, Field Artillery.
Charles Edward Mosse, Air Corps.
Albro Lefles Parsons, Jr., Corps of Engineers.
Ernest Samusson, Jr., Infantry.
William Barker Wootton, Jr., Infantry.
William Robertson Desobry, Infantry.
James Turner Skipworth, Infantry.
Hubert Walter Gillespie, Jr., Field Artillery.
Edmund Louis DuBois, Coast Artillery Corps.
Harold Ralph Rock, Infantry.
William Albert Becker, Field Artillery.
Edward August Huwaldt, Field Artillery.
Charles Frederick Ostner, Field Artillery.
Richard Johnson Binnicker, Jr., Field Artillery.
Toma David Harris, Jr., Cavalry.
Eugene Francis Lawrence, Coast Artillery Corps.
Robert Blaine Wells, Infantry.
Daniel Seward LaShelle, Infantry.
George Lindsay Disharoon, Jr., Infantry.
George Eugene Bostwick, Air Corps.
Quentin Roosevelt, Field Artillery.
John Michener Wilson, Infantry.
John Taylor Newman, Signal Corps.
Bliss Leon Mehr, Air Corps.
Thomas Eugene Watson, Jr., Chemical Warfare Service.
Donald Dean Dunlop, Infantry.
Joseph Gorrell Kearfott Miller, Field Artillery.
Joseph Douglas Mitchell, Infantry.
Charles Warren Adcock, Coast Artillery Corps.
Ernest Lee Wehner, Field Artillery.
Joseph Theodore Materi, Coast Artillery Corps.
William Victor Downer, Jr., Coast Artillery Corps.
William Warren Neely, Coast Artillery Corps.
Thomas Bennett Mechling, Coast Artillery Corps.

MEDICAL CORPS

To be colonels

Leland Elder Dashiell
George William Reyer
Oscar Thweatt Kirksey
Byron Johnson Peters
Joseph Rogers Darnall
Leland Oliver Walter Moore
Henry William Meisch

To be lieutenant colonel

Berna Thomas Bowers

To be majors

Frank Anthony Minas
Henry Schuldt Murphey
Carl Robert Darnall
George Merle Powell
Charles Henry Morhouse
John Lemoin Crawford
Claude Cordray Dodson

To be captains

James Lee Royals
Robert Hicks Holmes
William Henry Anderson
Robert Patrick Campbell
Walter Cecil Twineham
William Holmes Crosby, Jr.
Edward Kernaghan Mills
John Charles Benson, Jr.
Milton Omar Beebe, Jr.
Edward Lloyd Seretan
Winston Clarkson Hainsworth
John Joseph Maloney
Frederic John Hughes, Jr.
Charles Bullard Hooker
Wilson Gordon Brown
Abraham Chartock
Andrew Carroll Offutt
William Morrow Webb
Jess Franklin Gamble
James Archer Orbison
Dan Crozier
Adolph David Casciano
Julian Marlow Sether
William Gregory Thalmann, Jr.
William John Brown
Edward Henry Vogel, Jr.
Courtland Stillings Jones, Jr.
James Park Dewar, Jr.
LeRoy Otten Travis
Edward Jenner Whiteley
Welland Angel Hause
Harold Mendez Jesurun

DENTAL CORPS

To be colonels

John Samuel Ross
Elmer Henry Nicklies.

To be major

John Kenneth Sitzman

To be captains

Victor Clifford Tisdal, Jr.
Edwin Howell Smith, Jr.
Julius Calvin Sexson
Frank Archer Mitchell
Joseph Robert Gibson
Richard James Farrell
Albert Rhoades Buckelew
George Nicholas Schulte
Norbert Corbin Kephart
Russell Henry Augsburger

VETERINARY CORPS

To be colonel

Harry Lawrence Watson

PHARMACY CORPS

To be first lieutenant

Charles Joseph Mrazek, Jr.

CHAPLAIN

To be colonel

Mariano Vassallo

TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

To be major generals

Robert Chauncey Macon
James Pratt Hodges
Benjamin Franklin Giles
Archibald Vincent Arnold
William Samuel Rumbough
Uzal Girard Ent
Lyman Louis Lemnitzer
Frank Seymoure Ross
John Wilson O'Daniel
Walter Leo Weible
William Benjamin Kean
William Frederic Marquat
Joseph Cowles Mehaffey
Henry Benton Sayler
Robert Boyd Williams
George Lane Van Deusen
Archer Lynn Lerch
Earle Everard Partridge
Ralph Hudson Wooten
Maxwell Davenport Taylor

To be brigadier generals

George Douglas Wahl
Alfred August Kessler, Jr.
Clesen Henry Tenney
Herbert Bishop Thatcher
Francis William Farrell
Paul Frailey Yount
John Paul Ratay
William Milton Gross
Reuben Ellis Jenkins
Donald Robert Hutchinson
Clinton Dermott Vincent
James Somers Stowell
Egmont Francis Koenig
Julius Kahn Lacey
James Edward Morrisette
Charles Henry Caldwell
Claude Birkett Ferenbaugh
Alexander Mitchell Owens
Clark Louis Ruffner
George Burgess Foster, Jr.
Charles Stricklen Shadle
Robert Marks Bathurst
Richard Condie Sanders
Walter Gilbert Layman
William Weston Bessell, Jr.
Edwin Britian Howard
Henry Cheesman Dooling
Philip Gilstrap Bruton
James Malcolm Lewis
Howard McMath Turner
William Herschel Middleswart
John Halliday McCormick
Edmund Clarence Langmead
Arthur Arnim White
LeRoy Judson Stewart
Carl Conrad Bank
Harold Chittenden Mandell
Andrew Jackson McFarland
Ernest Joseph Dawley
James Wayne McCauley
Miles Reber
Frank Andrew Henning
Donald Prentice Booth
Ralph Godwin DeVoe
John DeForest Barker
Hugh Williamson Rowan
Nicholas Hamner Cobbs
James Hobson Stratton
Harry Benham Sherman
Royden Eugene Beebe, Jr.
Isaac Davis White
Edwin Albert Zundel
Charles White Lawrence
George Senseny Eyster
Frank Fort Fverest
Homer Caffee Brown
Joseph Smith
Rex Eugene Chandler
Jarred Vincent Crabb
Leif John Sverdrup
Victor Emile Bertrandias
Lawrence George Fritz

POSTMASTERS

ALASKA

Crystal S. Jenne, Juneau.

IDAHO

Lawrence A. Gillett, Declo.
Jessie W. Wilson, Weippe.

MINNESOTA

Alma H. Hoff, Dalton.

REJECTION

Executive nomination rejected by the Senate June 21 (legislative day of May 9), 1944:

POSTMASTER

MISSOURI

Raymond E. McCanse, Mount Vernon.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 21, 1944

The House met at 10 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou our everlasting portion, so dwell in our minds and hearts that there can be no ease other than that in the unalterable performance of duty. He who bears himself faithfully in the discharge of his obligations can truly claim to keep life's rendezvous. Lead us on, for there is no higher commission available to man than that of serving the forces of sobriety, justice, and godliness. As we must accept judgment in the places we alone are filling, may we as dauntless men and women stand at our posts without fear or vacillation.

As countless of our fellow creatures are moving through the flames of indescribable hardships, may they be armed with unfaltering trust, with vision clear, and unafraid. As terror and blind hate are overbrooding this tortured world, engage us in that faith and unyielding devotion that rise in triumph over all desolation in which civilization is rocking. O have mercy upon our poor, blundering, and pitiful humanity, blinded by its lust for power and the bludgeon of force; deliver it from such illusions and let the teachings of the Holy Bible blaze before the eyes of man: "Turn us again, O Lord of hosts; cause Thy face to shine, and we shall be saved; help us, O God of our salvation, for the glory of Thy name's sake." Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Shaner, one of its clerks, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1232. An act to provide equitable compensation for useful suggestions or inventions by personnel of the Department of the Interior.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4443) entitled "An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1945, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 27, 40, 53, 63, and 65 to the foregoing bill.

The message also announced that the Senate further insists on its amendment numbered 60 to said bill, agrees to the further conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. RUSSELL, Mr. HAYDEN, Mr. TYDINGS, Mr. BANKHEAD, Mr. SMITH, Mr. NYE, and Mr. CAPPER to be conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4679) entitled "An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1945, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 89, 116, 127, 128, 133, 138, 155, 156, 166, 202, and 203 to the foregoing bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4183) entitled "An act making appropriations for the fiscal year ending June 30, 1945, for civil functions administered by the War Department, and for other purposes."

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4879. An act making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCKELLAR, Mr. GLASS, Mr. HAYDEN, Mr. TYDINGS, Mr. RUSSELL, Mr. NYE, Mr. HOLMAN, and Mr. BROOKS to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. EATON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address by my colleague the gentleman from New Jersey [Mr. AUCHINCLOSS].

The SPEAKER. Without objection, it is so ordered.

There was no objection.

LIQUOR PRODUCTION

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BRYSON. Mr. Speaker, yesterday as guests of the War Department, Members of Congress were permitted to witness the showing of the invasion of our troops on D-day in France as portrayed by an untouched moving picture. As we watched our men of great courage walk boldly into the very jaws of death we did not realize at that moment W. P. B. was releasing the restrictions from intoxicating liquors so that 50,000,000 gallons would be made available for beverage purposes. This action on the part of W. P. B. presents a strange paradox.

Yesterday we appropriated additional moneys for continuation of the guayule rubber program, evidently so that grain now being used for the manufacture of alcohol could be used for needed human consumption. Lately we appropriated additional billions of dollars for the U. N. R. R. A. program, thus providing for the feeding of liberated people. Surely the use of necessary food materials for the manufacture of intoxicating liquors is tragic when there is such a great need for food to keep soul and body together.

What helpful contribution liquor has, is, and will make to the war program is difficult to see. In an English cocktail lounge a high-ranking Army officer, not there for prayer, is said to have divulged the vital secret of our invasion day. Our Military Affairs Committee has just revealed in an exhaustive report the reprehensible conduct on the part of a high-ranking Army officer and an erstwhile citizen of Germany as they indulged in the use of intoxicating liquors.

The people for whom I have the privilege of speaking regret and condemn the appropriation of essential substances so sorely needed to sustain life and necessary for the successful prosecution of the war to be used in the manufacture of liquor.

I urge that hearings be forthwith resumed on H. R. 2082, which is very similar in its terms to a bill that became a law during World War No. 1, providing for wartime prohibition. Congress should not recess until action is taken on this vital matter.

The SPEAKER. The time of the gentleman has expired.

EXTENSION OF REMARKS

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD on two different matters: first to include an editorial which appeared in the Lynn Telegram-News of Lynn, Mass., and, secondly, to include a radio address I delivered on Sunday last at Boston.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DEWEY. Mr. Speaker, I ask unanimous consent to have printed in the Appendix of the RECORD a speech by Lord Keynes on the international monetary fund made in the House of Lords on May 23, 1944.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include therein a talk I gave in Cleveland on Father's Day.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I also ask unanimous consent to extend my own remarks on two subjects and include newspaper articles.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KUNKEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the St. Lawrence waterway and to include certain short quotations; also unanimous consent to include certain short quotations with reference to veterans' legislation and railroad retirement, on which subjects I received permission to extend my remarks in the RECORD on yesterday.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. D'ALESANDRO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a report on juvenile delinquency.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

STATE, JUSTICE, AND COMMERCE APPROPRIATION BILL, 1945—CONFERENCE REPORT

Mr. KERR. Mr. Speaker, I call up the conference report on the bill (H. R. 4204) making appropriations for the Departments of State, Justice, and Commerce for the fiscal year ending June 30, 1945, and for other purposes, and I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. KERR]?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on amendment numbered 10 of the Senate to the bill (H. R. 4204) making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

The committee of conference report in disagreement amendment numbered 10.

JOHN H. KERR,
BUTLER B. HARE,
THOMAS J. O'BRIEN,
ALBERT E. CARTER,
KARL STEFAN,
ROBERT F. JONES,
Managers on the part of the House.

KENNETH MCKELLAR,
CLYDE M. REED,
WALLACE H. WHITE, Jr.,
TOM CONNALLY,
RICHARD B. RUSSELL,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the further conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4204) making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

AMENDMENT REPORTED IN DISAGREEMENT

Amendment No. 10: Relating to the next quinquennial census of agriculture, authorized by law, and under the Department of Commerce. The managers will move to recede and concur with an amendment.

JOHN H. KERR,
BUTLER B. HARE,
THOMAS J. O'BRIEN,
ALBERT E. CARTER,
KARL STEFAN,
ROBERT F. JONES,
Managers on the part of the House.

The SPEAKER. The Clerk will report the amendment in disagreement.

The Clerk read as follows:

Amendment No. 10:

"Census of agriculture: For all expenses necessary for preparing for, taking, compiling, and publishing the quinquennial Census of Agriculture of the United States, including the employment by the Director, at rates to be fixed by him, of personnel at the seat of government and elsewhere without regard to the civil-service and classification laws; books of reference, newspapers, and periodicals; construction of tabulating machines; purchase, maintenance, repair, and operation of motor-propelled passenger-carrying vehicles; travel expenses, including expenses of attendance at meetings concerned with the collection of statistics, when incurred on the written authority of the Secretary; printing and binding; $7,250,000, to be available until December 31, 1946, and to be consolidated with the appropriation "Census of Agriculture" contained in the First Supplemental National Defense Appropriation Act, 1944."

Mr. KERR. Mr. Speaker, I move that the House recede and concur in the amendment of the Senate, with an amendment.

The Clerk read as follows:

Mr. KERR moves that the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows:

"At the end of the matter inserted by said amendment and before the period, insert "': *Provided*, That for a period of 1 year after the statistics collected by such census are made available no other bureau, agency, or independent establishment of the Federal Government shall collect agricultural information or statistics obtained by said census unless authorized by statute or in pursuance to Budget estimates submitted to and approved by the Congress.'"

Mr. MURRAY of Wisconsin. Mr. Speaker, I make the point of order that this amendment is not germane.

Mr. KERR. Mr. Speaker, will the gentleman reserve the point of order?

Mr. MURRAY of Wisconsin. Yes.

Mr. KERR. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this amendment is for the purpose of taking the quinquennial census of agriculture. In 1929 Congress passed the statute which provides for this amendment. It is as follows; and it is found in title 13 of the United States Code at section 216:

There shall be in the year 1935 and once every 10 years thereafter, a census of agriculture and livestock which shall show the acreage of farm lands, the acreage of the principal crops, and the number and value of domestic animals on farms and ranges of the country. The schedule employed in the census shall be prepared by the Director of the Census and such census shall be taken as of the first day of January and shall relate to the crop year. The Director of the Census shall appoint enumerators or such agents for the purpose of this census in accordance with the provisions of chapter I of this title.

That is the provision by which this important agricultural census is to be taken.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield right there?

Mr. KERR. Yes.

Mr. McCORMACK. I understand the law which the gentleman has referred to was passed by a Congress controlled at that time by our friends on the gentleman's left, and on my right, the Republican Party, and signed by the then President who was a Republican; is that right?

Mr. KERR. I think the gentleman is correct.

This appropriation was not put in the Department of Commerce appropriation bill at the time that other matters were considered by the House committee; it had not been budgeted.

Mr. JONES. Mr. Speaker, will the gentleman yield?

Mr. KERR. I yield.

Mr. JONES. Was it not in 1935 that this census was authorized in the basic law?

Mr. KERR. I think probably the gentleman is right about that. It may have been in 1935.

Mr. JONES. And therefore it was not a Republican President who signed it?

Mr. KERR. That is correct.

Mr. HARE. Will the gentleman yield?

Mr. KERR. I yield.

Mr. HARE. I think the act was passed in 1929 with the understanding that the first agricultural census should be taken in 1935.

Mr. KERR. I am not prepared to say that the statement made by the gentleman from South Carolina [Mr. HARE] is not correct. I am rather inclined to think it is correct.

This agricultural census was first taken in 1935, 5 years after our regular 10-year census.

The amount for this census was not requested of our committee until after the committee had passed on this bill and brought it to the House for consideration. When the bill went to the Senate the Senate put this appropriation in the bill, $7,250,000, for the purpose of taking this census, by the Census Department, pursuant to the act of Congress. So when the bill went to the Senate the Bureau of the Census came to the Senate and the Senate put this appropriation in the bill. It came back to the House, and several Members in the House got hold of some interrogatories that had been gotten out by some department or bureau and read them to the House. The questions were ridiculous, as a matter of fact, and in consequence of that I assume the House felt that the Department of Agriculture was going to engage in taking the same kind of a census and probably issue the same kind of questionnaires. Let me impress

upon you that these questionnaires had nothing in the world to do with this agricultural census, and were in no way connected with this proposed work.

The SPEAKER. The gentleman has consumed 5 minutes.

Mr. KERR. I yield myself 5 additional minutes.

These questionnaires had nothing at all to do with the agricultural census. They referred to another bureau, another department of the Government. I assume they appeared so ridiculous that when the House was called upon to vote in respect to this appropriation the House voted it down. We have been back to the Senate twice, and the Senate insists that this appropriation shall go in. The truth of the business is that both the committee of the Senate and the committee of the House have received hundreds of statements from various agricultural activities and various people who are interested in farming, insisting that this appropriation be made and that Congress should adopt this report.

Mr. McCORMACK. Will the gentleman yield?

Mr. KERR. I yield.

Mr. McCORMACK. In order that the RECORD may be correct, I wanted to be sure, in view of the inquiry made by my friend the gentleman from Ohio [Mr. JONES]. I have here the United States Code, showing that section 16 of title XIII of the United States Code became a law on June 18, 1929. Chapter 28, section 16, 46 Statutes 25.

Mr. KERR. I thank the distinguished majority leader.

Mr. Speaker, this is an important matter to the agricultural interests of the country. They are very much aroused about it. It did not get in our first bill because of the fact that it had not been budgeted at that time. It went to the Senate and the Senate put it in and the Senate insists that it must remain in and that we have this census which has been provided for by law, which, as I said awhile ago, is most important. We must make this appropriation in order that this census may be taken.

Mr. FLANNAGAN. Mr. Speaker, will the gentleman yield?

Mr. KERR. I yield to the gentleman from Virginia.

Mr. FLANNAGAN. Mr. Speaker, some time back House Resolution No. 38 was passed, directing that a study and investigation be made of the farm marketing situation. I was appointed by the chairman of the Committee on Agriculture as chairman of a special committee to set up the personnel of this investigation. There has been considerable delay in getting the matter worked out and I desire to submit to the House a full report of the work of the special committee.

Mr. Speaker, I ask unanimous consent that I may have permission to revise and extend my remarks and insert at this point in the RECORD the statement I have prepared.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

HOUSE FARM MARKETING INVESTIGATION

Mr. FLANNAGAN. Mr. Speaker, on May 27, 1943, the House passed House Resolution 38, which reads as follows:

Resolved, That the Committee on Agriculture, acting as a whole or by subcommittee, is authorized and directed to make a study and investigation of the present system of marketing, transportation, and distribution of farm products from rural areas through the various marketing agencies to the ultimate consumer, as it affects farmers, the various types of middlemen, wholesalers, retailers, and consumers, with a view to ascertaining, among other things:

(a) The effectiveness of the present system of marketing, and the adequacy of present marketing facilities, with particular regard to the protection of farmers and consumers.

(b) The effect of transactions on the futures grain and cotton exchanges upon such system and upon farmers and consumers.

(c) The existence of any practices in connection with the grading, storing, processing, transporting, distributing, or marketing of farm products, which adversely affect farmers and consumers.

(d) The present and prospective development of the types and methods of transportation for farm products, and the existence, if any, of discrimination in railway freight or in motor-carrier rates on farm products in the various areas.

(e) The feasibility of establishing an up-to-date marketing and distributing system from the rural areas through local, State, and National marketing agencies under a farm cooperative program that would provide facilities for proper grading and distribution, necessary storage, and for other essential activities of an orderly marketing program.

The committee shall make a report to the House as soon as practicable after its study and investigation has been concluded, and in its report the committee shall make such recommendations as it may deem proper, including recommendations with respect to any legislative action necessary to effectuate its recommendations.

SEC. 2. For the purposes of this resolution the committee, or any subcommittee thereof, is authorized and directed to hold such hearings, to sit and act during the present Congress at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to employ such experts and such clerical, stenographic, and other assistants, to require the attendance of such witnesses and the production of such books, papers, and documents by subpena or otherwise, to take such testimony, to have such printing and binding done, and to make such expenditures as it deems necessary. Subpenas shall be issued over the signature of the chairman of the committee, and may be served by any person designated by the chairman. Oaths or affirmations may be administered by the chairman or any member of the committee designated by him.

On June 15, 1943, under House Resolution 258, an allowance of $50,000 was made to carry on the work authorized by House Resolution 38. On October 29, 1943, the chairman of the House Committee on Agriculture appointed a subcommittee, consisting of myself as chairman, and Congressmen PACE, of Georgia, and HOPE, of Kansas, to formulate plans and secure the necessary personnel to carry the resolution into effect.

As the delay in actually getting the investigation started has caused considerable comment, I think the subcommittee should make a full and frank report to the House.

To begin with, the subcommittee, realizing not only the importance but also the magnitude of the investigation, decided that before employing the necessary personnel to assist in making the study and investigation a definite line of approach should be worked out in order to insure a complete and careful study and investigation along sane, sensible, and practical lines. While we have no idea of going off on a witch hunt, we do propose to make an honest, fearless effort to work out for the farmers of America a sane, sensible, practical, and efficient marketing system that will bring the farmer and consumer closer together. The great spread between the farm and table impoverishes the farmer and consumer alike, in that, while reducing farm prices it increases consumer prices. I think everyone will concede that every time a handling charge is added on to a farm product after it leaves the farm that the charge either comes off of the farm price or is added to the consumer price. The whole secret of an efficient farm marketing system hovers around bringing the farm and table—the farmer and consumer—closer together. If this can be done, and, in our opinion, it can, literally millions of dollars will be saved annually by the farmers and consumers of America. Most industries have worked out such marketing systems and the time is long overdue for such a system to be worked out for the farmers. My colleagues, I say it advisedly, no industry in America could stay in business if it had to operate under the same marketing system under which the farmer has been forced to operate.

Moreover, your subcommittee was aware of the fact that from time to time in the past study and investigation had been directed into this phase or the other of farm marketing, and in most cases the study and investigation resulted in just another report being filed. Your subcommittee hopes to lay the foundation for something more than just a report. Our aim is a remedy.

Then, too, your subcommittee was aware of the fact that House Resolution 38 is the first time the Congress ever directed a complete study and investigation of our entire farm marketing system with the end in view of really working out a sane, sensible, and efficient system. Such a system cannot be worked out over night. It will take, your subcommittee estimates, from 1½ to 2 years to complete the work. Of course, certain phases of the system can be worked out in much less time, and it is imperative that they should be, because it is our thought that some of them, for instance, better terminal market facilities, might be included as post-war projects.

I doubt if a more important and far-reaching study and investigation was ever directed by the Congress. Surely your subcommittee acted wisely in giving time and thought to the initial problem of the correct line of approach in tackling such a stupendous task.

The approach or set-up, as worked out by the subcommittee, is substantially as follows:

I

GENERAL SUPERVISOR

A general supervisor to head up and, under the supervision of the Committee on Agriculture, supervise the study and investigation. In order to facilitate the study and investigation, we decided that the work should also be broken down into divisions, and that at the head of each division there should be placed someone who, by training and experience, was capable of conducting the study and investigation of that particular phase of the work. Of course, all of these division heads would be under the direct supervision of the general supervisor. It is also contemplated that further subcommittees of the Committee on Agriculture will be appointed to supervise and work in close cooperation with the division heads. We want to get the whole force of the Committee on Agriculture behind the work.

II

DIVISIONS

The divisions, and the nature of the work that would come under their immediate supervision, may be briefly stated as follows:

(a) Division of shipping-point organizations, facilities, and practices: The desire of the subcommittee is to start from the farm and follow the marketing of farm products until they reach the table of the consumer. We want to find out what happens all the way down the line. Personally, and I think I express the feeling of the subcommittee, if the respective handlers are rendering a useful, efficient, and necessary service, all well and good; if they are not, but are simply leeches sucking the lifeblood of the farmer and consumer, then, so far as I am concerned, they will have to go unless they can so put their house in order as to hereafter render a useful and necessary service in an efficient manner.

Well, if we are going to follow the product from the farm all the way through, we have got to start at the shipping point. This part of the study and investigation will cover the facilities, practices and organizations at shipping points, commercial and cooperative, as they relate to the movement of agricultural products. Such functions as receiving, grading, packaging, storage and handling should, of course, be fully gone into.

(b) Transportation organizations, facilities and practices for the movement of farm products: Having started the farm product on its way, the next thing for us to do is to take a ride with the product. This phase of the study and investigation will be centered upon the movement of agricultural products from shipping points to local and primary or terminal markets. The subject is now timely because of the possibilities of changing conditions for transportation following the war. Included in the study and investigation, of course, is the speeding up of transportation to avoid loss of perishable merchandise, proper routing so as to avoid glutting the markets, and so forth. A study of freight rates on agricultural products is also important.

(c) Terminal marketing organizations and facilities for distribution and handling of farm products: Having followed the farm product to the terminal market, the next thing for us to do is to find out what happens until it finally reaches the table. This study and investigation, in the opinion of the subcommittee, should be given priority in that it is believed that the facts, when revealed, will show a need for new facilities, and these facilities could be included in the post-war projects. It is imperative that blueprints and plans for such facilities should be drawn up at the earliest possible moment so there may be a basis for legislating funds for use during the post-war period.

This study and investigation, of course, involves a review of existing organizations, facilities and practices on primary or terminal markets. This investigation, in my opinion, is going to open the eyes of many of us.

It should be kept in mind that the study and investigation should be well coordinated with State and local authorities.

(d) Wholesalers, jobbers, and retailers, and so forth, and commodity exchanges: This study and investigation involves inquiry into the margins and services of wholesalers, jobbers, commission merchants, brokers, retailers, and other middlemen engaged in the handling of farm products. Out of this study and investigation should come recommendations as to improved operations and methods, the goal being to not only decrease the cost of handling but bring about a more adequate distribution of farm products and an increase in the sales thereof. Maximum distribution will be required after the war.

Of course, the investigation, as specifically directed by House Resolution 38, will include a study and investigation of commodity exchanges. As we all know, commodity exchanges now perform certain functions in the marketing of certain farm products. The purpose of this part of the study and investigation is to find out just what these functions are, whether they are essential or not, and what effect they have upon agricultural marketing.

In this phase of the study and investigation care should be taken to solicit the cooperation of the trade factors to the end that all of those who are performing efficient services will not be harmed but will be protected from malpractices.

(e) Disposal of surplus farm products: This is another phase of the study and investigation that should be given priority. It is the surplus that has heretofore, in most cases, fixed farm prices; and for farm prices to be determined by such a yardstick has been one of the most cruel and vicious practices ever tolerated by a free people. The surplus problem after the war, in all probability, will be the No. 1 problem that the farmer is faced with. While several agencies are now dealing with surplus disposal as it directly relates to the war activities, the study and investigation should be approached from the point of view of a long-range program, so that hereafter the value of farm products will be measured by cost of production plus a reasonable profit rather than the cruel and ruthless surplus value determination.

(f) Prices and pricing of farm products and farmers' marketing organizations: In this part of the study and investigation, the purpose will be to find out the forces and factors that determine prices for various farm commodities in different markets and whether or not there are practices that unduly depress prices to the farmers on the one hand, and on the other unduly raise prices to the consumer.

This study and investigation should also cover cooperatives and other farmer-owned marketing organizations. Here is a great field that should be fully explored. Probably here is the solution to many of our marketing problems.

(g) Legal division: The services of a good lawyer familiar, in a general way, with the problems involved, and capable of interviewing witnesses before they testify in order to determine if the information they possess will be of aid to the committee in arriving at correct conclusions. It is the experience of the members of the subcommittee that too often witnesses appear before committees who have more zeal than knowledge.

Then, too, in making the study and investigation, we are going to need a lot of legal guidance.

III

ADVISORY COMMITTEE

Your subcommittee thought that it should have the benefit of the advice and counsel of the representatives of those who are directly or indirectly interested in, or affected by, the farm-marketing system. Hence, it invited these different organizations to select a representative on an advisory committee the subcommittee set up for the purpose of meeting with the Committee on Agriculture, from time to time, and making suggestions as to how the present system can be improved. All of the organizations invited to select a representative on the advisory committee have accepted and have designated their representatives. The organizations invited, and the representatives selected by them, are as follows:

United States Department of Agriculture: C. W. Kitchen, Administrator, Agricultural Marketing Administration, Washington, D. C.

Federal Trade Commission: R. E. Freer, Chairman, Washington, D. C.

Farm Credit Administration: Judge Harry D. Reed, General Counsel, Farm Credit Administration of Columbia, Columbia, S. C.

The National Grange: Albert S. Goss, president, Washington, D. C.

American Farm Bureau Federation: Edward A. O'Neal, president, Washington, D. C.

National Council of Farmer Cooperatives: Homer Brinkley, president, Lake Charles, La.

National Farmers Union: James G. Patton, president, Washington, D. C.

Southern States Cooperatives: W. G. Wysor, manager, Richmond, Va.

Cooperative League of the United States: John Carson, Washington, D. C.

National Cooperative Milk Producers Federation: Charles W. Holman, secretary, Washington, D. C.

Association of Land-Grant Colleges: H. R. Wellman, director, Giannini Foundation, Berkeley, Calif.

National Association of Commissioners, Secretaries and Directors of Agriculture: W. C. Sweinhart, president, Denver, Colo.

National Association of Marketing Officials: N. S. Nichols, president, Nashville, Tenn.

National Association of Retail Grocers: Francis Cole, of Magruder, Inc., Washington, D. C.

Wholesale Food Trade: Charles W. Irrgang, president, Fruit Auction Sales Co., Chicago, Ill.

Association of Chain Store Food Dealers: Dent Williamson, of American Stores Co., Philadelphia, Pa.

Commodity Exchanges: Fred H. Clutton, secretary, Chicago Board of Trade, Chicago, Ill.

Financial Institutions: R. M. Evans, member, Board of Governors, Federal Reserve System, Washington, D. C.

FINANCING THE STUDY AND INVESTIGATION

Realizing that the $50,000 already allowed is not sufficient to complete the study and investigation, your subcommittee, in order to guard against the study and investigation being crippled by lack of funds, held a conference with Speaker RAYBURN, Majority Leader MCCORMACK, Minority Leader MARTIN of Massachusetts, and Chairman COCHRAN of the House Committee on Accounts, at which meeting a frank and open statement was made as to the scope and extent of the study and investigation, the time and personnel it would require, the objects sought to be accomplished, and so forth, and were assured that so far as they were concerned the study and investigation would not be crippled by lack of sufficient funds. It is comforting to know that the leaders on both sides are in full sympathy with the objects and purposes of House Resolution 38.

ACCOMPLISHMENTS THUS FAR

While your subcommittee, so far, has very little to show for its efforts, it has spent a great deal of time in conference, meeting with representatives of the Federal Trade Commission, Agricultural Marketing Administration, and so forth, interviewing prospective members of the investigation staff, and so forth; and may I be permitted to call the attention of the House to the fact that the selection of the proper personnel is one of the most difficult tasks any committee ever encountered. We all realize that the success of the study and investigation will depend largely upon the character of the investigating staff. Securing the right men, especially during the emergency, is a most difficult undertaking. Many of the men whom we have interviewed simply did not measure up, others who did could not relinquish their posts during the emergency, and still others could not make the financial sacrifice of giving up a job that paid much more than the subcommittee is authorized to pay. We have, in spite of the many handicaps, made considerable progress toward setting up our staff, and I hope by the end of the recess we will be going in full swing.

Before I close, I do want to acknowledge personally, and on behalf of the subcommittee, the outstanding service Mr. F. R. Wilcox has rendered the committee. Mr. Wilcox, as many of you know, was connected with the United States Department of Agriculture for some years, and is now, and has been for some time, the efficient assistant general manager of the California Fruit Growers Exchange, Los Angeles, Calif. Without cost, and purely from patriotic motives and a deep desire to improve our agricultural marketing system, he has given freely of his time and talents. It is regretted that he is so tied up that it is impossible for him to head the investigating staff as general supervisor. I am thankful, however, that we shall continue to have the benefit of his counsel and advice.

We realize that there are many Members in the House deeply interested in the study and investigation. When we get going I know these Members will cooperate with us in every way. We want all of you to feel free to make suggestions at any time. And, of course, when we get going we shall expect you to appear before the committee and freely give your views. If those interested in agriculture will only stick together, and work together, I believe we will be able to render agriculture a great and lasting service.

Mr. MURRAY of Wisconsin. May I be heard on the point of order.

The SPEAKER. The Chair will hear the gentleman, although the Chair is ready to rule.

Mr. MURRAY of Wisconsin. Mr. Speaker, I hope that no one on either side will accuse me of being partisan or caring whether a Republican or Democrat brought this in or when or what year the legislation was passed. If it is not according to the law, it should not be in operation.

The facts are that a lot of water has gone under the bridge since either 1929 or 1935. There are many Farm Agency people on the pay roll more or less of the time, so that we can get this information not only every 5 years, but we get it every 30 days. We also have a special department in the United States Department of Agriculture that gets out this report every 30 days. The 9th day of every month you can call up and find out exactly how much milk was produced in the United States or any other agricultural information.

There is one point I want to make in connection with this. That is, that right at this time of the year, between now and the 1st of January, is a very inappropriate time to be sending around a new group of people to waste an hour or 2 hours or 3 or 4 hours of the farmer's time. This can just as well be done according to law, by allowing them to start on the 1st day of January. The farmers then have more time, and there is no reason in the world why there is any information that they will need before that time, that cannot be secured from the agencies already in operation.

Mr. KERR. Will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. KERR. The preliminary appropriation setting up this census has already been made.

Mr. MURRAY of Wisconsin. Yes; $600,000.

Mr. KERR. That will be used to set up the machinery, but the taking of the census will not be until after the 1st of January.

Mr. MURRAY of Wisconsin. Then no one should have any objection to my point of order if that is the case. The A. A. A. committeemen are in a position to obtain all needed agricultural information. They, with the crop-reporting service, have been furnishing us an up-to-the-minute picture of the agricultural situation. In the first place, most of this seven to eight million dollars could be saved the taxpayers if existing agencies that know the people and know the roads were used to secure the information. In the second place, if the Congress does decide to make this appropriation, the census should not be taken until the crop season is over. It should be postponed until January 1 anyway.

The SPEAKER. Does the gentleman insist on the point of order?

Mr. MURRAY of Wisconsin. Yes; I do, Mr. Speaker.

The SPEAKER. The Chair is ready to rule on the point of order.

On the 16th of June of this year, to the same matter contained in the Senate amendment, the gentleman from Ohio [Mr. JONES] offered a motion to recede and concur in an amendment, which is practically the same language as the motion offered by the gentleman from North Carolina today.

The Chair held at that time as follows:

The Senate amendment provides for a specific amount of money for a specific purpose. The motion offered by the gentleman from Ohio [Mr. JONES] is clearly not a limitation on the expenditure of money or on the action of the Department in taking a census. Therefore the Chair sustains the point of order in that the motion is not germane.

The Chair, of course, holds the same way today as the Chair did on the 16th of June.

The point of order is sustained.

Mr. KERR. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate No. 10 and concur therein.

The Clerk read as follows:

Mr. KERR moves that the House recede from its disagreement to the amendment of the Senate No. 10 and concur therein.

CALL OF THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 103]

Arnold	Gifford	Monkiewicz
Baldwin, Md.	Gillespie	Morrison, N. C.
Barry	Granger	Murdock
Beall	Green	Murphy
Bland	Hagen	O'Connor
Boren	Hale	Patman
Boykin	Hall,	Peterson, Ga.
Bradley, Mich.	Edwin Arthur	Pfeifer
Brumbaugh	Harless, Ariz.	Phillips
Buckley	Harris, Va.	Plumley
Bulwinkle	Heidinger	Rabaut
Burdick	Johnson,	Reece, Tenn.
Camp	Calvin D.	Rooney
Cannon, Fla.	Johnson,	Sauthoff
Celler	Luther A.	Scott
Chiperfield	Kearney	Shafer
Clason	Kennedy	Sheppard
Compton	Kilburn	Sheridan
Cox	King	Stearns, N. H.
Dies	Klein	Stewart
Dilweg	Landis	Sumner, Ill.
Dirksen	Lemke	Taylor
Disney	Lesinski	Towe
Douglas	Lewis	Treadway
Eberharter	Luce	Wadsworth
Fay	McCord	Wasielewski
Fellows	McMurray	Whelchel, Ga.
Fish	Magnuson	Whitten
Ford	Mansfield, Tex.	Woodruff, Mich.
Fulbright	Merritt	Worley
Fuller	Merrow	Wright
Gale	Miller, Mo.	
Gavin	Mills	

The SPEAKER. Three hundred and thirty-six Members have answered to their names, a quorum.

Further proceedings under the call were dispensed with.

RESIGNATIONS FROM COMMITTEES

The SPEAKER laid before the House the following resignation from committee:

JUNE 20, 1944.

Hon. SAM RAYBURN,
House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: I herewith submit my resignation as a member of the Committee on Coinage, Weights, and Measures.

Respectfully yours,
FRANK L. SUNDSTROM,
Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

The SPEAKER laid before the House the following resignation from committee:

JUNE 20, 1944.

Hon. SAMUEL RAYBURN,
Speaker of the House of Representatives.

MY DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committee on Banking and Currency.

Very truly yours,
ROBERT W. KEAN.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

The SPEAKER laid before the House the following resignation from committee:

JUNE 21, 1944.

Hon. SAM RAYBURN,
Speaker, House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: By this means I present my resignation as a member of the Committee on Ways and Means of the House of Representatives.

Respectfully submitted.
DONALD H. MCLEAN.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

ELECTION TO COMMITTEES

Mr. MARTIN of Massachusetts. Mr. Speaker, I offer a resolution (H. Res. 606) and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That ROBERT W. KEAN, of New Jersey, be, and he is hereby, elected to the Committtee on Ways and Means; and, be it further

Resolved, That F. L. SUNDSTROM, of New Jersey, be, and he is hereby, elected to the Committee on Banking and Currency.

The resolution was agreed to.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE APPROPRIATION BILL, 1945

Mr. KERR. Mr. Speaker, I withdraw my motion that the House recede and concur in Senate amendment No. 10, and move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. KERR moves that the House recede from its disagreement to the amendment of the Senate No. 10 and agree to the same with an amendment as follows:

On page 59, line 18, after "1944" and before the period, insert the following: ": *Provided*, That none of the funds appropriated in this paragraph shall be expended for field work in connection with such census prior to January 1, 1945."

Mr. KERR. Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Speaker, the law provides that we take an agricultural census. This bill calls for the appropriation of $7,250,000 for that purpose. It will require a very large number of people to go out into the country and visit all of our farms to ask farmers many questions in order to gather this information. We know how busy the farmers are at this time. They have been plagued with all kinds of questions and have been perplexed at the numerous questionnaires which they have been required to fill out. Their sons have left the farms for war. The labor question is one which disturbs them very much. Especially at this time when they are asked to raise the food which is as important as ammunition. They have done a remarkable job of production in spite of the many handicaps which include scarcity of labor and shortage of parts, machinery, and even work clothing. When the full story of the war is written our farmers, men and women, will be numbered among those who contributed largely toward victory. I doubt the wisdom at this time of sending onto our farms thousands of census takers who could do more essential work. Of course, the law requires the census to be taken, but I am quite sure that the farmers would not care to be bothered at this particular time. They are too busy answering the call for production. There is no reason why we cannot hold the matter over for some future time. The law will remain on the statute books and the money can remain in the Treasury and when the times are better; when the farmers are not so busy and when we can really get some manpower we can take the farm census.

Many agencies of our Government are making all kinds of statistics at this very time. The O. P. A., the W. P. B., the W. M. C., and others are gathering information. Our Agriculture Department has all the information about agriculture we need right now. I can call up the Agriculture Department now and get official figures on how many people are on the farms; how many hogs, horses, and cattle we have; how many sheep, chickens, butter, cheese, corn, wheat, how much hay, and so forth. Of course, we know we do not have enough hired men and not enough machinery and parts and a lot of other things the farmer needs to continue his work to meet the demands made upon him. In my work of many, many months to get our farmers sufficient parts, repairs, batteries, overalls, work shoes, machinery, and many other things, I have found our departments pretty well equipped with statistics and figures and information which a new agriculture census would divulge. So I see no harm in holding over this gigantic task of gathering a farm census for some later date.

We have had this bill before you several times. Two times this House has voted to hold it over. We now come to you with an amendment which would not destroy the farm census act nor the gathering of the census itself. It would merely hold the work over until after January 1, 1945. This would preserve to the farmer the assurance that an agriculture census which is required by law will eventually be taken. But it would also assure him that during these busy times on the farm, he and his wife would not be bothered by a lot of people taking their valuable time to answer many questions and also it would safeguard to the Nation the use of this army of census takers in some more needy endeavor which could be directed toward the winning of the war. Therefore, Mr. Speaker, I hope the House agrees with us on this amendment which would not only save the farm census act but also assure the farmers that when manpower is available a farm census will be taken.

Mr. KERR. Mr. Speaker, I yield 5 minutes to the gentleman from South Carolina [Mr. HARE].

Mr. HARE. Mr. Speaker, the item at issue has been in conference now for several days. First an effort was made to remove the possibility of certain Government agencies to collect information from farmers that did not appear to Members of the House to be worth while. Another objection has been that probably this census should be delayed until a more appropriate time.

It was found difficult in the first place to deal with other agencies without placing legislation in an appropriation bill,

which would be subject to a point of order. On the contrary it is felt by many a situation may arise next year in agriculture, in business, and in other activities that such information may be indispensable.

The motion that has been offered would provide for the taking of an agricultural census after January 1. One reason for the limitation is that farmers after January 1 will be in a better position to give an intelligent answer to inquiries with reference to yield and production of various crops this year and give a better idea as to acreages for 1945. Too, they could better estimate the number of livestock on hand as of January 1, 1945.

In addition, the statute providing for this census stipulated that it should be in 1945 and not in 1944. Therefore, I think the amendment is wholly in line with the purpose and intention of the statute as originally enacted. The Government and the Congress of the United States are going to be in need of this information sometime this next year, we hope, when the Congress undertakes to prescribe formulas for action in the preparation of post-war programs.

The country will need this information, because there is not a program to be established either in industry, in business, commerce, or any other activity, unless it is predicated or based upon a knowledge of the agricultural situation. We are going to want to know what the production was this year. We are going to want to know what the contemplated production is the next year. We are going to want to know the available supply of farm machinery. We will want to know the available supply of farm labor. We will want to know the available supply of every agency that enters into the production of the next year's crop and in order to do that, the information gathered from the proposed census will be indispensable. I think, therefore, the amendment should be accepted and the recommendation of the conferees approved, and the census be taken next year as contemplated by the Congress.

Mr. KERR. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. JONES].

Mr. JONES. Mr. Speaker, I expect to vote for this amendment to the amendment No. 10 in disagreement. I would like to have seen adopted the amendment which I proposed last Friday afternoon in the House, to which amendment a point of order was sustained by the Chair. I intend to file a bill embodying my amendment to stop special war agencies from taking repeated censuses without permission of Congress. I hope it will become law before next January 1, 1945, when this census will be taken.

Mr. KERR. Mr. Speaker, I yield such time as he may desire to the gentleman from New Jersey [Mr. THOMAS].

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix and include an editorial which appeared in Collier's magazine.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KERR. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the motion of the gentleman from North Carolina.

The motion was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON CAMPAIGN EXPENDITURES

Mr. BATES of Kentucky. Mr. Speaker, I call up House Resolution 551 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That a special committee of five be appointed by the Speaker of the House of Representatives to investigate and report to the House not later than January 3, 1945, the campaign expenditures of the various candidates for the House of Representatives in both parties, or candidates of parties other than or independent of the Democratic or Republican Party, the names of persons, firms, associations, or corporations subscribing, the amount contributed, the methods of collection and expenditures of such sums, and all facts in relation thereto, not only as to subscriptions of money and expenditures thereof but as to the use of any other means or influences, including the promise or use of patronage, and all other facts in relation thereto that would not only be of public interest but would aid the Congress in necessary legislation or in deciding any contests which might be instituted involving the right to a seat in the House of Representatives.

The investigation hereby provided for in all the respects above enumerated shall apply to candidates and contests before primaries, conventions, and the contests and campaigns of the general election in 1944, or any special election held prior to January 3, 1945. Said committee is hereby authorized to act upon its own initiative and upon such information which in its judgment may be reasonable and reliable. Upon complaint being made before such committee, under oath, by any person, persons, candidates, or political committee setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, said committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after hearings on such complaints, the committee shall find that such allegations in said complaints are immaterial or untrue.

That said special committee or any subcommittee thereof is authorized to sit and act during the Seventy-eighth Congress, whether the House is in session, has recessed, or adjourned, and that said committee or any subcommittee thereof is hereby empowered to sit and act at such time and place as it may deem necessary; to require by subpena or otherwise the attendance of witnesses, the production of books, papers, and documents; to employ stenographers at a cost not exceeding 25 cents per hundred words. The chairman of the committee or any member thereof may administer oaths to witnesses. Subpenas for witnesses may be issued under the signature of the chairman of the committee or subcommittee thereof. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties as prescribed by law.

Mr. BATES of Kentucky. Mr. Speaker, I withdraw that for the time being.

The SPEAKER. The gentleman from Kentucky [Mr. BATES] withdraws the resolution for the time being.

COMMITTEE ON EDUCATION

Mr. COLMER. Mr. Speaker, I call up House Resolution 592, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Committee on Education is authorized and directed—

(a) To make a study of the effect upon colleges and universities throughout the United States of (1) reduction in enrollment and in faculties as a result of service by students and faculty members in the armed forces of the United States or in other war activities, and (2) recent curtailment and prospective further curtailment of Army and Navy training programs in such colleges and universities; with a view to determining means by which such effects may be alleviated.

(b) To formulate, as soon as practicable, for consideration by the House, such legislation as the committee deems appropriate for the purpose of alleviating such effects.

SEC. 2. For the purposes of this resolution, the committee (a) may employ and fix the compensation of such experts and such clerical, stenographic, and other assistants as it finds necessary; (b) may, with the consent of the head of any department or agency of the United States, utilize the services, facilities, and personnel of such department or agency; and (c) may request such information and assistance as it deems desirable from individuals, organizations, and agencies, both within and outside of Government.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MICHENER] and reserve my time.

Mr. MICHENER. Mr. Speaker, I did not know that I was to be called upon to explain this resolution at this time. I am very happy, however, to do what I can to contribute to its early enactment.

The resolution was introduced by the gentleman from Massachusetts [Mr. McCORMACK], the majority leader of the House, on June 12, 1944. It directs the Committee on Education—

(a) To make a study of the effect upon colleges and universities throughout the United States of (1) reduction in enrollment and in faculties as a result of service by students and faculty members in the armed forces of the United States or in other war activities, and (2) recent curtailment and prospective further curtailment of Army and Navy training programs in such colleges and universities; with a view to determining means by which such effects may be alleviated.

(b) To formulate, as soon as practicable, for consideration by the House, such legislation as the committee deems appropriate for the purpose of alleviating such effects.

SEC. 2. For the purposes of this resolution, the committee (a) may employ and fix the compensation of such experts and such clerical, stenographic, and other assistants as it finds necessary; (b) may, with the consent of the head of any department or agency of the United States, utilize the services, facilities, and personnel of such department or agency; and (c) may request such information and assistance as it deems desirable from individuals, organizations, and agencies, both within and outside of government.

In short, Mr Speaker, the resolution explains itself. Its objectives are most

laudable. The conditions of many of our colleges and educational institutions throughout the country have been vastly changed due entirely to the war. Fine, prosperous institutions of learning have had their student personnel so depleted, and their financial income so reduced, that it seems imperative that the Federal Government take cognizance of the predicament in which they find themselves. This investigation will cover the general subject and include all the schools and, as I understand, has the unanimous support of educational organizations and leaders throughout the entire country. This, of course, includes sectarian and religious schools as well as all the others. This is neither the time nor the place to enter into an academic discussion as to the benefit derived from and the necessity of proper education in a democracy. I shall therefore take no further time proclaiming truisms along that line.

I am especially pleased that this investigation is to be made by the Committee on Education which is a legislative committee familiar with the entire Federal problem, and is not a special committee selected because of some particular views its members might have concerning education. No harm can come from this investigation, while much good may result.

The Rules Committee had assurance that there was no thought of starting upon a crusade, the purpose of which might be to broaden Federal control and take away from the local communities and the States the privileges they now have concerning the local regulation of educational matters. This resolution should pass unanimously, and I hope without further argument.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SPECIAL COMMITTEE TO INVESTIGATE CAMPAIGN EXPENDITURES

Mr. BATES of Kentucky. Mr. Speaker, I call up House Resolution 551, and ask for its immediate consideration.

The SPEAKER. The Clerk has already reported the resolution. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment. Strike out all after the word *"Resolved"* and insert:

"That a special committee of seven members be appointed by the Speaker of the House of Representatives to investigate and report to the House not later than January 3, 1945, with respect to the following matters:

"1. The extent and nature of expenditures made by all candidates for the House of Representatives in connection with their campaign for nomination and election to such office.

"2. The amounts subscribed and contributed, and the value of services rendered, and facilities made available (including personal services, use of advertising space, radio time, office space, moving-picture films, and automobile and other transportation facilities) by any individual, individuals, or group of individuals, committee, partnership, corporation, or labor union, to or on behalf of each such candidate in connection with any such campaign or for the purpose of influencing the votes cast or to be cast at any convention or election held in 1944 to which a candidate for the House of Representatives is to be nominated or elected.

"3. The use of any other means or influence (including the promise or use of patronage) for the purpose of aiding or influencing the nomination or election of any such candidates.

"4. The amounts, if any, raised, contributed, and expended by any corporation or labor organization, including any political committee thereof, in connection with any such election, and the amounts received by any political committee from any corporation or labor union.

"5. The violations, if any, of the following statutes of the United States:

"(a) The Federal Corrupt Practices Act.

"(b) Title 18, sections 61 to 61t, inclusive, United States Code, 1940 edition, relating to pernicious political activities, commonly referred to as the Hatch Act.

"(c) The provisions of section 9, Public Law 89, Seventy-eighth Congress, chapter 144, first session, referred to as the War Labor Disputes Act.

"(d) Any statute or legislative act of the United States, or of the State within which a candidate is seeking nomination or reelection to the House of Representatives, the violation of which Federal or State statute, or statues, would affect the qualification of a Member of the House of Representatives within the meaning of article I, section 5, of the Constitution of the United States.

"6. Such other matters relating to the election of President, Vice President, and Members of the House of Representatives in 1944, and the campaigns of candidates in connection therewith, as the committee deems to be of public interest, and which in its opinion will aid the House of Representatives in enacting remedial legislation, or in deciding any contests that may be instituted involving the right to a seat in the House of Representatives.

"7. The committee is authorized to act upon its own motion and upon such information as in its judgment may be reasonable or reliable. Upon complaint being made to the committee under oath, by any person, candidate, or political committee, setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, the committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after a hearing upon such complaint, the committee shall find that the allegations in such complaint are immaterial or untrue. All hearings before the committee, and before any duly authorized subcommittee thereof, shall be public, and all orders and decisions of the committee, and of any such subcommittee, shall be public.

"For the purpose of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such public 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 attorneys, experts, clerical, and other assistants, to require by subpena 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 hundred words. The expenses of the committee shall be paid from the contingent fund of the House of Representatives upon vouchers approved by the chairman of the committee or the chairman of any duly authorized subcommittee thereof and approved by the Committee on Accounts.

"8. The committee, or any duly authorized subcommittee thereof, may authorize any one or more persons to conduct on behalf of the committee any part of the investigation herein provided for, and for such purpose any person so authorized may hold such public hearings, issue such subpenas, and provide for the service thereof, require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, administer such oaths, and take such testimony, as the committee or any such duly authorized subcommittee, may from time to time authorize. Every person, who having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default; or who having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties prescribed by law.

"That said committee is authorized and directed to file interim reports whenever in the judgment of the majority of the committee, or of a subcommittee conducting portions of said investigation, the public interest will be best served by the filing of said interim reports, and in no event shall the final report of said committee be filed later than January 3, 1945, as hereinabove provided."

Mr. COCHRAN. Mr. Speaker, I make a point of order against the amendment on the ground that the Rules Committee has exceeded its authority, and I respectfully request to be heard on the point of order.

The SPEAKER. The Chair will hear the gentleman.

Mr. COCHRAN. Mr. Speaker, I invite your special attention to the language on page 6, beginning in line 15.

The expenses of the committee shall be paid from the contingent fund of the House of Representatives upon vouchers approved by the chairman of the committee and the chairman of any duly authorized subcommittee thereof and approved by the Committee on Accounts.

Also to the words on page 6, lines 12 and 13, "and to make such expenditures."

Mr. Speaker, the Committee on Accounts was set up by this House in 1803, long before the Rules Committee was ever heard of. This all-powerful Rules Committee takes it upon itself to assume jurisdiction over the contingent fund of the House. Not only do the rules of the House place that jurisdiction in the Committee on Accounts, but your Committee on Accounts is subject to several statutes, specifically referring to the activities of the Committee on Accounts, and the contingent fund.

I might say the Comptroller of the Treasury years ago ruled that when the Committee on Accounts by resolution would provide for expenses from the contingent fund, no official of the Government had a right to question that expenditure.

If this precedent that the Rules Committee seeks to establish is adopted by the House, the House will lose control over its contingent fund. The language that I have read places absolutely no limitation upon the amount this select committee can spend. Vouchers are to be signed by the chairman of the select committee or any subcommittee thereof, and the only jurisdiction the Committee on Accounts has is to put its signature on the voucher and pass it along for payment.

Now, if you can do that with this select committee, you can do it with every select committee and every special committee that this House sets up. For instance, if that paragraph had been in the resolution creating the Dies committee, the expenditures would have been five or ten million dollars.

Mr. THOMAS of New Jersey. Will the gentleman yield to me?

Mr. COCHRAN. In just a minute.

Mr. THOMAS of New Jersey. The gentleman made a misstatement.

Mr. COCHRAN. I made an estimate. I am pointing out what can be done. The same applies to the other 30 committees that you have set up. You passed a resolution yesterday providing for a study by the Committee on Labor. That provision was not in there. You passed one a minute ago providing for a study by the Committee on Education, and that provision was not in the resolution. This is not the first time that the Committee on Rules tried to assume the jurisdiction of the Committee on Accounts.

The House rules provide that the Committee on Accounts shall control resolutions providing for expenditures from the contingent fund.

The Committee on Accounts looks at these questions from the standpoint of the committee being the agent of the House. When the House passes a resolution setting up a select committee, regardless of whether the members of the Committee on Accounts are for that resolution or not, the members take it that it is their duty to provide money to carry out the purposes of the resolution. In the 19 years that I have been a member of the Committee on Accounts it has never failed the House of Representatives in this respect, and I do not believe it ever will.

The practice has always been for the Accounts Committee to hold hearings and require the select or special committee to state its needs and justify its request.

If it is the desire of the House to pass this jurisdiction to the Rules Committee, then change the rules, but do not let the Rules Committee assume jurisdiction now or at any time in the future unless you do. It is time this House assert itself and serve notice on the Rules Committee to stay within its jurisdiction.

There can be waste and extravagance in the legislative branch as well as in the executive branch, and that is just what will happen if you permit committees to spend any amount they desire without limitation.

Your Accounts Committee has always been classed as stingy because we try to do what we feel you want us to do, protect the contingent fund, but we cannot do it if you let the Rules Committee have its way.

I submit, Mr. Speaker, that the Committee on Rules having taken jurisdiction which did not belong to it, the language I object to is subject to a point of order; and I hope the Chair will so hold.

The SPEAKER. Does the gentleman from Kentucky desire to be heard on the point of order? That is all that is before the House at this moment.

Mr. BATES of Kentucky. Mr. Speaker, speaking for myself personally, I have no desire to usurp any of the rights of the Committee on Accounts and I believe that is the feeling of members on both sides of the Committee on Rules. I do not know just what the procedure would be but I am quite sure we do not want to assume any of their rights or any of their responsibilities.

Mr. MICHENER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MICHENER. To what language was the point of order made? I could not hear.

Mr. COCHRAN. I made the point of order against the entire amendment because the Committee on Rules had assumed jurisdiction that did not belong to it.

The SPEAKER. It is a question of germaneness, whether the amendment is germane to the resolution.

Mr. MICHENER. The point of order made by the gentleman from Missouri would strike out the entire amendment because a part of it was not germane?

The SPEAKER. The gentleman from Michigan, splendid parliamentarian that he is, realizes that one part of an amendment being deficient, the whole amendment is vitiated.

Mr. MICHENER. I appreciate that. I may say this, Mr. Speaker, on the point of order, that hearings were held by the Committee on Rules and it was agreed that a certain amendment should be prepared. The amendment was prepared. I had to be on the floor in connection with other legislation and was not in the committee when this amendment was adopted.

I realize there is much truth in what the gentleman from Missouri says. This amendment would bypass the Committee on Accounts. To my knowledge that has never been done in the setting up of an investigating committee. The Rules Committee has jurisdiction over investigating committee resolutions, but the Accounts Committee has jurisdiction over the funds with which the committee operates. I have often said it is a good bit like when my little boy used to ask his mother for a new football. She would say: "Yes, John, you may have the football, but you must go to daddy and get the money." That is the way these investigations are controlled; and, personally, I could not speak in opposition to the point of order.

Mr. SMITH of Virginia rose.

The SPEAKER. The Chair is ready to rule but the Chair will hear the gentleman from Virginia.

Mr. SMITH of Virginia. Mr. Speaker, I do not wish to discuss the point of order except to say that if there is anything in the point of order it was never brought to the attention of the Committee on Rules. It was never the desire of the Committee on Rules to usurp the authority of the Committee on Accounts. I believe the language objected to is language that has been used in previous resolutions where no point of order has been raised to it.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. Certainly that question was never raised in the Committee on Rules and nobody in the Committee on Rules had any idea of trespassing upon the Committee on Accounts, because we know that the gentleman from Missouri is well able to take care of the situation.

The SPEAKER. The Chair has before it a case exactly in point, and the interesting thing about it is that it begins with the statement:

> On May 3, 1933, Mr. Howard W. Smith of Virginia, by direction of the Committee on Rules, and so forth, presented a rule.

A point of order was made against the rule and the Chair held as follows—and it is exactly on all fours with the instant case:

> The Chair thinks that the provision incorporated in section 5 of the resolution authorizing the committee to employ suitable counsel, assistants, and investigators in the aid of its investigation, and also the provision authorizing all necessary expenses of the investigation to be paid on vouchers approved by the chairman of the committee, is a matter properly within the jurisdiction of the Committee on Accounts.

That is exactly the proposition that is before the Chair at this time. The Chair could cite other precedents.

The point of order, therefore, is sustained as against the committee amendment.

Mr. SMITH of Virginia. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SMITH of Virginia. May I inquire as to what language is objected to other than on page 6 between lines 12 and 20?

The SPEAKER. I do not know that the gentleman from Missouri read it but it is the language on page 6, lines 12 and 13: "And to make such expenditures as it deems advisable;" and more particularly the language following the period in line 13 to the end of the paragraph.

Mr. COCHRAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COCHRAN. Would it be in order to move the previous question on the original resolution?

The SPEAKER. The gentleman from Kentucky [Mr. BATES] has the floor and he must yield to anyone who desires to discuss this resolution, or must yield for an amendment if one is offered at the proper time.

Mr. COCHRAN. Mr. Speaker, will the gentleman from Kentucky yield for that purpose?

Mr. BATES of Kentucky. For what purpose?

Mr. COCHRAN. For the purpose of moving the previous question on the original resolution introduced by the gentleman from New Mexico [Mr. ANDERSON], which is the same resolution that has been before this House every 2 years as long as I can remember. It is broad

enough to cover everything in the amendment.

Mr. BATES of Kentucky. Mr. Speaker, I do not yield for that purpose at this time.

Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MICHENER] and yield 3 minutes to the gentleman from Virginia [Mr. SMITH].

The SPEAKER. The gentleman from Virginia is recognized for 3 minutes.

Mr. SMITH of Virginia. For the purpose of offering an amendment.

Mr. Speaker, I offer an amendment.

Mr. COCHRAN. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. COCHRAN. The gentleman from Kentucky did not, so far as I heard, yield to anyone to offer an amendment.

The SPEAKER. Does the gentleman from Kentucky yield to the gentleman from Virginia to offer an amendment?

Mr. BATES of Kentucky. I did not yield to the gentleman from Virginia for the purpose of offering an amendment.

The SPEAKER. The gentleman from Virginia is recognized for 3 minutes.

Mr. SMITH of Virginia. Mr. Speaker, I was under a misapprehension. I thought the gentleman from Kentucky had yielded to me for the purpose of offering an amendment.

The amendment I propose to offer would simply have stricken from the resolution the language which the Chair has held to be not in order. If the gentleman from Kentucky will later in the discussion, after we clarify the situation a little bit, yield to me, it is my purpose to offer an amendment which would strike from the amendment the disputed language which has been held not to be in order.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. I understand that the amendment to be offered by the gentleman from Virginia will retain the language of the regular resolution coming out of the Committee on Rules with the one exception that the money must be authorized by the Committee on Accounts?

Mr. SMITH of Virginia. Yes.

Mr. MARTIN of Massachusetts. It would provide for a committee of seven, as reported?

Mr. SMITH of Virginia. Yes.

Mr. MARTIN of Massachusetts. I hope the gentleman's amendment prevails.

Mr. SMITH of Virginia. It will strike out the language the Speaker has held not to be in order.

Mr. MARCANTONIO. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. Does the gentleman from Kentucky [Mr. BATES] yield for a parliamentary inquiry?

Mr. BATES of Kentucky. Mr. Speaker, I yield to the gentleman for that purpose.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. MARCANTONIO. If the gentleman from Kentucky should yield to the gentleman from Virginia for the purpose of offering an amendment, does not the gentleman from Kentucky lose control of the time?

The SPEAKER. He loses the floor.

Mr. MARCANTONIO. He loses the floor. Then how much time will be in control of the gentleman from Virginia?

The SPEAKER. One hour.

Mr. BATES of Kentucky. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Speaker, on May 17, the gentleman from New Mexico [Mr. ANDERSON] introduced House Resolution 551. That resolution introduced by the gentleman from New Mexico, with the exception of dates, is identical with resolutions that have been passed every 2 years by this House without debate.

The Anderson resolution is extremely broad, and, in my opinion, it will do everything that the amendment submitted by the Rules Committee will do. The select committee would have the power to subpena witnesses, books, and so forth. It would be permitted to go around the country and make investigations and would be required to report to the House.

The amended resolution goes into detail in reference to the powers that the committee might have. It names certain acts. I contend that the original resolution gives the committee all the power to investigate any violations under any act that is named. I see no necessity for an amendment similar to the one which was just stricken out on a point of order.

The amendment to the Anderson resolution, of course, is directed at certain groups and organizations that are exercising their constitutional rights in taking an interest in the coming election. As you will see, it specifically names labor organizations, including any political committee thereof. Labor organizations are not the only organizations that take an interest in elections. In fact, great industrial organizations have interested themselves in national and State elections for as long as I can remember. Organizations representing industry have endorsed candidates for the State Legislature of Missouri and for the Representatives in Congress from Missouri for the last 30 years or more. I know this because I have seen their endorsements opposing me. Those who do not respond to their call never receive their endorsement. I am not trying to prevent an investigation if facts warrant it, but I do not feel that any special group should be singled out and other groups not specifically named.

Mr. Speaker, in my opinion, the House will do well to follow the precedent it has followed in the past and adopt the Anderson resolution as introduced.

Mr. BATES of Kentucky. Mr. Speaker, I yield to the gentleman from Virginia [Mr. SMITH] for the purpose of offering an amendment.

Mr. SMITH of Virginia. Mr. Speaker, I offer an amendment which is on the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia: Strike out all of the resolution after the word *"Resolved"* in line 1, page 1, and insert the following:

"That a special committee of seven members be appointed by the Speaker of the House of Representatives to investigate and report to the House not later than January 3, 1945, with respect to the following matters:

"1. The extent and nature of expenditures made by all candidates for the House of Representatives in connection with their campaign for nomination and election to such office.

"2. The amounts subscribed and contributed, and the value of services rendered, and facilities made available (including personal services, use of advertising space, radio time, office space, moving-picture films, and automobile and other transportation facilities) by any individual, individuals, or group of individuals, committee, partnership, corporation, or labor union, to or on behalf of each such candidate in connection with any such campaign or for the purpose of influencing the votes cast or to be cast at any convention or election held in 1944 to which a candidate for the House of Representatives is to be nominated or elected.

"3. The use of any other means or influence (including the promise or use of patronage) for the purpose of aiding or influencing the nomination or election of any such candidates.

"4. The amounts, if any, raised, contributed, and expended by any corporation or labor organization, including any political committee thereof, in connection with any such election, and the amounts received by any political committee from any corporation or labor union.

"5. The violations, if any, of the following statutes of the United States:

"(a) The Federal Corrupt Practices Act.

"(b) Title 18, sections 61 to 61t, inclusive, United States Code, 1940 edition, relating to pernicious political activities, commonly referred to as the Hatch Act.

"(c) The provisions of section 9, Public Law 89, Seventy-eighth Congress, chapter 144, first session, referred to as the 'War Labor Disputes Act.'

"(d) Any statute or legislative act of the United States, or of the State within which a candidate is seeking nomination or reelection to the House of Representatives, the violation of which Federal or State statute, or statutes, would affect the qualification of a Member of the House of Representatives within the meaning of article I, section 5, of the Constitution of the United States.

"6. Such other matters relating to the election of President, Vice President, and Members of the House of Representatives in 1944, and the campaigns of candidates in connection therewith, as the committee deems to be of public interest, and which in its opinion will aid the House of Representatives in enacting remedial legislation, or in deciding any contests that may be instituted involving the right to a seat in the House of Representatives.

"7. The committee is authorized to act upon its own motion and upon such information as in its judgment may be reasonable or reliable. Upon complaint being made to the committee under oath, by any person, candidate, or political committee, setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, the committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after a hearing upon such complaint, the committee shall find that the allegations in such complaint are immaterial or untrue. All hearings before the committee, and before any duly authorized subcommittee thereof, shall be public, and all orders and decisions of the committee, and of any such subcommittee, shall be public.

"For the purpose of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such public 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 attorneys, experts, clerical, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, and to take such testimony, as it deems advisable.

"8. The committee, or any duly authorized subcommittee thereof, may authorize any one or more persons to conduct on behalf of the committee any part of the investigation herein provided for, and for such purpose any persons so authorized may hold such public hearings, issue such subpenas, and provide for the service thereof, require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, administer such oaths, and take such testimony, as the committee or any such duly authorized subcommittee, may from time to time authorize. Every person, who having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default; or who having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties prescribed by law.

"That said committee is authorized and directed to file interim reports whenever in the judgment of the majority of the committee, or of a subcommittee conducting portions of said investigation, the public interest will be best served by the filing of said interim reports, and in no event shall the final report of said committee be filed later than January 3, 1945, as hereinabove provided."

Mr. SMITH of Virginia. Mr. Speaker, the only difference between the amendment which I have just offered and the resolution reported by the Committee on Rules is that the amendment which I have offered strikes out of the committee amendment the language which the Speaker has held to be not in order. That is the only change that has been made.

I hope when the time comes that the House will support this amendment and see that we get the resolution in the language which the Committee on Rules, after careful consideration, thought was the appropriate language to meet the changed conditions and to meet the change in the Corrupt Practices Act since the last resolution of a similar character was adopted.

Mr. COX. And which amendment was accepted by the author of the original resolution.

Mr. SMITH of Virginia. I so understand.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield for an observation?

Mr. SMITH of Virginia. I yield to the gentleman from New York.

Mr. MARCANTONIO. Mr. Speaker, I think we can avoid a great deal of debate on the gentleman's amendment if the gentleman will incorporate in section 4 the same language that he has incorporated in section 2, by inserting the following language after the comma following the word "thereof," in section 4, "or any individual, individuals, or group of individuals, committee, partnership." Would the gentleman have any objection to that?

Mr. SMITH of Virginia. I do not see any objection at the moment. I will be glad to discuss it with the gentleman as soon as I yield the floor.

Mr. MARCANTONIO. In other words, if that is done you would not be singling out labor organizations.

Mr. SMITH of Virginia. Mr. Speaker, I understand that under the parliamentary rules I am recognized for an hour. I wish to yield back that time to the gentleman from Kentucky [Mr. BATES], who was so kind and gracious as to yield to me to offer this amendment.

Mr. BATES of Kentucky. Mr. Speaker, I yield 1 minute to the distinguished majority leader, the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Speaker, everyone feels, of course, that a resolution of this kind should pass. It has been passed every 2 years. The colloquy between the gentleman from New York and the gentleman from Virginia has brought about a situation which can be very easily clarified if that language in section 4 is stricken out and the language in section 2 substituted. By doing so, the committee would accomplish the same purpose.

I do not think the House wants to go out of its way to take a slap at any particular organization in this country. I would oppose it if it said "business organization" as well as "labor organization" alone.

The broad language in section 2 covers everything. Why not do the proper and practical thing by amending section 4 without any direct reference to any group in this country, and incorporate therein the broad, embracing language of section 2? By doing so the committee will have all of the authority and all of the power and all of the jurisdiction necessary.

I hope that is done. The resolution in that form will be satisfactory.

Mr. SMITH of Virginia. Mr. Speaker, will the gentleman yield?

Mr. MCCORMACK. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. The gentleman has in mind, I believe, the same amendment suggested by the gentleman from New York?

Mr. MCCORMACK. Yes. I simply use this time to discuss the colloquy between the two gentlemen.

Mr. BATES of Kentucky. Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. BRADLEY of Pennsylvania. Mr. Speaker, will the gentleman yield for a parliamentary inquiry?

Mr. BATES of Kentucky. Yes.

Mr. BRADLEY of Pennsylvania. Mr. Speaker, is it in order to offer an amendment to the amendment offered by the gentleman from Virginia?

The SPEAKER. If the gentleman from Kentucky yields for that purpose, it would be.

Mr. BATES of Kentucky. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, I desire to make my position perfectly clear. I do not oppose any investigation of any violations of any of the Federal statutes in regard to elections. Labor has nothing to fear from any investigation; in fact, the Political Action Committee of the C. I. O. has published in the press of the Nation a complete list of its income and expenditures, the manner in which the money was obtained, and the manner in which the money was expended.

My only objection to this amendment is that in section 4, after we specifically mention corporations, which have been covered by law for many years, we then go out of our way and add, "or labor organization, including any political committee thereof." If we leave that by itself, then we are passing this resolution specifically for an investigation of the political activities of labor organizations, or any political committee of any labor organization. Therefore, we are singling out labor's political activities. I think it only just that this resolution should include everybody. The gentleman from Virginia, in section 2 of his amendment, includes everybody, using the words, "any individual, individuals, or group of individuals, committee, partnership, corporation, or labor union." I believe that that language should be repeated in section 4, with the exception of the words "corporation" and "labor organization", because these words are now in section 4. I suggest in all fairness that in line 13, following the comma after the word "thereof", we add the following language: "or individual, individuals, or group of individuals, committee, partnership", and add the words "or association." That would include everybody.

Labor has nothing to fear. Honest men have nothing to fear. Let us have this investigation, but let us not limit it to labor unions, let us apply this resolution to everybody.

Mr. SMITH of Virginia. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. As far as I am concerned, if I am permitted to do so, I will be very happy to accept the amendment offered by the gentleman from New York, because I think it is the purpose of all of us to investigate everybody that is violating the law.

Mr. MARCANTONIO. I think that ends the argument. If the gentleman accepts that amendment, let us vote on this resolution and dispose of it. We want everybody investigated, and not single out any particular group.

Mr. J. LEROY JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from California.

Mr. J. LEROY JOHNSON. On page 4, line 2, do the words "labor union" include any committee of a union or committee of a group of unions, in the gentleman's opinion?

Mr. MARCANTONIO. It includes everybody; including any political committee thereof. "Labor organization" would constitute an international; it would constitute the entire organization, either the A. F. of L., the C. I. O., or the Railway Brotherhoods.

Mr. CELLER. Mr. Speaker, if the gentleman will yield, the word "association" would include organizations like the United States Chamber of Commerce and the National Association of Manufacturers, I presume?

Mr. MARCANTONIO. It would include everybody. Everybody who violates the law should be investigated.

Mr. BATES of Kentucky. Mr. Speaker, will the gentleman yield to me to offer an amendment?

Mr. MARCANTONIO. I yield to the gentleman from Kentucky for the purpose of offering an amendment.

Mr. BATES of Kentucky. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BATES of Kentucky to the amendment offered by Mr. SMITH of Virginia:

Page 4, line 12, strike out the word "or" and insert a comma, and after the word "organization" in the same line, insert the following: "trade or business association and any other organization."

Page 4, line 15, strike out the word "or" and insert a comma, and after the word "union", in the same line, strike out the period and insert a comma and the following: "trade or business association and any other organization."

Mr. BATES of Kentucky. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, this amendment would clarify and in fact broaden the resolution so that anyone may be investigated. However, I think the amendment should include individuals as well, and I am in favor of the amendment with that word added, so that it will include corporations, labor organizations, trade and business associations, other organizations, and individuals.

Mr. McCORMACK. The gentleman proposes to amend it so that individuals violating the law may be investigated?

Mr. SABATH. Yes; the same as a corporation, a labor union, or any organization or individual.

Mr. BROWN of Ohio. That is in section 2

Mr. SABATH. That may be, but I observe that only corporations and labor unions are mentioned in section 4, and I feel that the provision of this section should also apply to business and trade associations and to organizations and individuals who participate in political campaigns. I feel that this amendment should be supported by all who desire a full and complete investigation into campaign expenditures and contributions. It is generally known that there are many individuals who lavishly contribute to campaigns through various channels and the manner in which it is done should be ascertained and made known. My main purpose has been and is to bring to light and to prevent in the future the subscribing of tremendous contributions by corporations and various industries. We have heard little of their large contributions because all of the attacks of late have been hurled against the labor organizations who, in contrast, expend a dollar or two against the thousands and thousands of dollars contributed by the corporations and rich individuals to the Republican campaign funds. Personally, I feel that labor organizations have as much right to expend funds for political campaigns as the corporations have indirectly through the medium of various channels running into the thousands of dollars on what, I believe, is not an exaggerated ratio of $100 to $1 on the part of labor organizations.

Mr. Speaker, no labor organization or corporation has contributed a dollar to my campaigns, but I feel that the country should know the sources where the millions of dollars that are being expended by the Republican campaign committees are coming from. The country should know the source of contributions to the so-called American National Democratic Committee, composed of a few ex-Members of Congress and Senators, most of whom now if not directly are indirectly drawing large salaries from Republican corporations. Within the last 10 days I have received expensive brochures and pamphlets from numerous politically active committees and I hope that the Special Investigating Committee will investigate to ascertain who are financing them. Knowing some of the gentlemen affiliated with these committees, I know that they are not spending their own money or donating their time gratis to the Republican cause.

Mr. BATES of Kentucky. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Speaker, no fair-minded person will object to the investigation of the source of campaign funds and expenditures in our Federal elections. The principle of free choice of our people in our elections is sacred and upon this principle depends the perpetuation of our democracy. We have passed many laws for the protection of our people against fraud and excessive expenditures in our elections. I speak of laws such as the Federal Corrupt Practices Act and the Hatch Act. These are the laws of our country and should be obeyed by all.

No person, firm, association, corporation, labor organization, or group of individuals should violate the spirit of these laws. As realists, however, we are aware that loopholes in the laws have permitted certain evasions or circumventions to obtain. Under the chairmanship of Senator GUY GILLETTE, the Special Committee to Investigate Presidential, Vice Presidential, and Senatorial Campaign Expenditures, 1940, has this to say, speaking of election laws, on page 5, Senate Report 47, Seventy-seventh Congress:

By reason of express exemptions therefrom, did not prove effective in preventing enormous expenditures in the recent general election campaign as will appear from this report and testimony before this committee.

Page after page of this report gives evidence of circumvention or evasion of the spirit and in many instances the letter of the law. Both political parties and their candidates were beneficiaries of these excessive expenditures. There is no desire on my part to claim immunity or innocence on the part of either party. Let us examine two of the main methods of evasion. First, under the Federal Corrupt Practices Act, a corporation is prohibited from making campaign contributions to a candidate for public office. This prohibition was circumvented in two principal ways:

First. By the formation of an independent unincorporated association to "front" for the corporation interests; and

Second. By personal contributions from corporation executives and members of their families.

As an independent committee, separate and apart from either the Republican or Democratic Party, is permitted to legally collect and expend up to $3,000,000 under the provisions of the Hatch Act, we can readily see how wide this opened the door to campaign expenditures by "front" organizations' action on behalf of the corporation's candidates of either party. Through national and local associations, such as described, millions of dollars were expended legally for candidates whose principles were satisfactory to the great corporations.

Now let us consider the prohibition against an individual donation in excess of $5,000. This was evaded in a perfectly legal way by dividing a large contribution into less than $5,000 units and crediting the separate units to different members of the family. Thus we see some of our great industrial families with tremendous corporate possessions, donating large sums to political committees. The report shows donations as follows from these important industrial families:

The du Pont family, grand total	$186,780.00
The Pitcairn family, grand total	29,114.71
The Alfred P. Sloan family, grand total	36,000.00
The Queeny family, grand total	42,375.00
The Pew family, grand total	108,525.00
The Rockefeller family, grand total	59,000.00

The fact that the foregoing contributions were for the benefit of Republican political associations or candidates is beside the point. The point I have established by this testimony before this Senate committee is that large funds are collected and expended by organizations and individuals contrary to the spirit of the Corrupt Practices Act and the Hatch Act.

Now, Mr. Speaker, as is customary before each general election, we have a resolution to investigate the campaign collections and expenditures of the elections of 1944.

I expect to vote for this resolution, House Resolution 551. However, the language contained in section 4, which specifically refers to labor organizations, in my opinion is discriminatory. I am in favor of investigating labor organizations, providing all other types of organizations or associations participating in the 1944 elections are also investigated.

I understand that this specific term has been inserted in this resolution for the purpose of investigating the Political Action Committee which is sponsored by the C. I. O. I am perfectly willing for

this group to be investigated, but I insist that any and all organizations, individuals, groups, associations, and committees taking part in political campaigns should also be investigated. I therefore believe that the above classification designations should be incorporated into this resolution in order that fair and equitable treatment be given this subject. Under the chairmanship of the sponsor of this resolution, the gentleman from New Mexico, Mr. CLINT ANDERSON, whom I admire and respect, and the personnel of his committee, I am sure that all phases of this subject will be equitably handled, providing the amendment of the gentleman from Illinois [Mr. SABATH] is adopted.

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent that the amendment to the amendment be again reported.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk again read the Bates of Kentucky amendment to the Smith amendment.

Mr. SABATH. Mr. Speaker, I should like to see the word "individuals" added to that amendment.

Mr. WHITTINGTON. What is the occasion for inserting the word "individuals" in that proposed amendment?

Mr. SABATH. There are individuals who might be just as guilty as corporations.

Mr. WHITTINGTON. That is true, but that is already provided in section 2.

Mr. MARCANTONIO. What is the objection to using the same language you have in section 2 and putting it in section 4?

Mr. WHITTINGTON. But that is not the language proposed.

Mr. MARCANTONIO. If the word "individuals" is added, it will amount to the same thing.

Mr. BATES of Kentucky. Mr. Speaker, I yield one-half minute to the gentleman from Pennsylvania [Mr. BRADLEY].

Mr. BRADLEY of Pennsylvania. Mr. Speaker, I wish the gentleman from Kentucky would accept the language suggested by the gentleman from New York [Mr. MARCANTONIO]. It was more comprehensive, it covered the ground better, and it was all-inclusive. I wish the gentleman would withdraw his amendment and offer a new one containing the language suggested by the gentleman from New York.

Mr. BATES of Kentucky. The amendment I offered was agreed to by the gentleman from New York.

Mr. BRADLEY of Pennsylvania. I do not think so.

Mr. MARCANTONIO. No.

Mr. BATES of Kentucky. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Kentucky to the amendment offered by the gentleman from Virginia.

The amendment to the amendment was agreed to.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Virginia, as amended.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the resolution just passed.

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

There was no objection.

Mr. MANSFIELD of Montana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances and include therein two editorials.

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

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein excerpts from some speeches I have made.

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

There was no objection.

(Mr. HILL asked and was given permission to extend his remarks in the RECORD.)

APPOINTMENT OF FEMALE PILOTS AND AVIATION CADETS IN ARMY AIR FORCES

Mr. MAY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4219) to provide for the appointment of female pilots and aviation cadets in the Air Forces of the Army.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 4219, with Mr. RAMSPECK in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. MAY. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Chairman, the Congress has consistently authorized for the armed forces all legislation that they have justified as being needed during the present crisis. We have taken pride in attempting to do everything in our power to see that the war effort has not been hindered by a lack of supplies, matériel, or personnel. I submit that a justification is all we ask for in the instance of the present legislation, that is, justification for the authorization of the WASP program, justification for an expenditure of at least $50,000,000 and perhaps a great deal more than $50,000,000. I would like to point out to the committee that the hearings which were held by the Committee on Military Affairs on H. R. 4219 comprise a little more than 9 pages. According to the hearings the committee met at 10:30 a. m. on the morning of March 22, and heard one witness. That witness was General Arnold, certainly one of the greatest soldiers of the present war, and a man for whom we have the highest admiration. But the fact remains that the committee heard one witness on this bill. At 11:25 a. m. the committee went into executive session and reported the bill a very few minutes later. The report filed by the committee in support of the bill comprises less than three pages. I would like to point out that on June 5 a report was filed by the Committee on Civil Service concerning inquiries made on certain proposals for the expansion and change in civil-service status of the WASPS. That report is 13 pages in length. It is very complete in its study of the WASPS, with their place in the military program, and that report, gentlemen, concludes as follows:

> The proposal to extend the WASPS has not been justified. Therefore it is recommended that the recruiting of inexperienced personnel and their training for the WASPS be immediately terminated. That the use of the WASPS already trained and in training be continued and provision be made for hospitalization and insurance.
>
> There exist several surpluses of experienced pilot personnel available for utilization as service pilots; therefore, it is recommended that the service of these several groups of experienced air personnel be immediately utilized.

Those are the conclusions in the report of the Committee on Civil Service on the WASPS. All of the material cited should be carefully studied by the House.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. SIKES. Yes; I yield.

Mr. THOMASON. That is the report of the Committee on the Civil Service from which the gentleman is reading?

Mr. SIKES. That is correct. It is House Report No. 1600.

Mr. THOMASON. What was the nature and extent of that investigation?

Mr. SIKES. I have just read the title, it is "Concerning inquiries made of certain proposals for the expansion and change in civil-service status of the WASPS." The report is exhaustive and it covers fully the work of the WASPS.

Of course, we do not want to handicap the war effort and when a justification is shown for this bill I will be the first to support it. But I do not believe we are ready to say to the Congress that we know the WASPS as a military organization are needed now and that we can justify the expenditure of $50,000,000 for training of limited-service personnel. I do not use that term in a derogatory sense, because this is a fine group of ladies. They have done a splendid job. I commend them for their service to the war effort. But nevertheless, their service is going to be limited. They cannot be used in combat theaters.

On the other hand, there is a very pertinent question before us about the utilization of the C. A. A. and W. T. S. trainees and instructors. There will be much less delay in the processing of those men and the completion of the training

of those men than there can possibly be in the utilization of the WASPS, and they can serve anywhere that they are needed.

The instructors already are highly trained. The trainees are in various stages of training, but many of them are within a few hours of the completion of their course. It appears reasonable that they be utilized before we authorize an additional program.

It is only fair to state that some disposition is now being made of the C. A. A.-W. T. S. groups by the Air Forces. But likewise it is only fair to state that much of this appears to have resulted at the insistence of Members of Congress, and to some extent because the WASP program was tied up and held up to public gaze as a result of the seeming neglect of the C. A. A.-W. T. S. groups.

The C. A. A.-W. T. S. groups should have their day in court on the merits of their case, and not as we propose to bring them in today, as an appendage to the WASP bill. The entire bill should be recommitted to the Committee on Military Affairs for further study, and during the period of that study the War Department will have a full opportunity to utilize the C. A. A.-W. T. S. trainees to the greatest possible extent. Then we can consider the WASP bill on the basis of the actual need for that group alone.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. ARENDS. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. JOHNSON].

Mr. J. LEROY JOHNSON. Mr. Chairman, I do not believe there is any particular opposition to the WASP bill, but some of the incidental matters that will be raised in connection with it will arouse considerable discussion. I take this view. I myself was a flyer in the last war and flew in combat and have a little background to measure the value of these things, perhaps, a little better than the average Member of Congress. We have to rely on our military experts and leaders to determine what kind of program should be developed. While on the face of it it seemed to me and to others with whom I talked in the Committee on Military Affairs that there was no field for women pilots, after listening to General Arnold, I believe there is a field for them and they can be extremely useful. He pointed out the reasons why they are better in many particulars than the male pilots and especially the pilots known as C. A. A. pilots. As I say, I believe we must follow the advice of our military experts. This war is a little different and aviation is a little different in this war than in the last war. Of course, aviation is much more important than it was before. If the man who has the responsibility of getting results in this war says that the training of women pilots will bring the results that he wants and for which he is responsible, I am willing to take his word for it.

Mr. DINGELL. Mr. Chairman, will the gentleman yield for a question?

Mr. J. LEROY JOHNSON. I yield for a question.

Mr. DINGELL. The gentleman stated in some respects they are better than male pilots. I think the committee would be very much interested in knowing in what respect they are better in order to justify General Arnold's position.

Mr. J. LEROY JOHNSON. They can fly more types of planes, for instance, than the C. A. A. pilots. I cannot go into that matter here. If the gentleman will read the hearings he can get all that from the hearings which are only 9 pages long.

I want to say a word about the C. A. A. pilots. In my opinion that raises this question, whether or not the Army in developing a program is going to maintain its integrity. As I view the matter connected with these pilots, they were asked by the Army Air Forces to take a certain type of training and it was thoroughly understood by the Army and was published that these pilots could not pass the rigid requirements of a combat pilot, but there were many fields in which they, with their minor physical defects, could serve. Some of those men were handicapped in very minor particulars. I will just mention one and you can multiply that by any number of times you wish.

I know a boy 20 years of age who, in his younger days, had infantile paralysis. He could not pass the rigid Army test which is required for a man who is to go into combat, but he can fly a plane and passed the tests to enter the C. A. A.-C. P. T. training and he completed it. He has flown hundreds of hours. Now they come along after those men have been trained, perhaps because there is not as much work for them to do as was contemplated, and they tell us, "Well, we do not need this program. We do not need as many as we anticipated." My idea of that is this: Those men went in under the promise that they would be given Army flying work and that they would be given a rating and that most of them would become second lieutenants in the Army Air Forces. I think the Army should carry out its promise to those men.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. J. LEROY JOHNSON. I yield to the chairman of my committee.

Mr. MAY. Of course, the gentleman knows that I, as chairman of the Committee on Military Affairs, take the same position that he does about that matter and that the question was up in the committee and the committee compromised on it by accepting the Brooks amendment. That amendment is to be offered as a committee amendment to take care of that situation.

Mr. J. LEROY JOHNSON. Mr. Chairman, I am glad the chairman of my committee asked that question. Here is what I am afraid of, and perhaps my fears are not well founded, but I believe they are. These men entered under one set of physical requirements and I am fearful that now, if the Army decides to give them their commissions, it will exact higher physical requirements than those under which these men entered. I am in favor of the Harness amendment which specifically states that these men shall be commissioned and their physical requirements for a commission at the time they apply shall be identical to the requirements under which they were carried into the program. If we carry that thing through then we can do exact justice to those men, which we should do.

Now one other point, and that is this: You might say, "Well, why should we take in these men and have a surplus of pilots?"

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. ANDREWS of New York. Mr. Chairman, I yield 2 additional minutes to the gentleman from California.

Mr. J. LEROY JOHNSON. The matter of whether or not those men shall be used is an administrative matter for the Army. If they cannot find places for them, they will have to retire them or discharge them or put them in an inactive status.

However, I do want the Army to keep its word with these men and commission them, and then if they cannot use them, put them on some inactive status.

Mr. SIKES. Will the gentleman yield?

Mr. J. LEROY JOHNSON. I yield.

Mr. SIKES. The thing we want most of all is to utilize the C. A. A. and the W. T. S.

Mr. J. LEROY JOHNSON. Yes; by all means, if we can use them. I think they can be used. But if they find they cannot be used, then it is up to the Army to determine what to do with them.

Mr. MANSFIELD of Montana. Will the gentleman yield?

Mr. J. LEROY JOHNSON. I yield.

Mr. MANSFIELD of Montana. I agree with what the gentleman says, because it is keeping faith on the part of the Government to make good the promises which it made to all these C. A. A.-W. T. S. personnel who spent their own money and had to subsist on their own incomes for a long time, and in some instances even sold their homes and businesses in order to exist. I have been receiving numerous letters from men who entered the C. A. A.-W. T. S. program under definite promises. Those promises have not been kept by the Government, and I feel that as long as the Army has fallen down on its promise it is up to us of the Congress to see that justice is done. To help achieve this I will vote for the Harness amendment to this bill.

Mr. J. LEROY JOHNSON. I agree with the gentleman.

Mr. BROOKS. Will the gentleman yield?

Mr. J. LEROY JOHNSON. I yield to the able and distinguished gentleman from Louisiana.

Mr. BROOKS. Does not the gentleman feel that if these men cannot measure up to the qualifications required by the Air Force, they should, under the promise they received, be discharged from the service?

Mr. J. LEROY JOHNSON. No; not if they change the rules in the middle of the game. That is not fair, in my opinion. They were drawn into this service on the very basis that they could not meet certain physical requirements, and now when they are ready to get a commission I do not want the Army to increase the requirements.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MAY. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Chairman, I was opposed to this bill as it was originally introduced. I am rather proud of the fact that I offered the motion at a later meeting of the Committee on Military Affairs to amend the bill by attaching to it the so-called Brooks bill to do justice by the C. A. A. flyers, with which I am in hearty accord.

I would like to have it understood that I did not oppose the original bill because I doubted that these fine women have done a good job. I am willing to support that part of the program largely because the Chief of the Air Corps, General Arnold, says that they have not only done a good job but that he needs them and must have them to do this ferrying work. I am one of those who believes that you have got to trust somebody about this war effort. I do not know of anybody anywhere who has done a finer job than General Arnold and his Air Corps. So I think we should take his advice. However, at the same time I want to be certain that we do justice to these C. A. A. men, some of whom have been mistreated, or at least misled. I therefore favor the Brooks amendment, and I expect to support the bill if that amendment is adopted. The gentleman from Louisiana [Mr. BROOKS] has devoted a great deal of study and hard work to this particular amendment and is entitled to distinct praise for it, and I am sure he has the gratitude of all that group of fine men. If that amendment which is now being offered by the Committee becomes a part of the bill, it will have my enthusiastic support. I think it is absolutely essential to the war effort. I cannot understand how we can turn down the Chief of the Air Corps, when he made it as personal as he did in his testimony. I invite a careful reading of his testimony before the committee.

Mr. MAY. Will the gentleman yield?

Mr. THOMASON. I yield.

Mr. MAY. I would like to call attention to the fact that I have here a statement which shows that of 12,335 trainees, who were classified in groups, there were a certain number who asked to be discharged and they were discharged in 1941.

Mr. THOMASON. The record discloses all of that. That is true. I think the so-called Brooks amendment certainly should be adopted. I go a little further and say that I think the amendment that will be offered later by the gentleman from Indiana [Mr. HARNESS] is deserving of considerable study for the simple reason that somebody has to set these physical standards, and if the War Department cannot do that, I think you are heading for trouble. I am not willing to say that the Harness amendment should be adopted. I would not do any injustice to any of those men, but, nevertheless, there were some who had their opportunity and failed to meet the requirements. So, to blanket them all in without requiring them to meet Army regulations would not be in the best interest of the war effort.

Mr. HARNESS of Indiana. Will the gentleman yield?

Mr. THOMASON. I yield.

Mr. HARNESS of Indiana. I wonder if the gentleman has carefully looked over the proposed amendment known as the Brooks bill?

Mr. THOMASON. I have studied it, and I have studied the amendment which will be offered by the gentleman from Indiana enough to know that you are going to blanket them all in regardless of merit and qualifications, and I do not think you should do that.

Mr. HARNESS of Indiana. We do not do that.

Mr. THOMASON. We have to have certain physical and mental standards, and you want to set aside and waive them.

Mr. HARNESS of Indiana. I think the gentleman will agree with me that what you want to do is to give these men justice, and have the same physical standards prevail today as were in effect when they were enlisted.

Mr. THOMASON. I will support any reasonable amendment along that line. The very thing I am trying to do is to see to it that they get justice.

Mr. HARNESS of Indiana. I want to call attention to this sentence that has been added to the Brooks bill. You will find that a phrase has been added "and before the termination thereof on January 15, 1944." In other words, all these men in this program who have been in since January 1944 are not covered by the committee amendment.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. IZAC. I am interested in knowing what the gentleman's position is on the WASP coming into the service.

Mr. THOMASON. I feel this way about it, that if you will do justice to these C. A. A. men who are qualified, and who have acted absolutely in good faith, then, based upon the testimony of General Arnold, who says he still needs these women, I am willing for them to also come in. General Arnold will use them all. He said they are all needed to relieve men who can enter combat service.

Mr. IZAC. But the gentleman understands that both the Army and the Navy are cutting down the whole program materially today.

Mr. THOMASON. That may be true. But when a man of the type of General Arnold tells the committee that these women are needed and must be had, I am willing to go along. The big need at present, he says, is for combat soldiers. This bill would release several thousand men for that service.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ANDREWS of New York. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. ELSTON].

Mr. ELSTON of Ohio. Mr. Chairman, I am very much in favor of this bill, with the Brooks amendment. When General Arnold appeared before the Committee on Military Affairs in support of this bill he presented to the committee convincing evidence of its necessity and urgency. Both General Arnold and the Secretary of War, whose letter appears in the report, stressed the point that the primary purpose of the legislation is to release male pilots for combat training and assignment. This reason appears to have been overlooked almost entirely by the Civil Service Committee in its recent report and by those who are seeking to be commissioned regardless of their qualifications.

A short time ago it became quite urgent to transfer to the ground forces a great many men who had entered the service for other types of training and service. As an example, more than 100,000 students in the Army Specialized Training Program were transferred from their college training courses to active branches of the service, particularly to the Infantry. Then 36,000 men who were highly qualified for flying training were transferred in the same manner. These men, particularly the 36,000 who expected to become aviation cadets, I submit had a far greater right to complain than the C. A. A. instructors and trainees who have bombarded Members of Congress with letters. These persons were never promised a commission as they have so frequently represented. General Arnold so testified and I quote him on the subject of any promise that might be implied: "Of course, there may have been an implied promise, but the Army Air Forces never promised anybody anything. There is an implied promise, dependent upon the qualifications as long as a man signs on the dotted line, but we cannot, and never do, promise anybody anything." The most that can be claimed, therefore, is that there was an implied promise—perhaps not as much of a promise as was made to the 36,000 men who were in every way qualified for flying training, but, because of the necessities of war, were transferred to other branches.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. ELSTON of Ohio. I shall be glad to yield to my friend, the gentleman from Indiana.

Mr. HARNESS of Indiana. Does not the gentleman feel that the money we have spent in training these men amounts to something besides the promise?

Mr. ELSTON of Ohio. That I feel is beside the question. If the men are qualified they are eligible for a commission. If not qualified they would not be eligible. In either event the money spent in their training is immaterial.

Now let us examine into the actual facts. In order that I might present them to the committee I asked the Air Corps to advise me in detail and received the following information.

On January 15, 1944, when the program was terminated, there were 10,000 people in the C. A. A. project. Of this number approximately 5,000 were instructors and 5,000 were trainees. The latter, under the law, were immediately brought into the A. A. F. as soldiers. Of the 5,000 instructors approximately 1,000 lost their jobs at that time due to the curtailment of the program. Out of this

1,000 approximately one-half have already been taken into the A. A. F. Out of the remaining 500, 250 have either gone into other jobs or were found to be physically unfit. The Army Air Forces have not been able to even locate the other 250. Out of the remaining 4,000 instructors most of them still have jobs as flying instructors working in Air Force Civil Contract Schools. Three thousands five hundred are in these schools and 1,500 are in the college indoctrination program which terminates on June 30. The program for the instructors is this: All of them will be brought into the A. A. F. and then put through a school equipped for teaching in the operation of high horsepower engines. Those who qualify will go to the Air Transport Command for indoctrination in the flying of all types of airplanes. This takes 3 months and they receive commissions as second lieutenants or flight officers.

The 5,000 trainees all came into the service because of the law, they having been in the Enlisted Reserve. Approximately 1,000 of these at the present time are taking Aviation Cadet training, which will lead to commissions if they satisfactorily complete their courses. Approximately 1,600 are taking Glider Pilot training which will lead to commissions as flight officers. Approximately 2,000 are being given technical training at various schools around the country. The Senate Military Affairs Committee recently requested the Air Corps to give these men an opportunity for discharge if they wanted it and this was agreed to.

Generally speaking, the reason the Air Corps is taking the instructors into the service in the manner I have indicated is because there was no way the Air Corps could take them in without dropping present standards. It was, therefore, decided to make every effort to bring these men up to the standards of the Air Corps. Many of those who have complained that they are being unfairly dealt with never made an application to the Air Forces for duty, but instead insisted that they be given commissions regardless of their qualifications. This much is certain. If a man in the C. A. A. program can qualify today, physically and mentally, the same as other pilots, he can get into the service and obtain a commission. Instructors actually get in on an easier examination than the one required for pilots. The Air Corps has what is known as the class 1—combat examination, and the class 2—ordinary flying examination. Instructors are required to pass only the class 2 examination which is the equivalent of the airline pilot test. On the other hand, a WASP must pass the combat examination. The majority report of the Civil Service Committee stated that it was the other way around, but I am assured this statement of the committee is wholly incorrect.

The Brooks bill, I am informed, is agreeable to the Air Forces. On this point let me quote General Arnold's statement before the Committee on Military Affairs:

> Our policy is that any man who has had any flying whatsoever will be given a chance to qualify either as a pilot, a copilot, a bombardier, a gunner, or a navigator. If they cannot qualify according to our standards in one of these capacities then we offer them other training in the Army Air Forces. We cannot lower our standards because a man has had a few hours in the air. They must meet our standards.

In concluding I desire to point out that those who are now complaining that the Air Forces did not keep its promise were offered a chance to join the Reserve but did not accept the opportunity. General Arnold so testified before our committee in the following language:

> We don't consider we owe them anything, because they were offered a chance to join the Reserve and did not take advantage of it. And now when they see they are likely to be drafted they want to come in and it is too late.

I believe in a matter of this kind we should abide by the judgment of General Arnold. He has given substantial reasons why the young women now engaged in flying all types of planes and who can qualify should be commissioned in the Army rather than remain in a civilian status. I shall accept General Arnold's judgment rather than the majority report of a nonmilitary committee which, with all due respect to the committee, is attempting to deal with military problems. I concur heartily with the minority report of that committee "that the termination, the continuation, or the further development of the women's flying program is for the Army Air Forces to determine." The women who are today piloting all types of planes across the country are rendering a magnificent service to the country. They should be accorded all of the benefits of a soldier and are entitled to be commissioned as provided for in this bill.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. ELSTON of Ohio. I yield.

Mr. BATES of Massachusetts. The gentleman refers to a letter from the Secretary of War in the report. I note that the report is dated February 16, 1944. Considerable change has taken place in the aviation training both in the Army and the Navy since that time. The gentleman himself stated that the discontinuance of the Army aviation training program has resulted in the dropping of some 5,000 of these instructors. This week even the Navy is going to stop recruiting boys from civilian life because of their great surplus of pilots.

Mr. ELSTON of Ohio. I should like to answer the gentleman from Massachusetts but I have no more time.

Mr. BATES of Massachusetts. I think the gentleman should be given more time because this is very important.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. MAY. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS. Mr. Chairman, I was glad to hear the speech just made by my colleague the gentleman from Ohio [Mr. ELSTON]. As I understand his views, he feels that unless these trainees and these instructors qualify mentally and physically according to the Army standards, they should be discharged from service. I wish briefly to review some of the statistics given me by the Army Air Service to show as a matter of fact that a great many of these men have been discharged already because of subnormal, physical, and mental qualifications.

Mr. MORRISON of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. If the gentleman will wait until I finish with these figures I shall be pleased to yield.

According to the statement of the War Department, as of May 1943, 995 men qualified for aviation cadet training; in July 1943, 1,049 men qualified; in March 1944, 974 more qualified; and in March 1944, in the glider group 651 qualified. This makes a total of 3,669 men who have qualified for training and for commissions in the Army Air Service.

As to the discharges, let me say that in May 1943, 1,981 men were discharged because of physical and mental deficiencies. Another 1,682 have been discharged. This makes a total of 3,663 discharges as of March 1944.

In July 1943 there were 70 more discharged for the same reason.

In March 1944 there were 5 more discharged, making a grand total discharged of 3,738.

Mr. Chairman, here is the situation: These men were taken in under circumstances where they had a right to believe they would have an opportunity to receive a commission in the Army. I call the attention of the Committee to the hearings held on House Joint Resolution 115 as of 1943, page 30, where there is reproduced a radio announcement urging enlistment for civilian pilot training in this program. In the radio announcement it is said that the men who come forward and enlist in this program will be given an opportunity to obtain a commission in the Army Air Forces as second lieutenant. I read specifically:

> In 6 to 10 months time or less if you already have some flight experience, you can qualify for one of these flying positions with the chance of a commission and pay of as much as $300 per month.

That comes from the radio announcement. So I say that if they are taken in under those circumstances and they cannot be used, then they should be discharged from the service and I think that is the Air Force program.

Mr. Chairman, recent news of the bombing of Japan has filled us in America with great rejoicing. Giant B–29 Flying Fortresses, developed under our preparedness and war program, have been used to fly from distant bases to bomb a large portion of Japan's manufacturing industry. We do not know the full extent of the damage from this bombing raid yet, but the magnificent work of the Air Forces in developing this giant bomber, building bases for it in distant China, and flying it hundreds of miles through the Chinese skies to Japan is something we can really applaud.

The Air Forces have done a magnificent job in this war. Assistant Secretary of War for Air Robert A. Lovett and Gen. Henry H. Arnold have often come before

the Committee on Military Affairs of the House, of which I am a member, and presented their plans to us. We have shaped and fashioned the War Department legislation so as to permit the remarkable results which have been achieved. In doing so, we reflect credit upon the loyal work and great ability of the Assistant Secretary for Air and upon the tireless energy and effort of its great commander, Lt. Gen. Henry H. Arnold.

During the course of our work, from time to time such men as the Under Secretary of War, Robert Patterson, Gen. George C. Marshall, Chief of Staff, and Gen. Dwight Eisenhower, as well as General Clark and General Patton, have made appearances and have worked with us upon needed legislation. I have cooperated with the War Department 100 percent in giving it the legislation which it needed in order to win this war.

Several days ago the great Army appropriations bill providing funds totaling $49,000,000,000 was voted by the House of Representatives. This bill carries the funds needed for the war program which we have been working upon. Within its provisions, the sum of $7,700,000,000 is included for food, equipment, and clothing for our soldiers. We find in its provisions heavy fleece-lined clothing for our men serving in the arctic tundras of the North, as well as light, impervious jackets for those who serve at the Equator. Provision is made for the helmet of the aviator who flies through the substratosphere, as well as for our boys who fight in the steaming jungles of the South Sea Islands.

This giant appropriation bill, which covers the funds the Army will need for the next 12 months, contains billions of dollars for general equipment of all kinds. There is money for shells, gunpowder, high explosives, flame throwers, bazookas, aircraft bombs, from the small fragmentation bomb to the mighty blockbuster, and for the brilliant-colored chemical rockets and smoke bombs of the Chemical Warfare Department. Money for heavy and light guns, for rifles, antiaircraft guns, machine guns, and certain secret weapons designed especially to destroy our enemies, is hidden within this bill. Thousands upon thousands of articles of equipment which almost baffle the imagination are necessary in modern warfare, and it has been the purpose of our legislation to see that our armies get what is necessary to destroy the enemies of America.

While I have been discussing implements of warfare, it is interesting to realize that in our appropriations, as well as in our legislation, we have provided also for weapons of mercy. Slightly less than one and a half billion dollars have been appropriated for the coming year for hospitals, medical equipment, drugs, and surgical items too numerous to mention. The magic drug, penicillin, will receive $108,000,000, and millions are to be spent upon tropical diseases. Parents and wives who have men in service should be grateful for the efficiency of the medical and hospital departments of the Army. Never before in all history has so much money been spent and such an effort been made to save the sick and wounded as is being made in this war.

It would not be fair to overlook the recognition our legislation has given to the educational, recreational, and entertainment needs of the enlisted men. Those of us who served in the last war overseas know the tremendous loneliness which grips a soldier on foreign soil under trying conditions, and we do not begrudge the $17,926,000 appropriated for these purposes for the coming year. This money will be spent to provide educational and entertainment programs, as well as general recreation. It includes money for athletic needs and phonograph records, as well as books and magazines. In all history every truly great leader has relied on the morale of his army, and without entertainment and recreation we cannot expect enlisted men to have the high morale and great efficiency needed.

Our Military Affairs Committee has enacted legislation covering the pay scale of the men in the Army, and I am proud of the fact that I served as chairman of the subcommittee which wrote this legislation. We also wrote the pay and allotment bill providing allotments for the families of servicemen. The pay bill, incidentally, gives our enlisted men the best pay of any army in the whole world.

Perhaps most spectacular of all the programs has been that of the Army Air Forces. We now have over 75,000 planes in the Army alone, the Navy Air Service being in addition to this number. Recent appropriations provide for 41,345 additional planes for the coming year. They are planes, both big and small, and are mostly fighters and bombers.

Mr. Chairman, we will win this war. The legislation needed by the War Department has been enacted and the money has been appropriated. Our plans are well laid. Our army of 7,700,000 men is organized under legislation which we have framed and given to the War Department and it is headed by capable and efficient officers. It is the best organized Army that this Nation has ever seen, and on the many fighting fronts of the world it is acquitting itself with courage, gallantry, and outstanding results.

At the same time, on the home front our production of arms and equipment has largely kept pace with our war needs. American industry and workingmen have done a truly remarkable job in fashioning the airplanes, the tanks, and the guns, much of which was entirely unfamiliar to them at the beginning of the war.

The time is coming, and we hope is not far distant, when the enemies of America will be crushed; but we must win the peace as well as the war. Recently we passed a resolution authorizing this Government to participate in world affairs to the extent of keeping the peace, which we will have won, and keeping us out of war. In the future, we must not, as a nation, scrap our air forces or sink our battleships. We must remain adequately prepared to face any condition which may arise affecting the safety of our Nation.

In this war, our people have sacrificed without stint. Hundreds of billions of dollars have been poured into the war effort and already thousands of our finest American boys have made the supreme sacrifice. We should now, as the war progresses toward its conclusion, lay the foundation for a newer and a better world. We should look forward to a new era in which the rights of freemen are assured, and the safety of our Nation is preserved.

As the poet says:

And each single wreck in the warpath of might
Shall yet be a rock in the temple of right.

One of the pieces of legislation of which we are all proud is the G. I. bill of rights for the relief of veterans of this war. This bill contains provisions which I myself helped to draft, and contains liberal stipulations, first, for the education of those veterans whose education has been interrupted; second, help for those veterans who cannot obtain jobs; and, third, provisions for the lending of money to those who desire to purchase a home or small place of business, or a farm.

One of the features of this bill which all America will applaud is the provision which takes care of hospitalization of our wounded and disabled veterans of this war. Full authorization is given to pay all disabled veterans compensation to the extent of their disabilities, and hospital facilities to take care of 300,000 men are already being provided.

Mr. Chairman, in my service here in Congress since the declaration of war, I have made a pledge to back the war effort to the utmost. Since I am a member of the Military Affairs Committee this has exacted a heavy toll of my time and energies. I am, however, proud of the record which has been made and of the results attained. For we are working and fighting for our land.

Long may our land be bright,
With freedom's holy light.
Protect us by thy might,
Great God, our King.

In the midst of these busy days, I have tried at all times to render service to the people. I have received and filled the many requests for agricultural bulletins, and for the many little services which can be rendered. I am at all times glad to hear from home and am anxious to serve the people who are carrying such a heavy burden during these times.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ANDREWS of New York. Mr. Chairman, I yield 7 minutes to the gentleman from Indiana [Mr. HARNESS].

Mr. HARNESS of Indiana. Mr. Chairman, in what I say about an amendment that I propose to offer, I have no intention of minimizing the patriotic and splendid service that the women flyers are performing in piloting and ferrying our military aircraft across the country. I do believe, however, that the Air Corps in discontinuing the C. A. A.-W. T. S. program and eliminating several thousand trained flyers, who

have from 800 to 4,300 hours of actual flying time, from the Air Corps did these men an injustice.

The parliamentary situation we face, therefore, is just this: The War Department has approved the amendment that the Committee on Military Affairs has directed the chairman of that committee to offer to the WASP bill. This amendment is inadvertently referred to as the Brooks bill. It is not the original Brooks bill at all because it has been completely rewritten and changes the whole purpose of the Brooks bill. I propose to offer an amendment, therefore, to the committee amendment to do two things: First, to require the War Department to maintain the same physical standards that were in effect when these men enlisted in the Air Corps Reserve; second, to require the War Department to give such additional training as is necessary to qualify the instructors so they can meet the War Department requirements for flying officers.

Let me explain what I mean by that. I do not mean that the War Department should lower the physical or mental standards, but in justice to several thousand male pilots who have been serving as instructors and others who have been for months in training, the Air Corps should maintain, in considering these men for commissions, the same physical standards that were in effect when these men enlisted and entered upon their duties.

One of the requirements of the War Department has been that a pilot must have had 200 hours or more of flying a 200-horsepower, or higher, motor. Some of the instructors have fewer than 200 hours in flying these higher-powered motors, and my amendment would require the War Department to give them the additional training in flying the more powerful motors so that they could qualify. Bear in mind that these pilots have from 800 to 4,300 hours in flying the primary-training airplanes and may not have had the opportunity to get in the required hours in the higher-motored planes.

When this program was set up the Air Corps had two standards of physical requirements; one for combat pilots and another for noncombat flying, the latter covering the flying instructors and the ferrying pilots. The Air Corps accepted men between 18 and 27 years of age in this C. A. A.-W. T. S. program who could not pass the combat-pilot physical examination. They were made instructors or taken in as trainees. Those men between the ages of 18 and 27 years who passed the combat-pilot physical examination were accepted as cadets in the Air Corps. Some men were rejected as combat pilots because there were one or two digits of a finger missing, or because of flat feet, or disfiguring scars which in no way disqualified the men as flying officers, instructors, glider pilots, and trainees for the various flying branches. It is this group that we are trying to keep in the service, which can do the job of flying military airplanes that the WASPS are now doing.

Under existing War Department regulation, the instructor and trainee groups which were accepted under the physical standards for noncombat flyers are now being rejected because they cannot pass the combat-pilot physical examination. This does not seem fair to me. Officials of the Air Corps knew when these men were accepted as instructors and trainees that they could not pass the combat-pilot physical examination but did have the physical qualification to meet the requirement for noncombat flying. They are all qualified pilots with many thousands of hours in the air and I believe their services should be utilized.

Mr. MAY. Will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from Kentucky.

Mr. MAY. I think the gentleman made a statement that perhaps may be misunderstood.

Mr. HARNESS of Indiana. I hope I did not.

Mr. MAY. The gentleman said something about an amendment that was authorized by the committee having been changed. The gentleman does not mean to say that the amendment has been changed since it was approved by the committee?

Mr. HARNESS of Indiana. I am sorry the gentleman got that impression. I did not intend to say that. What I said was that the original Brooks bill which was introduced and considered in our committee is not the amendment that the gentleman has been directed to offer. The amendment that the committee directed the gentleman to offer was written in the War Department, and approved by the War Department.

What does it do? It says that any enlisted member of the Army of the United States, on active duty status, who has satisfactorily completed, under the Civil Aeronautics Administration war training service program, and before the termination thereof on January 15, 1944, and so forth. That date was not in the Brooks bill and it would completely eliminate several thousand men who have been engaged in this program since January 15, 1944.

Mr. DURHAM. Will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from North Carolina.

Mr. DURHAM. Certainly the gentleman would not advocate taking into the Army a bunch of men who were disabled to begin with and who would immediately draw compensation?

Mr. HARNESS of Indiana. No; of course not.

Mr. DURHAM. Many of these men do.

Mr. HARNESS of Indiana. I have maintained throughout this discussion that I would not in any manner reduce the standards, either mental or physicial, but maintain the same physical standards that prevailed when these men were accepted. By doing this we will not eliminate several thousand trained pilots that the War Department has been using as instructors for several years, and who have trained thousands of combat pilots that are now serving in active theaters throughout the world. By changing the physical standards now these trained flyers will be put in the Ground Forces. Millions of dollars spent in training them will have been wasted, and I just cannot see where it makes sense.

Mr. DINGELL. Will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from Michigan.

Mr. DINGELL. As a matter of fact, is it not true that if we permit the Army to change the standards now the Army will be able to circumvent the wishes of the Congress in this particular instance?

Mr. HARNESS of Indiana. Certainly. I am not objecting to them taking the WASPS into the Army, I am not objecting to them utilizing the services of the women flyers, but I do believe in simple justice and in economy. We should utilize the services of these men who have been trained, who have from 800 to 4,300 flying hours and who because of some minor defect physically were not qualified to go into the combat pilot training but were taken into this program. I do not believe they should be washed out now by requiring them to take the combat pilot physical examination.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MAY. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. COSTELLO].

Mr. RANDOLPH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RANDOLPH. Mr. Chairman, I would like to inquire as to the time remaining.

The CHAIRMAN. There will be 11 minutes remaining after the gentleman from California [Mr. COSTELLO] concludes his remarks.

Mr. COSTELLO. Mr. Chairman, I think I should reply briefly to the statements that were just made by my colleague the gentleman from Indiana. He referred to the possibility of the Army Air Force changing the standards of the game after these men have been brought into the service. It is not the intention of the Army to change any standards whatever. They are not going to change any standards, but they are going to maintain them. I do not think there is a single Member in this House who would ask the Army to bring into the service men with physical defects and commission them as lieutenants when they have denied to hundreds of thousands of others who have endeavored to get into the Air Forces during the past 3 or 4 years the privilege of coming in because they had similar defects.

The fact is that the only change that has gone into the Brooks bill as originally written and as approved by the War Department is the following language:

shall when found qualified by the Army Air Forces to meet the requirements prescribed for flying officers by the Army Air Forces, be commissioned.

We have always demanded that they should do that. Any man applying for a commission should meet the regular standards. The Army is not changing them. As a matter of fact, if anything, these men are being given a class 2 investigation so that they come in as ferry

pilots and into other noncombat flying activities.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. COSTELLO. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. If that statement be true, then there certainly should be no objection to my amendment, because my amendment provides that they should meet the standards of the War Department, but that the physical standards should not be raised on these men after they have once been taken in. If the gentleman says that they are not going to do that, then what is the objection to writing that into the bill?

Mr. COSTELLO. I believe the language that the gentleman refers to is that the standards shall be——

Mr. HARNESS of Indiana. The physical standards.

Mr. COSTELLO. The physical standards shall be the same as those required at the time they went into training. Remember that these men were brought into the C. A. A. program, not the Air Forces, for one purpose. They were to be trained as instructors in an expanded Army Air Forces pilot-training program. They were not coming into the Army Air Forces as pilots in any category. They were to be used as instructors, and generally instructors in civilian schools, because the Army anticipated that their losses over Europe, in the way of aviators, was going to be tremendous when they started these mass raids. To their surprise they found they were far less than anticipated, and for that reason it was incumbent upon the Air Forces to reduce the pilot-training program. For that reason it was not necessary to continue the training of these men who were going to be instructors in an expanded program. That is the reason these men have been eliminated. Any man who was to do the work of instructing solely did not have to measure up to the physical requirements that were required of men going out into combat. If the gentleman wants to change the requirements, he is going to find men in there who are suffering from eye disorders, totaling 126; 90, underweight; heart disease, 15; varicose veins, 23; hernias, 29; amputation of the left toe. There are any number of diseases and disabilities that these men suffered with and now have, and whom he would bring into the service. If you are going to give commissions to them, regardless of physical disabilities, you are going to work an injustice upon hundreds of thousands of others who will be denied the opportunity to get into the service.

Mr. MORRISON of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. COSTELLO. I yield to the gentleman from Louisiana.

Mr. MORRISON of Louisiana. I think a very important point that is being missed here is the fact that the Brooks bill only provides for trainees, whereas there are 5,000 instructors that would be left out. Those that are left out are taken care of in the Harness amendment.

I would also like to ask the distinguished gentleman this question: I believe if he will check up he will find that most of these pilots have been discharged either on account of poor eyesight or heart trouble, and are no longer useful for any flying activity. I am sure the gentleman will agree with this, that only men who are physically qualified should fly planes.

Mr. COSTELLO. Certainly only those who are physically qualified should fly planes, but under this amendment we could bring them all in and that is what we do not want to do. We do not want to change the physical requirements in the Army for this purpose. The amendment which Mr. Sparkman plans to offer will take care of the instructors as well as the trainees, and it should be adopted.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. COSTELLO. I yield to the gentleman from Idaho.

Mr. WHITE. What is it that these women are qualified for that these C. A. A. pilots cannot do?

Mr. COSTELLO. The C. A. A. pilots can qualify, probably, for many of the same jobs, but what the Army needs now is fighting men.

Mr. WHITE. And the gentleman wants to take these men out of the flying corps and put them on the ground?

Mr. COSTELLO. No.

Mr. WHITE. That is the meat of the coconut, is it not?

Mr. COSTELLO. No. If the men are qualified to fly planes, we want to put them in the Army flying planes. If they cannot qualify to fly planes, we want to put them in as Army navigators and bombardiers. We want to use every man that is qualified.

Mr. WHITE. The gentleman does not contend that these women can qualify for anything that these C. A. A. pilots cannot do?

Mr. COSTELLO. I decline to yield further to the gentleman from Idaho.

Mr. WHITE. The gentleman cannot answer the question.

Mr. COSTELLO. I simply state that these women are not going to displace any men. The Army Air Forces can use all of the 8,000 men who were instructors and trainees as combat pilots today if they were qualified, and can use them as ferry pilots. Since that number would supply merely a 2 months' program of replacement and nothing more. That is all that this whole controversy amounts to. All these instructors and trainees will merely give us a supply for a period of 2 months, and no more. You can rest assured if the Army can use these men as pilots, they certainly will do so.

Let me call your attention to this one fact. The sole purpose of this bill is simply this, to take these women who are now with the Army Air Forces in a civilian capacity and convert them into a military capacity. That is the sole purpose of the WASP bill, and nothing else. This should be done, because these women at present are denied hospitalization; they are denied insurance benefits, and things of that kind to which, as military personnel, they should be entitled, and because of the work they are doing, they should be receiving at this time. Likewise, these women then would be subject to military discipline.

May I point out that right now the Government can go out and spend $12,000 for training one of these women and, if you do not pass this bill, she can quit after she receives that training. You have spent $12,000, and you do not have anything to show for it. If we make them part of the military, we will retain them as part of the military, and they will be subject to military discipline. That is very necessary. Might I emphasize that the cost of training one of these women is no different from the cost of training a man. It is approximately $12,000 for each, whether they go through Randolph Field or whether they happen to go through the women's pilot training program. The cost is approximately the same. The cost for uniforms is the same. There is actually no difference. The casualty rate is approximately the same. There has been no difference whatsoever between the men and the women.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. COSTELLO. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. What is the total number of WASPS to be trained under the bill and what is the estimated cost? None of that information has yet been given the Members, and that is the fundamental purpose of this bill.

Mr. COSTELLO. The estimated cost of training a single WASP pilot is $12,000.

Mr. BATES of Massachusetts. For the program, I mean.

Mr. COSTELLO. The program, as I understand, is to train approximately 2,500. Perhaps the gentleman's mathematics is better than mine, so just multiply 2,500 by $12,000, and you will have the answer. The figure is far from the hundreds of millions of dollars which has been stated previously on the floor. It is only $30,000,000.

Mr. BATES of Massachusetts. The reason I raise the question is this: Yesterday I asked the same question as to the need of training WASP women pilots. When General Arnold appeared before our committee he said that they were closing out these schools because they had about reached the peak. As the war goes on, a lot of other activities will be stopped.

Mr. COSTELLO. That is right. The Air Forces are leveling off the pilot-training program so that it will provide the replacements only which are needed to maintain existing strength.

Mr. BATES of Massachusetts. And this very week we are advised by the Navy that their pilot-training program is going to be substantially reduced; no more boys taken from civilian life, and those who are in the service under training now are going to be eliminated in very substantial degree.

Mr. COSTELLO. I do not know what the Navy may be planning nor how excessive their program may have been. This is part of the program of the Army

Air Forces. It is the hope of the Army Air Forces to replace the men pilots in this country with women pilots as far as possible in order that the men pilots in this country can be released and sent overseas, for active duty in combat theaters where the women will not be sent.

Mr. ANDREWS of New York. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, this bill, of course, is merely a bill to take the WASPS into the Army and to give them the benefits thereof. There have been brought into the discussion two very important considerations. The first is: What is being done or have we done or are we going to do with those persons who have contributed so materially to the C. A. A. instruction program? I think another misunderstanding on the part of a great many Members is partially due to the fact that many young men throughout the country were within that group of 36,000 to 40,000 who were transferred from the Air Corps to the Army Ground Forces. A great many Members with whom I have talked reveal instantly that their objection is first on one hand and then on the other. I think a good deal of objection harbors itself in the transfer of the 36,000 or 40,000 to the Ground Forces.

I should like to take a few minutes to picture that situation to you. As we all know, we were hopelessly unprepared for the size and magnitude of the air war we are in and the terrific development that has been brought about. General Arnold testified before the Committee on Military Affairs that in order to rush this program and develop the men who are now carrying this terrific program in Europe, in Normandy, and in the South Pacific, at one time last year we were turning out trained bomber pilots at the rate of 110,000 a year.

Some time before the air war became rampant in the Mediterranean and over Europe he had to fix a figure on which to base his entire program for the future, and that figure was set at a casualty rate of 20 percent for casualties of all types. Our experience in the African theater revealed that the casualty rate was not over 7.5 percent, and that was maintained pretty consistently throughout Italy. As against the 20 percent estimate for Europe, our casualty rate has not exceeded 13 percent up to April 1. The result is that we found ourselves in the Army Air Corps overquotaed, you might say, looking to the future supply of trained pilots. General Arnold said it was a very fortunate situation to have it that way and not the shoe on the other foot. If he had not made such preparation he undoubtedly would have heard from the Military Affairs Committees, the Congress, and from the people of the country. The Air Corps has what is known as a pipe line, starting when the men first come into the Air Corps and ending when they are turned out finally as four-motored-bomber pilots. It is a fact that in our whole officer program the Army Air Corps, the Navy Air Corps, and the Marines had the cream of the crop of the young men of this country and all the other branches of the service suffered in quality, particularly the Army Ground Forces, so often referred to as the Infantry, whereas they include the Artillery, the Engineers, the Signal Corps, and others.

We got behind on our selective-service quotas and through pressure from all over the country, some of it coming from the Congress, they said, "You shall not take the married father over such and such an age. You shall not take this man." So here were the Air Corps of the Army, the Navy, and the Marine Corps taking the best in quality of the young men between 18 and 24, with the result that within the last 6 or 8 months or a year the Army Ground Force found itself without quality in young leadership, that virile leadership which is absolutely essential to the development of strong Infantry outfits.

General Marshall felt severely the need for this type of young men coming into our regiments—and they were not there, and General Arnold recognized this need—so, with a great oversupply of young men in the original stages of the pipe line, he transferred 36,000 men to the ground forces.

You say you will not change the rules in the middle of the game? We are in war. You very often have to change the rules of the game in the middle of a war in order to win. What are we in the war for, anyway?

I have not had much complaint from the fathers of these young men when I explain the situation. These men were transferred to the ground forces because they were needed there, because young men of that mental caliber were needed to make noncommissioned officers and future officers, because it was found that our replacement regiments in this country who have not gone overseas yet were far lacking in that vital and necessary quality. That is the reason for the 36,000 being transferred.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of New York. I yield to the gentleman from Idaho.

Mr. WHITE. How many of these men who are taken into the Ground Forces from the Civil Aeronautics training will go in as officers?

Mr. ANDREWS of New York. Many of them, if they can qualify. If the gentleman will be good enough to read pages 4, 5, and 6 of the hearings, he will find there a complete statement by General Arnold on the C. A. A. instructorship feature. There is a complete statement of that there.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MAY. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama [Mr. SPARKMAN.]

Mr. SPARKMAN. Mr. Chairman, it has been my purpose to offer an amendment to this bill to take care of the instructors. The gentleman from Indiana has discussed the amendment which he proposes to offer, which likewise includes the instructors but goes further than my amendment. Personally, I should like very much to see these matters voted on separately in order that, in the event it should be decided by the Committee that we should not legislate on physical requirements, we still would be able to get these instructors in under this bill. There are 5,882 of these instructors. Many of them have had 2,000 or 3,000 hours of flying. They are certainly entitled to some consideration.

The gentleman from Louisiana [Mr. BROOKS] plans to put in the RECORD, I understand, a letter that was written by General Giles of the Army Air Forces to Senator JOHNSON of Colorado on June 8 of this year in which he states that it is estimated that 90 percent of these instructors can qualify.

The requirement for flying time has been set entirely too high, requiring them to have at least 200 hours of flying time in machines of 200 horsepower or above, whereas I understand that the WASPS would be eligible with only 35 hours. In my amendment I have provided that if any instructor fails to have the required amount of flying time, the Army Air Forces will afford him additional training in order that he may qualify.

The only thing I have left out of my amendment is that part relating to physical requirements, because I feel that probably we ought not to legislate in that particular respect. We have the assurance from General Giles that no discrimination will be shown against these people, and the estimate is made that at least 90 percent of them will qualify physically.

Mr. COSTELLO. Mr. Chairman, will the gentleman yield?

Mr. SPARKMAN. I yield to the gentleman from California.

Mr. COSTELLO. My understanding is that the War Department now is taking these officers in, and, if they have only 50 hours, they will be given additional time to make up the 200.

Mr. SPARKMAN. That will be the requirement in my amendment.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. MAY. Mr. Chairman, I yield myself the remainder of the time.

Mr. Chairman, in the 3 minutes I have remaining I am not going into the details of this legislation. I hardly think it is necessary for me to say to you whom I am addressing at this time that over a period of several years I have been here asking you to vote for one measure or another in order to carry on this war. I brought here a bill that required you to pass on the question of whether or not you would induct the young men of this country into the Military Establishment. I brought several pay bills and other bills here. In every one of those instances I was reluctant to do it until I was convinced that it was necessary that it be done.

I was out of sympathy entirely with the idea of having the WACS and the WAVES to begin with. Perhaps I have some old-fashioned notions about that. But when such men as General Marshall, General Arnold, and the Secretary of War have come to me with the statement that it is essential to the prosecution of this war that they have a certain piece of legislation, I have been

pretty consistent in following that advice. I think that is the kind of advice the House of Representatives should follow.

I today would do anything I could to make whole anyone of the Civil Aeronautics personnel who may have been disappointed, but I do not think any of them have been mistreated. A great many of them have been discharged for disability. A great many of them have been utilized. Let me say in defense of the War Department, when you talk about the retirement of these men to the Ground Forces or to the Infantry, I can tell you exactly who is responsible for that. The Military Affairs Committee of the House brought it on. We were receiving communications from all over the country, from mothers, saying that it is not fair that this young man or that young man should remain in the A. S. T. P. school somewhere, while the war was being fought, and that it would be over before they were through with their schooling. We were criticized, and the sentiment throughout the country was that it was not fair. Then we called General White before the committee, and as a result of those committee hearings that action was taken, as well as for the very valid reasons stated by the gentleman from New York.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from New York.

Mr. ANDREWS of New York. Is it not also true the A. S. T. P. program was set up partially because of the desire of Congress and of the people to help some of the poor little nonendowed colleges to get along?

Mr. MAY. I was one of the leaders trying to help the small schools of this country who are not able to finance themselves because of the wartime conditions. All of our committee were deeply concerned over the plight of the schools and colleges throughout the country. Let me point out here that unless this legislation passes with the committee amendment known and referred to as the Brooks amendment in it, as I hope it will be, there will be no relief for the group of young men known as the C. A. A. trainees. I hope the members will think before they act in haste.

The CHAIRMAN. All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That for the period of the present war and for 6 months thereafter or for such shorter period as the Congress by concurrent resolution or the President by proclamation shall prescribe, there may be included in the Air Forces of the Army such female commissioned and flight officer personnel and female aviation student personnel as the Secretary of War may consider necessary. The qualifications, duties, and assignments of such personnel shall be in accordance with regulations to be prescribed by the Secretary of War. No officer shall be appointed to a grade above that of colonel and not more than one officer to that grade, and the right of commissioned or flight officers to exercise command shall be specifically limited to personnel placed under their command.

Mr. MORRISON of Louisiana. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MORRISON of Louisiana: On page 1, line 9, insert before the period a comma and the following: "but not to exceed 1,500."

Mr. MORRISON of Louisiana. Mr. Chairman, I ask unanimous consent to have 5 additional minutes in order to explain this amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. MORRISON of Louisiana. Mr. Chairman, this amendment provides that the entire membership of WASPS should not be over 1,500. The Ramspeck committee investigated the whole situation thoroughly. They said that to have a personnel in the WASPS of 2,500 members it would cost $50,000,000. At one time General Arnold said he hoped the WASPS would get up as high as 5,000. Five thousand WASPS according to the Ramspeck committee would cost $100,000,000. At the present time there are in training and in process of being trained, approximately 1,000 WASPS. This amendment gives them an additional 500 WASPS which, according to the Ramspeck committee, would cost approximately $30,000,000.

There is plenty of flying male personnel already trained in addition to this 1,500. If you Members would limit this WASP bill to 1,500, then 7,500 men, 2,500 trainees and approximately 5,000 instructors, that have from 200 hours up to 4,000 hours could be utilized with very little additional training for many things that the WASPS themselves could not do. I do not believe we as Members of this Congress should ever go on record for unlimited duplication. Fifteen hundred WASPS would cost the taxpayers more than $30,000,000, or if the program goes to 5,000 it would cost $100,000,000. Yet we have a pool of 7,500 WTS trainees and instructors who will not cost a dime more to train that can serve in the Air Force to greater advantage than the WASPS. I do think, however, that a few of the committee do not know the exact facts when they mention this 35,000 or 36,000 that were returned to the ground forces. They have nothing at all to do with these 7,500 W. T. S.-C. A. A. instructors and trainees. They number approximately 7,500 up to the present time. The Ramspeck committee made an important and thorough investigation and found that these 7,500 men have not been screened properly, that they have been screened prejudicially by the Army Air Forces, and that they have not been given a square deal nor their flying ability utilized. As an example of the method of screening here is one of the questions that were asked them. They were asked, "Would you qualify for combat duty?" Well, naturally, if they could have qualified for combat duty they would have already been in combat duty. So when they could not qualify for combat duty, because most of them were over the age of 26, but they were still good flyers and could do anything else except fly in combat duty, the War Department said: "You answered 'no' so we cannot use you in combat, so we do not want you." On the other hand, if these instructors and trainees answered, "Yes; we will qualify for combat duty," then the War Department turned around and said, "You are not eligible and therefore you are out." It is just like a politician asking you, "When did you stop whipping your wife?" These men have not been screened properly. Those are not only my words but the words of the Ramspeck committee. All this screening was prejudicial and the proper utilization of these men was far from being accomplished.

I do not believe there is a Member of this House who has gone into this matter as fully as I have. I know very few have had the enormous amount of contact with WASPS, with instructors and with trainees, as I have had. I want to go on record right here as saying I am not against WASPS. If they are essential to win this war I say we should make provision for 10,000 or 20,000 of them, but I do think that with the situation as it stands, with the facts that have been brought out that the Navy is reducing the personnel in their flying training schools, we should certainly curtail this program which I believe, and I assure you, is a duplication to the extent of at least 1,500.

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. MORRISON of Louisiana. I yield.

Mr. THOMAS of New Jersey. Will the gentleman tell the Committee how many C. A. A. pilots are willing to go into the Army?

Mr. MORRISON of Louisiana. Everyone of the C. A. A. pilots and W. T. S. training men not only want to go into the Army, but they expected to go into the Army with a commission. They were promised a commission or a chance to get a commission as second lieutenant. They have not gotten it. They have not been given an opportunity to get it. They have gotten a raw deal and this WASP program makes it worse.

Mr. THOMAS of New Jersey. Will the gentleman also tell the Committee what pay the C. A. A. pilot has been getting?

Mr. MORRISON of Louisiana. When these C. A. A. pilots started they did not get anything except $50 a month and room and board. Many lost their homes and lost their automobiles and almost lost their wives, because when the money situation became so acute they had to go and live with their own families. After about 8 months of sweating it out these instructors were given $50 a month on a retroactive basis, which was an average of about $250. Then later Congress ordered them to be paid $150 a month as instructors at these various contract schools.

Mr. THOMAS of New Jersey. Is it not true, though, they are getting much more now as instructors than they would as second lieutenants?

Mr. MORRISON of Louisiana. No; that is not correct. Here is the way it works out with reference to the money. Today they are getting $150, but the

schools are all closing up at the end of this month. A lot of schools closed last January, and many of these instructors with 1,000, 2,000, and 3,000 hours of flying time are on unemployment insurance compensation. There are more schools that are going to close up in August. The WASPS are getting $150 a month while they are in training and $250 a month after they are commissioned.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MORRISON of Louisiana. I yield.

Mr. BATES of Massachusetts. According to the evidence we received only yesterday from the Navy Department, they have a surplus of pilots and they are going to very rigidly reduce the aviation pilot training program starting next week.

Has the gentleman any knowledge that there is a shortage of pilots in the Army? Furthermore, why cannot these combat pilots, after many missions in the war area, come back here and do this work that these WASPS are being trained to do?

Mr. MORRISON of Louisiana. The testimony of the Army officials is very inconsistent. On one hand they say there is a shortage of manpower. Then when we speak of these instructors and trainees and combat pilots who have come back they say they have too many pilots. I believe they could take these 7,500 men and utilize them properly and have all the ferry pilots and training pilot instructors that they want and they would not need this WASP program. But they have already spent $20,000,000 on this WASP program and have 1,000 in the organization already. I believe if we would limit it to 1,500, perhaps that might be the best solution, provided they utilize these instructors and trainees. Here is an important point. Most of the instructors and trainees today have more training at this time, more hours in the air, than the WASPS will have when they complete their training. In other words, the WASPS will have 200 hours when they finish, and these instructors and trainees today have all the way from 200 to 4,000 hours, and they can do a lot of things that the WASPS cannot do.

Mr. SIKES. Will the gentleman yield?

Mr. MORRISON of Louisiana. I yield.

Mr. SIKES. I want to commend the gentleman for his splendid statement. Is it not true that in the early stages of the C. A. A. and W. T. S. program the trainees received no compensation?

Mr. MORRISON of Louisiana. That is correct.

Mr. SIKES. A maximum of $50 for 8 months has been given to them and many of them have served as long as 18 months, but they only received $50 for 8 months.

Mr. MORRISON of Louisiana. That is true as far as some trainees are concerned, but after they were made instructors they received $150 a month at these private contract schools.

Mr. STEFAN. Will the gentleman yield?

Mr. MORRISON of Louisiana. I yield.

Mr. STEFAN. In order to relieve the hardships which these particular instructors were experiencing, this House had to pass special legislation to get them an even break with other trainees?

Mr. MORRISON of Louisiana. That is correct.

Mr. STEFAN. They had to live at their own expense and use C. C. C. uniforms? Even the C. C. C. uniforms were hard for them to receive.

Mr. MORRISON of Louisiana. Yes; all they could get was a C. C. C. outmoded wood-tick coat that was worth probably about $10, and the WASPS are getting their uniforms tailor-made on Fifth Avenue in New York City at $500 per WASP.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. MORRISON] has expired.

Mr. VORYS of Ohio. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I started to fly 28 years ago. I flew on active duty with the Civil Air Patrol 2 years ago. I have piloted a B–24 within the past year. From my experience in flying I know that one of the most disastrous steps, as far as human life and the war effort is concerned, is for this House to attempt to write physical standards for flying, on the floor of this House. This amendment is an attempt to write physical standards by having this House——

Mr. MORRISON of Louisiana. Will the gentleman yield?

Mr. VORYS of Ohio. I cannot yield. This is an attempt to write physical standards into this bill by saying that the physical characteristics of women are such that we need just 1,500 of them.

When my dear friend the gentleman from Indiana [Mr. HARNESS] offers his amendment it will be an attempt by this House to write physical standards into this bill by requiring standards that are now outmoded. I have seen in my day many mistakes made, both in civilian and military aviation, in determining physical standards. Then they changed them. Experience proved what was needed. But if we are going to try to write physical standards by act of Congress, it will be most disastrous.

We have had hearings by a couple of committees and they have come to the conclusion that there are certain groups of pilots that are physically qualified, that the Army says are not physically qualified for military flying. Mind you, I do not say combat flying. What we are talking about in all of this is military flying of various kinds, including combat flying. Many people who do not know anything about flying think that there is something so mysterious and wonderful about being able to fly an airplane that anyone who can fly should be given a job flying in the Air Corps. Those same people do not say that just because a person can walk he is competent to go into the Infantry.

This whole situation arises from the fact that while women can fly well they are not fitted to go into the Ground Forces as combat troops. It also arises from a situation, an extremely fortunate situation, in that we builded better than we knew when we constructed our Air Force and we made allowance for greater losses than the enemy inflicted.

Mr. MAAS. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I do not yield at this time. This situation also arises from the fact that our enemies, through their methods of warfare, made it necessary that we have greater Ground Forces than we had expected and smaller Air Forces, in number, than we had expected. Our military needs are determined not by the desires of our men for particular branches of the service but by the demands forced upon us by our enemies, in order to overcome their resistance.

Women can qualify for flying and they cannot qualify for ground fighting. When I brought my license up to date 2 years ago I was checked out by a woman instructor. She had a C. A. A. instructor's license. It was degrading to me at that time that I had to have a woman pass on my flying qualifications when I had flown before she was born. But, as a matter of fact, I found out while on active duty that she was a very competent flyer. I have found out, on a number of airfields in the past few months, that the flying people grudgingly admit that these girls can fly and do the kind of flying that they are assigned to do, and therefore in some way release a man, to do what? Release a man some place along the line to fight in the air or on the ground. As to these 37,000 air cadets who were in training, who were promised directly or indirectly, that if they qualified in certain respects they would be taken into the Air Corps and receive commissions and as to the 110,000 in A. S. T. P. who received assurances and promises, directly and indirectly, that if they qualified they would receive commissions——

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. VORYS of Ohio. Mr. Chairman, I ask unanimous consent for 5 additional minutes.

The CHAIRMAN. Is there objection?

Mr. MAAS. Reserving the right to object, will the gentleman yield if he gets another 5 minutes.

Mr. VORYS of Ohio. Yes; I will yield.

Mr. MAAS. Then I withdraw my reservation of objection.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MAAS. Will the gentleman yield?

Mr. VORYS of Ohio. Not at this point.

Mr. MAAS. If the gentleman does not mind, I will stand until he gets ready to recognize me.

Mr. VORYS of Ohio. Very well. I will finish my statement and then I will yield.

Mr. STEFAN. Will the gentleman yield for a correction on some of the figures?

Mr. VORYS of Ohio. Please let me finish my statement and then I will be glad to yield.

As to the promises that were made to various people in both the Army and the Navy that if they did certain things they would receive commissions or would receive certain assignments, I think those promises were indefensible, for no one could guarantee that our needs would

justify commissioning these persons in the exact branches they sought when they finished their training, and no one could justify issuing commissions that are not needed.

Promises have been made by recruiting officers, and official promises made which were indefensible. The fact remains, however, that the necessities of war are such that we do not dare impede the war effort to comply with promises to put people into places where they are no longer needed in the war effort. Involved in the proposed amendments to this bill is the attempt to carry out policies that the fortunes of war have determined are no longer necessary. I therefore hope that with the exception of the Brooks amendment we proceed to permit the women to get into the Army Air Forces and do the sort of flying they can so as to release men for combat service.

Mr. MAAS. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I now yield.

Mr. MAAS. Does the gentleman from Ohio believe we ought to spend millions of dollars training these girls to fly until those men who are already qualified to fly are absorbed into the service?

Mr. VORYS of Ohio. Who says those men are qualified?

Mr. MAAS. The C. A. A. says they are qualified. They are already flying. They have trained hundreds of thousands of persons to become pilots.

I want to ask the gentleman also if he does not believe that the physical standards required by the C. A. A. do not qualify these men to do utility flying, which is what the girls are going to do?

Mr. VORYS of Ohio. I believe that the standards to be applied by the Army will be such that we shall be able to use all from that reservoir of pilots who are qualified to do utility or any other type of flying.

Mr. ELSTON of Ohio. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield.

Mr. ELSTON of Ohio. The gentleman from Minnesota evidently does not realize the fact that these men in the C. A. A. program who are qualified to go out and fly these planes will be commissioned by the Air Forces if they possess the necessary qualifications.

Mr. VORYS of Ohio. That is correct.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I now yield to the gentleman from Nebraska.

Mr. STEFAN. I merely wanted to correct the gentleman's figures. He said there had been 100,000 trainees. During the past 5 years we had 400,000 trainees flying 11,230,000 miles in the civilian program.

Mr. VORYS of Ohio. The figure I referred to was 37,100 in the Air Corps who were transferred to the Ground Forces.

Mr. STEFAN. The gentleman is wrong again; the number is 27,804.

Mr. POWERS. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield.

Mr. POWERS. I am very, very happy to have the gentleman make the statement that the House of Representatives today is trying to write in the physical standards of the aviators for the Army. Hap Arnold is running this program for the Air Corps. He has done a damn good job. Now, let him continue to do it.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield.

Mr. BATES of Massachusetts. I want to ask the gentleman from Minnesota [Mr. MAAS], who perhaps is the most experienced pilot in this House, not only having World War No. 1 experience but having actual war experience in the combat areas in the South Pacific in the present war——

Mr. VORYS of Ohio. The gentleman is correct. The gentleman from Minnesota is our most experienced pilot.

Mr. BATES of Massachusetts. Let me ask the gentleman from Minnesota this question in regard to men doing the flying being performed by these women pilots: Are not men in the combat areas coming back unfit for further combat flight but perfectly capable of doing this work?

Mr. MAAS. Certainly.

Mr. VORYS of Ohio. Let me say to the gentleman from Massachusetts——

Mr. BATES of Massachusetts. I asked the gentleman if he would yield for me to ask a question of the gentleman from Minnesota. I want him to answer it.

Mr. VORYS of Ohio. I will give the answer myself. Those men who are sent back from combat flying are sent back because they are through being combat pilots. I know of instances, very tragic ones, where they have been put on test pilot work that they were not fitted for, and have been killed. Many of the men who are through with combat flying are in no shape to do this utility flying.

Mr. BATES of Massachusetts. We appreciate that, but there are hundreds who are qualified.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. WHITE. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman from Idaho [Mr. WHITE] moves to strike out the last word and is recognized for 5 minutes.

Mr. WHITE. Mr. Chairman, the gentleman from Ohio [Mr. VORYS] is presenting the House with a very novel proposition, that is, that a simple amendment to limit the number of these WASPS is to be interpreted as setting up physical standards. He might just as well say that Congress, in fixing the number of cadets who could attend the Military Academy at West Point and the Naval Academy at Annapolis, thereby had fixed the physical qualifications of the appointees. I would say that is a rather far-fetched proposition.

I want to read some excerpts from the Ramspeck report, a report of the Committee on the Civil Service concerning inquiries made of certain proposals for the expansion and change in civil-service status of the WASPS. This committee made a very thorough investigation.

It has been proposed to take out these Civil Aeronautics trainees and substitute untrained women for these men, some of whom have had 5,000 hours in the air in every kind of flying, the same kind of flying these women will be trained to do at very heavy expense to the Government.

The first thing I want to ask the House is: What can these women be trained to do that these Civil Aeronautics pilots cannot do now? That is what we should like to know. Let me read you how much money has been spent on this Civil Aeronautics training program. In testimony before the committee the aggregate of all these appropriations was given as $273,359,225 for the period ending at the time that report was made, which was over 6 months ago.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. WHITE. Briefly; I want to use my own time.

Mr. STEFAN. That $273,000,000 is since 1940.

Mr. WHITE. I know, but that does not come down to date; we shall have to add quite a lot of money if we are to bring the figures down to date.

Mr. STEFAN. That is the total from 1940 to date.

Mr. WHITE. Not to date but the date of that hearing.

Let me read you something about the qualifications and standards and the changes they have made:

> The age limit has been reduced from 21 years to 18½ years.
>
> Required hours in the air have been reduced from 500 to 35 hours, dual or solo.
>
> Smart uniforms, designed by John Fredericks and Carmel Bros., are furnished at Government expense. The War Department is presently encumbered with over one-half million dollars ($505,014.72) for these ensembles.

We have spent over half a million dollars already getting these WASPS uniforms, but I presume that is only a little bagatelle. I continue reading:

> Salaries of $150 monthly plus overtime are paid trainees. Upon graduation WASPS are paid $250 per month for services performed for the Army Air Forces.

There is another little item I should like to read you from page 8:

> (a) After a year of operations, only 3 of the 285 WASP pilots with Air Transport Command are qualified in class 5 (4-engine bombers and transports). It is our information that all 3 of these top-flight WASPS were qualified aviators with more than a thousand hours each before they joined the original WAFS. It is understood that another WASP pilot of long experience is eligible for this class 5 rating. Of the 532 WASP pilots, apparently less than 1 percent are qualified to handle this type of equipment.
>
> (b) An additional 11 WASPS are qualified in class 4; 5 of these are original WAFS and the other 6 had 200 or more hours of flying before they joined the WASPS.

Let me read you something about qualifications which the gentleman from Ohio stresses. The gentleman from New Jersey said they were doing a damn good job. I will say they are doing a damn good job. I read:

> The training and operations of WASPS brings into focus a related situation of definite interest to this committee. The standards for acceptance for training as service pilots differ for men and women.
>
> In the case of the WASP recruit, the standards have been lowered to 35 air hours (dual

or solo). Accepted WASP recruits are given 6 months' training of approximately 200 hours. The graduate WASP is qualified to operate a class 1 plane. It should be kept in mind that the WASP graduate has approximately only 235 air hours.

In view of the above scant requirements, it cannot be understood why a qualification of 1,000 or more hours, 200 of which must be in planes of 200 or more horsepower, is required and insisted upon as a prerequisite to acceptance of the now available male instructors.

The CHAIRMAN. The time of the gentleman from Idaho has expired.

Mr. STEFAN. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, there is much to be said for the women who are flying as civilians with our Army Air Corps. They are known as WASPS. They have done an outstanding service as transport pilots. I know that many of them are as good flyers as some of our men. Whether there should be 1,000 of them and if they should be made commissioned officers is a question which is contained in this bill and upon which the House must vote. I for one wish to commend these wonderful American women for the great service they are rendering.

The other question in the bill is that of several thousand men instructors who have also rendered great service to our Nation in time of war. I know that they have undergone real hardships and perhaps some of them have been discriminated against due to the fact that the W. T. S. program has terminated and some of them are in danger of losing their connections with flying in spite of the fact that they have had many hundreds of hours of flying experience. Whether they should all be commissioned in the Army is also a question which will come up in this debate, and I want to do my part in giving these fine men what aid I can. How they shall be commissioned and what tests they will have to pass by Army regulations will have to be determined by the Army officials charged with the prosecution of the war. I am hopeful, however, that something will be done to give these instructors some real consideration. I have talked in their behalf on this floor many times. Others want to discuss that phase of the bill. So at this time I wish to confine my remarks to the civilian aviation training because the matter has again been brought up.

The gentleman from New York has just stated that perhaps the colleges and schools where this civilian training has been going on had some mercenary motive in getting these programs. I challenge that statement because the colleges and schools were called upon at a time in our Nation's crisis to open their facilities to train these aviation students at a time when the Army needed aviators to prosecute the war. We had very few fighting pilots in the Army and Navy at that time. The colleges and schools rendered a great service, and the results have been highly gratifying. The students and graduates from these colleges and schools have become some of the outstanding heroes of this war. Previously I placed in the RECORD long lists of names of graduates from some of these colleges and schools who have won from one to nearly a dozen decorations for bravery and outstanding service to our country in this war. There is also the great value of the teaching of meteorologists, engineers, medical students, and others in these colleges and schools. Certainly the colleges and schools of our country should not be criticized.

I hope there was no attempt made by previous speakers who gave little or no credit to the civilian pilot training program. I feel I am qualified to talk about that because I have worked for half a dozen years on that program and know practically all of its details and most of its results. Because I studied closely the philosophy of the late Billy Mitchell, I determined in my mind some years before Pearl Harbor that aviation would be the solution to future wars. I worked many months on civilian pilot training programs before war came to us. As a member of the committee which deals with the appropriations for the civilian aviation activities, I fought successfully for the training of civilians in aviation. Sometimes that fight was faced with many obstacles. On this program we expended nearly $300,000,000 with amazing results. That amount of money is small compared to billions spent later. So successful was this program that before Pearl Harbor we had a gigantic reservoir of flyers from which the armed forces drew at a time when they needed flyers desperately. The flyers were there waiting for the call when it came. Just briefly here are a few facts you should have at this time when you are dealing with aviation, facts which indicate that civil aviation perhaps helped to save America at a time when the crisis came.

During the 5 years of its operation about 400,000 trainees received approximately 11,250,000 hours of flying instruction; 108,299 of these trainees were given over 3,800,000 hours of flight training as civilians during the first 3 years. This group of trainees comprises a large nucleus of the present combat pilots now in our armed services. The Army and the Navy have relied to a large extent on the men in this group to obtain the flying instructors necessary to expand their training.

During the last 2 years about 290,000 trainees on active duty or in the reserves received 7,350,000 hours of flight instruction and during the last year each Army aviation cadet and each naval aviation cadet received his first flight training from the C. A. A. war training services.

Mr. HOLMES of Massachusetts. Will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Massachusetts.

Mr. HOLMES of Massachusetts. Did the gentleman's committee make any appropriations for continuance of that service for 1945?

Mr. STEFAN. This committee made an appropriation of approximately $160,000, if I am correct in the figure, for continuation of civil aviation instruction in the colleges and the schools of our country through advice by the civilian aviation administration, and the gentleman voted for that appropriation.

Mr. MUNDT. Will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from South Dakota.

Mr. MUNDT. When the records of this war have been completed, the men who have been working in the Civil Aeronautics training program are going to rate very near the top in having developed this splendid aviation offensive which is now making the present war so successful. The gentleman from Nebraska led the successful effort long before Pearl Harbor to adopt this important preparedness program.

Mr. STEFAN. I thank the gentleman from South Dakota [Mr. MUNDT]. I recall that before Pearl Harbor he appeared before us and helped us fight for civil aviation so that if a crisis did come we would have combat pilots. The crisis did come and we were prepared with flyers. At this late date I for one want to thank the gentleman from South Dakota for his help in the civilian aviation program which was a real contribution to the conduct of the war.

WORK OF AMERICAN WOMEN

Mr. Chairman, I feel that the women pilots who are now doing such valuable work for our Army Air Corps should be commended. I hope that nothing be done here to eliminate them and that those women who are now flying transports will not only be retained but be given the rewards to which they are entitled. I have first-hand information as to their great ability, and I resent insinuations that these or other American women have not rendered tremendous service to our Nation. I could give you names of many of these women pilots who have flown combat planes and are continuing to fly these fighting planes and transports from coast to coast. I wish that the war censors could give me permission now to tell you of the individual flights of these wonderful women in delivering fighting planes to our allies from the factories to the coast.

My information is voluminous regarding the ability of these women in flying these monsters of the air through storms and clouds and making safe delivery after thousands of miles of flight. The knowledge of some of these women regarding the reading of maps and the handling of radio and their skill in emergencies are contained in many chapters of thrilling experiences of the Army Air Corps. It will be told more graphically when the war is over. That women are rendering outstanding service should not be denied, but it should be acknowledged again at this time when we are dealing with legislation affecting their future. This does not detract from the grand service which has been rendered by the instructors referred to in this debate.

It is not only in aviation that our women are helping to win this war, Mr. Chairman. In my duties as a member of the Appropriations Committee it has been part of my work to visit points of

embarkation, Army maneuvers, Army camps, air bases, quartermaster depots, ordnance concentrations, engineer concentrations, and other places where our war machine is in action.

Mr. Chairman, I have seen at one place 20,000 pieces of mechanized equipment—jeeps, half-track, tractors, and other machines en route to war—being assembled by American women for transportation to our allies and our own fighting men overseas. I have seen thousands of our women handling every piece of this equipment. I have seen them prepare this equipment for loading on freighters. I have seen them drive this huge equipment and deliver it safely. It has been my privilege to see our women working in our factories where they assemble this machinery. I have seen them help in its construction and have seen them testing and operating it, in order that it become perfect for our fighting men somewhere on the war front. I cannot say too much, Mr. Chairman, for the ability of our women. They have contributed beyond repayment in the time of our crisis.

No matter what this House membership feels about the women in our armed forces, Mr. Chairman, I feel now that we are discussing them I cannot resist in some way championing their cause. We of this Congress have seen the birth of the women of the Army Auxiliary Corps, the marines, the Navy, the Coast Guard, and our other services. They number into the many thousands and they have relieved men so that men could go into the combat services. These women of our services have left colleges, schools, professions, jobs, and homes. Their services are remarkable. Many have left highly paid positions for this patriotic work in the time of our Nation's need. And they are doing work far beyond the expectations of even those who voted against the creation of their organizations. These and the army of housewives and business and professional women have been a real challenge to our enemies and an inspiration to those who express amazement at the ability and efficiency of American women.

All of our women could not go into the services, Mr. Chairman, but a majority of them are at war whether they are in city or country. What would happen to the great Red Cross organization but for our American women who are doing such a grand volunteer work?

What about our farm women, Mr. Speaker? What would become of our food production program but for our farm women? I have seen them in the fields—the mothers and the daughters on our farms, operating mechanized equipment, tractors, hay rakes, gangplows, cultivators, mowers, binders, and other machinery, tilling the soil and helping their men to produce the food which is so badly needed to keep our armed forces and our civilian population alive. The food many hungry people in recaptured lands eat today is the result of the work done by many of the farm women of our Nation. Their men have gone to war, Mr. Chairman, but the American farm women who are not in the armed services or some essential war job are carrying on. They have and they are continuing to demonstrate that American women have answered the call and that they are efficient in whatever work they are called upon to do.

In the homes of America, Mr. Chairman, the fires of hope are burning because the American women are making that hope live. In these few minutes allotted to me I wanted to add my word of homage to American womanhood and give thanks to the Almighty that American men honor and respect our women. For their great service I voice my appreciation and thanks.

Mr. MILLER of Connecticut. Mr. Chairman, I move to strike out the last three words.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield to the gentleman from Kentucky.

Mr. MAY. Mr. Chairman, this amendment seeks to fix only a number and I ask unanimous consent that all debate on this amendment close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky [Mr. MAY]?

There was no objection.

Mr. MILLER of Connecticut. Mr. Chairman, I rise in opposition to the amendment limiting the WASP program to 1,500 trainees. I have taken the trouble to talk with men in the War Department who have assured me, and proven to me, that they have a real need for these WASPS. They are doing a good job; they have demonstrated that they can do a good job. There is testimony that these women, apparently, are perfectly well satisfied to serve as ferry pilots. They have no desire to get away from that assignment and get transferred to something else, as many of the young men who were doing ferry piloting always seemed to want to do.

It seems to me that the House is in a bargaining mood today. We are saying to the Chief of the Air Corps: "If you want 5,000 WASPS, we will let you have them, but if you get them you have to take this other group of students and instructors that you say you do not want at this time."

I agree with those who say that a promise should be kept, but above all, a promise that may be made to any particular group about what commission they would get when they completed a certain course of training is subordinate to our over-all promise of 100 percent support of the war effort. It was unfortunate for the thousands of young men who were taking the college training program, recently cut down, that the war situation was such that they had to have young men in the infantry, that they needed them in the infantry right at that time more than they needed them in the Air Corps. So the War Department had to say to these men in the schools and colleges: "We are sorry, but our job is to win the war and the greatest contribution you can make toward winning the war is to now go into the Infantry." Most of them went in willingly.

I agree with the gentleman from Ohio [Mr. VORYS] when he stated that it would be a tragic mistake if we here in the House tried to legislate or to change the Air Corps physical standards. If there is need for these men in the Air Corps, I have confidence enough to believe that General Arnold will take them in the Air Corps but, if in the opinion of medical authorities, and it is really a medical question, these men are not fit for the Army Air Corps, then I do not want to take the responsibility of ordering the Air Corps to commission men who do not measure up to required standards.

Mr. WILSON. Will the gentleman yield?

Mr. MILLER of Connecticut. I yield to the gentleman from Indiana.

Mr. WILSON. What is there in the war effort that these WASPS can do which boys past 26, who have already been trained under the War Training Service program, cannot do?

Mr. MILLER of Connecticut. Those men can go into various other services where they are more needed today.

Mr. WILSON. These men have already been trained as pilots. They did not want them in the Infantry. They are past 26 and some of them past 30.

Mr. MILLER of Connecticut. Some are and some are not. If they cannot pass the Regular Army physical requirement we do not want them to fly.

Mr. WILSON. I know there are some past that age.

Mr. MILLER of Connecticut. There are plenty of them that could go into other branches of the service. They all had the opportunity to go into military service long ago if they wanted to accept it. If the gentleman from Indiana wants to take the responsibility of saying to the Air Corps: "You have got to take these men and use them as pilots," he may as one Member take that responsibility, but I do not want it, and I know a little bit about aviation physical standards and why they are kept high.

Mr. HARNESS of Indiana. Will the gentleman yield?

Mr. MILLER of Connecticut. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. On what authority does the gentleman make the statement that all these men had the opportunity to go into the Army?

Mr. MILLER of Connecticut. They had the same opportunity that any American citizen of military age had to go into the Army.

Mr. HARNESS of Indiana. Does not the gentleman realize every single one of these trainees and instructors we are talking about here enlisted? They enlisted in a program set up by the War Department.

Mr. MILLER of Connecticut. Absolutely, and the Air Corps does not want them. The Air Corps does not need them today.

Mr. HARNESS of Indiana. They have had hour after hour of flying, some of them thousands of hours; now the War Department does not want to utilize their services.

Mr. MILLER of Connecticut. Would the gentleman vote for an amendment that would say to the Air Corps, "You must now, because you need pilots, take into the Army and commission every licensed pilot in the United States"?

Mr. HARNESS of Indiana. Of course not, nor does anybody here contend that they should do that, nor do we try to legislate any kind of physical standards. We are not trying to do that.

Mr. MILLER of Connecticut. You are proposing to change the physical standards set up by competent Air Corps flight surgeons.

Mr. HARNESS of Indiana. No.

Mr. MILLER of Connecticut. Then I cannot read English.

Mr. HARNESS of Indiana. We propose to maintain the same physical standards that existed when these men enlisted.

Mr. MILLER of Connecticut. The standards that those men enlisted under are not the flying-cadet standards of the Army Air Corps today.

Mr. HARNESS of Indiana. They say it is.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

The Chair recognizes the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, certainly no Member of Congress wants to interfere in any way with the proper and efficient manner with which our military leaders are handling the war effort. Those charged with the leadership of our armed forces are doing a magnificent job. It is the earnest desire of the membership of this House to support legislation they believe to be for the best interests of our country and the speedy prosecution of the war.

This bill relates to two separate problems that do not belong in the same bill. One section provides for a separate organization in the armed forces described as the WASPS. The other would require that certain men who have had civil-pilot training be granted commissions to which I think they are entitled. The amendment before the House seeks to limit the number of WASPS trainees to 1,500. These women have been taking training under civil service. About 1,000 of them have qualified as pilots and 500 more are in training. In view of a promise that these women shall be made a part of the armed forces and shall receive commissions it would be the fair thing to carry out that agreement although there was no authority from Congress. The situation is different in this respect from other women's organizations in that in other cases authorization was obtained from Congress before recruiting and training began. This legislation would give WASPS military status. I hardly understand why this matter should not have been submitted to Congress for sucn authority before the program was carried so far. There certainly would have been no delay if such proceeding had been followed. Why could not authority have been requested before they started out on this kind of a program? Nobody seems to answer that question.

Mr. WADSWORTH. Mr. Chairman, perhaps I can answer, if the gentleman will yield?

Mr. REES of Kansas. I yield to the distinguished gentleman from New York, who is a member of the Committee of the House and who is an outstanding authority on military matters.

Mr. WADSWORTH. The use of women for ferry piloting was an experiment, therefore authority was not asked for in the statute. It has now proven to be a success, and they want the authority to put them in the Army.

Mr. REES of Kansas. If, as has just been suggested, it is an experiment and if it was successful, why in the world did they embark on a program of spending hundreds of thousands of dollars to do this sort of thing? It seems to me the experiment was carried pretty far.

The situation has changed considerably since this experiment started. Almost the only use for this ferrying is in transporting bombers, because we are not ferrying other planes to amount to anything, so the number of ships being ferried has been reduced since this matter was presented before the Committee on Military Affairs in March.

The chief reason given for training these women is that they may take the place of men to be released for more important duty in the armed forces. It is significant that this legislation is being proposed at a time when, because of curtailment of the training program, the Army Air Forces is closing 25 primary contract schools and has canceled training programs in more than 150 colleges. This has resulted in the release of 5,800 pilot-instructors, out of which could be used some 3,700 trainees who have hundreds of hours of pilot training and should qualify by reason of training and experience to handle these planes. It is strange that pilots with as many as 1,000 hours to their credit are not permitted to qualify for these jobs when women with 35 hours of training are allowed to ferry these planes.

I am informed the program is for 2,500 women pilots, possibly 5,000. I just do not believe we ought to continue to recruit women for pilot service until we have utilized the services of men who are qualified to do the work. Under this bill you are spending between twelve and twenty thousand dollars each to train these women for 35 hours. You are going to grant them commissions. These women, while in training, are getting $150 per month. Upon completing their training they are to receive $250 per month. I realize it is difficult to pay members of the armed forces what they are worth, but the figures seem a little out of line with other members in the armed forces, either men or women. Thousands of men in the armed forces are assuming much more hazardous duties with less consideration as far as pay is concerned. After all, Mr. Chairman, there is such a thing as impeding the war effort by misuse of manpower and unnecessary expenditure of public funds. No one in this House is opposed to spending money required for the war effort, but to say that there is such a shortage of manpower that we ought to qualify 2,500 women to ferry bombers from one place to the other at the expense of twelve to twenty thousand dollars apiece does not, as I see it, make real good sense.

If it were necessary to have this training corps as a part of the Army would it not have been better to use members of the Women's Army Training Corps? Not all of these women could meet the standards, but surely some of them could.

I am informed upon good authority, and I get that authority from the officials in the Air Forces, that 90 percent of the 5,800 men qualified under the C. A. A. will be able professionally and physically to qualify for air transport training.

Mr. Chairman, I do not find any fault with the work these girls are doing, not a bit of it. They are doing their part just as all members in the armed forces are doing, but I do not think as long as we have men qualified who are not being utilized that we need to train more women. Furthermore there are hundreds of fliers who are being returned from war areas who have performed their missions overseas who would be glad to do this work. They ought to have a chance to do it.

Mr. Chairman, with respect to the men who have had hundreds or even thousands of hours of service, and who were promised commissions and are included under the second section of this bill, they ought to be recognized, but the right thing to do is to bring in separate legislation and have it passed. We ought not to tie it to legislation that deals with another group to be known as the Women's Air Service Pilots.

If I thought this legislation was for the best interests of our country and would help in the prosecution of the war, I would support it whole-heartedly, but having gone into the problem as carefully as I could, I do not think it would really help in the prosecution of the war for this Congress to enact this legislation in the manner in which it is presented.

Mr. Chairman, if you pass the WASP section of this bill and permit them to be recruited in unlimited numbers, then the men who have had hundreds of hours of flying training are not likely to have the recognition to which they are entitled. Why not utilize the services of these men so far as it may be done before expanding further the WASP program?

Mr. MAY. Mr. Chairman, I think there is a misunderstanding as to what my unanimous-consent request was. I had requested that time on this amendment be limited to 10 minutes, and I intended by that request that the time of the gentleman from Connecticut [Mr. MILLER] be included. According to the limitation, the time would now be consumed. I am not going to insist upon it, but I would like to claim, as chairman of the committee, the remaining 5 minutes for the purpose of yielding time to the gentleman from California [Mr. HINSHAW], who was on his feet at the time. I would like to have 1 minute and I yield 4 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I appreciate the courtesy of the gentleman from Kentucky.

Mr. Chairman, when our committee was considering the extension of the Civilian Pilots Training Act a while back, the gentleman from New Jersey [Mr.

WOLVERTON] presented to the committee, during the testimony of a War Department witness, a recent advertisement of the War Department published in one of his home-town papers calling for the enlistment of 17-year-old boys in the Air Corps Enlisted Reserve for the purpose of giving them preliminary or preflight training. I understand that that advertisement has been pretty well widespread throughout the United States. It is quite evident that the training need for our young men in the Air Corps is not at all abandoned. I think that one of our difficulties here is that we have a little of not exactly bad blood yet not altogether clear blood between the Civil Aeronautics Administration and the War Department.

Some time ago the War Department tried to absorb all of the activities of the civilian pilot-training course, and through the recommendation of Members of Congress and otherwise, I believe the matter wound up in what is known as the War Training Service. On the 1st of May of this year, after these 37,000 men, or whatever the number of men was, were brought in from the four corners of the world to go into flight training, the War Department apparently decided to abandon pilot training temporarily. Within 30 to 45 days after that they again decided to resume the training of pilots. In the meantime, of course, there was caused the absolute dismemberment of the C. A. A.-W. T. S. training course. As the gentleman from Nebraska just stated, the appropriations have been reduced to some low figure like $150,000; it does not amount to anything. In other words, the War Department has finally accomplished the complete or almost complete dismemberment of the C. P. T. course in the Civil Aeronautics Administration. I do not like it.

In the first place, it is well known that the civilian pilot-training course has provided a much higher character of training for these men. The wash-outs in the C. P. T. course were only 13 percent, plus 10 percent additional after they got into the regular training courses of the Army Air Forces, whereas the wash-outs in the Army itself of air cadets who had come in without previous C. P. T. or W. T. S. training were as high as 43 percent. Nevertheless, they decided to abandon that W. T. S. program. I believe it was a mistake on the War Department's part.

So far as these young men are concerned who are now in the W. T. S. instructor class, I believe it is true that they were offered an opportunity to go into flight service in the Army some time ago. You must remember that a great many of these men were originally instructors in the civilian pilot-training course and were subject to the draft. In order to keep them in as instructors they were caused to enlist in the Enlisted Reserve Corps of the Army pending some future disposition of their cases, in whichever direction they wanted to go. Now, with the dismemberment of the War Training Service course these men, as has been stated, with many hundreds and in some cases several thousand hours of flight, are left to float free and loose, practically frozen out of any chance to use their flight experience by the strict application of a set of barriers raised against them by the Army Air Forces. The Navy is using the W. T. S. instructors that had been assigned to the training of naval air cadets, as I understand.

Mr. Chairman, there may be very good reasons for the continuation of the WASP program as it is now, and I, for one, am not opposed to it. These women pilots may be, and no doubt are, doing excellent service in ferrying military planes. This legislation is not needed for the continuation of that program. This legislation is for the purpose of placing these women in the military service under the Articles of War and hence subject to military discipline, rules, and regulations, and to give them Air Corps commissions up to and including the rank of colonel. The colonelcy is, I understand, reserved and intended for Miss Jacqueline Cochran, a famous woman flier. It seems to me that we already have a Women's Army Corps, the WAC, and that the WASP group might very well be taken into the service through that organization instead of setting up a separate, exclusive organization with a new set of organization tables.

There are numbers of other women's organizations doing effective work for the Army and Navy, such as the Women's Ambulance and Defense Corps, who seek military recognition. Indeed, our women are doing splendid work in many fields in the war effort and their organizations are just as much entitled to recognition as are the WASPS. In fact, these other organizations are volunteer, whereas the WASPS receive expensive flight training free and are then paid for their work ferrying planes.

Mr. Speaker, we have the W. T. S. pilots, trainees, and instructors, already available and able to do ferrying jobs, and, above all, and in addition, we have returning combat pilots who have finished their quotas of missions. These men are already trained and able to fly, ferrying planes, and piloting transports. They insist that they have their opportunities, and I think they are at least as much entitled to those opportunities as those women who have not already qualified as pilots. These men are already trained and the saving to the taxpayers through using them would amount to many millions of dollars. I say that with every respect for the ability of women to fly, and considering men and women as units of flying ability, or simply as people.

I, too, have friends personally interested in the WASP program, and it would give me great pleasure to see these women get an opportunity to become ferry pilots. If they were my only consideration, I could favor this legislation happily.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. MAY].

Mr. MAY. Mr. Chairman, we are considering here an amendment that would propose a limitation of 1,500 on the number of these women pilots who could be inducted into the service. We might just as well say to the armed forces, "You can have 1,000 tanks and no more," or "You can have 5,000 airplanes and no more." It is the kind of a limitation that ought not to be voted by the House of Representatives. It must be left to the sound judgment of the commanding general of the Air Forces of this country to determine how many he must have.

We have just entered the Continent of Europe. We are only a few miles from the edge of the water and it is many hundreds of miles on to Berlin. I certainly am not in a position myself, and I do not think anybody else is, to say how many of these pilots may be needed. I therefore suggest that the House vote down this amendment.

The CHAIRMAN. The time of the gentleman from Kentucky has expired. All time has expired.

The question is on the amendment offered by the gentleman from Louisiana.

The question was taken; and on a division (demanded by Mr. MORRISON of Louisiana) there were—ayes 59, noes 68.

So the amendment was rejected.

Mr. HOBBS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOBBS: Page 2, lines 1 and 2, strike out "colonel and not more than one officer to that grade" and insert in lieu thereof "captain."

Mr. HOBBS. Mr. Chairman, I believe this amendment points out a very serious defect in the set-up proposed by the pending bill. We have one colonel in the WAC's commanding at least 75,000 WAC's. This bill would constitute one colonel for a maximum of 2,500 WASPS, who will necessarily perform their duties separately and probably in no one station will ever muster more than a corporal's guard. So, in practically solitary glory, she would shine.

I believe that every person who earns a commission ought to be commissioned as the military authorities need them. If every one of these WASPS earns the grade of captain, they ought to be commissioned in that grade, and I believe no one who does not earn it should be commissioned. I believe that with 2,500, which is the estimated ultimate number of these WASPS, a sprinkling of captains along with the rank and file of lieutenants would be ample.

I do not pose as a military expert, but I believe this amendment would settle the whole issue here involved and do so in a far more satisfactory way than the one proposed by the bill. In all good faith, I submit that the best interest of the Army and of our Nation requires that this amendment be adopted. Therefore, I ask you to consider it very carefully and vote it "up," if you see it as I do.

Mr. COSTELLO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think the amendment as offered by the gentleman from Alabama is entirely without merit. If you are going to have any sort of a military organization you must have certain differences in rank. It stands to reason that you have to have that. If the top rank here is going to be that of captain, it means that you could have only one captain in command, and all the rest of

these people would be either first or second lieutenants. It is utterly ridiculous to say that these pilots are not going to have any differentiation in grade. In order to carry out properly the duties of the office of the person who is going to command the group, she should have a rank comparable to that of others of her same station. We have already created this rank of colonel in the case of the WAC's, the WAVES, the SPARS, and the MARINES, and there is absolutely no reason why the same rank should not be created in this particular instance.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. COSTELLO. I yield to the gentleman from California.

Mr. HINSHAW. I should like to know from the gentleman or any member of his committee whether it is intended to use these WASPS as a unit or a group unto themselves, or whether they are to be used individually in the ferry service and other flight departments of the Air Corps.

Mr. COSTELLO. They will largely be assigned to various duties as individuals and again as particular groups. For example, some of them are out doing the work of towing targets for the training of antiaircraft units or for the purpose of training our pilots. Others are simply confined to ferrying work, and they go out on individual missions.

But the administration of all these women pilots, whether they are handled as units or whether they are handled as individuals, has to be done by someone in authority, and that is the purpose of giving one the top rank that has been suggested in the bill, that of colonel.

Mr. HINSHAW. It does not seem to me that a group that is to be dispersed and used throughout the service should necessarily be headed by an officer of the same sex of that high a rank. It seems to me they could report to male officers of other rank and work under them in their several commands.

Mr. COSTELLO. It is very true we could, if we wanted to, make them all second lieutenants and from there on have only men handle the operations of the organization, but the fact is you have not done it for any of the other organizations. It is only proper that they have the same type of organization the other groups of women have. In order to solve the problems that might come up between the various groups as to the handling of WAC's and the handling of these WASPS, for instance, you should have women of comparable rank in charge. That is one reason why we have advanced our generals and admirals to 4-star rank, so they can have comparable rank with the personnel they meet of other armies or navies. The same is true with these groups within our service.

Mr. WORLEY. Mr. Chairman, will the gentleman yield?

Mr. COSTELLO. I yield to the gentleman from Texas.

Mr. WORLEY. How much pay would the colonel receive under this bill?

Mr. COSTELLO. The colonel under this bill would receive the same pay as a colonel in the Army Air Force. If she is on flying status, she would be entitled to the same sum as an Army colonel on flying status. I do not think the question of the amount of the pay is in issue in this particular matter. If they are doing the work that calls for the grade and calls for the pay, they are entitled to receive it. I do not think that because a woman happens to hold a certain rank she should be discriminated against, or that she should be discriminated against in having a certain rank assigned to her because she is a woman.

Mr. ELSTON of Ohio. Mr. Chairman, will the gentleman yield?

Mr. COSTELLO. I yield to the gentleman from Ohio.

Mr. ELSTON of Ohio. May I point out that the bill does not require the head of this organization to be a colonel, it simply says that the head of the organization shall not have a rank exceeding that of colonel.

Mr. COSTELLO. That is correct. It is the same language that has been used in creating each of the other organizations, that only one should be given that rank if one is given that rank.

Mr. Chairman, I hope the House will turn down the amendment that has been offered by the gentleman from Alabama.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The amendment was rejected.

The CHAIRMAN. The clerk will read.

The Clerk read as follows:

SEC. 2. The commissioned personnel selected directly from civil life, of which not less than 95 percent shall consist of qualified pilots, shall be appointed in the Army of the United States under the provisions of the joint resolution of September 22, 1941 (55 Stat. 728), and ordered into the active service of the United States.

Mr. O'HARA. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I think perhaps we are losing sight of some of the principles involved in this bill in the argument over whether the committee bill shall prevail, or whether it shall be subject to the amendment of the gentleman from Louisiana, and the further amendment of the gentleman from Indiana. As far as I am concerned the bill is about as unpalatable as it can be, no matter how much it is amended, because I think you are overlooking some very, very serious things. We have heard a discussion of a very serious question as to whether somebody was going to be colonel, and I think there has been some discussion of furnishing these very charming young trainees with $500 uniforms when they are commissioned. I am wondering whether we had not better think of a few other things involving the morale of our service people and particularly the splendid record which has been made by our Army Air Corps. This bill is apparently for the purpose, not of creating a WASP organization—that has already been created—but to commission these very charming young ladies who have been doing a very fine job in flying. Some of them are very able and very fine pilots. There is no question about that. But when you get down to the point where we cannot give any consideration to the thousands and thousands and thousands of fine youngsters who have been washed out because some Army pilot instructor said, "Well, he does not quite have that which is necessary for a combat pilot." He would make a very good pilot in this program, but, no, that boy must go back and become a grease monkey or a tail gunner, or something else, because his natural flying ability does not fit into this program, because we want to have the girl pilots. I am wondering what we are going to say to those boys who have been combat pilots and have been wounded, and come back, and want to keep on flying? They cannot go into combat flying because of their injuries, and perhaps because of the nervous strain they have undergone. But they can do the very things that these girls are doing. No; they cannot do that because they say, "We have to have somebody in there who is a very attractive lady pilot, who is needed in this program," because somebody thinks that they need them. Now, I do not go along with that line of thinking.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Miss SUMNER of Illinois. Mr. Chairman, if what the gentleman says is true, this thing ought to be voted down.

Mr. O'HARA. Why, this is a piece of social legislation, in my opinion, and that is all it is.

Miss SUMNER of Illinois. Has the gentleman's statement been challenged? I was not on the floor all the time. Has that statement which the gentleman has just made been challenged?

Mr. O'HARA. I repeat the statement and I challenge anybody to say it is not true right now.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. BREHM. I agree with the gentleman that this legislation is very unpalatable. I think it is time to forget the glamor in this war and think more of the gore of war.

Mr. O'HARA. I agree with the gentleman entirely, that this is not a glamor war.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. BATES of Massachusetts. Along the same line that the gentleman mentioned a moment ago about the boys being assigned to a grease-monkey job, I know of instances within only the past few days where boys have gone through complete training courses and just because they had not qualified in gunnery, they are being washed out.

Mr. O'HARA. That is right.

Mr. BATES of Massachusetts. But they are well qualified to carry on the pilot work that they may be assigned to.

Mr. O'HARA. That is right. If we could have the same tender solicitude for these boys and give them just a few more hours' training so that they would make combat pilots, we would be much better off.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Miss SUMNER of Illinois. It is not only a question that affects the boys. It

is a question of whether we are spending Government money to train people and whether those people who already have had training are not being used for the purposes for which they were trained, but are being used to do something else.

Mr. O'HARA. Let me say to the gentlewoman from Illinois, this is a question of morale, also, of the thousands and thousands of boys who are in the service who need just a little more consideration here and there instead of thinking about this type of legislation.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. BATES of Massachusetts. May I again restate the situation confronting the naval-training program? We were only notified yesterday that beginning next week, at least two-thirds of the boys who are now training, mark you, boys who are now in training, will be washed out because of no need of pilots.

Mr. O'HARA. The gentleman does not have to go just to the Navy program alone. We have had a backlog in the Army Air Corps where you have had the boys assigned back to the Infantry, and all that sort of thing.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. COSTELLO. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the preceding speaker made a statement that this was purely a social program. All I can say in response to him is that this is just as much a social program as fighting in the war is. It is just as social as being a nurse in the Army Nurse Corps. It is just as social as being a WAVE, a WAC, or MARINE, or a SPAR. If any man thinks it is just a social activity to fly an airplane, I might read right here what one of them did:

> In a period of 5 days she flew a P–51, two P–47's, and a C–47, delivering them to their destinations, covering a distance in excess of 8,000 miles. It involved flying from Long Beach, Calif., to Evansville, Ind.; to San Pedro, Calif., back to Fort Wayne, Ind.; and back to San Pedro, Calif.

If that is a social activity I hope that the young lady who did that flying had lots of time to engage in her social activities.

The whole purpose of this program is to try to relieve a few men for fighting purposes. The Army Air Forces have come before us and said that they wanted this program. There are some Members in the House who feel they are able to tell the Army that they can get along with 500 or 600 pilots and not the number they want. I, for one, would not want to try to tell the Army Air Forces when they say they want 2,500 of these WASPS, that they will be able to get along with less. I am not going to tell General Eisenhower, when he says he needs 5,000 tanks to carry on a battle, that he can get along with 500 tanks and like it. I am perfectly willing to rely upon the judgment of the men who are engineering this war. I am not going to set myself up here and state that because you give a uniform to these women pilots, just as you have given a uniform to the women nurses or to any one of all the other women's organizations, you are creating some glamorous organization or some social organization. If you like to be covered with grease, if you like to sweat out piloting an airplane through stormy weather from one coast to another and call that a social activity, very well, then vote against this bill. Then that is "social activity." But if you want to try to help to carry on the war effort, if you want to release a few more men to do some of the ferrying in combat zones and to release a few more men to do flying in the combat zones, to engage the enemy themselves, then pass this bill and release another 2,500 pilots who otherwise will have to stay in this country; 2,500 men pilots who will have to do the work in this country. Our real anxiety is to try to aid in the carrying on of the war and not to interfere with the war effort. If we thought for a moment that a program of this sort was going to interfere in any way with the war program, certainly the Committee on Military Affairs and certainly the War Department would not ask for it.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. COSTELLO. I yield.

Miss SUMNER of Illinois. The gentleman has not answered the question that was raised. The question was, Is there now a reservoir of men already trained to do the job without passing this bill and getting women to do it instead?

Mr. COSTELLO. The Air Forces are constantly training new pilots, as was indicated earlier in the debate here. The Air Force is enlisting men 17 years of age in order that they can build them up as an Air Force reserve.

As they turn 18 they will provide replacement reserves to take pilot training to fill in the Air Forces. We built our Air Force to its strength. We do not need to build it up to the great strength that they thought might be needed some 18 months ago. The Army Air Force thought that when they started these mass raids they would have terrific losses.

Mr. HARNESS of Indiana. Will the gentleman yield?

Mr. COSTELLO. I decline to yield, Mr. Chairman.

The Air Forces anticipated they were going to have great losses. The only thing they could base it on was the flights over Africa and Tunisia. When they went into the mass raids their losses were not far greater. The replacements were far less. They had to determine 18 months in advance what they were going to need. It takes that long to train a combat pilot. So 18 months in advance they planned to expand these civilian training schools. For that purpose the C. A. A. program was evolved in order to provide instructors in the future expansion of the Air Corps pilot training program. It was not necessary, but we did not know it until 18 months had elapsed, until we were ready to put on the mass raids over Berlin. We have been doing that. We have learned that our losses have been far less than was anticipated. We are curtailing the program now. Where we have available men who can be used as fighting men why not put them out there and end the war in a hurry? We cannot satisfy the individual desires of a few of these C. A. A. pilots to be assigned to noncombat flying duties here in the United States when they are needed in combat zones.

The CHAIRMAN. The time of the gentleman from California [Mr. COSTELLO] has expired.

Mr. IZAC. I offer a preferential motion.

The CHAIRMAN. The Clerk will report the motion of the gentleman from California.

The Clerk read as follows:

> Mr. IZAC moves to strike out the enacting clause.

The CHAIRMAN. The gentleman is recognized for 5 minutes in support of his motion.

Mr. IZAC. Mr. Chairman——

Mr. HARNESS of Indiana. Will the gentleman yield? I would like to answer the question of the gentlewoman from Illinois [Miss SUMNER].

Mr. MAY. Mr. Chairman, I reserve a point of order against the motion.

Mr. HARNESS of Indiana. The gentlewoman from Illinois asked if there had been any justification for the creation of this corps. I will say to the gentlewoman and to the membership of the House generally that if they will utilize the services of more than 2,500 male instructors who have from 800 to 4,000 hours in the air, they may not need all the WASPS they intend to bring in.

Mr. IZAC. The gentleman is absolutely right. That is one of the points I intend to bring out. My object here is to kill this bill because we do not need such a bill. It is the most unjustified piece of legislation that could be brought before the House at this late date. I know that any woman would like to have 2,500 girls under her and be a colonel. But, how about Mrs. Hobby and the other women who have 66,000 girls under them? They cannot be any higher than a colonel. Still, for 2,500 WASPS we want to make some woman a colonel. That is just one of the sidelights of this thing. There are more than 2,500 men sitting out on the beaches of California today, who have been instructing for 4 years, the finest aviators we have in this country. The Army says, "You cannot pass the examination, so out you go, but we will uniform these women and let them take your places." Is that not a fine situation? There are not only 2,500 of these men pilots and instructors, but we have several thousands of them. Everyone of us has received letters from home asking, "Why can't I get into combat service? If I am good enough to instruct the boys who do go to combat, at least let me tow the target so they can have target practice." Many of these people who are instructors have been instructing for 4 years, and they all have thousands of hours of flying. They have been able surely to get as good training as these women now towing targets and doing utility work that is necessary around the desert training camps.

Mr. BATES of Massachusetts. Will the gentleman yield?

Mr. IZAC. I yield.

Mr. BATES of Massachusetts. The gentleman speaks about letters he has received from parents back home. What about the letters he will receive starting next week when from 10,000 to 12,000 will be washed out of the Navy training program?

Mr. IZAC. It will be more than that. Seventeen thousand Navy boys will be washed out right away and you have had 36,000 Army boys washed out. Why? Because they can afford to pick and choose. They said, "This is very important training and only a few can qualify, so we will name only a few of the best to continue training and all you other boys must go into the infantry; but still we must have our 2,500 girls." Yes they want to train more girls while at the very time many excellent pilots and instructors are being denied the right to continue flying at all.

You are not going to make it any different for these women because 500 of them are already serving under civil service doing this identical utility work. No change, except the change that comes by putting on a manikin's uniform. It is not going to help the course of the war one bit, and I am sorry to see Hap Arnold lose his balance over this proposition.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MAY. I had reserved a point of order on the motion.

The CHAIRMAN. The gentleman will please state the point of order.

Mr. MAY. I reserve the point of order against the motion on the ground that it is not in proper form and does not comply with the rules of the House. The motion should read: I move that the Committee do now rise and report the bill back with instructions that the enacting clause be stricken out.

The CHAIRMAN (Mr. RAMSPECK). The gentleman from Kentucky is correct.

The Chair sustains the point of order.

Mr. BROOKS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am sure you are all aware that I have been working for several months upon the matter of helping the Civil Aeronautics-W. T. S. trainees. My interest has not been to penalize the Army Air Force or to hurt it in any way, but it has been to aid and assist the Civil Aeronautics trainees. It was with that reason in mind that I presented an amendment which is known as the committee amendment to this bill.

Mr. Chairman, I have a letter, dated June 17, 1944, from Major General Ulio, Adjutant General of the United States Army, addressed to Senator EDWIN C. JOHNSON, in reference to the matter of the disposition of these trainees under the Civil Aeronautics and W. T. S. program. I want to take this time to read one paragraph of the letter which I think is pertinent and will indicate the disposition which the Army Air Force has in mind making of this group of 5,000 trainees still in service.

I read:

It is appreciated that you have called this to our attention, and I desire to assure you that the War Department is taking steps to have each and every one of the former C. A. A.-W. T. S. trainees who have not already been offered aviation cadet training, glider pilot training, or who are not awaiting such training the opportunity to request discharge from the Army of the United States, if he so desires.

In other words, under the terms of this letter the program will be, if we give them authorizing legislation as proposed in the committee amendment, to use these men as pilots or to release them from service if they do not qualify.

I sometimes think with a certain amount of fear that it is a serious mistake for us to attempt to legislate standards and requirements for pilots, on the floor of the House of Representatives. I think it is far better, if the men are taken in and if the Air Forces find they do not qualify as pilots or flyers that they should be released from service.

In such a program with the enabling legislation that is proposed today, the Air Forces will release from service all those who do not qualify, but every last one who does qualify will be used in the flying service of the Air Corps.

By unanimous consent, the pro forma amendments were withdrawn.

The Clerk read as follows:

SEC. 3. Under such regulations as the Secretary of War shall prescribe, female aviation cadets may be appointed for pilot training in the Army of the United States and, upon successful completion of the prescribed course of training, may be commissioned as second lieutenants in the Army of the United States under the provisions of the joint resolution of September 22, 1941, or appointed as flight officers of the Army of the United States under the provisions of the act of July 8, 1942 (56 Stat. 649). Service as an aviation cadet which is terminated by discharge before completion of the prescribed course of training or before commission as a second lieutenant or appointment as a flight officer, and which is not terminated as a result of a physical disability incurred during such training, shall not be regarded as service in the armed forces within the meaning of the laws granting rights, privileges, or benefits to discharged members of the armed forces.

Mr. BROOKS. Mr. Chairman, I offer an amendment.

Mr. MAY. Mr. Chairman——

The CHAIRMAN. Is the gentleman from Kentucky seeking recognition?

Mr. MAY. Mr. Chairman, the amendment mentioned by the gentleman from Louisiana is a committee amendment which the House Committee on Military Affairs has authorized. I yield to him for the purpose of offering it.

Mr. HARNESS of Indiana. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HARNESS of Indiana. Has an amendment been offered to section 3 yet?

Mr. BROOKS. I am offering a committee amendment.

The CHAIRMAN. The gentleman from Louisiana has offered an amendment to section 3. The amendment has not yet been reported.

Mr. IZAC. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. IZAC. Mr. Chairman, I have a preferential motion at the desk to strike out the enacting clause. Is it not now in order?

The CHAIRMAN. It is. Does the gentleman offer the motion?

Mr. IZAC. I offer the motion, Mr. Chairman.

The Clerk read as follows:

Mr. IZAC moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. The gentleman from California is recognized for 5 minutes.

Mr. IZAC. Mr. Chairman, I shall not take the 5 minutes. This is the motion I thought I had offered before, but I neglected to include the phrase "That the Committee do now rise."

I think this is an unconscionable bill. It should not be presented to the House at this time. I therefore ask that you support the motion I have offered.

Mr. CRAVENS. Mr. Chairman, will the gentleman yield?

Mr. IZAC. I yield.

Mr. CRAVENS. If the gentleman's motion carries and this bill fails how will it be possible to preserve the opportunities we seek for these civilian trained pilots? That is the thing that concerns me right now.

Mr. IZAC. I believe that the amendment proposed by the committee as amended by the proposal of the gentleman from Indiana [Mr. HARNESS] can be brought back in a separate bill.

Mr. CRAVENS. And we can meet the problem in that way.

Mr. IZAC. That is right.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. IZAC. I yield.

Mr. BATES of Massachusetts. I read a portion of section 3 of the bill:

Under such regulations as the Secretary of War shall prescribe, female aviation cadets may be appointed for pilot training in the Army of the United States and, upon successful completion of the prescribed course of training, may be commissioned as second lieutenants.

Today we are training women pilots, yet through a naval edict we are wiping out the further training of 17,000 boys who are now in process of being trained.

Mr. IZAC. That is correct. I think the point is well taken.

Mr. Chairman, I insist on my motion.

Mr. THOMASON. Mr. Chairman, I rise in opposition to the motion.

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes.

Mr. THOMASON. Mr. Chairman, I think I sense the temper of this Committee and I am taking these 5 minutes to beg and plead for clear straight thinking without any bias and without any prejudice. It is now 2:30 p. m. in this country and the latest press report states that our boys are marching into Cherbourg. The latest press reports also say that a mighty naval battle is now raging in the Pacific. Our boys in the Southwest Pacific are on the march. The Chief of Staff, General Marshall, Admiral King, and the Chief of the Air Corps, General Arnold, are now on the European front with the

Allied forces. Critical and dangerous days are ahead. The casualty lists are sure to bring sorrow to many an American home.

I did not favor this bill as it was originally introduced in the committee, but when I learned that several thousand C. A. A. men had not had fair treatment, I was one of those who asked the committee to reconsider and offer an amendment to include them, which was done. I ask you now to let this bill be amended as proposed, for it is the only opportunity these fine young men are going to have for fair play and fair treatment. If you strike out the enacting clause they will lose all. I predict if you kill this bill most of these experienced flyers will be privates in the infantry by the time we return from our recess.

More than that, I hold in my hand the testimony of the Chief of the Air Corps, General Arnold, whom I regard as one of the greatest men, one of the greatest soldiers, one of the greatest officers this country has ever produced. We have got to trust somebody in this terrible war; we have got to follow our military leaders if we win, and, somehow or other, I feel that General Marshall and General Arnold and Admiral King know more about this situation than we do. I trust and will follow them to the limit in military matters. The record I hold in my hand is the testimony of General Arnold before the Committee on Military Affairs and he testified these young women have done a magnificent job. They have already been trained by the Government of the United States, many of them at Sweetwater, Tex. They are expert flyers. He advises that they be transferred into the Army for military reasons as you did when you voted for the WAVES and the WAC's in order that they may ferry these planes and release 2,500 men for combat duty. These women are not to be in combat. They are to ferry planes all over this country and to ports of embarkation. I am thinking about what is for the best interests of our country, what is for the best interests of winning this war. I want to be sure I make the winning of the war my highest objective. I want to keep up my 100 percent war record.

I am a friend of the Navy and I regret to see a little evidence of feeling here upon the part of some of our friends on the Naval Affairs Committee. I am pleading for the Navy, I am pleading for the Army, and I am pleading for the Air Corps; I am pleading for unity and the backing up of all our military leaders. I want to say that if this motion prevails and we get back to the House I am not one of those who is willing to go down on the printed record as casting my vote against the advice of the Chief of our Air Corps, who has been the man that produced the greatest air fighting force in the world.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. ANDREWS of New York. While I think the motion of the gentleman from California should not prevail, I see no necessity for there being any further debate; I believe every member knows how he is going to vote and I believe we should proceed right now to vote it up or down.

Mr. THOMASON. While I am not in sympathy with everything that is in the bill, yet I am not willing to go on record as saying that the head of the greatest air power in the world should have his official request turned down. We are not military experts. Our military leaders are now on the way to a glorious victory. Our brave boys are fighting and winning on every front. The least we can do is to back them up. At least, we ought to fight fairly and meet the issue squarely. It is proposed to strike out the enacting clause. That is sometimes clever parliamentary tactics, but I plead with you to adopt the committee amendment that will do justice to these fine C. A. A. men, and then perfect and pass the bill. In that way we will take care of the men who can qualify, and we will also give General Arnold the qualified women whom he asks for. He can be depended upon to treat them all fairly, and we will be hastening the day of victory.

The CHAIRMAN. All time on this motion has expired.

The question is on the motion of the gentleman from California that the Committee rise and report the bill back with the recommendation that the enacting clause be stricken out.

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 119, noes 102.

Mr. MAY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. MAY and Mr. IZAC to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 126, noes 110.

So the motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. RAMSPECK, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 4219, to provide for the appointment of female pilots and aviation cadets in the air forces of the Army, had directed him to report the same back to the House with the recommendation that the enacting clause be stricken out.

The SPEAKER. The question is on the recommendation of the Committee of the Whole.

Mr. MAY. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The Clerk called the roll; and there were—yeas 188, nays 169, not voting 73, as follows:

[Roll No. 104]

YEAS—188

Abernethy	Bell	Buffett
Allen, Ill.	Bender	Bulwinkle
Andersen, H. Carl	Bennett, Mich.	Burch, Va.
	Bennett, Mo.	Burchill, N. Y.
Anderson, N. Mex.	Bishop	Busbey
	Bonner	Butler
Andrews, Ala.	Bradley, Pa.	Byrne
Baldwin, Md.	Brehm	Camp
Barrett	Brown, Ga.	Cannon, Mo.
Barry	Brumbaugh	Capozzoli
Bates, Mass.	Bryson	Carlson, Kans.
Beall	Buckley	Carrier
Carson, Ohio	Hoch	O'Brien, Ill.
Chenoweth	Hoffman	O'Brien, N. Y.
Clevenger	Holifield	O'Hara
Compton	Holmes, Mass.	O'Konski
Courtney	Hope	Pittenger
Cox	Hull	Ploeser
Cravens	Izac	Poage
Crosser	Jackson	Poulson
Curley	Jeffrey	Pracht,
D'Alesandro	Jenkins	C. Frederick
Davis	Jensen	Price
Delaney	Johnson,	Ramspeck
Dingell	Anton J.	Randolph
Drewry	Johnson, Ward	Rankin
Dworshak	Jones	Reed, Ill.
Eaton	Jonkman	Rees, Kans.
Eberharter	Keefe	Richards
Elliott	Kelley	Rizley
Ellsworth	Keogh	Robertson
Engle, Calif.	Kerr	Robinson, Utah
Feighan	Kilday	Robsion, Ky.
Fisher	Kinzer	Rockwell
Fogarty	Kirwan	Rooney
Forand	Kleberg	Rowe
Fulmer	LaFollette	Sasscer
Furlong	Lambertson	Satterfield
Gallagher	Lane	Scanlon
Gathings	Lanham	Schwabe
Gerlach	Larcade	Scrivner
Gilchrist	LeCompte	Sikes
Gillette	Lesinski	Smith, Ohio
Gillie	Lynch	Smith, Va.
Goodwin	McConnell	Smith, W. Va.
Gordon	McCowen	Smith, Wis.
Gorski	McGehee	Somers, N. Y.
Gossett	McGregor	Springer
Graham	McMillan	Starnes, Ala.
Grant, Ala.	McWilliams	Stockman
Grant, Ind.	Madden	Sullivan
Gregory	Maloney	Sumner, Ill.
Griffiths	Manasco	Sundstrom
Hare	Mason	Talbot
Harris, Va.	Miller, Pa.	Tarver
Hart	Monkiewicz	Tolan
Hartley	Monroney	Vincent, Ky.
Hébert	Morrison, La.	West
Heffernan	Mruk	White
Hendricks	Murray, Tenn.	Wilson
Hess	Myers	Winstead
Hill	Newsome	Wolcott
Hinshaw	Norman	Wolfenden, Pa.
Hobbs	Norrell	Woodrum, Va.

NAYS—169

Allen, La.	Fenton	Michener
Anderson, Calif.	Fernandez	Miller, Conn.
Andresen, August H.	Flannagan	Miller, Nebr.
	Folger	Mott
Andrews, N. Y.	Gale	Mundt
Angell	Gamble	Murray, Wis.
Arends	Gearhart	Norton
Auchincloss	Gore	O'Brien, Mich.
Baldwin, N. Y.	Gwynne	O'Neal
Barden	Hall,	O'Toole
Bates, Ky.	Leonard W.	Outland
Beckworth	Halleck	Pace
Blackney	Hancock	Patton
Bland	Harness, Ind.	Philbin
Bloom	Harris, Ark.	Powers
Bolton	Hays	Pratt,
Brooks	Herter	Joseph M.
Brown, Ohio	Hoeven	Priest
Buck	Holmes, Wash	Ramey
Burgin	Horan	Rivers
Canfield	Howell	Rodgers, Pa.
Carter	Jarman	Rogers, Mass.
Case	Jennings	Rohrbough
Celler	Johnson, Ind.	Rolph
Chapman	Johnson,	Rowan
Church	J. Leroy	Russell
Clark	Johnson,	Sabath
Clason	Lyndon B.	Sadowski
Cochran	Johnson, Okla	Schiffler
Coffee	Judd	Shafer
Cole, Mo.	Kean	Sheppard
Cole, N. Y.	Kee	Short
Colmer	Kefauver	Simpson, Ill.
Cooley	King	Simpson, Pa.
Cooper	Knutson	Slaughter
Costello	Kunkel	Smith, Maine
Crawford	Lea	Snyder
Cunningham	LeFevre	Sparkman
Curtis	Luce	Spence
Dawson	Ludlow	Stanley
Day	McCormack	Stearns, N. H.
Dewey	McKenzie	Stefan
Dickstein	McLean	Stevenson
Dondero	Maas	Stigler
Doughton	Mahon	Sumners, Tex.
Durham	Mansfield,	Taber
Ellis	Mont.	Talle
Ellison, Md.	Marcantonio	Thomas, N. J.
Elston, Ohio	Martin, Iowa	Thomas, Tex.
Engel, Mich.	Martin, Mass.	Thomason
Fellows	May	Tibbott

Torrens	Ward	Willey
Towe	Weichel, Ohio	Winter
Troutman	Weiss	Wolverton, N. J.
Vinson, Ga.	Welch	Worley
Vorys, Ohio	Wene	Wright
Vursell	Whittington	Zimmerman
Wadsworth	Wickersham	
Walter	Wigglesworth	

NOT VOTING—73

Arnold	Hagen	Murdock
Boren	Hale	Murphy
Boykin	Hall,	O'Connor
Bradley, Mich.	Edwin Arthur	Patman
Burdick	Harless, Ariz.	Peterson, Fla.
Cannon, Fla.	Heidinger	Peterson, Ga.
Chiperfield	Johnson,	Pfeifer
Dies	Calvin D.	Phillips
Dilweg	Johnson,	Plumley
Dirksen	Luther A.	Rabaut
Disney	Kearney	Reece, Tenn.
Douglas	Kennedy	Reed, N. Y.
Elmer	Kilburn	Sauthoff
Fay	Klein	Scott
Fish	Landis	Sheridan
Fitzpatrick	Lemke	Stewart
Ford	Lewis	Taylor
Fulbright	McCord	Treadway
Fuller	McMurray	Voorhis, Calif.
Gavin	Magnuson	Wasielewski
Gibson	Mansfield, Tex.	Weaver
Gifford	Merritt	Whelchel, Ga.
Gillespie	Merrow	Whitten
Granger	Miller, Mo.	Woodruff, Mich.
Green	Mills	
Gross	Morrison, N. C.	

So the recommendation of the Committee of the Whole House on the state of the Union that the enacting clause be stricken out was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Taylor for, with Mr. Gifford against.

Mr. Miller of Missouri for, with Mr. Kilburn against.

Until further notice:

General pairs:

Mr. Kennedy with Mr. Dirksen.

Mr. Rabaut with Mr. Elmer.

Mr. Sheridan with Mr. Heidinger.

Mr. Klein with Mr. Scott.

Mr. Voorhis of California with Mr. Reed of New York.

Mr. Whitten with Mr. Gavin.

Mr. Fay with Mr. Douglas.

Mr. Boykin with Mr. Arnold.

Mr. McMurray with Mr. Calvin D. Johnson

Mr. Pfeifer with Mr. Landis.

Mr. Mills with Mr. Kearney.

Mr. Harless of Arizona with Mr. Hale.

Mr. Merritt with Mr. Plumley.

Mr. Dilweg with Mr. Gross.

Mr. Cannon of Florida with Mr. Phillips.

Mr. Luther A. Johnson with Mr. Gillespie.

Mr. Peterson of Georgia with Mr. Woodruff of Michigan.

Mr. Murphy with Mr. Lewis.

Mr. Weaver with Mr. Fish.

Mr. Magnuson with Mr. Edwin Arthur Hall.

Mr. Wasielewski with Mr. Bradley of Michigan.

Mr. McCord with Mr. Chiperfield.

Mr. Mansfield of Texas with Mr. Lemke.

Mr. Peterson of Florida with Mr. Fuller.

Mr. Fulbright with Mr. Merrow.

Mr. Disney with Mr. Reece of Tennessee.

Mr. Boren with Mr. Sauthoff.

Mr. Gibson with Mr. Treadway.

Mr. Murdock with Mr. Hagen.

Mr. Granger with Mr. Burdick.

Mr. FLANNAGAN changed his vote from yea to nay.

Mr. CANNON of Missouri changed his vote from nay to yea.

Mr. KNUTSON changed his vote from yea to nay.

Mr. BEALL changed his vote from nay to yea.

Mr. AUCHINCLOSS changed his vote from yea to nay.

Mr. O'BRIEN of New York changed his vote from nay to yea.

Mr. CROSSER changed his vote from nay to yea.

The result of the vote was announced as above recorded.

On motion of Mr. IZAC, a motion to reconsider the vote by which the enacting clause was stricken out was laid on the table.

EXTENSION OF REMARKS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from New York [Mr. MRUK] have permission to extend his own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MUNDT. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the RECORD and include an editorial from Collier's magazine in support of the Dies committee.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a letter from the United States Department of Agriculture.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

TERMINATION OF WAR CONTRACTS

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that the conferees on the part of the House may have until midnight tonight to file a conference report and statement to accompany the bill S. 1718.

The SPEAKER. Is there objection?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4837. An act to extend for an additional 2 years the suspension in part of the processing tax on coconut oil.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 4967) entitled "An act, making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes, "requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. THOMAS of Oklahoma, Mr. HAYDEN, Mr. OVERTON, Mr. RUSSELL, Mr. TRUMAN, Mr. REYNOLDS, Mr. BRIDGES, Mr. GURNEY, and Mr. BROOKS to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 4861) entitled "An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. O'MAHONEY, Mr. GLASS, Mr. OVERTON, Mr. THOMAS of Oklahoma, Mr. BILBO, Mr. NYE, Mr. HOLMAN, and Mr. BURTON to be the conferees on the part of the Senate.

REGULATION OF INSURANCE BUSINESS

Mr. SABATH. Mr. Speaker, I call up the resolution, House Resolution 422, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 3270) to affirm the intent of the Congress that the regulation of the business of insurance remain within the control of the several States and that the acts of July 2, 1890, and October 15, 1914, as amended, be not applicable to that business. That after general debate, which shall be confined to the bill and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, later on I shall yield 30 minutes to my colleague from Illinois, Mr. ALLEN. I wish to be notified when I have consumed about 7 minutes.

Mr. Speaker, this rule makes in order an extremely important piece of legislation and I feel that each and every Member should be made familiar with the intent of this bill.

This bill comes from the Committee on the Judiciary, and notwithstanding there was a minority report signed by three members of that committee against the bill, the Rules Committee felt that in view of the urgent request of that committee, a rule should be granted.

It is a very short bill but extremely important, and for the information of the House I shall read what the bill aims to do:

That nothing contained in the act of July 2, 1890, as amended, known as the Sherman Act, or the act of October 15, 1914, as amended, known as the Clayton Act, shall be construed to apply to the business of insurance or to acts in the conduct of that business or in anywise to impair the regulation of that business by the several States.

In other words, it exempts insurance companies and corporations from the Sherman and Clayton Acts. I am doing my duty as chairman of the Committee on Rules in calling up the resolution, and at the same time performing my duty in calling attention to how far reaching this bill is which the resolution makes in order. We have provided for 3 hours of general debate. After that debate the bill will be taken up under the 5-minute rule for amendment.

I fully appreciate that all of the insurance companies, or nearly all of them,

their attorneys and their agents have been extremely busy for a long while in the passage of this bill, claiming that the Federal Government should not in any way interfere with State regulation. For that reason they desire to bring about the adoption of this legislation which will bring about that result.

Of course, you are all familiar with the fact that only a few weeks ago the Supreme Court held that the insurance business is interstate business. There were about 163 companies indicted, and the Supreme Court sustained the position of the Government. I feel the adoption of this legislation will nullify the action of the Department of Justice, and may preclude prosecution, although the Supreme Court has held that it has jurisdiction and that insurance is subject to interstate commerce. I am giving you these facts so that you will know what the bill aims to do. I feel it is a dangerous procedure. I think if the framers of our Constitution did not desire to include insurance companies they would have exempted them. They have not exempted them. The Supreme Court has said that it is interstate business. Many of the insurance companies have conceded many times it is interstate commerce, and in my opinion there is no question about it. Consequently, I feel you gentlemen should have all the information on the proposed legislation before you are called upon to cast your vote.

Mr. Speaker, I do not desire to take any further time. I reserve the balance of my time and I now yield 30 minutes to my colleague, the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require and I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ALLEN of Illinois. Mr. Speaker, the resolution now before you makes in order the consideration of H. R. 3270, to affirm the intent of Congress that the regulation of the business of insurance remain within the control of the several States and that the acts of July 2, 1890, and October 15, 1914, as amended, be not applicable to the insurance business. That after general debate, which shall be confined to the bill and shall continue not to exceed 3 hours the bill shall be read for amendment under the 5-minute rule. The rule provides for one motion to recommit.

The purpose of the bill is clearly stated in the title, namely, to affirm the intent of Congress that the regulation of the business of insurance remain within the control of the several States, where it now exists. After extensive hearings the Judiciary Committee practically unanimously reported this bill last November. That committee had many witnesses before it. They went into this matter most thoroughly and in great detail. After hearing representatives of the Department of Justice, State officials, representatives of insurance companies, and various experts the committee concluded that regulation of insurance companies should remain under the control of the various States. It has been urged in opposition to this bill that the States do not have power to control the business of insurance effectively and to prevent excesses and unsound monopolistic practices. The hearings disclose that these allegations are not true. Not one practice or excess or abuse has been cited which the States have not adequate power to reach. The record contains letters and telegrams which make it clear that the Governors and insurance officials of the States are satisfied with the powers they possess. They are not calling on Washington for assistance. There has not been any demand by the millions of policyholders to have control in Washington. They desire that it remain under State control instead of Washington bureaucracy. The people have had enough of Government regulation. They want their insurance left alone, free of Federal meddling. They are perfectly satisfied with the present conditions. They know that the various State insurance officials are capable and trustworthy. They do not trust the Federal bureaucrats. All of us have received many letters to this effect.

All taxes are paid by insurance companies direct to the various States. Each State has an insurance commissioner who executes the laws passed by the State legislature. If there is a violation the attorney general of the State brings suit. If the company does not comply with the laws of the individual State as to rates, investments, and reserves, in fact, with everything connected with the protection of the policyholders and the solvency of the company the State under its laws can deprive them of doing business within the State. All companies must be licensed with the State and comply with the laws of the State in order to operate within the State. Is it not true that local regulation is far superior to Federal?

It has been asserted by the few opponents of this bill that it would grant an exemption of the insurance business from the antitrust laws. The bill could have no effect since the antitrust laws have never been applicable to the business of insurance and if insurance is to be made subject to those laws it should be done by an act of Congress which is the lawmaking and body fixing branch of the Government. For over 75 years the Supreme Court of the United States has repeatedly held that insurance may be regulated by the various States. For over 90 years insurance has been regulated by the States—each acting to meet local conditions and each as it deems for the best interests of its citizens. Have you, with the exception of a few new dealers, heard of any complaints against the insurance companies? Does not your files disclose that your people back home are completely satisfied with present conditions? Do we in Washington need to take over a business which was intended to be controlled by the States? If so, why?

I ask you, here and now, if Federal bureaucracy is to run the insurance business of the country, why have not they equal rights to run the various State banks? I live in northwestern Illinois, close to the State lines of Iowa and Wisconsin. It is true that certain Illinois insurance companies do business in Iowa and Wisconsin. Of course these insurance companies must be licensed to do business in Iowa and Wisconsin. If they do not follow the laws of Iowa and Wisconsin they can be sued. They can have their license revoked. Under these conditions do you believe they are not desirous of following the law? Many insurance agents in Illinois sell insurance to people in Wisconsin and Iowa if they are given that territory. Undoubtedly many insurance agents from my own district sell insurance to people residing in Iowa and Wisconsin. Insurance is not a commodity. It is not tangible. The same is true of the business carried on by State banks. Without question several State banks of my district carry on business with citizens of Iowa and Wisconsin. Banks do not sell commodities either. I would ask you, what is the difference from the Federal viewpoint, if an insurance agent of Illinois selling insurance over the immediate State lines or an agent of a bank from Illinois going over the State line and selling bank stocks, taking notes and mortgages, soliciting deposits? In both cases they are selling noncommodities. Both are doing business outside the State.

The opponents of this bill would like to have us believe that we are attempting to place the insurance companies in a select group. Of course everyone knows that many firms and establishments are doing business over State lines and do not come under the antitrust laws.

In keeping with past Supreme Court decisions, State regulation has been developed. It has been accepted by the courts, the States, the insurance business, and the public as the proper and most effective means of protecting policyholders and that after all is the important thing. Because of local conditions or preferences, the details of and practices under State regulation vary with the States; however, Federal antitrust laws are repugnant to the fundamental concept of insurance and its regulation as reflected in the general pattern of State regulation. That general pattern is here referred to as State regulation.

Although Federal antitrust laws have been in effect for more than 50 years, neither the Federal Department of Justice nor any Federal department has, until 1942, sought to apply those laws to insurance, although private individuals have unsuccessfully attempted to do so.

There can be no doubt of the fact that from a practical standpoint fire insurance should be regulated by the States. The business is local, almost neighborhood, for the great preponderance of policies are written through local agents. It is closely related to the contract and property laws of the several States. Each for itself can regulate it in what they may deem their several public interests. The States have done this in detail. Each has been able to meet any problem which arises, and each will be able to meet any future problem. They have not called for any Federal aid. There has been no public demand for interference by the

Federal Government. It is generally recognized the Federal Government could not regulate the business on a Nationwide scale and at the same time give weight to many local factors peculiar to the respective States. Every insurance man knows that loss experience and physical and economic conditions in the several States vary, and that while State regulation on the whole follows a definite pattern it should vary with the States to meet local conditions.

No one will contend that State regulation is absolutely perfect; but certainly Federal regulation would be far less perfect.

I have stated that the Committee on the Judiciary reported this bill last November and the Rules Committee voted on it in January. It may therefore well be asked why it has not been brought to the floor sooner and why it is finally brought here just at this time, when the House is occupied with pressing war measures and plans for post-war readjustment.

The answer is simple. Until recently the regulation of the insurance business was entirely in the hands of the States, as it had been for nearly a century, and the Federal antitrust laws, under decisions of the Supreme Court going back 75 years, had no application to that business. On June 5, however, the Supreme Court, by a decision of four Justices—less than a majority of the entire Court—against three, repudiated the long-established and recognized precedents and held that insurance is commerce and is subject to the antitrust laws.

The result of this decision, unless immediate action is taken by Congress, will be to nullify the entire system of State regulation and to produce chaotic conditions in the insurance business, which, under the imminent threat of criminal prosecutions, will have to adopt revolutionary changes in its methods and practices.

Not only is the insurance business itself faced with dire consequences but the public will also suffer if the situation is not promptly remedied. No system of Federal regulation is in existence—the antitrust laws represent the antithesis of regulation. As a matter of fact, I do not believe that Congress has any inclination to adopt a system of Federal regulation of insurance, but even if it should wish to take over the regulation of the business it could not possibly do so without extended consideration and careful study, and in the meantime it is essential that the existing system, that of State regulation, be preserved.

The gentleman from New Mexico [Mr. ANDERSON], speaking in this House on June 13, argued that this bill is a meaningless gesture because the recent decisions of the Supreme Court declared the business of insurance to be subject to Federal regulation. In his anxiety to give recognition to the holdings of the Supreme Court, however, he overlooked the fact that Congress still is the lawmaking body of the Nation. Admittedly, the Federal Government has power to regulate insurance if we choose to exercise that power, but it is equally clear that we, the Congress, can leave such regulation, in whole or in part, in the hands of the States.

The great majority of the people are holding us in contempt for delegating the constitutional powers of Congress. Let us once again assert ourselves.

I should like to emphasize in particular, since some question has been raised on the subject, that this bill does not in any way affect the application to insurance of the Wages and Hours Act or the Fair Labor Standards Act. Any conceivable doubt as to whether the insurance business is subject to those laws was removed by the ruling of the Supreme Court in the Polish National Alliance case, which was also decided recently. This bill does not touch the basis on which those acts rest. It does not attempt to declare that insurance is not commerce, but deals only with the Sherman and Clayton Acts and simply provides in unambiguous language that those two acts shall not apply to insurance.

In order to appreciate the seriousness of the situation which has now arisen, it is necessary to understand the manner in which the operation and regulation of the insurance business have developed in the past.

It was 75 years ago that the Supreme Court decided that insurance is not commerce and that accordingly the States had full power to regulate it. Since that time the States have built up systems of regulation, their laws have been interpreted by the courts and the machinery of administration of those laws has been developed in detail and tested over a long period.

As a result of their extended experience and study of the problems involved, the States have found that cooperation in insurance, with uniformity in price and terms of protection, is essential in the public interest.

The attempt to apply the principle of the antitrust laws is no new thing as far as insurance is concerned, for many years ago the States themselves adopted laws of a similar nature and required that insurance be governed by unrestricted competition. They learned, and the reports of numerous legislative committees and other investigating bodies clearly demonstrate this, that antitrust laws do not achieve the end desired and that the nature of the business required cooperative action and accord, subject of course to close supervision by the regulatory authorities.

Insurance is very different in character from any other type of business. In essence it is a method by which to accomplish the distribution of risk, and if that distribution is on a sound and equitable basis the contributions will be determined according to the hazards, as shown by experience, and the laws of averages—factors which are not within the control of the insuring companies.

The Federal antitrust laws, in the field in which they have been applied in the past, sever an important public interest in encouraging competition. The business of fire insurance, however, calls for a different approach. In that business the public interest lies primarily in the protection of the policyholders through the preservation of the financial soundness of the insurer.

Although it is, of course, important that insurance rates must not be excessive—and the States have full power to prevent excessive rates—it is equally important that the rates should be adequate to preserve the solvency of the insuring companies. Cut rates often result in insolvency and the result of insolvency is loss to the public who buy the insurance.

One of the last witnesses to appear in the hearings on this bill was Mr. Robert E. Dineen, superintendent of insurance of the State of New York. Let us see what he had to say on the subject. I quote:

> Our State—and by the way, when I say this I am not expressing my own views in this respect; I am merely echoing the legislative policy of our State—says legislatively the application of an antitrust provision is a blunder in the insurance business, and that is one of the worst things that could happen. Under our theory of government—and when I say our theory, I am addressing myself solely to the State of New York—we believe that rate regulation is the answer.
>
> In your colloquy today, Senator, you expressed concern—and it isn't something peculiar to you, for I think all of us feel that way—for the survival of small business. The minute you get into applying the provisions of the Sherman Antitrust Act to the insurance business and allow unrestricted competition to take place, that, in my judgment, is the most effective means that I know of to drive the small people out of the insurance business.

If it is Federal regulation that the opponents of this bill desire, and there is good reason to think that prosecutions would not have been instituted except with the idea of eventual Federal control, let them come forward frankly and make clear to us in what respects the States are in need of assistance from the Federal Government. This bill will not stand in the way, for it does not constitute a surrender of the powers of Congress. At any time we can step in and lend our aid, if and when its need is proven.

As the Chief Justice said in the dissenting opinion, I quote:

> But the immediate and only practical effect of the decision now rendered is to withdraw from the States, in large measure, the regulation of insurance and to confer it on the National Government, which has adopted no legislative policy and evolved no scheme of regulation with respect to the business of insurance. Congress having taken no action, the present decision substitutes for the varied and detailed State regulation developed over a period of years, the limited aim and indefinite command of the Sherman Act for the suppression of restraints on competition in the marketing of goods and services in or affecting interstate commerce, to be applied by the courts to the insurance business as best they may.

It is a matter of common knowledge that there are in America some persons or groups who would prefer a large scale displacement of State activities with Federal activities. There is not any question about that and this clique has worried me a great deal. Through manipulation, even before the commencement of

the war the bank deposits and life savings of your people and my people have been gradually brought to Washington under the supervision of certain individuals who were never elected to an office in their lives. Now these same individuals desire to control the insurance protection of our people. I am inclined to believe that on roll call on this bill that a large majority of the membership will say with their vote, "We have had enough of this Federal control by bureaucrats—that Congress will preserve for itself the right to displace or impair State regulation. That Congress will make certain that a disastrous situation affecting the insurance of millions of our people will not arise with the blunders of our Federal bureaucrats."

I think in fairness to the insurance policyholders, the insurance companies, which have served the public faithfully in war and peace, that we should unanimously adopt this simple measure which affirms the intent of past Congresses and past courts.

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. MYERS].

Mr. MYERS. Mr. Speaker, I ask unanimous consent that tomorrow, Thursday, after disposition of business on the Speaker's table and at the conclusion of any other special orders heretofore entered, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. MYERS]?

There was no objection.

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent that on tomorrow, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 30 minutes, at which time I intend to discuss an article which appeared yesterday in the Scripps-Howard newspapers of the United States and which, in my opinion, is very important insofar as the dignity and integrity of the House is concerned.

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

There was no objection.

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from New Mexico [Mr. ANDERSON].

Mr. ANDERSON of New Mexico. Mr. Speaker, I want to assure the House that I have little to quarrel with in the statement just made by the gentleman from Illinois. I believe firmly in the State regulation of the insurance business. I am completely opposed to Federal regulation, and yet I am violently opposed to this bill. I have a very personal and perhaps selfish reason for it. I have devoted most of my lifetime to the insurance business. I have organized a small company, and I am still its president.

The title of the bill states that it is the intent of the Congress that the regulation of the business of insurance remain in the control of the several States. If that is our object, then I say we should pass a bill that does it, and not a bill that protects some people against criminal prosecution. There is not a line in this bill that touches the regulation of insurance by the States. That is set forth only in the title. It was in the preamble, but that is all stricken out. We now find six simple lines that say that the Clayton and Sherman Acts shall not apply to insurance, and that is all there is in this bill.

In the meantime, the Supreme Court of this country has held that insurance is commerce and, therefore, under the commerce clause of the Constitution gives this Government the right to regulate the insurance business. I want to see a bill recommended to this Congress that the various States, speaking through their regular insurance commissioners, can support. I have a telegram here from the Association of Insurance Commissioners pointing out that they have set up a regular committee, headed by the insurance commissioner from Arkansas, Mr. Graves, for the purpose of drawing a decent bill which will express the intent of Congress that the regulation of the insurance business shall remain in the several States. Those are the men elected by law, representing the buyers of insurance within the various States, who tell the fire insurance companies, who tell the casualty companies, and the life insurance companies what to do in insurance matters. Each State selects the insurance commissioners to speak on insurance matters, and those people have sent me a telegram which expresses the fact that they have set up a commission and a committee to develop the facts. In the second place, they have adopted a resolution, not striking at the Supreme Court decision or asking you to pass this Walter bill, but a resolution that they want their attorneys general to try to set aside the Supreme Court decision. That is the proper way. In the meantime, they will come to you by September 1 with a bill that you will consider then and not now; a bill expressing the judgment of the insurance commissioners of this country. Most insurance companies are not afraid of the State regulation. The antitrust laws worry few concerns. You could repeal every antitrust law on our statute books, and the threat of Federal regulation would remain under the commerce clause. I am an insurance man. Most of the Members are lawyers, but you know I am right. You can repeal the antitrust laws of this country, but the threat of Federal regulation remains in effect under the commerce clause. Do not pass this bill in the meantime.

For your information, this is the telegram sent me from the president of the National Association of Insurance Commissioners:

ST. PAUL, MINN., *June 20, 1944.*

Hon. CLINTON P. ANDERSON,
House Office Building,
Washington, D. C.:

The following two statements issued by the National Association of Insurance Commissioners at Chicago last week will clearly answer your inquiry. I quote first statement:

"The members of this association, through this regularly appointed committee, have been engaged in studying the effect of the several Federal legislative proposals, pending and suggested, affecting all branches of the insurance business.

"The recent opinion of the Supreme Court makes necessary the acceleration of the work of this committee so as to arrive, if possible, at specific recommendations to be submitted to a special session of the executive committee of this association to be convened for that purpose not later than September 1, 1944.

"There is no industry in this country in which the public has a more vital stake, and, therefore, it is essential that any dislocations of the insurance business operating under the supervision of the several States flowing from this decision, be kept to a minimum.

"Consequently in the acceleration of this study the committee proposes to consult, so far as is possible, with all persons, groups, or organizations interested in this question. The proposed procedure includes executive sessions, informal conference, and public hearings throughout the Nation as the occasion may necessitate, with public announcement by the chairman prior to each such session."

I quote second statement:

"Whereas the recent decision of the United States Supreme Court in the case of the *United States of America* v. *Southeastern Underwriters Association et al.* is to the effect that the business of insurance is commerce and whereas one of the consequences of this decision is to create doubt, perplexity, and confusion with respect to orderly and effective regulation of the business under the regulatory laws of several States: Therefore be it

"*Resolved,* That this association recommends to the insurance supervisory official of each State that he request his attorney general to consider the desirability of cooperating in securing a rehearing of the case by the United States Supreme Court."

NEWELL R. JOHNSON.

STILL FURTHER MESSAGE FROM THE SENATE

A still further message from the Senate by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1764) entitled "An act to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes."

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS OF 1942

Mr. SPENCE. Mr. Speaker, I call up the conference report on the bill (S. 1764) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and ask unanimous consent that the statement of the managers on the part of the House may be read in lieu of the conference report.

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

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1764)

to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That this act may be cited as the 'stabilization Extension Act of 1944.'

"TITLE I—AMENDMENTS TO THE EMERGENCY PRICE CONTROL ACT OF 1942

"TERMINATION DATE

"SEC. 101. Section 1 (b) of the Emergency Price Control Act of 1942, as amended, is amended by striking out 'June 30, 1944' and substituting 'June 30, 1945.'

"AMENDMENT OF SECTION 2 OF EMERGENCY PRICE CONTROL ACT OF 1942

"SEC. 102. Section 2 of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"'PRICES, RENTS, AND MARKET AND RENTING PRACTICES

"'SEC. 2. (a) Whenever in the judgment of the Price Administrator (provided for in section 201) the price or prices of a commodity or commodities have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this Act, he may by regulation or order establish such maximum price or maximum prices as in his judgment will be generally fair and equitable and will effectuate the purposes of this Act. So far as practicable, in establishing any maximum price, the Administrator shall ascertain and give due consideration to the prices prevailing between October 1 and October 15, 1941 (or if, in the case of any commodity, there are no prevailing prices between such dates, or the prevailing prices between such dates are not generally representative because of abnormal or seasonal market conditions or other cause, then to the prices prevailing during the nearest two-week period in which, in the judgment of the Administrator, the prices for such commodity are generally representative), for the commodity or commodities included under such regulation or order, and shall make adjustments for such relevant factors as he may determine and deem to be of general applicability, including the following: Speculative fluctuations, general increases or decreases in costs of production, distribution, and transportation, and general increases or decreases in profits earned by sellers of the commodity or commodities, during and subsequent to the year ended October 1, 1941: *Provided*, That no such regulation or order shall contain any provision requiring the determination of costs otherwise than in accordance with established accounting methods. Every regulation or order issued under the foregoing provisions of this subsection shall be accompanied by a statement of the considerations involved in the issuance of such regulation or order. As used in the foregoing provisions of this subsection, the term "regulation or order" means a regulation or order of general applicability and effect. Before issuing any regulation or order under the foregoing provisions of this subsection, the Administrator shall, so far as practicable, advise and consult with representative members of the industry which will be affected by such regulation or order, and shall give consideration to their recommendations. In the case of any commodity for which a maximum price has been established, the Administrator shall, at the request of any substantial portion of the industry subject to such maximum price, regulation, or order of the Administrator, appoint an industry advisory committee, or committees, either national or regional or both, consisting of such number of representatives of the industry as may be necessary in order to constitute a committee truly representative of the industry, or of the industry in such region, as the case may be. The committee shall select a chairman from among its members, and shall meet at the call of the chairman. The Administrator shall from time to time, at the request of the committee, advise and consult with the committee with respect to the regulation or order, and with respect to the form thereof, and classifications, differentiations, and adjustments therein. The committee may make such recommendations to the Administrator as it deems advisable, and such recommendations shall be considered by the Administrator. Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act he may, without regard to the foregoing provisions of this subsection, issue temporary regulations or orders establishing as a maximum price or maximum prices the price or prices prevailing with respect to any commodity or commodities within five days prior to the date of issuance of such temporary regulations or orders; but any such temporary regulation or order shall be effective for not more than sixty days, and may be replaced by a regulation or order issued under the foregoing provisions of this subsection.

"'(b) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he shall issue a declaration setting forth the necessity for, and recommendations with reference to, the stabilization or reduction of rents for any defense-area housing accommodations within a particular defense-rental area. If within sixty days after the issuance of any such recommendations rents for any such accommodations within such defense-rental area have not in the judgment of the Administrator been stabilized or reduced by State or local regulation, or otherwise, in accordance with the recommendations, the Administrator may by regulation or order establish such maximum rent or maximum rents for such accommodations as in his judgment will be generally fair and equitable and will effectuate the purposes of this Act. So far as practicable, in establishing any maximum rent for any defense-area housing accommodations, the Administrator shall ascertain and give due consideration to the rents prevailing for such accommodations, or comparable accommodations, on or about April 1, 1941 (or if, prior or subsequent to April 1, 1941, defense activities shall have resulted or threatened to result in increases in rents for housing accommodations in such area inconsistent with the purposes of this Act, then on or about a date (not earlier than April 1, 1940), which in the judgment of the Administrator, does not reflect such increases), and he shall make adjustments for such relevant factors as he may determine and deem to be of general applicability in respect of such accommodations, including increases or decreases in property taxes and other costs within such defense-rental area. In designating defense-rental areas, in prescribing regulations and orders establishing maximum rents for such accommodations, and in selecting persons to administer such regulations and orders, the Administrator shall, to such extent as he determines to be practicable, consider any recommendations which may be made by State and local officials concerned with housing or rental conditions in any defense-rental area. Whenever the Administrator shall find that, in any defense-rental area or any portion thereof specified by him, the availability of adequate rental housing accommodations and other relevant factors are such as to make rent control unnecessary for the purpose of eliminating speculative, unwarranted, and abnormal increases in rents and of preventing profiteering, and speculative and other disruptive practices resulting from abnormal market conditions caused by congestion, the controls imposed upon rents by authority of this Act in such defense-rental area or portion thereof shall be forthwith abolished; but whenever in the judgment of the Administrator it is necessary or proper, in order to effectuate the purpose of this Act, to reestablish the regulation of rents in any such defense-rental area or portion thereof, he may forthwith by regulation or order reestablish maximum rents for housing accommodations therein in accordance with the standards set forth in this Act.

"'(c) Any regulation or order under this section may be established in such form and manner, may contain such classifications and differentiations, and may provide for such adjustments and reasonable exceptions, as in the judgment of the Administrator are necessary or proper in order to effectuate the purposes of this Act. Under regulations to be prescribed by the Administrator, he shall provide for the making of individual adjustments in those classes of cases where the rent on the maximum rent date for any housing accommodations is, due to peculiar circumstances, substantially higher or lower than the rents generally prevailing in the defense-rental area for comparable housing accommodations, and in those classes of cases where substantial hardship has resulted since the maximum rent date from a substantial and unavoidable increase in property taxes or operating costs. Any regulation or order under this section which establishes a maximum price or maximum rent may provide for a maximum price or maximum rent below the price or prices prevailing for the commodity or commodities, or below the rent or rents prevailing for the defense-area housing accommodations, at the time of the issuance of such regulation or order.

"'(d) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he may, by regulation or order, regulate or prohibit speculative or manipulative practices (including practices relating to changes in form or quality) or hoarding, in connection with any commodity, and speculative or manipulative practices or renting or leasing practices (including practices relating to recovery of the possession) in connection with any defense-area housing accommodations, which in his judgment are equivalent to or are likely to result in price or rent increases, as the case may be, inconsistent with the purposes of this Act.

"'(e) Whenever the Administrator determines that the maximum necessary production of any commodity is not being obtained or may not be obtained during the ensuing year, he may, on behalf of the United States, without regard to the provisions of law requiring competitive bidding, buy or sell at public or private sale, or store or use, such commodity in such quantities and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof or otherwise to supply the demand therefor, or make subsidy payments to domestic producers of such commodity in such amounts and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof: *Provided*, That in the case of any commodity which has heretofore or may hereafter be defined as a strategic or critical material by the President pursuant to section 5d of the Reconstruction Finance Corporation Act, as amended, such determinations shall be made by the Federal Loan Administrator, with the approval of the President, and, notwithstanding any other provision of this Act or of any existing law,

such commodity may be bought or sold, or stored or used, and such subsidy payments to domestic producers thereof may be paid, only by corporations created or organized pursuant to such section 5d; except that in the case of the sale of any commodity by any such corporation, the sale price therefor shall not exceed any maximum price established pursuant to subsection (a) of this section which is applicable to such commodity at the time of sale or delivery, but such sale price may be below such maximum price or below the purchase price of such commodity, and the Administrator may make recommendations with respect to the buying or selling, or storage or use, of any such commodity: *Provided, however,* That, with the exception of any commodity which prior to the effective date of this amendatory proviso has been defined as a strategic or critical material pursuant to section 5d of the Reconstruction Finance Corporation Act, as amended, no agricultural commodity or commodity manufactured or processed in whole or substantial part from any agricultural commodity intended to be used as food for human consumption, shall, for the purposes of this subsection, be defined as a strategic or critical material pursuant to the provisions of said section 5d of the Reconstruction Finance Corporation Act, as amended. In any case in which a commodity is domestically produced, the powers granted to the Administrator by this subsection shall be exercised with respect to importations of such commodity only to the extent that, in the judgment of the Administrator, the domestic production of the commodity is not sufficient to satisfy the demand therefor. Nothing in this section shall be construed to modify, suspend, amend, or supersede any provision of the Tariff Act of 1930, as amended, and nothing in this section, or in any existing law, shall be construed to authorize any sale or other disposition of any agricultural commodity contrary to the provisions of the Agricultural Adjustment Act of 1938, as amended, or to authorize the Administrator to prohibit trading in any agricultural commodity for future delivery if such trading is subject to the provisions of the Commodity Exchange Act, as amended.

"'After June 30, 1945, neither the Price Administrator nor the Reconstruction Finance Corporation nor any other Government corporation shall make any subsidy payments, or buy any commodities for the purpose of selling them at a loss and thereby subsidizing directly or indirectly the sale of commodities, unless the money required for such subsidies, or sale at a loss, has been appropriated by Congress for such purpose; and appropriations for such purpose are hereby authorized to be made.

"'(f) No power conferred by this section shall be construed to authorize any action contrary to the provisions and purposes of section 3, and no agricultural commodity shall be sold within the United States pursuant to the provisions of this section by any governmental agency at a price below the price limitations imposed by section 3 (a) of this Act with respect to such commodity.

"'(g) Regulations, orders, and requirements under this Act may contain such provisions as the Administrator deems necessary to prevent the circumvention or evasion thereof.

"'(h) The powers granted in this section shall not be used or made to operate to compel changes in the business practices, cost practices, or methods, or means or aids to distribution, established in any industry, or changes in established rental practices, except where such action is affirmatively found by the Administrator to be necessary to prevent circumvention or evasion of any regulation, order, price schedule, or requirement under this Act.

"'(i) No maximum price shall be established for any fishery commodity below the average price of such commodity in the year 1942.

"'(j) Nothing in this Act shall be construed (1) as authorizing the elimination or any restriction of the use of trade and brand names; (2) as authorizing the Administrator to require the grade labeling of any commodity; (3) as authorizing the Administrator to standardize any commodity, unless the Administrator shall determine, with respect to such standardization, that no practicable alternative exists for securing effective price control with respect to such commodity; or (4) as authorizing any order of the Administrator fixing maximum prices for different kinds, classes, or types of a commodity which are described in terms of specifications or standards, unless such specifications or standards were, prior to such order, in general use in the trade or industry affected, or have previously been promulgated and their use lawfully required by another Government agency.

"'(k) No regulation, order, or price schedule issued under this Act shall, after the effective date of this subsection, require any seller of goods at retail to limit his sales with reference to any highest price line offered for sale by him at any prior time.

"'(l) Before growers' maximum prices are established or lowered for any agricultural commodity which is the product of annual or seasonal planting, the Price Administrator shall give to such growers, not less than 15 days prior to the normal planting season in each major producing area affected, notice of the maximum prices he proposes to establish therefor: *Provided,* That in no case shall this subsection require such notice to be given more than 12 months prior to the beginning of the normal marketing season in such area. This requirement may be satisfied by publication in the Federal Register, but the Administrator shall utilize appropriate means to insure general publicity to such prices in the areas affected. The requirements of this subsection shall not apply to the 1944 crop of any agricultural commodity of any major producing area in which the normal planting season occurs prior to July 31, 1944.

"'(m) No agency, department, officer, or employee of the Government, in the payment of sums authorized by this or other Acts of Congress relating to the production or sale of agricultural commodities, or in contracts for the purchase of any such commodities by the Government or any department or agency thereof, or in any allocation of materials or facilities, or in fixing quotas for the production or sale of any such commodities, shall impose any conditions or penalties not authorized by the provisions of the Act or Acts, or lawful regulations issued thereunder, under which such sums are authorized, such contracts are made, materials and facilities allocated, or quotas for the production or sale of any such commodities are imposed. Any person aggrieved by any action of any agency, department, officer, or employee of the Government contrary to the provisions hereof, or by the failure to act of any such agency, department, officer, or employee, may petition the district court of the district in which he resides or has his place of business for an order or a declaratory judgment to determine whether any such action or failure to act is in conformity with the provisions hereof and otherwise lawful; and the court shall have jurisdiction to grant appropriate relief. The provisions of the Judicial Code as to monetary amount involved necessary to give jurisdiction to a district court shall not be applicable in any such case.'

"AMENDMENT TO SECTION 3 OF EMERGENCY PRICE CONTROL ACT OF 1942

"SEC. 103. (a) Subsection (e) of section 3 of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"'(e) Notwithstanding any other provision of this or any other law, no action shall be taken under this Act by the Administrator or any other person with respect to any agricultural commodity without the prior approval of the Secretary of Agriculture; except that the Administrator may take such action as may be necessary under section 202 and section 205 to enforce compliance with any regulation, order, price schedule or other requirement with respect to an agricultural commodity which has been previously approved by the Secretary of Agriculture.'

"(b) Section 3 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

"'(g) Whenever a maximum price has been established, under this Act or otherwise, with respect to any fresh fruit or any fresh vegetable, the Administrator from time to time shall adjust such maximum price in order to make appropriate allowances for substantial reductions in merchantable crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such commodity.'

"AMENDMENTS TO SECTION 201 OF EMERGENCY PRICE CONTROL ACT OF 1942

"SEC. 104. (a) Section 201 (c) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"'(c) The Administrator shall have authority to make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere; for lawbooks and books of reference; for paper, printing and binding; and for purchase of commodities in order to obtain information or evidence of violations of price, rent, or rationing regulations or orders or price schedules) as he may deem necessary for the administration and enforcement of this Act. The provisions of section 3709 of the Revised Statutes shall not apply to the purchase of supplies and services by the Administrator where the aggregate amount involved does not exceed $250.'

"(b) Section 201 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

"'(e) All agencies, offices, or officers of the Government exercising supervisory or policy-making powers over the Office of Price Administration, War Food Administration, or War Production Board, whether such powers are delegated to such agency, office, or officer by this or any other Act or by Executive order, shall exercise such powers only through formal written orders or regulations which shall be promptly published in the Federal Register, but shall not otherwise be subject to the provisions of the Federal Register Act: *Provided,* That no order or regulation shall be published in accordance with the requirements of this subsection containing information which, for reasons of military security, it is not in the public interest to divulge.'

"AMENDMENTS TO SECTION 202 OF EMERGENCY PRICE CONTROL ACT OF 1942

"SEC. 105. (a) Section 202 (a) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"'SEC. 202. (a) The Administrator is authorized to make such studies and investigations, to conduct such hearings, and to obtain such information as he deems necessary or proper to assist him in prescribing any regulation or order under this Act, or in the administration and enforcement of this Act and regulations, orders, and price schedules thereunder.'

"(b) Section 202 of the Emergency Price Control Act of 1942, as amended, is amended

by adding at the end thereof the following new subsection:

"'(i) Any person subpenaed under this section shall have the right to make a record of his testimony and to be represented by counsel.'

"AMENDMENT OF SECTION 203 OF EMERGENCY PRICE CONTROL ACT OF 1942

"SEC. 106. Section 203 of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"'PROCEDURE

"'SEC. 203. (a) At any time after the issuance of any regulation or order under section 2, or in the case of a price schedule, at any time after the effective date thereof specified in section 206, any person subject to any provision of such regulation, order, or price schedule may, in accordance with regulations to be prescribed by the Administrator, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections. Statements in support of any such regulation, order, or price schedule may be received and incorporated in the transcript of the proceedings at such times and in accordance with such regulations as may be prescribed by the Administrator. Within a reasonable time after the filing of any protest under this subsection, but in no event more than thirty days after such filing, the Administrator shall either grant or deny such protest in whole or in part, notice such protest for hearing, or provide an opportunity to present further evidence in connection therewith. In the event that the Administrator denies any such protest in whole or in part, he shall inform the protestant of the grounds upon which such decision is based, and of any economic data and other facts of which the Administrator has taken official notice.

"'(b) In the administration of this Act the Administrator may take official notice of economic data and other facts, including facts found by him as a result of action taken under section 202.

"'(c) Any proceedings under this section may be limited by the Administrator to the filing of affidavits, or other written evidence, and the filing of briefs: *Provided, however,* That, upon the request of the protestant, any protest filed in accordance with subsection (a) of this section after September 1, 1944, shall, before denial in whole or in part, be considered by a board of review consisting of one or more officers or employees of the Office of Price Administration designated by the Administrator in accordance with regulations to be promulgated by him. Such regulations shall provide that the board of review may conduct hearings and hold sessions in the District of Columbia or any other place, as a board, or by subcommittees thereof, and shall provide that, upon the request of the protestants and upon a showing that material facts would be adduced thereby, subpenas shall issue to procure the evidence of persons or the production of documents, or both. The Administrator shall cause to be presented to the board such evidence, including economic data, in the form of affidavits or otherwise, as he deems appropriate in support of the provision against which the protest is filed. The protestant shall be accorded an opportunity to present rebuttal evidence in writing and oral argument before the board and the board shall make written recommendations to the Price Administrator. The protestant shall be informed of the recommendations of the board and, in the event that the Administrator rejects such recommendations in whole or in part, shall be informed of the reasons for such rejection.

"'(d) Any protest filed under this section shall be granted or denied by the Administrator, or granted in part and the remainder of it denied, within a reasonable time after it is filed. Any protestant who is aggrieved by undue delay on the part of the Administrator in disposing of his protest may petition the Emergency Court of Appeals, created pursuant to section 204, for relief; and such court shall have jurisdiction by appropriate order to require the Administrator to dispose of such protest within such time as may be fixed by the court. If the Administrator does not act finally within the time fixed by the court, the protest shall be deemed to be denied at the expiration of that period.'"

"AMENDMENTS TO SECTION 204 OF EMERGENCY PRICE CONTROL ACT OF 1942

"SEC. 107. (a) Subsection (c) of section 204 of the Emergency Price Control Act of 1942, as amended, is amended by inserting immediately after the third sentence thereof a new sentence as follows: 'Two judges shall constitute a quorum of the court and of each division thereof.'

"(b) Section 204 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

"'(e) (1) Within thirty days after arraignment, or such additional time as the court may allow for good cause shown, in any criminal proceeding, and within five days after judgment in any civil or criminal proceeding, brought pursuant to section 205 involving alleged violation of any provision of any regulation or order issued under section 2 or of any price schedule effective in accordance with the provisions of section 206, the defendant may apply to the court in which the proceeding is pending for leave to file in the Emergency Court of Appeals a complaint against the Administrator setting forth objections to the validity of any provision which the defendant is alleged to have violated. The court in which the proceeding is pending shall grant such leave with respect to any objection which it finds is made in good faith and with respect to which it finds there is reasonable and substantial excuse for the defendant's failure to present such objection in a protest filed in accordance with section 203 (a). Upon the filing of a complaint pursuant to and within thirty days from the granting of such leave, the Emergency Court of Appeals shall have jurisdiction to enjoin or set aside in whole or in part the provision of the regulation, order, or price schedule complained of or to dismiss the complaint. The court may authorize the introduction of evidence, either to the Administrator or directly to the court, in accordance with subsection (a) of this section. The provisions of subsections (b), (c), and (d) of this section shall be applicable with respect to any proceeding instituted in accordance with this subsection.

"'(2) In any proceeding brought pursuant to section 205 involving an alleged violation of any provision of any such regulation, order, or price schedule, the court shall stay the proceeding—

"'(i) during the period within which a complaint may be filed in the Emergency Court of Appeals pursuant to leave granted under paragraph (1) of this subsection with respect to such provision;

"'(ii) during the pendency of any protest properly filed by the defendant under section 203 prior to the institution of the proceeding under section 205, setting forth objections to the validity of such provision which the court finds to have been made in good faith; and

"'(iii) during the pendency of any judicial proceeding instituted by the defendant under this section with respect to such protest or instituted by the defendant under paragraph (1) of this subsection with respect to such provision, and until the expiration of the time allowed in this section for the taking of further proceedings with respect thereto.

Notwithstanding the provisions of this paragraph, stays shall be granted thereunder in civil proceedings only after judgment and upon application made within 5 days after judgment. Notwithstanding the provisions of this paragraph, in the case of a proceeding under section 205 (a) the court granting a stay under this paragraph shall issue a temporary injunction or restraining order enjoining or restraining, during the period of the stay, violations by the defendant of any provision of the regulation, order, or price schedule involved in the proceeding. If any provision of a regulation, order, or price schedule is determined to be invalid by judgment of the Emergency Court of Appeals which has become effective in accordance with section 204 (b), any proceeding pending in any court shall be dismissed, and any judgment in such proceeding vacated, to the extent that such proceeding or judgment is based upon violation of such provision. Except as provided in this subsection, the pendency of any protest under section 203, or judicial proceeding under this section, shall not be grounds for staying any proceeding brought pursuant to section 205; nor, except as provided in this subsection, shall any retroactive effect be given to any judgment setting aside a provision of a regulation or order issued under section 2 or of a price schedule effective in accordance with the provisions of section 206.'"

"AMENDMENTS TO SECTION 205 OF EMERGENCY PRICE CONTROL ACT OF 1942

"SEC. 108. (a) The third sentence of subsection (c) of section 205 of the Emergency Price Control Act of 1942, as amended, is amended by striking out the period at the end thereof and inserting a colon and the following: '*Provided, however,* That all suits under subsection (e) of this section shall be brought in the district or county in which the defendant resides or has a place of business, an office, or an agent.'

"(b) Subsection (e) of section 205 of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"'(e) If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, the person who buys such commodity for use or consumption other than in the course of trade or business may, within one year from the date of the occurrence of the violation, except as hereinafter provided, bring an action against the seller on account of the overcharge. In such action, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is the greater: (1) Such amount not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) an amount not less than $25 nor more than $50, as the court in its discretion may determine: *Provided, however,* That such amount shall be the amount of the overcharge or overcharges or $25, whichever is greater, if the defendant proves that the violation of the regulation, order, or price schedule in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation. For the purposes of this section the payment or receipt of rent for defense-area housing accommodations shall be deemed the buying or selling of a commodity, as the case may be; and the word 'overcharge' shall mean the amount by which the consideration exceeds the applicable maximum price. If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, and the buyer either fails to institute an action under this subsection within thirty days from the date of the occurrence of the violation or is not

entitled for any reason to bring the action, the Administrator may institute such action on behalf of the United States within such one-year period. If such action is instituted by the Administrator, the buyer shall thereafter be barred from bringing an action for the same violation or violations. Any action under this subsection by either the buyer or the Administrator, as the case may be, may be brought in any court of competent jurisdiction. A judgment in an action for damages under this subsection shall be a bar to the recovery under this subsection of any damages in any other action against the same seller on account of sales made to the same purchaser prior to the institution of the action in which such judgment was rendered.'

"(c) The amendment made by subsection (b), insofar as it relates to actions by buyers or actions which may be brought by the Administrator only after the buyer has failed to institute an action within thirty days from the occurrence of the violation, shall be applicable only with respect to violations occurring after the date of enactment of this Act. In other cases, such amendment shall be applicable with respect to proceedings pending on the date of enactment of this Act and with respect to proceedings instituted thereafter.

"(d) Subsection (f) of section 205 of the Emergency Price Control Act of 1942, as amended, is amended by striking out the period at the end thereof, inserting a colon and the following: *'Provided,* That no regulation, order, license, or requirement heretofore or hereafter issued or prescribed pursuant to section 2 (a) (2) of the Act of June 28, 1940, as amended by the Act of May 31, 1941, and by title III of the Second War Powers Act, 1942, may validly contain any requirement as to the observance of any regulation, order, license, or requirement issued or prescribed pursuant to this Act or the Stabilization Act of October 2, 1942.'

"(e) Section 205 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

"'(g) The district courts shall have exclusive *jurisdiction* to enjoin or set aside, in whole or in part, orders for suspension of allocations, and orders denying a stay of such suspension, issued by the Administrator pursuant to section 2 (a) (2) of the Act of June 28, 1940, as amended by the Act of May 31, 1941, and title III of the Second War Powers Act, 1942, and under authority conferred upon him pursuant to section 201 (b) of this Act. Any action to enjoin or set aside such order shall be brought within five days after the service thereof. No suspension order shall take effect within five days after it is served, or, if an application for a stay is made to the Administrator within such five-day period, until the expiration of five days after service of an order denying the stay. No interlocutory relief shall be granted against the Administrator under this subsection unless the applicant for such relief shall consent, without prejudice, to the entry of an order enjoining him from violations of the regulation or order involved in the suspension proceedings.'"

"TITLE II—AMENDMENTS TO THE STABILIZATION ACT OF OCTOBER 2, 1942

"AMENDMENTS TO SECTION 3 OF THE STABILIZATION ACT OF OCTOBER 2, 1942

"SEC. 201. (a) The first proviso contained in section 3 of the Stabilization Act of October 2, 1942, as amended, is amended to read as follows: *'Provided,* That the President shall, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities; but nothing in this section shall be construed to permit the establishment in any case of a maximum price below a price which will reflect to the producers of any agricultural commodity the price therefor specified in clause (1) of this section:'.

"(b) Section 3 of such Act of October 2, 1942, as amended, is amended by adding at the end thereof the following new paragraphs:

"'On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price for any agricultural commodity or any commodity processed or manufactured in whole or substantial part from any agricultural commodity which will reflect to the producers of such agricultural commodity a price below the highest applicable price standard (applied separately to each major item in the case of products made in whole or major part from cotton or cotton yarn) of this Act.

"'The President, acting through any department, agency, or office of the Government, shall take all lawful action to assure that the farm producer of any of the basic agricultural commodities (cotton, corn, wheat, rice, tobacco, and peanuts) and of any agricultural commodity with respect to which a public announcement has been made under section 4 (a) of the act entitled "An act to extend the life and increase the credit resources of the Commodity Credit Corporation and for other purposes," approved July 1, 1941, as amended (relating to supporting the prices of nonbasic agricultural commodities), receives not less than the higher of the two prices specified in clauses (1) and (2) of this section (the latter price as adjusted for gross inequity).

"'The method that is now used for the purposes of loans under section 8 of this Act for determining the parity price or its equivalent for seven-eighths inch Middling cotton at the average location used in fixing the base loan rate for cotton shall also be used for determining the parity price for seven-eighths inch Middling cotton at such average location for the purposes of this section; and any adjustments made by the Secretary of Agriculture or the War Food Administrator for grade, location, or seasonal differentials for the purposes of this section shall be made on the basis of the parity price so determined.'

"AMENDMENT TO SECTION 4 OF THE STABILIZATION ACT OF OCTOBER 2, 1942

"SEC. 202. Section 4 of such Act of October 2, 1942, as amended, is amended by adding at the end thereof the following new paragraph:

"'In any dispute between employees and carriers subject to the Railway Labor Act, as amended, as to changes affecting wage or salary payments, the procedures of such Act shall be followed for the purpose of bringing about a settlement of such dispute. Any agency provided for by such Act, as a prerequisite to effecting or recommending a settlement of any such dispute, shall make a specific finding and certification that the changes proposed by such settlement or recommended settlement are consistent with such standards as may be then in effect, established by or pursuant to law, for the purpose of controlling inflationary tendencies. Where such finding and certification are made by such agency, they shall be conclusive, and it shall be lawful for the employees and carriers, by agreement, to put into effect the changes proposed by the settlement or recommended settlement with respect to which such finding and certification were made.'

"TERMINATION DATE

"SEC. 203. Section 6 of such Act of October 2, 1942, as amended, is amended by striking out 'June 30, 1944' and substituting 'June 30, 1945'.

"AMENDMENT TO SECTION 8 OF THE STABILIZATION ACT OF OCTOBER 2, 1942

"SEC. 204. Section 8 (a) (1) of such Act of October 2, 1942, as amended (relating to loans upon cotton, corn, wheat, rice, tobacco, and peanuts), is amended by striking out 'at the rate of 90 per centum of the parity price' and inserting in lieu thereof 'at the rate in the case of cotton of 92½ per centum, and at the rate in the case of the other commodities of 90 per centum, of the parity price'. The amendment made by this section shall be applicable with respect to crops harvested after December 31, 1943. In the case of loans made under such section 8 upon any of the 1944 crop of any commodity before the amendment made by this section takes effect, the Commodity Credit Corporation is authorized and directed to increase or provide for increasing the amount of such loans to the amount of the loans which would have been made if the loan rate specified in this section had been in effect at the time the loans were made.

"SHORT TITLE

"SEC. 205. Such act of October 2, 1942, as amended, is amended by adding at the end thereof a new section as follows:

"'SEC. 12. This act may be cited as the "Stabilization Act of 1942."'"

And the House agree to the same.

BRENT SPENCE,
PAUL BROWN,
WILLIAM B. BARRY,
MIKE MONRONEY,
JESSE P. WOLCOTT,
FRED L. CRAWFORD,
RALPH A. GAMBLE,
Managers on the part of the House.

ROBERT F. WAGNER,
ALBEN W. BARKLEY,
FRANCIS MALONEY,
J. H. BANKHEAD,
JOHN A. DANAHER,
CHAS. A. TOBEY,
ROBERT TAFT,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1764) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

The House amendment struck out all of the Senate bill after the enacting clause, and inserted a substitute. The committee of conference recommends that the Senate recede from its disagreement to the amendment of the House with an amendment which is a substitute for both the Senate bill and the House amendment, and that the House agree to the same.

All differences between the House amendment and the proposed conference substitute are explained in the following statement, except for minor clarifying changes, and incidental changes made necessary by reason of agreements reached by the committee of conference.

SHORT TITLE

The Senate bill contained a short title, the Stabilization Extension Act of 1944, to the legislation here proposed to be enacted. The House amendment contained no such provision. This provision has been included as the first section of the conference substitute.

PERIOD OF EXTENSION OF PRESENT LAW

The Senate bill provided for extending the period of operation of the Emergency Price Control Act of 1942 until December 31, 1945. The House amendment provided for extending such act until June 30, 1945. The conference substitute provides for extension until June 30, 1945.

The Senate bill provided for extending the period of operation of the Stabilization Act

of October 2, 1942, until December 31, 1945. The House amendment provided for extending such act until June 30, 1945. The conference substitute provides for extension until June 30, 1945.

AMENDMENTS TO SECTION 2 OF THE EMERGENCY PRICE CONTROL ACT OF 1942

Section 2 of the Emergency Price Control Act of 1942, which grants to the Price Administrator his basic power to establish maximum prices and maximum rents, and which contains standards and limitations applicable to the exercise of the authority to fix maximum prices and maximum rents, was amended by the House amendment in a number of respects. It was also amended by the Senate bill.

Fixing of profits: The House amendment added to section 2 (a) of the Emergency Price Control Act of 1942 a proviso as follows:

"*Provided further*, That this Act shall not be construed or interpreted in such a way as to give to the Administrator the right to fix profits where such action has no relation to price control."

This proviso has been omitted from the conference substitute. It was felt that it contained a clear and undesirable implication that the Price Administrator would have the power to fix profits where such action had a relation to price control. Apart from this implication, the provision was believed to be surplusage, since the Price Administrator does not now have the authority to fix profits, as such, under any circumstances, and will not have such authority after the enactment of the legislation here proposed.

Rent adjustments: The House amendment added to secton 2 (c) of the Emergency Price Control Act of 1942, a new sentence as follows:

"The Administrator shall provide for individual adjustments in those classes of cases where the rent on the maximum rent date for any housing accommodations is, due to peculiar circumstances, substantially higher or lower than the rents generally prevailing in the defense-rental area for comparable housing accommodations, including those cases in which there has been since the maximum rent date a substantial increase or decrease in property taxes or operating costs, or in which the rent is less than the total costs of operation, or in multiple-unit premises the rent is lower than the maximum rent generally prevailing for comparable housing accommodations in the same premises."

This sentence has been retained in the conference substitute, but it has been modified. The first part of the sentence remains the same as it was in the House amendment except for the addition, at the beginning, of the words "Under regulations to be prescribed by him,", but the latter part, beginning with the word "including", has been changed to require the Price Administrator to provide for the making of individual adjustments, under regulations to be prescribed by him, in—

"those classes of cases where substantial hardship has resulted since the maximum rent date from a substantial and unavoidable increase in property taxes or operating costs."

Discontinuance of rent controls: The House amendment added to section 2 (c) of the Emergency Price Control Act of 1942 a provision requiring the Price Administrator to abolish rent controls upon the making of certain specified findings indicating that the need for the maintenance of such controls no longer existed, but provided that such controls could be reestablished whenever in his judgment such action was necessary or proper in order to effectuate the purposes of the Emergency Price Control Act. As adopted by the House, this provision might have been subject to the interpretation that it applied only where the finding could be made with respect to an entire defense rental area, or, possibly, with respect to all defense rental areas. The provision has been included in the conference substitute, but has been modified so as to make it clear that it applies for purposes of removal of rent controls where the finding can be made with respect to any defense-rental area, or with respect to any portion of a defense-rental area specified by the Price Administrator, and a corresponding authority to reestablish rent controls where necessary is also included. The conference substitute provides for inserting this provision in section 2 (b) of the present act rather than in section 2 (c).

Payments of subsidies to processors conditioned on proof of payments to producers in compliance with price standards: The House amendment added to section 2 (e) of the Emergency Price Control Act of 1942 a proviso as follows:

"*Provided further*, That from and after the enactment of this Act it shall be unlawful to pay any subsidy to the processor of any product manufactured in whole or substantial part from any agricultural commodity, unless such processor shall, before receiving such subsidy payment, submit satisfactory evidence that he has paid to the producers of such agricultural commodity, prices that are not below the price standards established by the Act of October 2, 1942 (Public Law 729, 77th Congress). Nothing in this provision shall be construed to authorize or approve the payment of any subsidy either directly or indirectly which is not authorized by existing law."

This provision has not been included in the conference substitute.

The fact that this amendment is omitted is not intended to indicate that the conferees are not in full sympathy with its purpose. It is believed that the objective of this amendment can best be attained by specific legislation covering this subject. However, it is also believed that the purpose of this amendment could be attained by proper administration of the present law, there being ample authority in the law to warrant such administrative action. It is intended that the directive given to the President in the amendment made by the bill to section 3 of the Stabilization Act of 1942, with respect to agricultural prices, shall be carried out to the fullest extent necessary to accomplish the purpose of this amendment.

Making of subsidy payments after June 30, 1945: The Senate bill contained a provision, not included in the House amendment, adding to section 2 (e) of the Emergency Price Control Act of 1942 a new paragraph as follows:

"After June 30, 1945, neither the Price Administrator nor the Reconstruction Finance Corporation nor any other Government corporation shall make any subsidy payments, or buy any commodities for the purpose of selling them at a loss and thereby subsidizing directly or indirectly the sale of commodities, unless the money required for such subsidies, or sale at a loss, has been appropriated by Congress for such purpose."

This provision has been included in the conference substitute, but in order to remove any doubt which might exist as to authority for the making of the appropriations for use after June 30, 1945, contemplated by the provision, additional language authorizing such appropriations has been included.

Authority to compel changes in business practices established in any industry: The House amendment rewrote section 2 (h) of the Emergency Price Control Act of 1942 to read as follows:

"(h) The powers granted in this section shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, or changes in established rental practices."

In addition to inserting the words "or changes in established rental practices" the change made by the House in the existing provision was to delete the exception which permitted the Price Administrator to compel changes of the character referred to in order to prevent circumvention or evasion of any regulation, order, price schedule, or other requirement under the act. The exception is restored in the conference substitute with a change imposing a limitation on the authority of the Price Administrator which is not contained in existing law. With this change the Administrator will have authority to compel such changes only in cases where he has affirmatively found such action to be necessary to prevent circumvention or evasion of a regulation, order, price schedule or other requirement under the act.

Maximum prices in the case of fishery commodities: The Emergency Price Control Act of 1942 provides in section 2 (i) that no maximum price shall be established for any fishery commodity below the average price of such commodity in the year 1941. The conference substitute modifies this subsection by striking out "1941" and inserting "1942."

Grade labeling and standardization of commodities: As extended by the conference substitute, the Price Control Act includes without change section 2 (j), which was added by the act of July 16, 1943, to prohibit grade labeling and to restrict the employment in pricing of specifications or standards not previously in general use. Since the managers on the part of the House, in presenting the amendment to the House last July, specifically explained its meaning and purposes, there is no reason for further congressional revision of this part of the law. As stated at the time, each of the specific prohibitions in section 2 (j) is to be applied in price control, and none of them may be disregarded. Accordingly, although other subdivisions of section 2 have been revised by the bill here under consideration, this subsection (j) has been left unchanged.

Adjustments in maximum prices and maximum rents where necessary to correct gross inequities: The House amendment added to section 2 of the Emergency Price Control Act of 1942 a new subsection (k), as follows:

"(k) The Administrator shall, without regard to the limitations contained in this Act or the Stabilization Act of 1942, adjust any maximum price or rent to the extent that it may be necessary to correct gross inequities."

This subsection has not been retained in the conference substitute.

Highest price line restriction: The House amendment added to section 2 of the Emergency Price Control Act of 1942 a new subsection (l) as follows:

"(l) Nothing in this Act shall be construed to require any person to sell any commodity or to offer any accommodations for rent, or to require any person to limit his stock of goods or sales to the highest price line offered for sale at any one time, and any rule, regulation, or order inconsistent with the provisions of this subsection shall have no further legal effect."

This provision is retained in the conference substitute with certain changes. The only substantial change which has been made, aside from changes for the purpose of clarification, is to limit it so that the prohibition against the highest price line limitation applies only in the case of sellers of goods at retail. Regulations, orders, or price schedules heretofore issued, insofar as they are inconsistent with this subsection, will become inoperative.

Property sold under court order: The House amendment added to section 2 of the Emergency Price Control Act of 1942 a new subsection (m), as follows:

"(m) No maximum price shall be fixed or maintained upon any article of property,

of whatsoever character, which is sold by any administrator, executor, trustee, receiver, or other officer of any court, which is sold under the order or decree of such court."

This subsection has not been included in the conference substitute. The committee of conference believed it unwise to completely exempt from price control all sales of the character referred to in the amendment. Most such sales are now exempt by administrative action, and, it is assumed, will continue to be, but it is considered desirable to permit the Price Administrator to continue to apply price ceilings in those exceptional cases where it is necessary to do so in order to effectuate the purposes of the act.

Notice to growers prior to planting season: The House amendment added to section 2 of the Emergency Price Control Act a new subsection as follows:

"(n) Before any maximum price ceiling is established or lowered, on any agricultural commodity, the Administrator of the Office of Price Administration, or such Federal agency as he may direct, shall give to the growers of the said agricultural commodity 15 days' notice, by newspaper or otherwise, prior to the normal planting season in the areas affected."

This subsection has been modified in the conference substitute so that it reads as follows:

"(l) Before growers' maximum prices are established or lowered for any agricultural commodity which is the product of annual or seasonal planting, the Price Administrator shall give to such growers, not less than 15 days prior to the normal planting season in each major producing area affected, notice of the maximum prices he proposes to establish therefor: *Provided*, That in no case shall this subsection require such notice to be given more than 12 months prior to the beginning of the normal marketing season in such area. This requirement may be satisfied by publication in the Federal Register, but the Administrator shall utilize appropriate means to insure general publicity to such prices in the areas affected. The requirements of this subsection shall not apply to the 1944 crop of any agricultural commodity of any major producing area in which the normal planting season occurs prior to July 31, 1944."

Exemption of watermelons from maximum price regulation: The House amendment added to section 2 of the Emergency Price Control Act of 1942 a new subsection (o) as follows:

"(o) No maximum price shall be established or maintained under this Act or otherwise, with respect to watermelons."

This subsection has not been included in the conference substitute. The committee of conference considered it undesirable to provide for an absolute exemption from price control in the case of one specified commodity.

Relief through declaratory judgment procedure in case of certain unauthorized acts of Government officers, employees, or agencies: The Senate bill added to section 2 of the Emergency Price Control Act of 1942 a new subsection as follows:

"(k) No agency, department, officer, or employee of the Government, in the payment of sums authorized by this or other Acts of Congress relating to the production or sale of agricultural commodities, or in contracts for the purchase of any such commodities by the Government or any department or agency thereof, or in any allocation of materials or facilities, or in fixing quotas for the production or sale of any such commodities, shall impose any conditions or penalties not authorized by the provisions of the Act or Acts, or lawful regulations issued thereunder, under which such sums are authorized, such contracts are made, materials and facilities allocated, or quotas for the production or sale of any such commodities are imposed. Any person aggrieved by any action of any agency, department, officer, or employee of the Government contrary to the provisions hereof, or by the failure to act of any such agency, department, officer, or employee, may petition the district court of the district in which he resides or has his place of business for an order or a declaratory judgment to determine whether any such action or failure to act is in conformity with the provisions hereof and otherwise lawful; and the court shall have jurisdiction to grant appropriate relief. The provisions of the Judicial Code as to monetary amount involved necessary to give jurisdiction to a district court shall not be applicable in any such case."

This provision is included in the conference substitute, as new subsection (m) of section 2 of the Emergency Price Control Act of 1942.

Adjustments in maximum prices for fresh fruits and fresh vegetables: The House amendment added at the end of section 3 of the Emergency Price Control Act of 1942 a new subsection as follows:

"(g) Whenever a maximum price has been established, under this Act or otherwise, with respect to any fresh fruit or fresh vegetable, the Administrator from time to time shall adjust such maximum price in order to make appropriate allowances for substantial reductions in merchantable crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such commodity."

The Senate bill, in section 205, contained an amendment to section 3 of the Stabilization Act of October 2, 1942, dealing with the same subject matter as the House amendment above quoted, but it contained the words "including potatoes". The House provision is included in the conference substitute, the only change being that the word "any" has been inserted before the words "fresh vegetable". The adoption of the House provision rather than that of the Senate should not be construed to indicate that potatoes are not to be considered to be a fresh vegetable. That question should be determined without regard to this difference between the Senate and House provisions.

Expenditures by the Price Administrator: The Senate bill contained an amendment to section 201 (c) of the Emergency Price Control Act inserting language authorizing the Price Administrator to make expenditures "for purchase of commodities in order to obtain information or evidence of violations of price, rent, or rationing regulations or orders or price schedules". No such provision was included in the House amendment.

This provision is included in the conference substitute. It is believed that the authority to make purchases provided for by this amendment is necessary, and the Office of Price Administration has stated that similar authority is possessed by every comparable enforcement agency.

Right of person subpenaed to be represented by counsel and to make a record of testimony: The House amendment contained two amendments to section 202 of the Emergency Price Control Act of 1942.

The first amendment inserted the words "to conduct such hearings" in subsection (a) of section 202. This amendment is retained with clerical changes in the conference substitute.

The other amendment added to section 202 a new subsection as follows:

"(i) Any person subpenaed under this section shall have the right to be represented by counsel and to make a record of such study, hearing, and investigation in which he may be called upon to testify; and, upon his request, such study, hearing, and investigation, shall be public."

This subsection has been modified as it appears in the conference substitute so that it reads as follows:

"(i) Any person subpenaed under this section shall have the right to make a record of his testimony and to be represented by counsel."

It is believed that this subsection, as modified, accomplishes the principal objective intended, without being subject to objections which were raised with respect to the subsection as it passed the House.

PROTEST PROCEDURE

Both the Senate bill and the House amendment made changes in section 203 of the Emergency Price Control Act relating to filing and consideration of protests setting forth objections to price and rent regulations and orders, and price schedules.

Under the present law a person affected by a regulation or order issued under section 2 may contest such regulation or order by the filing of a protest with the Administrator within 60 days after the issuance of the regulation or order. After the expiration of such 60 days there is no method by which the regulation or order may be contested except where the protest is based on grounds arising after the expiration of the 60-day period.

The Senate bill retained the 60-day period but provided that during the period of 60 days after June 30, 1944, persons affected by regulations, orders, or price schedules previously issued could file protests with the Administrator. The House amendment removed entirely the 60-day limitation provided by existing law so that a protest could be filed with the Administrator at any time either with respect to new regulations or orders, or regulations, orders, or price schedules which have heretofore become effective. The House provision eliminating the 60-day provision from present law is retained in the conference substitute.

Both the Senate bill and the House amendment proposed to add to section 203 of the Emergency Price Control Act of 1942 a proviso providing for the setting up of a board of review in the Office of Price Administration to which, upon request of the protestant, any protest is to be referred before it is denied in whole or in part. The protest is to be considered by such board of review and the protestant is to be accorded, among other things, opportunity to present evidence in writing and oral argument before the board. In the Senate bill this procedure was applicable to any protest filed after September 1, 1944. In the House amendment it was made applicable to any protest filed "within 30 days from the effective date of this amendatory proviso." The conference substitute follows the Senate bill on this point.

The House amendment contained the following sentence which was not in the Senate bill:

"Such regulations shall provide that the board of review may conduct hearings and hold sessions in the District of Columbia or any other place, as a board, or by subcommittees thereof, and shall provide that, upon the request of the protestants, subpenas shall issue for the appearance of persons, and the production of documents, or both."

This sentence has been retained in the conference substitute, but has been modified to read as follows:

"Such regulations shall provide that the board of review may conduct hearings and hold sessions in the District of Columbia or any other place, as a board, or by subcommittees thereof, and shall provide that, upon the request of the protestants and upon a showing that material facts would be adduced thereby, subpenas shall issue to procure the evidence of persons, or the production of documents, or both."

The Administrator may, under this provision, decide in the first instance whether

a showing has been made that material facts would be adduced by the use of the subpena power in a particular case, but his action in so deciding would be subject to appropriate court review.

JUDICIAL REVIEW OF DENIAL OF PROTESTS

Section 204 of the Emergency Price Control Act provides the method by which denials of protests shall be subject to judicial review. The section provides for the creation of a special court to be known as the Emergency Court of Appeals to consist of three or more judges to be designated by the Chief Justice of the United States from judges of the United States district courts and circuit courts of appeals, and this is the only court to which the protestant has recourse for purposes of judicial review of the action of the Administrator in denying a protest. The judgment of the Emergency Court of Appeals in any such case is subject to review by the United States Supreme Court.

The Senate bill provided for no change in the provisions of present law above referred to. The House amendment, in section 7, contained amendments to such section 204 modifying its provisions so that the protestant could have recourse not only to the Emergency Court of Appeals but also to "the appropriate district court." These amendments also struck out the provision in existing law which denied to the Emergency Court of Appeals the power to issue any temporary restraining order or interlocutory decree staying or restraining, in whole or in part, the effectiveness of any regulation or order issued under section 2, or any price schedule effective in accordance with the provisions of section 206. The amendments also modified the provisions of section 204 (d). That subsection now provides that the Emergency Court of Appeals and the Supreme Court upon review of judgments and orders of the Emergency Court of Appeals shall have exclusive jurisdiction to determine the validity of any regulation or order issued under section 2 or of any price schedule, and the amendment provided, in addition, for giving to the district courts jurisdiction to determine such question of validity.

The House amendments to section 204 above referred to have not been included in the conference substitute.

STAYS IN ENFORCEMENT PROCEEDINGS

Both the Senate bill and the House amendment amended section 204 of the Emergency Price Control Act by adding a new subsection (e) providing procedure by which enforcement proceedings under section 205 could be stayed pending determination by the Emergency Court of Appeals of the validity of the provision of the regulation, order, or price schedule, violation of which was charged in the enforcement proceeding.

The subsection as included in the conference substitute follows generally the House amendment, but there are certain differences.

Under the House amendment the defendant could apply to the court at any time prior to or within 5 days after judgment for leave to file a complaint in the Emergency Court of Appeals to test the validity of the provision of the order, regulation, or price schedule. Under the Senate bill application had to be filed within 5 days after judgment. The conference substitute permits application to be filed only within 5 days after judgment in civil cases, but in criminal cases application may be filed within 30 days after arraignment, or such additional time as the court may allow for good cause shown, or within 5 days after judgment.

Under the Senate bill the complaint had to be filed in the Emergency Court of Appeals within 30 days from the granting of leave by the lower court. This 30-day limitation was not included in the House amendment. It has been included in the conference substitute. It should be understood that this merely specifies the time within which the complaint must be filed in order that the Emergency Court of Appeals will have jurisdiction, but does not limit in any way the jurisdiction of the court to act upon a complaint filed within such 30-day period.

There has been included at the end of the last sentence of the subsection the following provision which was not contained in the House amendment: "nor, except as provided in this subsection, shall any retroactive effect be given to any judgment setting aside a provision of a regulation or order issued under section 2 or of a price schedule effective in accordance with the provisions of section 206."

SUITS FOR DAMAGES

Both the Senate bill and the House amendment rewrote subsection (e) of section 205 of the Emergency Price Control Act of 1942, the so-called "treble damage" provision. The differences between existing law and the provision in the House amendment were explained in the report of the House Banking and Currency Committee.

By an amendment on the floor of the House the subsection was modified so that in addition to attorney's fees and costs the amount which could be recovered was the greater of the following: (1) Such amount not more than $50 or treble the amount of the overcharge, or the overcharges, whichever is greater, upon which the action is based as the court in its discretion may determine, or (2) $50. In the conference substitute this part of the subsection has been modified so that in addition to attorney's fees and costs the amount which may be recovered is (1) such amount not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) an amount not less than $25 nor more than $50, as the court in its discretion may determine. Under the first clause the buyer of the commodity would be entitled, of course, to recover a minimum of the amount of the overcharge, or the overcharges, for which the action is brought.

There has been added at the end of the provision above referred to a proviso as follows:

"*Provided, however,* That such amount shall be the amount of the overcharge or the overcharges or $25, whichever is greater, if the defendant proves that the violation of the regulation, order, or price schedule in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation."

This proviso has been included at this point in lieu of the proposed new section 205 (g) which the House amendment added to present law. Such subsection (g) would have applied also in the case of criminal proceedings and suits for suspension of a license. There appeared to be no need to apply the provision to criminal proceedings because a conviction may be obtained only in cases of willful violations under the present provisions of the Act.

The Senate bill added to section 205 (e) a new sentence as follows:

"Notwithstanding any provision of this Act, the Emergency Price Control Act of 1942, or the amendment thereto of Act, October 2, 1942 (Public Law 729, Seventy-seventh Congress), all suits for civil damages shall be brought in the district or county in which the defendant against whom substantial relief is sought resides or has a place of business, or office, or agent."

No such provision was contained in the House amendment. It has been included in the conference substitute in modified form as a proviso added at the end of the third sentence of section 205 (c).

AMENDMENT TO SECTION 205 (F)

The House amendment amended section 205 (f) of the Emergency Price Control Act of 1942 by adding the following proviso:

"*Provided,* That, notwithstanding the provisions of section 301 of the Second War Powers Act, 1942, or any other law, no such license shall be suspended in any other manner, for any other cause, or for a longer period of time, than provided in this subsection, and no regulation, order, license, or requirement heretofore or hereafter issued or prescribed pursuant to any provision of law other than the provisions of this Act or of the Stabilization Act of October 2, 1942, may validly contain any requirement as to the observance of any regulation, order, license, or requirement issued or prescribed pursuant to this Act or under the Stabilization Act of October 2, 1942."

This provision has been included in the conference substitute with modifications so that it reads as follows:

"*Provided,* That no regulation, order, license, or requirement heretofore or hereafter issued or prescribed pursuant to section 2 (a) (2) of the Act of June 28, 1940, as amended by the Act of May 31, 1941, and by title III of the Second War Powers Act, 1942, may validly contain any requirement as to the observance of any regulation, order, license, or requirement issued or prescribed pursuant to this Act or the Stabilization Act of October 2, 1942."

REVIEW OF RATIONING SUSPENSION ORDERS

The Senate bill included a proposed new subsection to be added at the end of section 205 of the Emergency Price Control Act of 1942, as follows:

"(g) The district courts shall have exclusive jurisdiction to enjoin or set aside, in whole or in part, orders for suspension of allocations, and orders denying a stay of such suspension, issued by the Administrator pursuant to section 2 (a) (2) of the act of June 28, 1940, as amended by the act of May 31, 1941, and title III of the Second War Powers Act, 1942, and under authority conferred upon him pursuant to section 201 (b) of this act. Any action to enjoin or set aside such order shall be brought within 5 days after the service thereof. No suspension order shall take effect within 5 days after it is served, or, if an application for a stay is made to the Administrator within such 5-day period, until the expiration of 5 days after service of an order denying the stay. No interlocutory relief shall be granted against the Administrator under this subsection unless the applicant for such relief shall consent, without prejudice, to the entry of an order enjoining him from violations of the regulation or order involved in the suspension proceedings."

This subsection has been included in the conference substitute.

AMENDMENT TO SECTION 1 OF THE STABILIZATION ACT

The House amendment amended the first section of the Stabilization Act of October 2, 1942, so as to make it mandatory that the President exercise the authority which he now has under that act to provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to aid in the effective prosecution of the war or to correct gross inequities. This provision is not retained in the conference substitute.

MAXIMUM PRICES FOR AGRICULTURAL COMMODITIES AND THEIR PRODUCTS

The House amendment inserted in section 3 of the Stabilization Act of October 2, 1942, a new proviso as follows:

"*Provided,* That the maximum price so established may be charged or collected by the processor or manufacturer only when the

producer of the agricultural commodity has received, as to any agricultural commodity acquired by the processor or manufacturer subsequent to thirty days after the effective date of this amendment, approximately the higher of the prices specified in clauses (1) and (2) of this section, and upon failure of the processor or manufacturer to submit satisfactory proof thereof such processor or manufacturer may charge and collect not more than 90 per centum of the maximum price so established."

This provision is not retained in the conference substitute, as there are other provisions in the conference substitute which are designed to assure that producers of agricultural commodities receive the prices specified in this provision.

The Senate amendment added to section 3 of the Stabilization Act of October 2, 1942, a new paragraph containing a specific formula for the establishment of maximum prices for textile products processed or manufactured in whole or in substantial part from cotton or cotton yarn. This paragraph also provided that the method now used for the purposes of Commodity Credit Corporation loans for determining the parity price or its equivalent for cotton should also be used for price-control purposes. The conference substitute omits the formula which was contained in the Senate bill for fixing maximum prices for cotton textiles, but it retains the provision relating to the method of determining the parity price or its equivalent for cotton. This provision, along with the provisions which are designed to assure producers of commodities prices equal to the standards specified in the Stabilization Act, is contained in the new provisions which are added by the conference substitute at the end of section 3 of the Stabilization Act as follows:

"On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price for any agricultural commodity or any commodity processed or manufactured in whole or substantial part from any agricultural commodity which will reflect to the producers of such agricultural commodity a price below the highest applicable price standard (applied separately to each major item in the case of products made in whole or major part from cotton or cotton yarn) of this Act.

"The President, acting through any department, agency, or office of the Government, shall take all lawful action to assure that the farm producer of any of the basic agricultural commodities (cotton, corn, wheat, rice, tobacco, and peanuts) and of any agricultural commodity with respect to which a public announcement has been made under section 4 (a) of the Act entitled 'An Act to extend the life and increase the credit resources of the Commodity Credit Corporation and for other purposes,' approved July 1, 1941, as amended (relating to supporting the prices of nonbasic agricultural commodities), receives not less than the higher of the two prices specified in clauses (1) and (2) of this section (the latter price as adjusted for gross inequity).

"The method that is now used for the purposes of loans under section 8 of this Act for determining the parity price or its equivalent for seven-eighths inch Middling cotton at the average location used in fixing the base loan rate for cotton shall also be used for determining the parity price for seven-eighths inch Middling cotton at such average location for the purposes of this section; and any adjustments made by the Secretary of Agriculture or the War Food Administrator for grade, location, or seasonal differentials for the purposes of this section shall be made on the basis of the parity price so determined."

LOAN RATE FOR AGRICULTURAL COMMODITIES

The Senate bill contained provisions, not in the House amendment, increasing the basic loan rate for cotton, corn, wheat, rice, tobacco, and peanuts from the 90 percent provided in existing law to a new rate of 95 percent of the parity price. This section also made a corresponding increase from 90 to 95 percent of the parity or comparable price in the case of price-supporting operations for nonbasic agricultural commodities. The conference substitute retained only so much of this provision as relates to an increase in the loan rate for cotton and provides that, in the case of cotton, the new loan rate shall be 92½ percent of the parity price.

CONTINUING INVESTIGATIONS OF THE STABILIZATION PROGRAM

The House amendment added a section to the Stabilization Act of October 2, 1942, providing that the Committees on Banking and Currency of the Senate and the House of Representatives, respectively, should be authorized to conduct investigations of stabilization activities and the effect of such activities on industry, production, renting and housing, and distribution. The conference substitute does not retain this provision.

BRENT SPENCE,
PAUL BROWN,
WM. B. BARRY,
MIKE MONRONEY,
JESSE P. WOLCOTT,
F. L. CRAWFORD,
RALPH A. GAMBLE,
Managers on the part of the House.

Mr. SPENCE. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, this is the unanimous report of the conferees on the part of the Senate and the House on S. 1764, a bill to continue the period of operation of the Emergency Price Control Act of 1942 and the Stabilization Act of October 2, 1942.

We have long labored on this legislation. I think we have brought back a conference report, while it is not perfect, that will certainly meet with the approval of the Members. We all must realize the necessity for price control and stabilization. The economic forces that produce inflation are greater now than they have been. The production of consumer goods is steadily decreasing. The purchasing power of the American people is steadily increasing. The inflationary gap widens, and as it widens, the peril increases.

We all want a law, I know, that will accomplish the purpose for which it was enacted, but we do not want to impose upon the American people any greater restrictions than are necessary for that purpose. We have made this law much less drastic than it was as originally enacted. I think the American people, by reason of their experience during prohibition and other restrictive measures, have discovered that the severity of the penalties instead of making for enforcement of the law, diminishes the chance of its enforcement. We have made the provisions in reference to price control and rent control broader in order that people might have greater opportunity for an adjudication of their complaints which were varied and continuous during the hearings. We have given them an opportunity to go into the courts. I think that is one of the things that the people, as a rule, most strenuously objected to; that is, that they did not have an opporunity to have their causes heard by the courts. Of course it is necessary in the enforcement of this act to have uniformity of decisions. It would be practically impossible to enforce this act if we had a multiplicity of decisions in all the various district courts, of which there are 85 in the United States, and 11 appellate courts. It is necessary to have one court to which these matters can be referred in order to have uniformity of decisions on the regulations and orders.

I think there has been a greater lack of knowledge in regard to the Emergency Court of Appeals than we can conceive of here. The Emergency Court of Appeals, to which an appeal lies from a decision of the Administrator, is a constitutional court. The Constitution states that the judicial powers of the United States shall be vested in one Supreme Court and such inferior courts as the Congress may from time to time ordain and establish. The only court the Constitution mandated the Congress to establish is the Supreme Court of the United States. The Emergency Court of Appeals has the same sanction of the Constitution as the district courts and all other inferior courts. It is not an O. P. A. court, it is an independent court, just as independent as the Supreme Court of the United States. Its judges are selected by the Chief Justice of the United States Supreme Court, and who is better qualified to select able justices than the Chief Justice? It is the Court over which he presides that reviews their decisions. He knows of their ability, their industry, and their knowledge of the law. He has selected three judges to preside over the Emergency Court of Appeals.

There is a special reason to have an Emergency Court of Appeals, in addition to the necessity for uniformity in decisions, because the judges must acquire technical knowledge, and the constant submission to them of the legality of orders and regulations will give them the knowledge and experience that is necessary for the efficient discharge of their duties.

The high character of these men is shown by the fact that they are appointed for life as district judges and judges of the circuit courts of appeals of the United States, at fixed salaries. The duties they perform in the Emergency Court of Appeals are without compensation, and they are onerous duties. Only men who desire to serve their country in its time of need would accept such appointments. These men have shown a high patriotic spirit and a desire to serve their country, and they have rendered most excellent service in presiding over this court.

We have given every man the right to test the constitutionality and the validity of the orders and regulations under which he may be charged. Heretofore the regulations of the O. P. A. were incontestable after 60 days. That might make for efficient administration but it

is contrary to our conception of the rights of the American citizen. To say that he has a constitutional right but that he cannot assert it after a certain time is to virtually deny him that right.

This act changed that provision. Now those charged with violations of the orders or regulations of the O. P. A. can question the legality of those orders at any time. If the defendant is brought into the district court of the United States by the Administrator and the district court has no authority to pass upon the validity of the orders and regulations of the O. P. A., that is entirely in the jurisdiction of the Emergency Court of Appeals. If it is a criminal case, within 30 days after arraignment the defendant can apply to the district court for a stay. He can file that complaint in the Emergency Court of Appeals and have a decision rendered upon the legality of the order he has been charged with violating, and can do that within 30 days after the arraignment or within 5 days after final judgment.

The person who is charged in a civil action also has the right 5 days after judgment to file his complaint before the Emergency Court of Appeals and have a decision upon the legality of the order and the district court shall grant a stay of execution pending the action in the Emergency Court. The decision of the Emergency Court of Appeals is certified to the district court, and if favorable to the defendant, judgment is rendered for him.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Under the conference report the defendant can go from the district court to the Emergency Court of Appeals to get a decision on the legality of the regulation?

Mr. SPENCE. Yes.

The SPEAKER. The time of the gentleman from Kentucky has expired.

Mr. SPENCE. Mr. Speaker, I yield myself 5 additional minutes.

Mr. ROBSION of Kentucky. Could the defendant go from the Emergency Court of Appeals to the Supreme Court of the United States?

Mr. SPENCE. Yes; he has the right to go to the Supreme Court.

Mr. ROBSION of Kentucky. Then he would go back into the district court?

Mr. SPENCE. In all those cases he has the right to apply for a writ of certiorari in the Supreme Court. But if the decision of the Emergency Court of Appeals is favorable to him, it is certified to the district court and there is a stay of proceedings or execution of judgment until the final judgment is rendered in the Emergency Court of Appeals.

Mr. ROBSION of Kentucky. If it is adverse to the defendant, he can go on to the Supreme Court?

Mr. SPENCE. He can go on to the Supreme Court because the law gives him that right.

Mr. ROBSION of Kentucky. If it is favorable to the defendant, I assume the head of the O. P. A. could go to the Supreme Court, too?

Mr. SPENCE. Yes; either one of them could apply for a writ of certiorari.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Ohio.

Mr. JENKINS. Do I correctly understand that in the conference report the committee brings back there is a provision that enables the grocery man or the individual to get into the district court himself? He cannot do it now.

Mr. SPENCE. No.

Mr. JENKINS. Then when you say you have brought back relief that is not quite true, because you are just exactly where you were before as far as the average citizen is concerned, and have made no change whatever.

Mr. SPENCE. Most of the complaints were complaints of the action of the Administrator against the individual. The court in which those complaints were brought was the district court of the United States, which could not pass upon the legality of the order or regulation under which he was charged. Now we give him an opportunity to test the legality of the regulation under which the complaint is made.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from New York.

Mr. BARRY. In answer to the gentleman's question, prior to the adoption of our amendment, or under existing law, a defendant could be indicted, prosecuted, and sent to the penitentiary without being able to set up the defense of illegality, but under our amendment the defendant who is being prosecuted criminally may now, before the trial, set up the defense of illegality.

Mr. SPENCE. That is absolutely correct.

Mr. BARRY. The Emergency Court of Appeals will pass on that, and the trial will be stayed until that is done.

Mr. SPENCE. It really obviates the complaint we heard so much about before the enactment of this act. I believe it will relieve that condition.

There is another thing. In a law such as this we need public approval for its enforcement.

I think the American people now understand the necessity of price control. I believe public sentiment is far more powerful in the enforcement of an act such as this than are heavy penalties. That has been demonstrated frequently. It was shown during the time of prohibition when we could not enforce the severe penalties provided by that law. I think this act which we have passed which has given the people greater authority to set up their defenses and has eliminated some of the heavy penalties and which has given the O. P. A. Administrator directions to remedy the complaints which were most generally made will result in the better enforcement of the law.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. Yes.

Mr. JENKINS. In line with the statement of the gentleman from New York [Mr. BARRY], what I want to know is this: Is not this a fact, you have brought back no provision which permits the individual to get into any district court by reason of his own initiative?

Mr. SPENCE. The individual initiates very few suits against the O. P. A.

Mr. JENKINS. Certainly, because he cannot do it. The law does not permit him to do so.

Mr. SPENCE. The oppressions complained of are acts of the O. P. A. which the individual complains violates his rights. I think we have given him a remedy which is general and which will result beneficially in every way.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

The SPEAKER. The time of the gentleman has expired.

Mr. SPENCE. Mr. Speaker, I yield myself 3 additional minutes.

I yield to the gentleman from New York.

Mr. BARRY. Is it not true that the judges who sit in the Emergency Court of Appeals are district judges, that is, Federal judges?

Mr. SPENCE. They are district and circuit judges.

Mr. BARRY. And they are the same type of judges who sit in the district courts?

Mr. SPENCE. And they are serving in the Emergency Court of Appeals without compensation. They are appointed for life as district judges and have assumed these arduous duties without compensation, but merely as a patriotic duty in time of war. Instead of condemning these men I think they should be highly praised for the splendid services they are rendering.

Mr. BARRY. Is it not true that the chief judge of the Emergency Court of Appeals is appointed by the Chief Justice of the United States Supreme Court?

Mr. SPENCE. All of the judges are appointed by the Chief Justice of the Supreme Court of the United States who probably knows more of their qualifications and ability than any other person because his Court is the one that reviews their decisions.

Mr. ROLPH. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. ROLPH. Mr. Speaker, I would like to ask the gentleman from Kentucky, my distinguished chairman of the Banking and Currency Committee, with whom I have been associated so pleasantly, why it is that the conferees decided to eliminate that investigating committee which we set up in the House.

Mr. SPENCE. Mr. Speaker, the conferees thought that would only bring trouble on the Committee on Banking and Currency, and would serve no useful purpose. After giving the matter consideration, I agree with them.

Mr. BARRY. Mr. Speaker, will the gentleman yield at that point?

Mr. SPENCE. Yes.

Mr. BARRY. Is it not true that some Members suggested that the Congress or the committee now has that power without passing other legislation?

Mr. SPENCE. Yes. There is no question but what the committee has the

power to investigate the activities of the O. P. A. without any special committee being created.

Mr. ROLPH. Mr. Speaker, I certainly hope the committee in the future will use and exercise that power.

Mr. SPENCE. Mr. Speaker, I do not intend to discuss the many amendments in the bill. But I think we have brought back a bill which is an excellent one. I am quite sure it is going to meet with the approval of the House. Other Members will discuss the technical features of the bill. But I think I wanted to clear up the general misconception in regard to the Emergency Court of Appeals. There has been so much misunderstanding about the Emergency Court of Appeals, many of the Members here had seemed to think it was an O. P. A. court. It is not only an independent court, but it is a splendid court, composed of splendid judges, who have only one desire and that is to do justice to the litigants who come into their court.

The SPEAKER. The time of the gentleman has expired.

Mr. SPENCE. Mr. Speaker, I yield to the gentleman from Michigan [Mr. WOLCOTT] 15 minutes.

Mr. WOLCOTT. Mr. Speaker, first I want to express on behalf of the members of the committee, and I know I can speak for all of the members of the committee, their appreciation for the cooperation which the committee has had from all the Members of Congress in the writing of this bill, and for the tolerance and understanding which the Members have had in respect to this most difficult job. We have worked for months on this. After you had enacted a bill and sent it to conference, we spent 4 days in conference. We left the Capitol one morning at 1 o'clock, after one of the most hectic and searching sessions I ever attended.

It has been said probably a thousand times on this floor that all legislation is a matter of compromise. I think that can be said more aptly in respect to this bill than any bill that I have ever known of. It is understood by those who have been so tolerant and who have such an understanding of the problems that we have not been able to satisfy everybody; we have not been able to completely satisfy ourselves, but behind all of these disputes was a wholehearted desire on the part of a large majority of the Members of Congress to give way on our private wishes and desires and demands in order that we might continue price control; in order that inflation might be avoided. I might add that we have also had in mind the situation that if we did not write a price control bill which could be signed by the President prior to June 30 of this year, in all probability we would be compelled to pass a continuing resolution without any restrictions whatsoever. Failing that, the President would have exercised the powers which he claims to have under the War Powers Act, to set up price control by Executive order. That was our dilemma and it was our purpose to subordinate all of our individual desires to the end that we would have a price control bill which, first, would give the President all of the authority which he should have to control prices, and at the same time make it possible for all aggrieved persons to have their grievances heard in a regularly constituted court of law. We have been even more successful in the accomplishment of those purposes than we had hoped we might be. In the first place the House prevailed in its position that this act should be continued for only 1 year.

I have been asked to clear up the court provisions if I could, and I will try to do so.

Any aggrieved person may have his grievance reviewed in the Emergency Court of Appeals by filing a protest with the Price Administration at any time, because again the House prevailed in its position that there should be no limitation on the time in which the validity of a regulation or order could be pleaded. So an aggrieved person can file at any time a protest with O. P. A. After it has gone through the O. P. A. machinery—and I will not cover that in detail—but we had a provision in here setting up a board to conduct these hearings and that prevailed also and after the record has been made in the O. P. A., then if the Administrator of O. P. A. refuses relief, an appeal may be taken from that decision to the Emergency Court of Appeals which, as the chairman has said, is made up of two circuit court judges and one district court judge, named to that court by the Chief Justice of the United States.

Mr. GRAHAM. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. GRAHAM. Are the two circuit court judges appointed permanently to that court and will they remain on that court, or will they go from their circuit to that court?

Mr. WOLCOTT. I understand they will devote their entire time to this court. It also provides that if the three judges ever have so much work that they cannot do the work satisfactorily, the Chief Justice may appoint individual judges to this Emergency Court of Appeals.

That is the procedure when a person himself initiates the review, but when the O. P. A. proceeds against an individual, either on the criminal side of the court or for an injunction to restrain a violation of a regulation or for civil damages——

Mr. GEARHART. Will the gentleman yield at this time?

Mr. WOLCOTT. I yield.

Mr. GEARHART. The gentleman said that a person might initiate an objection to a regulation by filing a complaint with the O. P. A. Is there anything written into the law which is not in existing law, which will compel the O. P. A. Court to act either one way or the other?

Mr. WOLCOTT. Yes.

Mr. GEARHART. Or can they avoid the necessity of a decision?

Mr. WOLCOTT. Oh, no. We had that most definitely in mind, and we provide that in respect to protests the Office of Price Administration must act within 30 days, either to grant relief, to deny relief, or to set it for hearing. If after it has been set for hearing, the protestant believes that the O. P. A. is taking an unusually long time to settle the matter, he may apply to the Emergency Court of Appeals for an order compelling the O. P. A. to make a decision within a certain time, and if the O. P. A. does not make a decision within time set by the Emergency Court of Appeals, the protest shall be considered as having been denied.

Mr. DONDERO. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. DONDERO. What happens if no action is taken on the petition of an aggrieved individual? Is that what the gentleman meant by saying that the application will be considered as having been denied?

Mr. WOLCOTT. Yes. It is considered as having been denied as a basis for his appeals to the Emergency Court of Appeals.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. ROBSION of Kentucky. If I have understood the gentleman, the law will provide two ways by which an aggrieved person may get into the Emergency Court of Appeals. He may go directly from a ruling of the Administrator of O. P. A. denying his protest or, if the Administrator proceeds against him, either criminally or in a civil action, he may go from that court to the Emergency Court of Appeals?

Mr. WOLCOTT. The gentleman is correct.

Mr. ROBSION of Kentucky. And in either instance he may appeal from that Emergency Court to the Supreme Court of the United States?

Mr. WOLCOTT. The gentleman is correct.

Mr. ROBSION of Kentucky. And the President will not appoint these judges making up the Emergency Court of Appeals, but they will be appointed by the Chief Justice of the Supreme Court of the United States?

Mr. WOLCOTT. They have been appointed by the Chief Justice of the Supreme Court and the court has been functioning now for 2 years. I think if you will read the testimony of the Chief Justice of the Emergency Court of Appeals you will be satisfied that the Emergency Court of Appeals has been doing a pretty good job and has been functioning as a regularly constituted court, under rules which the court has set up itself, so that all of the rights of all individuals are protected.

Now, may I proceed to clear up the other side of this. I have covered the situation in which the protestant himself initiates the proceeding.

Now, let us take the other case where the Administrator initiates the proceeding, either, as I have said, against a person for indictment, to restrain a violation of regulations, to suspend a license, or for civil damages. Those proceedings are started by the Administrator in any court, but for the purpose of illustration we will say the district court, because most of them will be started in the district courts. If that is a criminal action the defendant may apply to the court

for a stay of proceedings at any time within 30 days after his arraignment, for the purpose of filing with the Emergency Court of Appeals a petition to determine the validity or invalidity of the regulation or order which it is alleged he violated. Even after he has been found guilty, he still has 5 days after judgment in which to make application for a stay to allow him to go to the Emergency Court of Appeals for a decision on the question of the validity or invalidity of the regulation. That is in a criminal case.

In a civil case he may apply for a stay of judgment any time within 5 days after judgment, in order that he may petition the Emergency Court of Appeals for a decision as to whether the regulation which it is alleged he violated is valid or invalid. The only difference between the House bill and the conference report is that under the House bill he could make application for a stay of proceedings at any time during the proceedings, and go to the Emergency Court of Appeals. We took the attitude that it was of much more benefit to the Government and to the O. P. A. and to the court to stay these proceedings at any time they wanted to than it was to the defendant, but if they wanted to proceed to judgment, even though it might take weeks of time, then that was not so material. It was not any more material to the defendant than it was to the Government itself. So we gave in on that. But we did provide most definitely that at any time within 5 days after judgment in criminal and civil cases the defendant might make this application to go to the Emergency Court of Appeals to test the validity of a regulation or order. In addition to this, in criminal cases he may make application to test the validity of a regulation within 30 days after his arraignment.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. WRIGHT. What disposition was made of the amendment which the gentleman offered in regard to the kangaroo courts? Does the gentleman intend to cover that?

Mr. WOLCOTT. Yes; I will cover that later. We have therefore given all protestants, all defendants, the right to have the question of the validity of a regulation or order tested in the Emergency Court of Appeals; and that is opposed to the present procedure wherein the question of validity cannot be attacked or pleaded in any court at any time, even the Emergency Court of Appeals, if the regulation or order has been in effect for more than 60 days.

Mr. Speaker, in answer to the gentleman from Pennsylvania, we very definitely have provided against the kangaroo courts. The position of the House prevailed. The language was changed but strengthens the House bill. I have to admit that part of the language in the House bill was somewhat cumbersome and perhaps did not carry out our full intent, at least it was susceptible of an interpretation that might have partly nullified it; so in conference we got together and reworded it in such manner that there could be absolutely no question that we have outlawed the use of kangaroo courts in the enforcement of regulations, orders, and price schedules issued under the Price Control Act.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. Is there any provision in the Price Control Act whereby the Administrator of O. P. A. can provide payment of parity price to the producer in the subsidy payment set-up if he so desires?

Mr. WOLCOTT. Does the gentleman have in mind the language contained in the so-called compromise wherein the President is directed to do that?

Mr. MURRAY of Wisconsin. Yes.

Mr. WOLCOTT. Yes; I believe there is in existing law the authority to do that if he desires to do it. Under section 2 (e) of the Emergency Price Control Act we authorized the Administrator to pay subsidies to domestic producers of such commodities—that is, agricultural commodities—in such amount and in such manner and upon such terms and conditions as he determines.

It was my understanding of that that he could make as a term or a condition of the receipt of a subsidy payment that the subsidy is either passed on to the producer, or that the producer has received the benefit of it, or the processor must satisfy the Administrator before he gets the subsidy that he has paid the parity price. The term "producer" in this respect has been interpreted to include processors.

Mr. MURRAY of Wisconsin. I thank the gentleman.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. CRAWFORD. It seems to me it would be well for the gentleman to point out that the so-called "kangaroo courts" can be continued with respect to proceedings under the rationing provisions.

Mr. WOLCOTT. I thought it was generally understood when we were writing this amendment that we did not disturb that practice in respect to rationing which emanates from the War Powers Act. The complaint was that O. P. A. was using those powers to set up kangaroo courts to enforce regulations under the Price Control Act contrary to the procedure which we set up in the act, thereby circumventing and nullifying the safeguards provided for. We have protected against that.

Mr. CRAWFORD. And the rationing procedure has been sustained by the Supreme Court.

Mr. WOLCOTT. That is right.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. WHITTINGTON. At the time I first tried to get the gentleman's attention he was speaking with reference to subsidies. Does the gentleman's statement extend to subsidies of all agricultural commodities? Does this bill as finally agreed upon cover the sale of cattle as well as agricultural commodities so that cattle raisers can know they will get the prices contemplated before the subsidy is paid to the packer?

Mr. WOLCOTT. I do not know; I will say to the gentleman I do not know.

Mr. WHITTINGTON. I had in mind the Kleberg amendment when I asked that question.

Mr. WOLCOTT. I could not safely give an opinion without further study.

Mr. DONDERO. Mr. Speaker, will the gentleman yield for a further question?

Mr. WOLCOTT. I yield.

Mr. DONDERO. I notice in paragraph (c) on page 4 of the report this language:

> That the Administrator may make adjustments where substantial hardships have occurred.

Mr. WOLCOTT. With respect to rents?

Mr. DONDERO. With respect to rents. What are the people of this country to understand by "substantial hardships"?

Mr. WOLCOTT. The gentleman will have to get a law dictionary to find the answer. I do not remember the legal definition of the word "substantial," but I do know that the word "substantial" has been very clearly defined by the courts.

The SPEAKER. The time of the gentleman from Michigan has again expired.

Mr. SPENCE. Mr. Speaker, I yield 2 additional minutes to the gentleman from Michigan.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. BARRY. Under present law there have been complaints that when the action finally reached the Emergency Court of Appeals the record was too meager for the court actually to pass upon the merits of the case. Under the bill now before us a provision has been inserted which will afford the protestant ample opportunity to establish a record so that if the case reaches the Emergency Court of Appeals the judges can pass upon it fully.

Mr. WOLCOTT. That is correct.

Mr. PLOESER. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. PLOESER. I observe in today's press that the White House is reported to have made the concession to the Southern States of giving the full benefits of the Bankhead amendment, or the Brown amendment which was defeated in this House and which I understand was defeated in the conference committee. After claiming that that very amendment would wreck all price control they now seem to have agreed to Executive action giving everything in the amendment for some political votes apparently for the fourth term. I just wondered if the gentleman had any comment to make on that.

Mr. WOLCOTT. Only that on the gentleman's statement of the case that action might be susceptible to such interpretation.

Mr. CASE. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. CASE. What was the reason for increasing the loan rate on cotton to 92½ percent of parity while leaving all other commodities at 90 percent?

Mr. WOLCOTT. To avoid an increase of 95 percent.

Mr. CASE. Ninety-five percent on what?

Mr. WOLCOTT. On all basic commodities. As I remember the Senate language, the 95-percent floor applied to all basic and "encouraged" commodities, but by the compromise the 92½ percent applies only to cotton.

Mr. CASE. And that amount paid off all the other commodities too?

Mr. WOLCOTT. I am not sure that I know what the gentleman means by "paid off," but the 92½ percent applies only to cotton.

WAR DEPARTMENT APPROPRIATION BILL, 1945—SENT TO CONFERENCE

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4967) making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. SNYDER, STARNES of Alabama, MAHON, POWERS, ENGEL of Michigan, and CASE.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1945—SENT TO CONFERENCE

Mr. COFFEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4361) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1945, and for other purposes, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Washington? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. COFFEE, ANDERSON of New Mexico, NORRELL, WHITTEN, STEFAN, DWORSHAK, and JENSEN.

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACT OF 1942

Mr. SPENCE. Mr. Speaker, I yield 8 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Speaker, I am sorry that for the first time in this price-control consideration in all the weeks that we have had it up here politics has been brought into our discussions. May I say for the benefit of every Member of the House that there was no suggestion in the conference in any way as to the effect of this price-control bill on the campaign in November. Everyone of the 14 conferees that were there and that had studied the bill recognized the simple fact that inflation does not just ruin the Democrats, it just does not ruin the Republicans; it ruins everybody. It will ruin the country.

I think we made a good compromise in adopting the Brown amendment. You will remember the Bankhead amendment which, in my opinion, was disastrously inflationary. The House voted it down. The Senate conferees at 1:15 in the morning were still insisting on the Bankhead amendment. We told them to take it back to the Senate and see what they could do with it. We expected them to do that. They met the next morning, still wanting to compromise, still hoping we could find some ground where reasonable, honest men could work out something that would not be inflationary, something that would still help the farmers, not only the cotton farmers of this Nation but the other farmers.

The Brown amendment had been brought in about 4 o'clock. It does not help only the cotton farmers but other farmers as well. The cotton farmers in this country do not get more than one-fiftieth of the advantage that will accrue to the general level of farming under the Brown amendment.

Mr. PLOESER. Will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Missouri.

Mr. PLOESER. Is the report in the press of today true, that the O. P. A. has agreed to do everything administratively that would be required legislatively by the Brown and Bankhead amendments?

Mr. MONRONEY. I am sure I cannot tell the gentleman.

Mr. PLOESER. The gentleman reads the newspapers, does he not?

Mr. MONRONEY. No price increases are ordered in the law, and it was not intended so by the conferees.

Mr. PLOESER. Is it true that the O. P. A. said they would protect the price ceiling?

Mr. MONRONEY. I do not believe the press is writing the laws of this country. The House of Representatives and the Senate are writing the laws.

Mr. PLOESER. The press was quoting, I think, the Honorable James Byrnes.

Mr. MONRONEY. I am sure that is not the intent of the committee, because the Honorable James Byrnes was never quoted to the conferees in any way.

Mr. PLOESER. If the gentleman thought that that kind of a trade had been made, would he agree?

Mr. MONRONEY. I do not believe that kind of a trade is made because I know where the amendment originated. I know the efforts that were made to compromise this thing to give you a price-control bill that would not cause inflation and yet loosen up some the restraints that exist on normal business transactions. The bill is not perfect. This bill is a long way from being perfect, but I believe it is the best possible compromise that can be reached by the two Houses of Congress and by the public.

Mr. COOLEY. Will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from North Carolina.

Mr. COOLEY. Will the gentleman state to us how the modification in the compromise amendment would work?

Mr. MONRONEY. The modification in the compromise amendment will work so that in major categories you can take the specific price of cotton yarns and cotton goods, for example, and adjust them to cotton parity but not on every item in the cotton category.

The gentleman who proposed that amendment is going to speak later and I think he will go into that fully. The last half of the amendment is the part that gives the greatest relief to the farmers. That was not proposed by the White House, it never originated in the White House, but was brought to the conference by friends of agriculture who are Members of the House and was improved on by Members of the Senate.

Mr. PLOESER. My criticism, understand me, is not of the committee. I think the conferees have done a good job. I was against the Brown amendment.

Mr. MONRONEY. I was, too, against the original one.

Mr. PLOESER. I think you have done a good job, but I think it is cheap politics on the part of the O. P. A. and the administration to make such a trade.

Mr. MONRONEY. Does the gentleman think this committee would make such a trade?

Mr. PLOESER. I did not accuse the committee of it. The report of the press shows plainly that the White House interest in price control is only secondary to vote control.

Mr. MONRONEY. This compromise is approved by the committee representing the House and by the committee representing the Senate. It was the best possible compromise that could be reached and politics had no part in it.

Mr. BARRY. Will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from New York.

Mr. BARRY. Is there anything in this so-called Brown amendment that compels the ceiling prices to be raised?

Mr. MONRONEY. Decidedly not.

Mr. CASE. Will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from South Dakota.

Mr. CASE. Did the conferees conclude that the 92½-percent loan rate on cotton would be better than the 95-percent loan rate?

Mr. MONRONEY. We concluded it would be less disruptive of the marketing of all farm commodities and less apt to freeze farm commodities of all kinds under the loan. The 95-percent-of-parity loan was in the Senate bill on all basic commodities. This 92½ percent is on cotton only. The House conferees worked out a pretty good deal on that, because cotton is at the lowest ebb, and I believe it will help reach parity for cotton or help by starting along that way.

Mr. RIVERS. Mr. Speaker, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from South Carolina.

Mr. RIVERS. I want to get the gentleman's definite opinion as to whether or not the O. P. A. can bypass the intention of Congress, namely, to force the O. P. A. to tell the farmers what is on their mind before they plant seed.

Mr. MONRONEY. Indeed, they cannot bypass this intent.

Mr. RIVERS. There has been a question raised on that point.

Mr. MONRONEY. I do not see how the language can be made any clearer. We had to change the gentleman's language, as he knows, for tree crops which were planted long before price ceilings were ever thought of, but, so far as the idea that the gentleman had in mind, this is as tight as we could make it.

Mr. RIVERS. Under the intention of the O. P. A. as the gentleman has brought it to me, they cannot bypass the Congress by that word "intention" can they?

Mr. MONRONEY. No.

Mr. RIVERS. One other question. Some crops require the planting of seeds, for instance, tobacco, tomatoes, and other crops. Then they transplant the plant.

Mr. MONRONEY. Yes.

Mr. RIVERS. My intention was to make the O. P. A. start from the very day the seed is put in the ground.

Mr. MONRONEY. That is right. We have put a limit of 12 months on that, which is as far back as we could go in the planting season.

Mr. RIVERS. They cannot take the transplanting part of it.

The SPEAKER. The time of the gentleman has expired.

Mr. SPENCE. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Speaker, I simply want to observe that here is a unanimous report by Democrats and Republicans, northerners and southerners, by people who are vitally interested not only in the cotton crop but in all other crops. In my opinion, you have before you a unanimous agreement from the conferees because they believe that in this presentation made to the two bodies there is procedure put down in words which will be more acceptable to the people of this country than is the old law.

I think every member of the conference committee is fully aware that a law of this kind can never be reasonably administered without what might be said to be an overwhelming support of the people of the United States. I think it is reasonable to assume that perhaps 10 to 15 percent of the people might not go along with a measure of this kind, but if 90 percent go along, the law can be successfully administered.

As one of the conferees, I have desired all the way through to have a law which is bearable by the people of the United States. I think if the two bodies adopt this proposal that this law, as here revised, will be much more acceptable and much more bearable than has been the old law to the people of the United States. That is primarily the reason why I am going along with this proposal.

I believe, Mr. Speaker, that the people of our country, the Congress, the Administrator, and the staff of O. P. A. have all learned a lot, since the hearings opened April 12, about the problems of administration and the intricacies and miseries to the people which are all involved in such a program as the O. P. A. embraces. I was opposed to an extension of the law for 18 months because I am one who wants the whole procedure reviewed again within another 12 months' period. A law which so intimately and so terribly affects our people and their economy is one which we can well afford to spend the time and energy in reviewing once every 12 months, if necessary.

I hope that the progress with the war will be such that before another 12 months roll around our economy will change to such an extent that it will be necessary to materially alter this proposal again. That is my devout hope. I think we have some reason to believe that that may occur. I think the hearings have fully demonstrated that some kind of a control will be urged by the people of this country on into the postwar period. What that control will be, I do not know, but I think the Congress will find in the hearts and minds of the people a desire for some kind of a control fitting into our economy as best it can be made to do so.

I accept the statements of the legal minds on our committee with respect to the revised legal procedure here established, but as a layman I feel that our citizens will be recognized as having a great many more rights under this new procedure than were granted to them under the law which expires June 30. With respect to the so-called Rivers amendment, if this law is extended for only 1 year, and if the 1944 crops are already largely planted, what could you do with that amendment other than what the conference committee has recommended?

And finally, Mr. Speaker, it is my hope that the Congress has greatly benefited under the hearings and the debate and serious consideration that has been given to these questions and problems during the past 8 weeks. Every Member of this body wants this law to be a success. We want our administrators to do the right and equitable and fair thing at all times when they are dealing with the economic rights of our people. We want the law to be so bearable that it will compel the cooperation of our people with the administrators and the Congress. But if we are to expect the people to go along with the program it must at all times be a fair one, and by this I mean just as fair and equitable as strong men of great character and a keen sense of equity can make it. The Congress and the people must at all times be very vigilant when the rights of people are, even just temporarily, set aside and all in the name of war or a great national emergency. By no means do I want the general situation to develop wherein these great national emergencies will be continued, thus giving an excuse for the argument that the rights of citizens must continue to be set aside. There will come a day when strong men can no longer justify a great national emergency. There will come a day when our people will demand that those responsible either end the emergency or get off the job. Our people are long-suffering; they will go for long periods and travel long distances without too much complaint but eventually they comprehend the general objective and demand results; then the trifling must end. So now let us approve the conference report and be on our way.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS. Mr. Speaker, I trust the conference report will receive the unanimous vote of the House. I have been particularly interested, as you know, in those features of the report dealing with the cotton problem. There were strong differences between myself and the gentleman from Georgia [Mr. BROWN]. Since then I have conferred with him about this particular part of the report. This represents a compromise. Sometimes compromises are due to mildness of conviction, but in this case, after the House voted adversely upon the Brown amendment, we find him giving to the conference the benefit of his constructive thought on this problem in an effort to be fair to all interests. I am entirely in agreement with the views that are embodied in this part of the report. May I take advantage of this opportunity to pay tribute to the gentleman from Georgia for the fine attachment and continuous loyalty he has shown to the farmers of this country and for the contribution he has made to a compromise that I think will achieve some of his objectives, and at the same time maintain the stabilization program. I appreciate him, and appreciate the type of statesmanship that he has manifested throughout these deliberations.

WAR AGENCIES APPROPRIATION BILL, 1945

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4879) making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

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

There was no objection.

The SPEAKER appointed the following conferees: Mr. CANNON of Missouri, Mr. WOODRUM of Virginia, Mr. LUDLOW, Mr. SNYDER, Mr. NORRELL, Mr. RABAUT, Mr. JOHNSON of Oklahoma, Mr. TABER, Mr. WIGGLESWORTH, Mr. LAMBERTSON, and Mr. POWERS.

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS OF 1942

Mr. SPENCE. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. KLEBERG].

Mr. KLEBERG. Mr. Speaker, at the outset I desire to commend the conferees for as good a job, I am sure, as they could do under the circumstances. I particularly desire, as a member of the Committee on Agriculture, and one interested in agriculture, to commend the

gentleman from Georgia [Mr. BROWN] and the gentleman from Michigan [Mr. CRAWFORD] for their fine work.

In voting for the adoption of the conference report, which vote is for the extension of the Price Control Act for 1 year, I am acting with great reluctance and considerable apprehension. I have no quarrel with the basic law as an emergency measure. The principle of this law I support wholeheartedly, but, having in mind the horrible mistakes and grave injustices that have occurred in the administration of a basically sound law, I vote with much trepidation and with the sincere hope that administrative evils will be cured and other like evils avoided in the future.

While the conference substitute does not contain the specific language of the amendment I offered to the act and which was adopted by the House, let me express appreciation that the report shows that this amendment is, in reality, a part of the reported bill. By the adoption of broader language and by specifically calling attention to the fact that this broader language and the directive to the President is intended to accomplish the purpose of my amendment, the conferees have actually adopted my amendment in its broadest sense.

It is my earnest hope that the administrative agencies will promptly take such action as may be required to comply with the clear and explicit intent of the Congress as that intent is expressed in this conference report.

May I ask the committee if in their opinion the amendment offered by the gentleman from North Carolina [Mr. RIVERS] is in any way changed from the form in which it originally passed the House, with particular respect to the basic purpose that the price intended to be set be given to the producers 15 days before the crop is put in the ground?

Mr. SPENCE. The amendment was revised by the legislative counsel. He thought we could put it in better form.

Mr. KLEBERG. It is the purpose, however, to carry out the intent of the Rivers amendment?

Mr. SPENCE. Yes.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Speaker, I am sure that the Members of the House will want to know before they vote on this conference report of the action of the conference committee on the amendment which I offered and which was adopted while Senate bill 1764 was under consideration.

It will be recalled that as adopted by the House my amendment read as follows:

Section 3 of an act to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes, approved October 2, 1942, is amended by adding just before the first proviso in said section 3 the following: "Provided, That the maximum price so established may be charged or collected by the processor or manufacturer only when the producer of the agricultural commodity has received, as to any agricultural commodity acquired by the processor or manufacturer subsequent to 30 days after the effective date of this amendment, approximately the higher of the prices specified in clauses (1) and (2) of this section, and upon failure of the processor or manufacturer to submit satisfactory proof thereof such processor or manufacturer may charge and collect not more than 90 percent of the maximum price so established."

It will also be recalled that Section 3 of the Stabilization Act of October 2, 1942, provides that no maximum price shall be established or maintained for any agricultural commodity below a price which will reflect to the producers of such commodities the higher of either, first, the parity price, or second, the highest price received by such producers between January 1 and September 15, 1942. Then that section further provides as follows:

No maximum price shall be established or maintained under authority of this act or otherwise for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefor equal to the higher of the prices specified in clauses (1) and (2) of this section:

My amendment had one single purpose and intent, that was, to make sure that the producers of agricultural commodities actually received a price equal to the higher of either the parity price or the highest price between January 1 and September 15, 1942. That this was the purpose and intent of my amendment was thoroughly explained to the House in my remarks at the time I offered the amendment on June 14, 1944, as appears on page 5906 of the CONGRESSIONAL RECORD of that date, and the clear intent and purpose of the amendment was thoroughly understood by Chairman SPENCE of the House Committee on Banking and Currency at the time the committee accepted, and the House adopted, the amendment. As I stated at that time—

It will simply bring about that which this Congress has promised, and which the law requires, the payment of parity prices to the farmers of this Nation.

After the bill was passed in the House and went to conference several of the officials of the Office of Price Administration conferred with me with regard to the administration of my amendment. They indicated that they might encounter some serious difficulties in the enforcement of my amendment with regard to some of the crops, particularly fresh fruits and vegetables, and it was suggested that with reference to some crops other agencies of the Government might more easily and effectively set up programs which would positively assure the farmers receiving parity prices. I recognized the force of their argument and I prepared the following substitute for my amendment:

SEC. —. Section 3 of an act to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes, approved October 2, 1942, is amended by adding just before the first proviso in said section 3 the following:

"And the President shall, through such departments, agencies and officers as he may direct, take such action as may be necessary to assure that the producers of agricultural commodities receive a price therefor equal to the higher of the prices specified in clauses (1) and (2) of this section."

Together with the following memorandum:

I have had several conferences with O. P. A. officials and they have stated that it may prove impracticable for them, under certain conditions, solely through price regulations, to assure the farmers parity prices as reflected in the ceilings of the processors and manufacturers.

They point out that with respect to some commodities this may be done more effectively, more cheaply, and with less danger of straining the stabilization program, by some other agency and through some other program; for instance, by raising the commodity loan rate, or by increasing the support price, by correcting inequities, or by adjusting ceilings, etc.

While the administration has neither recommended nor approved the proposal which I submit herewith as a substitute for my amendment, I recognize that some administrative difficultiees may be encountered in the enforcement by O. P. A. of my original amendment as adopted by the House, and an agreeable to the broader plan of making all agencies and departments available to the President in carrying out the results sought to be accomplished by the original amendment.

I should add that not a single official of O. P. A. and not one Member of Congress has questioned the correctness of the principle here involved, and all have expressed an earnest desire to accomplish the result sought by the original amendment, that is, to see and make sure that the agricultural producers actually receive the prices stipulated in clauses (1) and (2) of section 3 and as reflected in the maximum prices established for the processors and manufacturers.

STEPHEN PACE, M. C.

This substitute and this memorandum were then submitted to Senator BANKHEAD, of the Senate conferees, and to Chairman SPENCE, Mr. MONRONEY, and Mr. WOLCOTT, of the House conferees.

It will be observed that with only minor modifications the conference committee accepted and approved my substitute, the language contained in the bill as set forth in this conference report being as follows:

The President, acting through any department, agency, or office of the Government, shall take all lawful action to assure that the farm producer of any of the basic agricultural commodities (cotton, corn, wheat, rice, tobacco, and peanuts) and of any agricultural commodity with respect to which a public announcement has been made under section 4 (a) of the act entitled "An act to extend the life and increase the credit resources of the Commodity Credit Corporation and for other purposes," approved July 1, 1941, as amended (relating to supporting the prices of nonbasic agricultural commodities) receives not less than the higher of the two prices specified in clauses (1) and (2) of this section (the latter price as adjusted for gross inequity)—

Appearing as the second paragraph in subsection (b) of section 201, on page 12 of the conference report.

It will be observed that the only material changes made in the substitute which I submitted to the conference committee were (1) they provide that the President "shall take all lawful action," where my substitute read "take such action as may be necessary," and (2) they limit the amendment to the basic crops and the crops with respect to which in-

creased production has been requested. The first change is immaterial, as the language means exactly the same thing, and I certainly did not contemplate that the President would take any unlawful action. The second change is immaterial, as the 6 basic crops and about 40 crops where increased production has been requested substantially cover the entire agricultural field.

The two provisions mean exactly the same thing, that is, that the farmers of the Nation are assured of not less than the higher of either the parity price or the highest price between January 1 and September 15, 1942.

In this connection it is important to notice another vital change in the law as set forth in this section 201. The present law says in substance that in fixing maximum prices of commodities processed from agricultural commodities they shall be established and maintained at a price which will reflect to the producers a price equal to the higher of the prices specified in clauses (1) and (2). Under the new language it is provided that "it shall be unlawful to establish or maintain" any price for either an agricultural commodity or a commodity processed from an agricultural commodity at a price below a price which reflects the higher of the prices specified in clauses (1) and (2). This means that any farmer or any processor or manufacturer has a right to demand and to secure ceiling or maximum prices fixed at a level which will reflect the higher of the prices specified in clauses (1) and (2), that it is unlawful for the O. P. A. Administrator to fix any price under that figure. And, then, under my amendment, it is the solemn duty and obligation of the President to see that the farmers get those prices for the raw commodities.

In addition this paragraph provides that this rule shall be "applied separately to each major item in the case of production made in whole or major part from cotton or cotton yarn." We all know that the ceiling prices on some textile goods do not reflect the parity price of cotton to the cotton farmer and are not sufficient for the processor to afford to pay the parity price to the cotton farmer. This has created an undue hardship on both the processor and the farmer. The cotton farmer does not expect the processor to pay him the parity price for his cotton unless the processor can sell his products at a price sufficient to pay the parity price. This provision will compel O. P. A. to fix ceiling prices for textile goods at a level whereby the price on each major item, and the word "each" is most important, will include the full parity price for the raw cotton and will put the processor in position to pay the farmer the full parity price for his cotton. It is then up to the President, and under this section it is the President's solemn duty and obligation, to see that the farmer gets the full parity price.

For this I have worked many years and I am happy to know that at last the law absolutely guarantees parity prices to the farmers of this Nation. Certainly that is little enough for them to receive, for present parity prices do not include the enormous increase in the cost of farm labor. But you have passed my bill, H. R. 1408, to include all farm labor in the calculation of parity prices. It is now pending in the Senate, and I hope that body will give that bill its early and favorable consideration.

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. IZAC].

Mr. IZAC. Mr. Speaker, the conferees placed in the bill a rewrite of the amendment I introduced on rent control. It covers those classes of cases where a substantial hardship has resulted since the maximum rent day for substantial and unavoidable increase in property taxes or operating costs. There are three substantials in this paragraph. I am wondering what we are to believe those three substantials indicate and what interpretation will be placed on those words by the Administrator. If it is administered in justice and fairness to the tenants and the owners of property, I am sure it will be all right, but I am glad to see that the committee expects to come back 1 year from now and have an accounting from the Administrator as to how he has administered this act.

Mr. Speaker, I believe certain comments regarding the agreement reached by the conference are in order. It is very evident that unless the Administrator is trying to hide behind a subterfuge in doing justice in small rent cases he should have been willing to accept the wording of my amendment as contained in the bill which passed the House. No one knows just how the word "substantial" will be construed nor what regulations will be issued implementing the sentence which represents the modified version of my amendment.

I believe it is also pertinent to point out that in the amendment as accepted by the conference cognizance will be taken of hardship cases where there is an increase in property taxes or operating costs but not in case of a decrease. My amendment tried to be fair to both owners and tenants. The conference amendment favors just one side. It can be seen from this therefore if the owner milks the property and does not maintain it normally the resulting decrease in cost is not recognized for tenant adjustments.

Then there is the word "unavoidable" which differs from my amendment. Anyone can "avoid" increased costs if he does not maintain the property in proper operating condition. In the case of the word "hardship" I am wondering if the Administrator would try to relieve an owner from suffering a substantial loss from operating rental property or if he would expect the owner to withdraw savings or other earnings to make up this loss just to keep the rental doors open. I notice also that the provision for adjustment of inequities in multiplte-unit properties is eliminated. This was contained in my amendment and is in accordance with the law in Canada. Can it be that the Administrator is fighting a rear-guard action and trying to avoid doing what is so obviously the intent of Congress, namely, the adjusting of rents on a basis of fairness and equity?

I insist that the only time that this was before the House and the sentiment of the House could be clearly indicated was when my amendment was on the floor and received a favorable vote of 96 to 67. If the intent of Congress as conclusively shown by the debate on my amendment and the resulting vote is followed by the Administrator I am sure we will have no cause to complain. If, however, there is a deliberate attempt by the Administrator to sabotage this amendment and if the conference committee's rewording of my amendment gives the Administrator the subterfuge that he could avail himself of to defeat the intent of Congress, then I propose to the people of all the defense-rental areas that they bring such nullification to the attention of the individual Members of Congress and there will undoubtedly be a day of retribution to follow.

I await with considerable interest the regulations to be drawn up following the passage of this bill.

They have eliminated the amendment by the gentleman from Michigan [Mr. WOLCOTT] providing for adjustment of gross inequities in rents. Does that mean they will attempt to correct the slight inequities and neglect the large ones? But again what does "substantial" mean? Does it mean $2 or 5 percent? And still again what are they going to do about "comparability"? If two houses side-by-side, comparable in every respect, have differences in rental ranging from 100 percent to 300 percent, is that a case for adjustment?

Finally, Mr. Speaker, I draw attention to certain words that may mean much or little in the administration of this act—"hardship," "substantial," "unavoidable," "peculiar circumstances," "comparable," and so forth. The interpretation of these words by the Administrator will determine whether he has conformed to the will of Congress or not. Mr. Speaker, I have done the best I could to provide an administration of rent control based on fairness to the owners of property and to the renters, likewise. My thanks to those of my colleagues supporting me in these efforts. If we fail it will not be because of any failure on our part to bring to the light of day the injustices that have arisen in the past.

Mr. KUNKEL. Mr. Speaker, the conferees are to be congratulated on their splendid work on securing such satisfactory settlements of the various disagreements between the House and Senate bills. They have either eliminated entirely, or adjusted fairly, nearly all of those amendments which, in their original form, would have proved definitely crippling to the price-control program. As one who has steadily advocated and fought for real price control from the start, I am naturally elated at this.

Also, the amendment requiring that the Railway Labor Act be followed in any dispute between employees and carriers affecting wages and salaries was wisely retained. I strongly supported this amendment at all times. The Railway Labor Act is an outstanding example of fair and successful labor legislation. It has stood the test of time. Under it, employees and carriers have

secured equitable adjustments time and again without any serious arguments and with no work stoppages whatever. The cause of the threatened strike of last year was the action of the President and the Economic Stabilizer, Mr. Vinson, in disregarding and overruling this law. It was not caused by either railroad men or management. In my opinion, no strike would have occurred anyway. Railroad men are sturdy, patriotic Americans.

My great regret in connection with this report—and the one feature which makes me hesitate to vote for it—is the inclusion therein of the so-called modified Bankhead amendment. In my opinion, this is a grave error. Undoubtedly it will result in higher prices on many items of clothing and other cotton goods for the men and women of America. The Brown amendment—also a modification of the Bankhead cotton amendment—was badly defeated here in the House. No one worked harder than the distinguished gentleman from Georgia [Mr. BROWN] to find a solution that would insure parity to the cotton farmers and yet avoid raising prices. Yet I was forced to vote against his modification because I felt that despite his untiring efforts he had not found the right answer.

I have been informed by first-hand witnesses—by those participating in the conference—that to all intents and purposes the entire Bankhead amendment was practically put out of the picture by the conferees late Monday night. True, it was still in disagreement, yet it appeared that rejection was imminent and certain. Then Chester Bowles, O. P. A. Administrator, and representatives of Mr. Vinson, the so-called economic stabilizer, and of Justice Byrnes came up to Capitol Hill Tuesday morning with a new version written by O. P. A.'s general counsel, Mr. Fields. All of these men claimed that this was completely satisfactory and noninflationary. After their representations and at their direct request, as the story comes to me, the conferees finally agreed to include this O. P. A. cotton-and-cotton-goods-price-raising amendment in the bill. With the administrative agencies, which had hitherto opposed it, now ardently supporting it, this reversal was only natural. Clearly the change of position on the part of these executive agencies must have been at the instigation of, and with the approval of, the President. Many observers claim the support given this amendment by the President is all part and parcel of a political deal.

Mr. Speaker, this amendment is brand new. No one as yet has really had time to study it carefully. Yet my brief study convinces me that it will cause at least some increases in the cost of cotton goods to the consumers; almost certainly this will be so on many articles, if not upon all. You cannot increase costs without having those increases reflected in higher prices. I feel that the future will bear me out in this prediction. I cannot and do not blame the conferees for this. I place the responsibility squarely on the O. P. A. and our so-called economic stabilizers, Bowles, Fields, Vinson, and Byrnes. So, when you ladies and you men pay more for your clothes you will know that the extra and added cost taken out of your pocketbooks is due to the President and the O. P. A., because this is their doing.

There is a real need for this O. P. A. legislation. It is necessary that the Price Control Act be extended. I believe that the O. P. A. Extension Act contains so many improvements over the old one, soon to expire, that we can swallow this one really inflationary provision which the influences of the O. P. A. and the economic stabilizers have forced into the conference report, much as I dislike it and disapprove of it. So I shall vote for it despite my feeling that this modified Bankhead amendment will cause trouble. Its failings are not enough to offset the other benefits contained in the bill. I cannot, however, be gullible enough to swallow the O. P. A.'s statements, which were made to the conferees, that this cotton amendment will not be reflected in any price rise in any cotton goods.

Mr. JENKINS. Mr. Speaker, no doubt the House will adopt this conference report today and by its action will bring to a close a long and tedious conflict that has been raging in this House for some time. While the conference report does not go nearly as far as I should like to see it, still it must be said that the members of the Banking and Currency Committee on both sides of the House have striven diligently in bringing this matter along to its present status. I think that the debates, which were very searching and very illuminating in many ways, will surely bring to those who have been administering the O. P. A. realization of the fact that the country has been terribly dissatisfied with the program and with its administration in some respects. Personally, I appreciate that it has been a very difficult task and it was unfortunate that in many cases men who lacked tact and understanding were given the responsibility of enforcing this very difficult piece of legislation.

During the consideration of the bill on the floor of the House I took a somewhat active part especially with reference to those sections of the bill that pertain to the control of rents and rented property. It is only natural that we Congressmen are more especially interested in the matters with which we are familiar. In a bill of this kind that has general application all over the country, it is the duty of each and every Congressman to know how the legislation affects the districts which he has the honor and responsibility to represent. My district, not being a thickly populated area, is not confronted with any of the serious problems that come with congestions of population. However, in the application of the rent-control features of this law, no difference has been made in thinly populated areas as against congested areas. Basically rent control was supposed to apply only in congested areas where it was necessary to keep down exorbitant rents. Rents are exorbitant only where the demand is great. The demand is great only where the population is dense and the accommodations are not sufficient to meet the demands.

The members of the conference committee that have brought us this report were kind enough to give consideration to the problem which I advanced on the floor of the House in the debate by adding an amendment to the law which, while not going as far as I would wish, does go far enough to indicate to the Administrator that the Members of the House and Senate, who composed the conference committee, recognized the merit of my contention and inserted an amendment which they felt would remedy the situation. It will remedy the situation if the Administrator will fully realize what the situation is and will fully realize that the conference committee inserted that amendment in the bill especially for the purpose of remedying the situation against which I complained. The amendments to which I refer are found in subsection B of section 2 of the conference report, under the title "Prices, Rents, and Market and Renting Practices."

In the last part of section B there appears an amendment to the present law, beginning with the words "whenever the Administrator shall find," and so forth. In that portion of subsection B have been added, after the words "defense rental area", the words "or any portion thereof." This phrase has been inserted twice in that portion of subsection 2, to which I refer.

The purpose of this phrase "or any portion thereof" was to give to the Administrator the certain, definite power to release from rent-control portions of a rental area. He may have had that power before but in order to make it definite and certain this phrase was added in this subsection.

I therefore hope that the Administrator will appreciate this situation and will recognize the fact that this amendment was put into this law to meet the situation presented by me and which applies in the district which I have the honor to represent.

The basis of the trouble in my district and against which I have complained so strenuously is not the application of the Price Control Sections of the O. P. A. but the trouble comes from the fact that the O. P. A. under the law has been compelled to apply rent control in districts known as defense areas. Defense areas were not set up by virtue of the O. P. A. legislation but were set up by Presidential order and primarily for the purpose of controlling priorities. Portions of the three counties of my district for which I am asking relief were put into defense areas long before the rent-control law was passed and especially before it was administered in our section. These sections of this territory that were put in defense areas were territories in which the merchants and supply men were supposed to be benefited by reason of being permitted to secure priorities to better advantage.

I feel sure that if the merchants and supply men of these sections had known that later they would have been placed under rent control they would not have been anxious to be placed in defense areas for purposes of priority preference. After a portion of these three counties had been placed in defense areas for priorities purposes then comes along this rent-control legislation which bases its

operation as far as rent control is concerned on territories within defense areas. Rent control applies in defense-area territories regardless of whether there are any real defense plants in those territories. That would be very unfair and unreasonable in many instances. For instance, from Steubenville to Cincinnati is more than 300 miles if one is to follow the river. And although there are many larger towns in that area than any of the towns in my district, still rent control does not apply except in these three small semirural counties. The reason for this is that across the river from this territory in West Virginia lies a very large defense-area territory surrounding Charleston, W. Va. On the edge of this territory 50 miles down the Kanawha River from Charleston is located Point Pleasant, which is directly across the Ohio River from the territory in my district in which I am expressing an interest. In Point Pleasant the Government started to build a large shipyard but after expending $10,000,000 or more, the project was abandoned. In that same vicinity, the Government built what promised to be a large TNT plant but in fact only about one-sixth of it was ever put in operation.

When it was apparent that the intention of the Government was to build these large plants and to put them in operation, the housing facilities of the Government constructed 1,200 or 1,500 houses in that vicinity and private interests, with Government capital, constructed probably 500 additional houses. When the projects were abandoned at least 1,500 of these houses were never occupied. Hundreds of them were moved down the river on barges to other localities where the Government apparently needed them. It stands to reason that Point Pleasant does not need rent control when at least 1,000 or 1,500 houses were vacant and had never been occupied. If Point Pleasant does not need it, it surely must be a fact that Pomeroy and Middleport, 2 towns 10 miles from Point Pleasant and across the river in Ohio, and likewise Gallipolis, a small town in Ohio and 10 miles below Point Pleasant, would not need it. Especially is this true when it is considered that there are about 20 houses in Pomeroy that have been built by the Government that have never been occupied.

The situation as to Lawrence County is practically the same as that with reference to these other 2 counties. The Government built a defense plant 10 miles up the river from Ironton, which is the county seat of Lawrence County. Near that plant the Government has built 20 houses, not a single one of which has been occupied. The reason for this is that the number of people employed by this plant is only about 20 percent of the number that was employed to construct the plant. Many of the small number now employed live across the river in Huntington, W. Va., which is a large city, and in Ashland, Ky., which is also a large city, and many others live in the rural sections adjacent to the plant with the result that this new defense plant has made no appreciable impression on the rent problem in the city of Ironton, which for years has been well recognized as having the lowest rent of any city in the great State of Ohio.

It is my hope, therefore, that the Rent Administrator will take this legislation, especially these amendments to which I have referred, as being a mandate to him to rectify the situation I have represented as being an unnecessary burden to three of the counties which I have the honor to represent. These regulations at present extend not only to the city limits of these small cities to which I have referred, but it extends back in some cases more than 50 miles to the small rural villages which have not been in any way influenced by any defense plant built anywhere.

Mr. SPENCE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

Mr. SPENCE. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the conference report just passed.

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

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Frazier, its legislative clerk, announced that the Senate insists upon its amendment to the bill (H. R. 3646) entitled "An act to amend section 42 of title 7 of the Canal Zone Code," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STEWART, Mr. PEPPER, and Mr. BUSHFIELD to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4204) entitled "An act making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate numbered 10 to the foregoing bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1718) entitled "An act to provide for the settlement of claims arising from terminated war contracts, and for other purposes."

EXTENSION OF REMARKS

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter which a soldier sent home to his parents in Indiana.

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

There was no objection.

Mr. PETERSON of Florida. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two different places, in one to include an editorial and a statement by the Honorable E. D. Lambright, and in the other to include a speech made before the Disabled American Veterans.

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

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein an editorial.

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

There was no objection.

Mr. ROBSION of Kentucky. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the conference report just passed and include therein certain excerpts from the RECORD.

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

There was no objection.

Mr. ROWE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD concerning the death of a newspaperman.

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

There was no objection.

Mr. JONES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein certain extraneous matter. I have an estimate from the Public Printer that it will cost $225.40, but I ask that it be printed notwithstanding that fact.

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

There was no objection.

Mr. SCHWABE asked and was given permission to extend his remarks in the RECORD.)

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

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

There was no objection.

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on four different matters

and include therein certain excerpts and some correspondence.

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

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the O. P. A. and on the conference report just passed.

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

There was no objection.

EXTENSION OF SUSPENSION IN PART OF THE PROCESSING TAX ON COCONUT OIL

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4837) to extend for an additional 2 years the suspension in part of the processing tax on coconut oil, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

After line 6 insert:

"SEC. 2. (a) Section 400 of the Internal Revenue Code, as amended, is amended by striking out, in the third column of the table contained therein, the figure '100' the second time they appear in such column and inserting in lieu thereof the figures '110.'

"(b) The amendment made by subsection (a) shall apply to the computation of income tax under supplement T of chapter 1 of such code in the case of taxable years beginning after December 31, 1943."

Amend the title so as to read: "An act to extend for an additional 2 years the suspension in part of the processing tax on coconut oil, and to correct a typographical error in the Individual Income Tax Act of 1944."

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

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain the Senate amendments?

Mr. DOUGHTON. Mr. Speaker, the bill, as passed by the House, extends for 2 years, until June 30, 1946, the suspension of the additional 2-cent tax of coconut oil from sources other than the Philippine Islands. The Senate agrees to the House bill with an amendment.

The Senate amendment corrects a typographical error made in the enrollment of the Individual Income Tax Act of 1944, approved by the President on May 29. In the tax table in supplement T, the alternative tax for individuals with adjusted gross income of less than $5,000, the tax, in the case of an individual whose adjusted gross income is at least $1,075 but less than $1,100 and who has one surtax exemption, appears as $100, instead of $110, as passed by both Houses. The Senate amendment corrects the error, and the Senate also amends the title.

Mr. AUGUST H. ANDRESEN. I understand the 2-cent tax is still left in the law.

Mr. DOUGHTON. It extends the time that would have expired at the end of this month and extends the time for 2 years, until June 30, 1946, except for the Philippine Islands.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. JENKINS. I understand the Senate has again exercised that prerogative of adding some sort of little, trifling amendment to the real bill about which the gentleman is speaking?

Mr. DOUGHTON. I will say to the distinguished gentleman from Ohio it was discovered there was an error made in the enrollment of the individual income tax law of 1944. That being the case it was necessary to correct that error and this was the only opportunity to do it.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that all Members who have special orders to address the House tonight be permitted to extend their remarks in the RECORD at this point, if they so desire.

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

There was no objection.

Mr. COLE of New York. Mr. Speaker, several decades ago America's great poet-philosopher, Ralph Waldo Emerson, asserted that the true test of civilization is not the census nor the size of the cities nor the crops—"no, but the kind of man a country turns out." The kind of man a nation turns out was his measure of that nation's greatness. It is not the vastness of the nation's territorial domain, it is not its unlimited resources, it is not the hordes of people dwelling within its limits nor the monuments and memorials erected to the glory of its past that makes a nation strong and enduring. It is the character of its citizenry.

How revealing this statement of Emerson becomes when we look back over the ages and note the rise of such great civilizations as Egypt, Greece, and Rome, each in its turn representing the acme of the intellectual, scientific, and cultural advancement of its day, but each in its turn sinking into comparative oblivion as the force of moral disintegration and decay began to soften the character of its citizenry. Unhappily, there are a great many Americans, far too many, who today are either unmindful of the spiritual dangers which threaten our national life or are convinced that our fabulous riches and resources, our great reservoir of skilled and highly trained population, our vast stretches of fertile lands, wooded mountains and broad rivers, our lofty skyscrapers, our bank vaults jammed with gold, our scientific and technological geniuses, or our favored position as God's chosen people, will save us from the dangers and disasters which have befallen not only Egypt, Greece, and Rome, but all other earlier peoples and civilizations who failed to keep themselves morally strong.

This blind confidence and this smug complaisance are certain to lead to our slow but inevitable destruction as a great people. No nation, just as no individual, can long continue to have the finer and better material things in life unless it deserves them through the living of an honorable, honest, and a moral life. In the long run, each of us receives just about that to which we are entitled as measured by the quality of our character, the strength of our integrity, and the hardiness of our moral stamina. It is equally so with nations.

Mr. Speaker, one of the consequences of the war in which we are now engaged and which is cause for genuine alarm is the rapid growth of juvenile delinquency and the increasing waywardness of our children. War's destructive arm not only demolishes homes, factories, and cities, not only maims, blinds, cripples, and kills the best of our manhood, but even extends its blighting hand to warp the minds and hearts of our children. It is unnecessary for me to recite statistics and figures to establish the fact that moral delinquency among our youth is steadily increasing. One needs only to observe for himself as he rides the trains, visits the hotels, the cocktail bars, the places of amusement and even as he walks the streets of any of our cities, to be convinced that here is a condition which, if allowed to continue unchecked, will inevitably result in a weakening of our national character.

Already many of our larger cities have inaugurated programs looking toward a mitigation of this evil by opening and making available to the young people places of amusement and entertainment conducted under wholesome conditions and proper influences. There are other plans and programs aimed at curbing the same evil. Unquestionably, such movements are highly beneficial and have already been proven to be immensely worth while but they are not sufficient nor do they strike at the heart of the evil. It is not enough that we simply provide our children with activities which will remove them from the influences of temptation; we must go further and teach them the difference between good and evil and show them that the good way of life possesses certain rewards and that the evil way entails inevitable pains and penalties. Nor is it enough that we enact legislation proscribing certain kinds of human behavior which are generally accepted to be immoral.

I am convinced that one of the reasons why young people go astray, if not the main reason, is that they do not properly understand what is good and what is bad in the field of human behavior. We may build all the parks, playgrounds, and amusement places that money can buy, but that alone will not effectively teach this fundamental lesson.

What, then, is the best way to instill in the minds of the children a knowledge and training in the right kind of living so that they will be able to distinguish between right and wrong, so that they

will desire to choose the right instead of the wrong, and so that they will develop the habit of doing right? Certainly, we cannot legislate goodness into the hearts of our people or our children. Of course, the best place for this training is in the home. However, this requires that the parents themselves have sufficient conception of high morality to seek to implant that same influence in the hearts of their children. It must always be remembered that the children of today will become the parents of tomorrow. The plain fact of the matter is that this training is not being done in the home and it is apparent that no amount of persuasion, coercion, or legislation can cause it to be done there against the will of an indifferent parent. Especially is this true at this particular time when we are at war and many of the fathers are away at the battle fronts and the mothers away from home at work in the war industries.

Many will say that if the moral training is not done in the home, then it must be done in the church. Of course, it should be done there, and the training which children receive in the church school is of the greatest value in molding their lives toward morality and good citizenship. But again the fact remains that only a very small percentage of the children receive that type of religious training and as to those few who receive such training the amount given to them is necessarily sketchy and brief.

It is the vast majority of those who do not receive moral or religious training that is causing so much concern. If the training is not or cannot be done in the home or in the church, then there is another place where it can be done, and that is in the public school.

For well over a year, I have debated in my own mind the feasibility and practicability of adapting our public-school systems to an effective program for character training, including moral standards, ethics, temperance, good citizenship and good conduct. I have come to the definite conclusion that it both can be done and should be done. Further than this, I am likewise convinced that such a method is the most effective way of stemming juvenile delinquency and rebuilding the moral fiber of our people. Some experiments along this line have already been tried in various parts of the country and at various times in the past, but there never has been a sufficient national impetus or interest to cause the experiments to become widespread and general. At any rate, the reward, if successful, is worth the price of undertaking this experiment on a Nation-wide scale and I have just introduced appropriate legislation to accomplish this objective.

The pattern which I have used in drafting the proposal is the well-known Smith-Hughes Act of 1917 which has proven so completely successful and popular by providing for Federal aid in vocational and agricultural training and training in home economics and the industrial arts. Allocation of the Federal funds would be made to the States based upon their population for the purpose both of training the teachers and for the teaching of subjects related to character education, including morals, ethics, temperance, good citizenship and good conduct. The teaching would be done only in the public schools of the States. Distribution of the funds and the administration of the program would be vested in a Federal Board for Character Education to be composed of the United States Commissioner of Education and four citizens appointed by the President, of outstanding achievement in the field of character education and youth training, of whom there must be at least one member for each of the Protestant, Catholic, and Jewish faiths. The various State boards of education or State education authorities would annually submit plans to the Federal board for the particular plan of character training which that State might desire, and if approved by the Federal board, would entitle the State to receive from the Federal Government sufficient funds to cover one-half of the cost of the teachers' salaries or the cost of the teachers' training. So far as practicable a preferential status would be given to the discharged members of our armed forces in the selection of the teachers who might be used in the program.

Mr. Speaker, it can be anticipated that there may arise some opposition to such a proposal as this from the religious groups of the country who may be fearful that sectarian religion will be taught under the guise of character education. Not only does the bill expressly prohibit the teaching of any sectarian religion but the Federal Board for Character Education, constituted as it is of representatives of all the major religious faiths of the Nation, would have authority to prevent such a practice. It is, of course, inevitable and proper that there shall be some close similarity between religious teachings and the teachings of character education.

Mr. Speaker, when I speak of the "character of the citizens" of a nation, I would have the term "character" include morality and religion as essential and even vital attributes. Our children may have the broadest and most thorough education in science, mathematics, and languages. They may have received the latest and most modern physical and vocational education. They may be thoroughly grounded in the humanities and the cultural fields of learning and with it all, lacking a proper training in morals and religion, be an utter failure as "the kind of man" that will insure the Nation's life and our civilization.

The enactment of this legislation will mark a forward step in education in this country and will make our public schools a more potent force than they now are in producing the kind of citizens we want and must have.

ALLOTMENT OF GASOLINE TO PROFESSIONAL PARTY BOAT FISHERMEN

Mr. AUCHINCLOSS. Mr. Speaker, a few days ago I inserted in the RECORD an editorial entitled "Chester Bowles Never Went Fishing With Us," and stated that I would discuss this important matter more fully at a later date—so I have asked for this time to explain to the Members of the House how millions of pounds of food fish are being kept from the market because the O. P. A. refuses the professional party boat fishermen sufficient gasoline to carry on their business. I will show you that the O. P. A. closes its eyes to the fact that the shortage in food fish is very real and how relief from this shortage is denied by this Government agency.

It is admitted by everyone that the production of food for our own people and the nations of the world is one of the most important matters that concerns us. Our citizens have been urged by the Administrator of the O. P. A. to grow bigger and better victory gardens than ever before, and the housewife is smothered with instructions about the canning and dehydration of foods. The formation of community canning clubs has been encouraged and the press all over America prints columns and columns about vegetable growing and the processing of food. Anyone who can have a victory garden and who does not is considered unpatriotic and a slacker. Prizes are offered for good growers, and victory gardeners are even allotted extra gasoline under certain conditions. There can be no objection to all this; it is proper that it should be so. Everyone approves of this and is proud to have a victory garden and do a good job with it. The Government says we need more food and we are all eager to produce it.

But when people want to go fishing and bring back five hundred to a thousand pounds of food fish for the market, the O. P. A. says, "No; you cannot do that; there is not enough gasoline." The intimation is also made that the fisherman might enjoy himself even if he does produce food. I feel sure that the victory gardener has a lot of pleasure, whether the O. P. A. likes it or not. Be that as it may, let us confine our discussion to the production of food and examine the food situation as it involves fish.

Mr. Charles E. Jackson, of the Bureau of Fisheries of the Department of Interior, in testifying before a recent meeting of a subcommittee of the Committee on the Merchant Marine and Fisheries, said:

> As has been stated by other witnesses, the War Food Administration has asked us for a billion pounds more than we anticipate we can produce in 1944 but that production figure which we estimated at four and a quarter billion pounds was based on the manpower situation as it applied at the end of last December.
>
> Since then, we have lost considerable manpower, so without having checked these figures very carefully, I am quite confident that we cannot even approach four and a quarter billion pounds today, as we estimated we could on December 31.

Now that is serious and a matter that demands the cooperation of every agency of government. We all know that many of the Government agencies are manned by inexperienced and incompetent people, but no one can say with any justice that the Bureau of Fisheries is in that category. The men in that Bureau are experienced men and know what they are talking about and when they go on

record that there is a shortage of a billion pounds of fish, there is just that and no other branch of the Government can deny it. I know I share my respect for the Bureau of Fisheries with all my colleagues. This shortage is due to the fact that there is a lack of manpower on account of the draft, and the Committee on the Merchant Marine and Fisheries has held hearings on that subject. Much of the information which I will present to you is taken from these hearings.

I would like to explain briefly what all these fish are used for and in a few words tell why it is important to have plenty of fish. First, it is a question of food, and by that I mean fish to eat, because in one way or another we depend on fish for our well-being. Of course, there are some people who do not like fish; there are also some people who do not like lamb chops; yet, that is no reason to question the value of fish as food. It is nourishing and satisfying food and thousands of people depend on it. Permit me to quote a resolution of the Food and Nutrition Board, which is advisory specifically to the Food Administration and to the Quartermaster Corps:

Whereas supplies of protein for both human and animal nutrition are seriously restricted in North America; and

Whereas available data indicate that fish proteins are of high biological value to man, and that fish meal can replace milk and various meat byproducts as a source of protein in the feeding of farm animals: Be it

Resolved, That the food and nutrition board of the National Research Council urges upon the proper Government authorities that everything possible be done to increase the effectiveness of our fisheries, in order that the greatest possible amount of fish may be secured for augmenting the protein supply of the North American people in wartime.

It is interesting to note that the Army and Lend-Lease take about 60 percent of our fish supply. Second, fish supply oils which are so necessary in essential industry, and the Fats and Oils Branch of the War Food Administration is interested in an increased production of fish oil. Fish oil is used for caulking compounds, alkyd resins, terneplating, and galvanizing, as well as in the tanning of leather and the manufacture of leather jackets used by the Air Corps. Fish oil is required to temper high-speed tools in factories engaged in war work—there is no substitute—also in the operation of airplanes. There is a constant demand for these oils, and it must be met to keep the war effort at an efficient level. Third, fish provides the vitamins in abundance which are so necessary to our health. The oils and secretions of certain of the food fishes find their way to the drug stores of the country in the varied and various vitamin pills offered for your rejuvenation. Permit me to quote from a letter received by the Committee on the Merchant Marine and Fisheries from Hon. Marvin Jones, Food Administrator:

Vitamin A, which is produced from the liver and viscera of the fish, is an essential element in human and animal nutrition and is required in large quantities for war activities. Because of the shortage of the vitamin, which was further aggravated by the increased demand of lend-leasing activities, it was necessary to issue an allocation order controlling the distribution to essential uses. Against an estimated production of 82 trillion units, there was allocated 138 trillion, the difference to be met from industrial and Government stocks. However, the catch to date of fish in vitamin A potency has fallen off 50 percent, as compared to the same period in 1943. Therefore, it is vitally necessary that every effort be made to increase the supply of vitamin A or sharp decreases in the quantities allocated to military and war services, lend-lease countries, and essential United States civilian uses will be caused by the deficit in the estimated availability.

In the light of that statement, is it not of supreme importance that the fish supply be augmented by every available means? Indeed, the "poor fish" is indispensable to us, and we must do all in our power to turn the threatened shortage into a surplus.

Now how can this be done? Are we to stand by and just accept this shortage without trying to do anything about it? Are we to accept defeat and quit? Or are we, as a nation, going to be constructive about it and cooperate to beat it? It is a challenge to all of us, whether we are elected representatives of the people, or appointed bureaucrats, and I am anxious that we get together and work it out. I know it can be done and some of us representatives of the people have already tried, but I am sorry to say have not got very far.

About 6 weeks ago 8 Republican Congressmen, representing the eastern seaboard States of Maine, Massachusetts, Connecticut, New York, and New Jersey, met together and were honored by having meet with us the very able and distinguished veteran statesman the gentleman from Virginia [Mr. BLAND], chairman of the Committee on the Merchant Marine and Fisheries, and the capable chairman of the Subcommittee on Fisheries of that committee, the gentleman from Florida [Mr. PETERSON]. The presence and interest of these two gentlemen added much to our deliberations. Representative party-boat fishermen from the New Jersey coast, who are professional fishermen although they are not classed as commercial fishermen, appeared before us informally. These men testified as to their experience in catching fish by taking people out to sea who wanted to enjoy a day's sport. Now, I want to emphasize right here that just because these professional fishermen are called party-boat fishermen, it must not be assumed that they "throw a party" every time they go fishing. They do nothing of the sort because it is serious business to take from 6 to 20 or more people 5, 15, or even 20 miles offshore for a day's business. All of the captains of these boats discourage the drinking of liquor and many of them forbid it on board. They cannot be bothered with that sort of thing, because their responsibilities for the safety of their passengers and crew are too great. The people who go out on these parties go out to catch fish and the popularity of the professional fishermen is determined by the amount of fish their boats bring in. I will not deny that fishermen have fun—they do—so do victory gardeners. And what is wrong with having fun, if you are able to, in this war-torn world?

Now what does the record show about the operations of these professional fishermen? Listen to the testimony of some of the men who met with the Congressmen from the eastern seaboard:

Mr. HILLMAN (member of Chamber of Commerce, Brielle, N. J.). I am from Brielle, Monmouth County, N. J. I am a member of the chamber of commerce and a party-boat operator. At the present time I operate my boats on Saturday and Sunday, carrying out 40 to 50 passengers. During the mackerel run a low estimate would yield a hundred mackerel a person. Fifty persons would amount to 5,000 pounds a day for each boat. That would be carried out throughout the season. So our conservative estimate of an average would be 100 pounds a person for 50 persons a day. Oftentimes it speeds up, but I am giving you a conservative estimate.

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Mr. PETERSON (J. HARDIN PETERSON, Representative, Florida). Over a period of time I am satisfied that the party fishermen will result in a marked contribution to the food effort.

Mr. AUCHINCLOSS (Representative, New Jersey). There is no question about that.

Mr. PETERSON. Because the parties go out usually at the peak of the run and I do not mind telling you I have been out on a small boat with four of us when we caught a ton of kingfish in a day. I have been out several times. Of course, we will take home our 40 to 50 pounds and the rest goes on the market.

* * * * *

Mr. KING (A. Paul King, director, Board of Chosen Freeholders, Ocean County, N. J.). Power party boats of which I speak are powered with engines from 25 to 100 horsepower. They might conceivably do a good deal of profitable bottom fishing offshore within a prescribed area on 100 to 150 gallons of gasoline per month. However, the wise and maximum use of this valuable type of food fishing would be to provide wider allotments on boat fuels, based on salable catches produced, using boat registrations for the purchase of fuel under a coupon system set up by the Office of Price Administration. These power boats of cabin yacht type could well produce 300 to 500 pounds of food fish per day in line with their traditional and legitimate offshore fishing business. It is obvious that several million pounds of much needed food fish is thus available within the next few months, if sufficient boat fuel and offshore privileges are immediately forthcoming.

* * * * *

Mr. HOWELL (Brielle, N. J.). Here is the picture of a typical case of a small boat. That will answer the question which you raised. There are approximately 2,000 pounds of fish in that boat and the gasoline consumption was 15 gallons. In other words, here is a small boat that brought in 2,000 pounds of fish and it did it on 15 gallons of gas.

* * * * *

Mr. PIERPONT (president, Cape May-Wildwood Party Boat Association). This is a compilation of party fishing boats of Cape May County, N. J., based on the 1941 fishing season. I use those figures because the boats have not been permitted to operate in any full season since that time. In Cape May there were 40 party fishing boats with a capacity of 1,350 and during the season they carried 54,000 passengers. In the Wildwoods, there were 47 party boats with a capacity of 1,625 and during the season they carried 65,000 passengers, so that in the county as a whole there were 162 fishing boats with a capacity of 4,271 and 170,000 passengers were carried during the entire season. Now, all

of the above are bottom fishing boats. The estimated fish caught (all used by fishermen and neighbors) was an average per person of 50 pounds of food fish, which showed that for Cape May for the season of 1941 there were 1,350 tons of fish, amounting to 2,700,000 pounds. In the Wildwoods, during the season 1941 there were 1,625 tons of fish, amounting to 3,250,000 pounds. Two cities only with less than 10,000 combined population with 87 party fishing boats produced 2,975 tons of food fish in 1941. These 87 boats consumed approximately 89,000 gallons of fuel oil or gasoline or about three-fourths of 1 gallon of fuel for each passenger taken or each 50 pounds of fish caught. These boats, when operating at capacity, would cut the average fuel per passenger to an average of one-half of one gallon of fuel for each passenger taken. Above figures are compiled on ocean fishing, principally

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Mr. HALL (LEONARD HALL, Representative, New York State). Could I break in there to say that the information you have just given confirms what my fishermen tell me out my way (Long Island), that it amounts to about 50 pounds of fish per gallon of gas.

Here we have the records of only a few of these professional fishermen from just a small section of the coast, and their records show that they are capable of producing millions of pounds of fish during the season for the commercial market. Multiply that by the number of professional party boatmen all along our coast and in the Great Lakes and a large part, if not all, of the estimated fish shortage should be made up. This industry produces 60 pounds of food per gallon of gasoline. Such a record cannot be approached by any other food producer, and the fisherman produces it in a time too short to estimate. Think it over, my colleagues; such an industry is worth encouraging.

This information was submitted to the Administrator of the O. P. A. in a letter dated May 3, 1944, signed by the following Members of the House of Representatives: Mr. HERTER, Massachusetts; Mr. CANFIELD, New Jersey; Mr. BATES, Massachusetts; Mr. HALE, Maine; Mr. HALL, New York; Mr. HARTLEY, New Jersey; Mr. COMPTON, Connecticut; Mr. PETERSON, Florida; Mr. BLAND, Virginia; and myself, requesting that those professional party boat fishermen who turned their catch into the market be classified as commercial fishermen, so they might receive the same gasoline allotment as the commercial men. Under date of May 22, Mr. Bowles replied, denying the request, first, because by classifying these professional fishermen as commercial fishermen they would be entitled to certain equipment priorities and, second, because Mr. Millard, of the War Food Administration, stated that "the contribution of the amateurs" would amount to very little and not affect any reduction in the fish shortage. Please note that we did not request any greater allotment of gasoline for the eastern seaboard. We believe there is plenty of gasoline now for all legitimate purposes, and we believe that if more gasoline were permitted for such a constructive and patriotic purpose there would be less gasoline for the black marketers. This appeared to all of us Representatives as sound reasoning as well as constructive and good management, but not to the O. P. A.

What can be done about it, I do not know. We are again addressing a letter to Mr. Bowles, renewing our request and explaining that these professional party boatmen do not want any priorities for anything—all they want is enough additional gasoline to carry on the profession in which their money is invested. When the contribution to the food supply of the country is taken into account this request is, to put it mildly, most reasonable, and to refuse it is a downright disservice to the people of the country.

I do not want to be classed as a carping critic of the O. P. A.; I want to cooperate and help make it work. We need a competent O. P. A.; without it untold harm would beset our economy. But I ask in all fairness, Why was it possible for professional party boatmen who turned their catch into the market off the Florida coast this past season to get what gasoline they needed, when the same professional fishermen on the east coast, north of Delaware Bay, are denied it? Why do the professional party-boat fishermen in the Chesapeake Bay, who turn their catch into the market, receive the gasoline they need when the New Jersey fishermen are denied it? I do not ask that these fishermen be refused this extra gas because by turning their food fish into the market they are aiding in the war effort. I do ask that these other equally patriotic and fine American citizens who are engaged in the business of fishing be given the same privileges. That is reasonable, that is sensible, and it will not deprive anyone of gas, except—and note the exception—the black marketers, and those leeches should be driven from the country.

I hope that reason will prevail in this matter and that the O. P. A. will see the light and act promptly and constructively. I beg you, my colleagues, to give it your attention and add your voices to the ever-swelling chorus of protest against the unreasonable and unfair position taken by the O. P. A. I think their attitude is largely due to lack of appreciation of the problem and I feel sure that with your constructive help this deficiency may be overcome.

INSPECTION OF ORDNANCE MANUFACTURING ESTABLISHMENTS

Mr. ENGEL of Michigan. Mr. Speaker, on March 2, 1944, I received a letter from the Secretary of War, the Honorable Henry L. Stimson, authorizing me as a member of the War Department subcommittee of the Appropriation Committee to inspect ordnance manufacturing establishments "and therein to study the production costs and inspect records." I also had authority to take copies of records and data required, subject, of course, to such safeguards as the War Department deemed necessary.

My purpose was to make a thorough study of Government-owned, company-operated powder and explosives, shell-loading, bag-loading and shell-forging plants and chemical plants. Subsequent to March 14, I visited 22 of the 58 Government-owned, company-operated plants of this type. These 22 plants were situated in 10 States, Virginia, Tennessee, Alabama, Mississippi, Kentucky, Illinois, Indiana, Ohio, Missouri, and West Virginia.

I visited 4 smokeless-powder plants, 6 TNT explosive plants, 7 shell-loading, 1 shell-forging plant, 2 bag-loading plants, and 2 chemical plants. I also inspected the chemical plants that were connected with the various powder and explosive plants. I tried to select the plants in such a way as to reflect costs and conditions both North and South, inspecting a certain percentage of the plants in both North and South.

I also obtained the following complete information covering the entire 58 Government-owned, company-operated plants from all powder and explosives, shell-loading, bag-loading, and chemical plants. By Government-owned, company-operated plants I mean plants that were constructed by the United States Army, under the supervision of the Ordnance Department, including one taken over from the British after we entered the war, which plants were all operated on a fixed-fee basis by various private corporations. The following is the information I have in my files:

First. The total powder and explosive production for the period of 1941, 1942, 1943, and the first 4 months of 1944, and the total for the entire period. I have this information broken down to show the monthly production of each type of smokeless powder and explosives, and the unit cost during that period showing the rise and fall of that unit cost.

Second. I have the name of each officer beyond the grade of major in the field ammunition director's office at St. Louis, and of the civilian supervisory personnel showing their experience and educational qualifications.

Third. The number of plants of various types and where located.

Fourth. A copy of the Ordnance Manual.

Fifth. A comparison of the total production and personnel at all ammunition plants. This includes all powder-explosive, shell-loading, and bag-loading plants.

Sixth. The guard personnel employed at all the plants from January 1943 until March 1944.

Seventh. Total personnel at all ammunition plants from January 1943 through April 1944.

Eighth. A comparison of the accident-frequency rates as compiled by the Department of Labor for the year 1942, the last date available, and the National Safety Council accident-frequency rates as of 1943. This shows the accident-frequency rates (a) of the iron- and steel-products industry, (b) all manufacturing industries, (c) industrial chemicals, (d) all explosive plants in 1943, (e) all individual Ordnance Department plants, (f) field director ammunition facilities from January to March 1944, (g) women's clothing industry.

Ninth. Comparative information as to the total production and personnel at

powder-explosive, bag-loading, shell-loading, and chemical Government-owned, company-operated plants.

Tenth. The comparison of unit cost and man-hour consumption between January 1943 and February 1944. This shows the unit cost and man-hours required to load a 4,000-, 1,000-, and 500-pound bomb, a 155-millimeter shell, a 20-millimeter shell with tracer—100 per unit, M52PD fuze—100 per unit, M20A-1 booster—100 per unit, the 105-millimeter shell, the 60-millimeter trench mortar, the 81-millimeter trench mortar, the 240-millimeter howitzer, the rocket, and other items manufactured. I also have the detailed break-down of the cost of the 12- and 16-inch projectile and propelling charge showing each item that goes to make up that cost.

Eleventh. The name and type of each Government-owned, company-operated plant and estimated total cost of each plant as of April 30, 1944.

Twelfth. The name of each explosive and chemical produced in Government-owned, company-operated plants, the name of each chemical, amount produced each year, and the unit cost of each in 1942, 1943, and the first 4 months in 1944.

Thirteenth. I also have the name of each contractor, the plant he operated, the date of initial operation, the total actual operating cost, the total production, the total fixed-fee earned and the percentage of the earned fees to actual cost up to March 1, 1944.

Fourteenth. The name and location of the plants dismantled or placed in stand-by condition.

Fifteenth. I have a great deal of other detailed information. I have gone over this mass of material carefully with War Department officials and am giving in my report to the House only such information as the War Department is willing to release at the present time. The remainder of the information, together with all my data, I shall preserve in a safe place so it may be available to any future congressional committee which may want to investigate Government-owned, company-operated powder-explosive, bag-loading, shell-loading, shell-forging, and chemical plants.

PART II. POWDER IS THE MOST CRITICAL OF ALL CRITICAL ITEMS

Powder is the most critical of all critical war items. By powder I mean both smokeless powder and explosives. The invention of powder revolutionized warfare. Without powder there can be no modern warfare. The old Civil War iron cannon setting on the court-house square is worth more than a 16-inch gun mounted on the mightiest battleship if we have powder to fire the old iron cannonball and do not have the powder to fire the 16-inch shell. All the planes in the world traveling at the speed of sound and capable of carrying tons of bombs are of no use without the explosives that will wreak havoc and destroy enemy installations. All the guns, trucks, tanks, and other wartime equipment are built to carry destruction to the enemy, but it is powder and explosives that bring about that destruction. Without powder or explosives we go back to the bow-and-arrow age.

THE ART OF MAKING POWDER

I was fascinated with the art of the powder maker. When I saw hundreds of propelling powder charges for seacoast and naval guns, each 16 inches in diameter, over 10 feet in length, weighing nearly ½ ton each, with enough power to throw a shell weighing almost 1¼ tons some 20 miles, I began to realize just what the art of powder making was. Each charge had to have an amount of powder so exact in weight, so exact in its uniform power and strength, that the gun crew can set the gun in accordance with the firing data given by the officer, aimed at a battleship miles beyond the horizon, and that powder charge will respond in each case to the gun mechanism with such exactness that it will hit that battleship.

The same is true with practically every weapon. Each weapon has to have a different type of powder, ranging in size from the small rifle powder grains used in the .30-caliber rifle up to a grain used for the 16-inch gun, which looks like a stick of candy several inches in length and over an inch in diameter. The accuracy of the gunner depends as much on the accuracy and art of the powder maker as it does upon the gun which is firing the shell. If the powder maker has made his powder too strong, or placed too much powder in the charge, it will carry over the target. If it is not strong enough, or if he placed too little powder in the charge, it may fall short and destroy his own troops in a barrage. If the fuze of the shell is faulty, the shell will be a dud and fail to explode or explode prematurely and kill our own men.

I am informed that in some cases 40 percent of enemy shells have been duds. The number of duds or premature explosions in our shells is extremely small. When I watched the inspection of 155-millimeter shells loaded with TNT, I was told that less than 15 percent of World War No. 1 shells would pass present inspection. So hats off to the powder maker.

POWDER AND EXPLOSIVES OUR GREATEST BOTTLENECK

Prior to 1939 few people knew anything about making powder as compared with the tremendous wartime demands that were developing. We had been going along with a shotgun-ammunition manufacturing capacity and were suddenly confronted with a wartime demand for tremendous quantities of powder and explosives. The first funds were received by the Ordnance Department for the construction of powder or explosive plants in July 1940, while the first large powder plant in the United States was opened by the British in December 1940.

Few men realized how great that bottleneck was during the period from 1939 to 1942. Among those who did know were the seven men, including myself, who constitute the War Department Subcommittee of the Appropriations Committee and who have charge of holding hearings on drafting and steering through the House and through conference all War Department appropriation bills. When Dunkerque came and we turned over to the British a great deal of our small quantity of TNT in reserve, those of us who knew the story were much alarmed. Those were anxious days, and when I see how the powder industry responded, I am amazed. Powder companies have been looked upon in the past as merchants of death. We now realize that they are merchants of death—death to the enemy.

NO POWDER-EXPLOSIVE PLANTS TO MEET TREMENDOUS REQUIREMENTS

Prior to 1939 there were practically no powder-explosive, shell-loading, and bag-loading plants in America as compared to our tremendous future requirements. Private industry could not expand to meet this tremendous need which would in all probability end with the war. There was only one answer. The War Department had to build plants. We not only had to build powder and explosive plants, we had to build bag-loading and shell-loading plants and various types of chemical plants, all of which are necessary to have a complete ammunition industry. There were no industries that could be changed over. We had to build new and additional plants to produce this, the most critical of all critical items. The War Department had to have powder, explosives, and ammunition. The Navy Department had to have it. England, Russia, and our allies had to be provided with powder, explosives, and ammunition. Ammunition requirements had to be met if we were to win the war. Ammunition from rifle shells to 16-inch naval shells, from hand grenades to 4,000-pound bombs. The tremendous job of changing this shotgun-ammunition manufacturing capacity to meet this tremendous wartime need for the armies and navies of our own Nation and of our allies seemed an impossible one.

WAR DEPARTMENT MAKES AMAZING RECORD

Then followed one of the most amazing records of accomplishment in the history of the industrial world. Smokeless-powder plants, TNT, and other explosive plants, shell-loading plants, bag-loading plants, and chemical plants sprang up as if by magic. Today we have 58 plants constructed at a cost of nearly two and one-half billion dollars. Determined efforts were made to build the most modern, up-to-date plants that would manufacture the most modern, up-to-date explosives and ammunition that could be manufactured.

NEW METHODS WERE INTRODUCED

New methods were introduced. TNT pilot lines were making 26,000 pounds of TNT per line per day. It was estimated that the TNT lines could be made to produce 33,000 pounds per line per day. A new method was discovered which increased the TNT production from 33,000 pounds per line per day up to as high as 96,000 and 100,000 pounds per line per day.

AMOUNT OF CRITICAL MATERIAL REQUIREMENTS WERE REDUCED

In April 1941 it required 7.61 gallons of alcohol for each 100 pounds of smokeless powder produced. Today we are producing 100 pounds of smokeless powder with 1.9 gallons of alcohol. It is estimated that 50,000,000 gallons of alcohol valued at $41,000,000 have already been released and we are saving in excess of 4,000,000 gallons of alcohol per month.

The following explosives and other chemical compounds are being produced in Government-owned, company-operated plants: toluene, N–S, xylene, C–S, TNT, INT, acetic acid, acetic anhydride, pentolite, ammonium picrate, tetryl, lead azide, picric acid, RDX composition, hexamine, ammonia, methanol, formaldehyde, ammonium nitrate, ammonia catalysts, nitric acid, oleum, sellite, nitroglycerin, dimethylaniline, diphenylamine, nitrocellulose, smokeless powder, gas reforming catalysts.

PRODUCTION MIRACLE

(a) Powder and explosive production: During the month of January 1941 we produced less than 11,000,000 pounds of powder and explosives, approximately 5 percent of which was produced by the War Department and 95 percent by private industry. In January 1944 we produced more than a quarter of a billion pounds of powder and explosives, 95 percent of which was produced by the War Department and 5 percent by private industry.

During the year 1941 we produced 375,000,000 pounds of powder and explosives. In 1942 we produced nearly 2,000,000,000 pounds and in 1943 we produced over 3,000,000,000 pounds. During the first 4 months of 1944, we produced more than twice as much powder and explosives as we produced during the entire year of 1941. Nearly 6,000,000,000 pounds of powder and explosives were produced during the years 1941, 1942, 1943, and the first 4 months in 1944.

We produced TNT so fast by a new method that we had to close down plants. Six billion pounds of smokeless powder, TNT, pentolite, RDX, rocket powder, and other explosives we dare not even mention—6,000,000,000 pounds—enough to make the heart of every Jap and German in Asia and Europe quake with fear.

(b) Artillery ammunition and bomb production: All this powder and explosives had to be loaded into shells or propelling charges. In 1941 the shell-loading, bag-loading volume was comparatively small. In 1942 we loaded 2,100,000 tons of shells and bombs of all types and 28,125,579 bag-loaded propelling charges. In 1943 we loaded 4,012,363 tons of shells and bombs, or nearly twice the tonnage we loaded in 1942, and bag-loaded 26,865,772 propelling charges.

During the first 4 months of 1944 we loaded 1,509,431 tons of shells and bag-loaded 16,235,999 propelling charges. In all 7,621,794 tons of artillery ammunition and bombs were loaded and 71,227,350 bag-loaded artillery propelling charges were produced in 28 months.

(c) Chemical production: In 1941 we had practically no War Department chemical production. In 1942 War Department plants produced 583,510,000 pounds and 67,805,000 gallons of chemicals required to make powder and explosives. In 1943 these same plants produced 1,018,403,000 pounds and 137,172,000 gallons of the required chemicals, while during the first 4 months of 1944 the War Department plants produced 386,713,000 pounds and 39,390,000 gallons of chemicals that were required in the making of powder and explosives. All of the above does not include the tremendous number of tons and gallons of these products we purchased from private industries.

Thus was written one of the most amazing chapters in industrial production, overcoming the greatest bottleneck in the most critical of all critical items.

PRICES AND COSTS AND LOW-COST PRODUCTION

Powder and explosives: The price on TNT during World War No. 1 ran from 26 cents to 55 cents per pound. TNT produced in Government-owned, company-operated War Department plants during this emergency dropped from 29 cents a pound to 15 cents to 10 cents, and we are now producing TNT for approximately 7 cents a pound. Smokeless powder was produced during World War No. 1 at the Old Hickory Plant at 41 to 62 cents a pound. Single-base cannon powder dropped from approximately 21 cents a pound in January 1943 to a little less than 17 cents, while double-based cannon powder cost was 26 cents a pound in January 1944.

Shells, bombs, and so forth: A 16-inch shell complete, including the propelling charge, cost us $1,809 in January 1943. In January 1944 it dropped to $1,430.

A 12-inch seacoast shell complete, including the propelling charge, cost $883 on January 1, 1943. It dropped to $786 on January 1, 1944. It cost 33 cents and took 0.197 man-hour to load a 60-millimeter trench mortar shell in January 1943. The same shell was loaded in February 1944 for 19 cents with 0.110 man-hour.

It cost $8.25 and took 2.848 man-hours to load a 240-millimeter howitzer shell in April 1943. It cost $5.02 and took 1.51 man-hours to load the same shell in February 1944.

It cost $142.80 and took 42.721 man-hours to load a 4,000-pound bomb in June 1943. We loaded the same bomb in February 1944 at a cost of $98.03 and with 27.948 man-hours of work.

It cost $27.28 and took 9.88 man-hours to load a thousand-pound bomb in January 1943. The same bomb was loaded in February 1944 at a cost of $16.48 with 4.31 man-hours.

It cost $19.36 and took 7.25 man-hours to load a 500-pound bomb in January 1943. The same bomb was loaded in February 1944 at a cost of $9.28 and with 3.15 man-hours.

It cost $3.05 and took 1.21 man-hours to load a 155-millimeter shell in January 1943. It cost $1.81 and took 0.567 man-hour of work to load the same shell in February 1944. While there are some slight increases in the cost of labor to load some units, the usual reason for this increased cost was changing methods of packing, type of container, and similar causes.

CHEMICAL COSTS REDUCED

Costs were reduced in Government plants as follows:

	1942	1944
Anhydrous ammonia.....ton..	$39.60	$28.80
Dimethylaniline.....pound..	.1960	.1089
Dinitrotoluene.....do....	.0967	.0617
Diphenylamine.....do....	.2459	.1755
Toluene.....gallon..	.3040	.1906

SOME OF THE REASONS FOR THE REDUCTION IN COST

Reduction of cost and conservation of manpower has been outstanding. It has been, in my judgment, in a large measure, due to:

(a) The excellent quality of the responsible, experienced contractors selected.

(b) The creation of integrating committees and the meeting of those committees periodically to exchange information between plants.

(c) Continuous analysis and comparison of unit costs and cost of operation of respective plants by the Field Director of Ammunition Plants. This policy created a competitive spirit, each plant trying not only to increase the efficiency, but to reduce their costs to the level of the plant which had the lowest unit cost level.

(d) The high quality of the technical knowledge available in loading units of the Field Director of Ammunition Plants.

(e) The establishment of manpower standards by skilled industrial engineers, working through administrative units aided by industrial representatives.

(f) Last and certainly of great importance was the close and effective cooperation between industry and the War Department in the operation of these plants, making available, without reservation, information of every kind and quality which industry had.

PART III. DID THE WAR DEPARTMENT OVERBUILD POWDER, EXPLOSIVE, SHELL-LOADING, AND BAG-LOADING PLANTS?

A number of TNT, shell-loading, and bag-loading plants have been closed down. It is difficult for the public to understand why, in the midst of a war, a large TNT plant such as the one at Weldon Springs, Mo., with 18 TNT lines, should be closed down. In studying the question I have arrived at the following conclusions:

First. Powder-explosives, shell-loading, and bag-loading plants are producing or could produce 140 to 160 percent of the estimated capacity.

Second. The estimates upon which the War Department based its needs proved entirely too high in view of subsequent events.

Third. These estimates were not excessive when one takes into consideration the facts and conditions as they existed at the time those estimates were made.

DETAILED FACTS REGARDING OVERBUILDING PLANTS

(a) TNT and explosives: At the beginning of our TNT production TNT pilot

lines were producing 26,000 pounds per line per day. It was estimated with the methods then known and used that TNT lines could be made to produce 33,000 pounds per line per day. Had no new methods been discovered, and had conditions remained the same, the chances are that few, if any, TNT lines would have been discontinued and we would in all probability have had to build additional TNT lines to meet the requirements. However, a new method of making TNT was discovered which increased production from an estimated 33,000 pounds per line per day to an actual production of 96,000 to 100,000 pounds per line per day.

NEW METHOD

The principal products that go into TNT are toluene, an oil product, and nitric acid, the nitric acid being the chemical that makes oil explosive. The nitric acid and toluene are mixed in large vats called nitrators containing some 10,000 pounds each. The line consists in the main of three houses—a monohouse, a bihouse, and a trihouse, the mixture running through the nitrators from house to house through a piping system.

Under the method known and used prior to the commencement of this war, the nitric acid was piped into the nitrator first and then the toluene or oil would flow slowly into the nitric acid as the mixture was made. Under this system it took 2 hours and 5 minutes for each cycle. Through research and experimentation, a method was discovered which reversed the old system—the oil was placed in the nitrator and nitric acid fed into the oil. This new system reduced the cycle from 2 hours and 5 minutes down to 35 to 45 minutes for each batch. This one change in system and method tripled the output. One TNT plant I visited originally had 12 lines producing 33,000 pounds per line per day under the old system. Now 6 lines are operating with 6 closed down, and each line produced from 96,000 to 100,000 pounds per line per day.

WELDON SPRING

Weldon Spring, Mo., was the first TNT plant erected. This plant had 18 lines. At the time the plant was erected we used a grained TNT and the Weldon Spring plant produced all grained TNT. A new method was discovered whereby we made "flaked" TNT which melted quicker and speeded up the production of the plants loading TNT into bombs and explosives. The demand for grained TNT went down. I was informed that it would have cost a minimum of $20,000 per line to convert the Weldon Spring plant into a flaking plant. Because of the change in method of production and change of conditions, we had more TNT lines than required. I believe the War Department used good judgment in closing down the Weldon Spring plant, saving the manpower and expense of operating this plant. When I visited the Weldon Spring plant they were taking apart the pipe lines, cleaning them, and placing the plant in stand-by condition so in case of emergency it could be used.

ESTIMATES WERE BASED UPON THE 1940 AND 1941 CONDITIONS

Estimates for all War Department equipment, including powder, explosives, and shells, were based upon conditions as they existed in 1940 and 1941.

(a) In 1940 and 1941 the power of Russia was unknown. When the Germans began driving Russia back, everyone expected that the German Army would capture and operate the Russian manufacturing plants just as they had captured and operated Belgium and French plants. No one outside of Russia dreamed that Russia would take the machinery and equipment out of the plants and move it back of the Ural Mountains, moving the workers with the equipment. No one dreamed that Russia would have that equipment set up and operating within 6 months.

(b) After Pearl Harbor, on December 7, 1941, the entire Nation was jittery. Japan had hurled a few shells from a submarine at the Pacific coast. It will be recalled that demands came for troops to protect every installation, every gasoline supply station, in fact, I heard it said at the time that if all these demands were complied with, it would require our entire Army to protect the installations in the United States and there would be no one left to fight the enemy outside of the United States.

Every seacoast city and some that were miles inland demanded increased protection. Thousands of antiaircraft guns were demanded and being planned. Large seacoast guns including railroad artillery were being called for. I recall it was not until early 1943 that we began to curtail and reduce planned production of 90-mm. and other antiaircraft weapons. Naturally, powder, explosives, and ammunition supplies were planned for all these weapons that were called for and never built.

(c) The estimates for requirements of Ordnance—powder, explosives, and shells—were based in part upon the demands and estimates made by our allies, the British and Russian Governments. These estimates were naturally based upon a maximum requirement of those products. When Russia found that she could move her war factories beyond the Ural Mountains and was actually operating them there, she reduced her estimates as did England, and the amount of requirements of these materials under lend-lease was materially reduced. The estimates of the War Department upon which its building program was based were in turn based upon the original requirements as given them by the British and Russia through our lend-lease authorities.

(d) When we first entered the war our forces all over the world were being driven back—always for one reason, "too little, too late." The phrase "too little, too late" was heard all over the world. In going through plants I found old posters still up, urging larger production quoting that phrase "too little, too late." We lost the Philippines, Singapore, Indochina, Java, Sumatra, Dunkerque—always "too little, too late." In view of this criticism it is impossible for me to find it in my heart to criticize the War Department for having too much ammunition or equipment on time or ahead of time. This war will never be lost by having too much powder, explosives, ammunition, and equipment. We came very near losing it by having too little.

PART IV. PERSONNEL

Despite the increase in production between January 1943 and April 1944, and because of newer and more efficient methods, the total contractor personnel was reduced from 211,744 in January 1943 to 166,743 in April 1944. The total Ordnance civilian personnel was reduced from 7,880 in January 1943 to 4,352 in April 1944, while the total military personnel was reduced from 485 in January 1943 to 250 in April 1944. The total military and civilian personnel including the contractor personnel was reduced from 220,109 in January 1943 to 171,345 in April 1944, a reduction of 48,764 or more than 22 percent. The percentage of Ordnance personnel to the total contractors' employees was reduced from 3.8 in January 1943 to 2.6 in April 1944.

PERSONAL OBSERVATION REGARDING PERSONNEL

I was much impressed by the work of the War Department personnel, both military and nonmilitary, supervising these Government-owned, company-operated plants. I found safety officers with the rank of first lieutenant, with $2,000 a year base pay, plus heat, light, and quarters, charged with the enforcement of the safety regulations of plants with thousands of employees. I found executive officers in plants producing millions of dollars worth of material, and in some cases several million dollars' worth of material monthly, with the rank of first lieutenant.

In case after case the commanding officer of plants producing a tremendous amount of material was a major drawing base pay of $3,000 per year, plus heat, light, and quarters, while the plant manager with whom he dealt across the table was being paid $12,000 a year by the Government, plus a bonus by the company out of the fixed fee. These officers have been and are doing an outstanding job. Most of the officers with whom I talked would have preferred foreign service to a job in one of these plants. I realize, of course, that the Army could not meet civilian competition as far as pay is concerned. But I do feel that the tables of organization should provide for an increase in rank for these men. In many cases officers, commissioned at the same time these men were, are in other ordnance work and have been promoted several times. I recommend that the War Department go over the tables of organization, study this problem with a view of giving these men the rank to which I believe they are entitled. While we cannot give them pay commensurate with their services, an increase in rank would give them some increase in pay.

PART V. SAFETY AND ACCIDENT RECORD

Powder and explosives are presumed to be and actually are the most dangerous

of all commodities. This commodity is supposed to explode upon the happening of a certain event. If it does not explode when that event happens, it is defective. When you are dealing with a human equation and inexperienced help, you are bound to have accidents in the handling of this commodity. Inadvertently, carelessly, or otherwise, human beings cause "that event" to happen and the powder and explosives "go off." The accident-frequency record of the powder, shell-loading, and bag-loading plants is one of the most amazing records made in the history of any industry.

Only one industry has a better accident-frequency record than the powder and shell-loading plants and that is the women's clothing industry. The iron-steel industry had 25 accidents, all manufacturing industries had 20, and industrial chemicals had 17 accidents for every 5 accidents in Government-owned, company-operated powder, shell-loading, and bag-loading plants. Our accident rate for all explosive plants in 1943 was 7, and for all individual Ordnance Department plants it was 6. The field director of ammunition plants' record in 1943 was approximately 6, and from January to March 1944, a little over 5. These records are based upon the latest data available from the Labor Department and the National Safety Council.

This amazing safety record is due to a number of things. The first is the care with which these plants were constructed. Everything was done to protect the worker. While going through one of the plants a pelleting machine making tetryl pellets exploded with 8 pounds of tetryl. Because of the care in the construction, no one was injured. These pelleting machines are in a room perhaps 8 feet square; 3 sides consist of 16-inch reinforced concrete walls. The fourth side and roof are of light construction so that the explosive can "blow" in that direction. The girl sits behind this 16-inch wall, looks through a sort of a tube in the wall at a looking glass hanging over the ceiling which reflects the machine operation. No one is allowed to remain in the room when the machine is operating. Not to exceed 10 pounds of tetryl are allowed in the room at one time. A personal inspection showed that despite the fact that this 8 pounds of tetryl ripped the 16-inch reinforced concrete wall apart, no one was injured. Care in construction in this instance saved the lives of at least 2 people.

Throughout the entire industry I found rigid rules allowing only a certain number of employees and a certain number of visitors in one room. In the shell-loading and bag-loading plants, not to exceed a certain amount of powder or explosives, usually 10 pounds, are allowed in one of the little rooms where perhaps four to six girls work with similar protective walls. These rules are rigidly enforced; when a visitor goes in, an employee steps out.

This is also true in smokeless powder plants as well as TNT plants. Construction costs of this type are naturally high, but I came away feeling that every precaution had been taken to protect the workers employed in this industry. No one should economize if it means the safety and rights of these workers. This outstanding safety record speaks for itself.

PART VI. TOTAL OPERATING COST OF POWDER, EXPLOSIVE, SHELL-LOADING, BAG-LOADING PLANTS

The following table gives an itemized statement showing the total operating cost, the total fixed-fee paid and the ratio of earned fee to actual costs of all the powder, TNT, explosives, shell-loading, bag-loading and other Government-owned, company-operated plants up to March 31, 1944:

Total cost and fixed-fee to Mar. 31, 1944

	Operating total cost	Total fee	Ratio of earned fee to cost
Shell-loading plants	$540,992,744	$12,915,669	2.4
Bag-loading plants	34,194,478	1,961,033	5.7
Miscellaneous plants	52,570,833	2,802,316	5.3
Smokeless powder	494,358,666	30,891,726	6.2
RDX—TNT	250,514,139	11,473,261	4.4
Ammonia	36,089,744	2,184,915	6.1
Fiber-container industry	50,626,933	2,101,453	4.2
Ammonium picrate plants	17,782,473	671,914	3.8
Total	1,477,130,010	65,002,287	4.4

Among the miscellaneous plants are one shell-loading plant, oil, chemical, and other plants.

I call attention to the fact that in addition to the regular companies manufacturing powder and explosives, such as du Pont, Hercules, and so forth, the companies who did this work were all old, established firms who were making a peacetime product, the sale of which depended upon the good-will that these companies had established through years of advertising costing millions of dollars. They are companies such as Goodyear Rubber, Firestone Tire, United States Rubber, Coca-Cola, Tennessee Eastman Co., Procter & Gamble, Quaker Oats, Sherwin-Williams, and so forth. These companies as a rule did not want this work. One bad explosion in a bag-loading or shell-loading plant might give them publicity which would destroy much of the good-will built up for years.

These companies took extreme care and precaution against accidents. They sometimes went far beyond the precaution taken by the old-line powder and explosive companies. All companies required a visitor to wear powder shoes or rubbers and required him to leave at the gate any matches, metal pencils, and anything of a metal nature. One company operating a bag-loading plant went so far as to make us undress, leave all our clothes outside the entrance and put on clothes furnished by them which they knew contained nothing of a metal nature. Officers of one foreign nation visited this plant. They had visited a powder plant previously where they were required to wear powder shoes and divest themselves of all metal. When they were asked to take off their clothes at this second plant, they said, "No take off pants." They were told, "No take off pants, no see plant." They did not see the plant.

Most of these companies were in the highest income bracket before they took on this additional work, which meant that any fixed-fee paid would be subject to the highest excess-profit-tax rate. In one or two cases it threw the company into a higher bracket, which wiped out all profits. When they were approached by the Army, they estimated what the fee would be. In making the estimate they were interested in knowing what they had left after taxation. A company which was in the 85 percent income-tax bracket knew that every time the Army handed it $100,000 in fees, the Income Tax Division would come along later and take away $85,000 in taxes. Had these companies been operating solely upon a profit motive, few of them would have taken the job.

RATIO OF FIXED FEE TO COST

Total cost of operating the plants up to March 31, 1944, was $1,477,130,000, while the total fixed fee of all the companies up to that date was $65,000,000 or 4.4 percent of the operating cost. If these companies average 70-percent excess-profits taxes, then $45,500,000 of the $65,000,000 in fixed fees was paid back into the United States Treasury and the net cost to the Government to produce this nearly one and one-half billion dollars worth of war material was $19,500,000 or 1.3 percent.

If these companies as a whole were in the 75-percent income-tax bracket, then they paid back into the Treasury $48,750,000, leaving a net fee of $16,250,000 or a little more than 1 percent.

One of the larger companies which was in the 85-percent-tax bracket produced over half a billion dollars' worth of products. It was paid $22,000,000 which had to be added to the top of its income and was subject, of course, to the 85-percent tax. This left the company $3,300,000 fees for operating the plant during a period of nearly 3 years, producing over a half a billion dollars in products. Company administration and other expenses, of course, had to be charged against the fee in addition to taxes. I am not defending any cost-plus-fixed-fee contracts. I am merely presenting the facts as they work out in the powder, explosive, shell-loading, bag-loading, and other Government-owned company-operated plants and as applied to old-line companies who had to add their fixed-fee on top of income profits in their regular operations.

RENEGOTIATION OF FEES

The Office of Field Director of Ammunition Plants made continual efforts to reduce the fixed fee and contractors in some instances voluntarily reduced fees prior to the expiration of the contract. I have in my files a statement showing the name of each contractor, name of the plant, the annual fee for the 12 months preceding May 1, 1944, the annual fee as renegotiated or reduced for the fiscal year ending May 1, 1944, and the annual estimated saving in fees on each contract. This statement shows

that the annual original fee for the year ending April 30, 1944, was reduced from $55,620,000 to an estimated fee of $38,650,000 for the present year beginning May 1, 1944, and the annual saving in fees for this coming year will be $16,970,000. This is assuming, of course, that the present production program will be continued.

VII. WHO SHOULD HAVE CREDIT FOR THIS OUTSTANDING RECORD OF LOW-COST PRODUCTION?

Three groups are entitled to credit for this outstanding job of production and for eliminating the greatest bottleneck in the most critical of all critical war materials.

I. Labor: While it is rather difficult to say who should be given the most credit, there is no question but what outstanding credit must go to more than 200,000 loyal workers who have been employed in the powder, explosive, shell-loading, bag-loading, and chemical plants. Without them there could have been no production. These workers as a rule came from the cities, hills, and farms of Tennessee and Kentucky, Virginia, Alabama, Illinois, Indiana, and a dozen other States. They came from the highways and byways of life. Thousands of housewives left their homes and farmers left their farms to work in these plants. Men and women who knew nothing about powder making are making this most complicated product. Men and women who have never had the first lesson in factory safety, helped to make one of the most outstanding safety records in the Nation. Some of these people drove 30 and 40 miles before and after work. Farmers milked their cows in the morning, worked all day and went back to milk them again at night and do farm work. Housewives prepared breakfast for their husbands, went to work in the factory, came back home after factory hours to do their housework and prepare plans for the next day.

Negro help: I found a great many Negro people in these plants doing fine work. In the heart of the South I found a bag-making and bag-loading line with all Negro workers doing splendid and efficient work. These people are entitled to credit.

It is difficult to understand how anyone could take these inexperienced people and train them in a short period of time to do this rather technical work. In loading powder into bags extreme care is taken to see that no bags are stained. The stain may have a chemical which might react on the powder. In one of the plants filling powder bags for 105-millimeter shells, inspectors discovered an occasional bag with a red stain. These bags were, of course, thrown out. For some time they had difficulty in determining just what caused the stain. Upon investigation they learned that some of these girls had sweethearts, husbands, or brothers in service, serving in the southwest Pacific and elsewhere. As they did their work they would think of that sweetheart, husband, or brother, kiss the bag and say, "Get me a Jap," then pass the bag on to the next worker. Occasionally lipstick would stain the bag. I asked the superintendent whether he did anything about it. He replied, "No. We would rather throw out an occasional bag than destroy the spirit we have in these plants." As I went from plant to plant visiting line after line I was more and more impressed that here was America at work. The spirit of Americanism, love of country, and the desire to serve on the part of these thousands of loyal workers who are employed in this industry did much toward making this splendid record.

II. Industry: Who are these companies who did their part in this outstanding job of low-cost production? Heading the list are the old powder companies, E. I. du Pont de Nemours & Co., the Hercules Powder Co., the Atlas Powder Co., and the Trojan Powder Co. Operating the shell-loading, bag-loading, chemical, and other Government plants we find such old companies as the Tennessee Eastman Co., Coca-Cola Co., Goodyear Tire & Rubber Co., Sherwin-Williams, and many others listed below. These companies have written powder and ammunition history during the past 30 months. They did an outstanding job not only of low-cost production but of eliminating the greatest bottleneck in the most critical of all critical items. The American people will never realize what has been accomplished. These companies have been indeed merchants of death—death to the enemy. Without their work the war could not have been carried on. Following are the names of the companies who did this job:

Industry operators of ordnance plants: Atlas Powder Co.; Atmospheric Nitrogen Corporation (Allied Chemical & Dye Corporation); Brecon Loading Co. (the Coca-Cola Co.); Certain-Teed Products Corporation; Chemical Construction Co.; Chrysler Corporation; Cities Service Defense Corporation (Cities Service Co.); Commercial Solvents Corporation; Concan Ordnance Co. (Continental Can Co.); Day & Zimmerman, Inc.; E. I. du Pont de Nemours & Co.; Ford, Bacon & Davis, Inc.; Fraser-Brace Engineering Co.; General Chemical Defense Corporation; Goodyear Engineering Corporation (Goodyear Tire & Rubber Co.); Hercules Powder Co.; Heydon Chemical Corporation; Humble Oil & Refining Co.; J. M. Service Corporation (Johns-Manville Corporation); Lansdowne Steel & Iron Co.; Lion Chemical Corporation (Lion Oil Refining Co.); Lone Star Defense Corporation (B. F. Goodrich Co.); Military Chemical Works, Inc. (Pittsburg & Midway Coal Manufacturing Co.); Monsanto Chemical Co.; National Aniline Defense Corporation (Allied Chemical & Dye Corporation); National Gypsum Co.; Nebraska Defense Corporation (Firestone Tire & Rubber Co.); Procter & Gamble Defense Corporation (Procter & Gamble Co.); Quaker Oats Ordnance Corporation (Quaker Oats Co.); Remington Rand, Inc.; Sanderson & Porter; Shell Chemical Co. (Shell Union Oil Corporation); Sherwin-Williams Defense Corporation (Sherwin-Williams Co.); Silas Mason Co.; Stewart-Warner Corporation; Tennessee Copper Co.; Tennessee Eastman Corporation (Eastman Kodak Co.); Todd & Brown, Inc.; Trojan Powder Co.; United States Rubber Co.

WAR DEPARTMENT

The third group entitled to credit comprises the officers in the War Department and particularly in the Ordnance Department who laid the plans, let the contract, selected the contractors, designed and planned the plants that made this great production possible.

We had practically no powder or ammunition manufacturing capacity prior to 1938. Our peacetime manufacturing capacity could produce only 100,000 pounds of smokeless powder and 33,000 pounds of TNT per day in 1938, in addition to small quantities of DNT and tetryl. There was no private industry for loading artillery ammunition. Only industry of this type in existence was a small volume carried out at the regular ordnance establishments.

Pre-war plans indicated completely inadequate commercial facilities for the manufacture of small-arms ammunition, smokeless powder, TNT, DNT, hydrous ammonia, toluol, dimethylaniline, diphenylamine, and so forth, and, of course, a total lack of ammunition loading facilities.

On March 30, 1937, Maj. Gen. W. H. Tschappat, Chief of Ordnance, in testifying before our subcommittee, said: "We are trying to get our loans so made as to assist industry as much as possible in case of emergency." In July 1937 special planning sections were established for speeding up the preparation of plans for the production of noncommercial but highly critical supplies.

These sections worked with our small peacetime powder and explosive industry, and from 1938 to 1939 plans and specifications were actually drawn for typical powder, shell-loading, and bag-loading plants, as well as chemical plants. These were reviewed continuously and kept up to date. Although the first funds received by the Ordnance Department for the construction of plants for the manufacture of powder and explosives were not available until July 1940, the Government-owned, du Pont-operated plant at Charlestown, Ind., produced smokeless powder in March 1941. Hercules began production of smokeless powder in April 1941 at Radford, Va. Other plants were opened and started production in rapid succession.

The result was we produced 375,000,000 pounds of powder and explosives in 1941, almost 2,000,000,000 pounds in 1942, and more than 3,000,000,000 pounds in 1943. The Chickasaw Ordnance Works, near Memphis, Tenn., was built by the British. It was commenced on June 25, 1940, under contract entered into between the Tennessee Powder Co. and the du Pont Co. This plant was completed and put in operation on December 13, 1940. I am informed that it was through the foresight and at the request of Maj. Gen. C. M. Wesson, then Chief of Ordnance, that the British built the Chickasaw plant in the United States instead of in Canada. The War Department plans, made as far back as 1938, included establishing the procurement district system for the decentralized procurement of munitions in an emergency, plus planning with private industry for its conversion to war production. These plans proved of inestimable

value in the days prior to and especially in the days succeeding Pearl Harbor.

Prior to June 1942, the War Department construction and production was under the supervision of Mr. Louis Johnson, Assistant Secretary of War—June 1937 to July 1940—and since July 1940, under the supervision of Mr. Robert P. Patterson, Under Secretary of War, with Maj. Gen. C. M. Wesson as Chief of Ordnance and Maj. Gen. C. T. Harris, Jr., as Assistant Chief of Ordnance, in charge of production. Judge Patterson has, in my judgment, been doing an excellent job. To Major General Wesson, former Chief of Ordnance, and to his former assistant, Maj. Gen. C. T. Harris, Jr., must go credit for having had great vision and foresight. They had plans and specifications ready so that construction could proceed forthwith when money became available.

After Major General Wesson retired in June 1942, Maj. Gen. Levin H. Campbell, Jr., became Chief of Ordnance, and to him goes a major part of the credit for bringing about increased production at a reduced cost. Major General Campbell has able assistants. Maj. Gen. Thomas Hayes, who has had charge of all manufacturing and production and Brig. Gen. Roswell E. Hardy, who has been in charge of the ammunition production, and Col. J. P. Harris, his assistant, all have done an outstanding job. So have Col. T. C. Gerber, Field Director of Ammunition; Lt. Col. Raymond Rebsamen, his executive officer, and John F. Daley, civilian deputy director. Colonel Gerber has been in the Army since World War No. 1 and has an excellent record. Lieutenant Colonel Rebsamen has an outstanding record as a successful businessman, while M. Daley, on leave from the du Pont Co., has been production manager of that company since 1915.

These are only a few of the many able men who have been selected by General Campbell to run the field director's office. These men, together with the commanding officers, plant managers of individual plants and their assistants, are actually operating the plants and are entitled to great credit for this outstanding job of low-cost production.

Lt. Gen. Brehon B. Somervell is commanding general of the Army Service Forces, of which the Ordnance Department is a part. It was he who selected Major General Campbell as Chief of Ordnance and it was he who, undoubtedly with Major General Campbell's advice and help, selected the able staff of officers and men who make up the Ordnance Department. Inasmuch as Lieutenant General Somervell would have been responsible for and criticized for any failure of this branch of the Army Service Forces, so he must be given his full share of credit for the outstanding record of low-cost production this branch of the service made in the powder, explosive, bag-loading, and shell-loading plants.

CONCLUSION

In conclusion may I say that I have enjoyed the work of making this survey of the powder, explosive, and ammunition industry. I have been somewhat critical at times of the War Department. It does not give me any pleasure to talk of the failures of men in Government service, particularly in times of war. I would much rather speak of their success. Wars are won by men who are successful, not by men who are failures. I have on numerous occasions pointed out how money has been wasted. It gives me a great deal of satisfaction to be able to point out this instance in which the taxpayers are obtaining value received for every dollar spent.

WHO IS THIS DEWEY'S MAN JAECKLE?

Mr. SADOWSKI. Mr. Speaker, until a couple of weeks ago I had not heard much about New York State Republican Chairman Edwin F. Jaeckle, and neither was I interested in him. But about that time I was amazed and shocked to hear that one of our colleagues, Republican Congressman JOSEPH MRUK from Buffalo, was denied endorsement by this man Jaeckle because of his, Congressman MRUK'S, nationality and religion. JOSEPH MRUK is of Polish ancestry and his religion is Catholic. Prior to his election to Congress he had served two terms as district councilman, and one term as councilman at large.

I likewise am a Catholic and of Polish ancestry, except of course, I am elected on the Democratic ticket. I, like a good many of you, my colleagues, asked the question, "Who is this domineering, arrogant, autocratic dictator who dares to use the yardstick of Hitler and Goebbels in American politics; what is his background, and how did he get in power?"

So on yesterday, June 20, I read with interest and much apprehension the headline in the New York Times that J. Russell Sprague, Republican national committeeman from New York, announced at a press conference that he, Edwin F. Jaeckle, Republican State chairman, and Herbert Brownell, Jr., chairman of the Republican Campaign Committee, representing the Republican voters and the Republican organization in New York State, had arrived in Chicago to get the Republican national convention to draft Thomas E. Dewey for the nomination for President.

The reason for my interest and apprehension lies in my Americanism. I desire to have as leaders of my Nation men of character and ability, broadmindedness, and vision, untouched and untainted by the slightest suspicion of intolerance, bigotry, or provincialism. Every candidate for office, high or low, should and does jealously guard the integrity of his name by avoiding association, publicly or privately, with those who might be termed inimical to the best interests of America and by disavowing at all times any innuendo or criticism directed against his tenacity for those ideals which have made America great among the Nations of the world.

Recently it has been broadcast that Edward F. Jaeckle, State Republican chairman, is, if Thomas E. Dewey is the chosen leader of the Republicans, the Dewey designated and chosen chairman of the Republican National Committee. Jaeckle is to be the rumored chosen instrument of Republicanism in America. So again, "Who is this man Jaeckle?" I asked some of my Republican friends. They told me to examine the June 12, 1944, issue of Life, and there on page 16 I found a picture over the title, "Jaeckle Has the Kind of a Face Neither Friend Nor Foe Ever Forgets." The title of the article in Life is, "Dewey's Man Jaeckle." I learned from the article that Jaeckle has "a Mephistophelian brow, a cold eye, a large nose hooked over a jutting chin, and heavy jowls, well and expensively tailored, a bit on the showy side, born October 27, 1894." Hardly overcomplimentary, and even though perhaps quite factual, I was not completely satisfied with this word portrait, and asked further light on "Who is this man Jaeckle?" who "has had periodic meetings with banker Winthrop Aldrich and others on party finances"? Why should he be called "Dewey's Man Jaeckle," like "Robinson Crusoe's Man Friday"?

I read some further articles from New York City and Buffalo papers. What a man this Jaeckle! He grabbed off the most lucrative political plum in Erie County—the back-tax collectorship. This paid him $154,506 in fees until the legislature abolished the post. He has since built up a highly profitable law practice representing large estates, insurance companies, corporations, and the like. According to one of the newspaper articles, the Jaeckle law firm also incorporated the Nazi bund there.

JOSEPH MRUK'S voting record is practically the same as that of his Republican leader, JOSEPH MARTIN, except perhaps on the soldier-vote bill, where he voted for the short ballot, the same as I did. But this man Jaeckle says he must be purged. Ancestry and religion! And Jaeckle is a man of Prussian ancestry.

The time-old un-American principles of intolerance and bigotry again raise their vicious heads, to cause the emphatic denunciation of "that man Jaeckle" by a leading Buffalo Republican, who has stated:

> The question of race and religion now raised against JOSEPH MRUK as a Catholic of Polish ancestry is resented by me as a Congregationalist of American and German stock.

Dewey's man Jaeckle has had a chance to answer these charges. It takes but little courage for a man boasting Americanism to resent the charge of intolerance or bigotry. But Jaeckle has merely stated, "Experience has taught me that situations clarify themselves and controversy is not an aid to clarification." Such indirect ratification of a charge as important as that made against the gentleman from New York [Mr. MRUK] raises serious question in the minds of every thinking American, irrespective of party, race, or religion, of the mental qualifications which seem to be possessed by the Jaeckle whose face neither friend nor foe ever forgets. Surely the American people, whose sons are dying in defense of the idealism of America—and too many of these sons living physically and mentally permanently disabled as a result of their belief in the principles of

our constitutional Government—have a right to be free from such vicious suggestion of imperialistic and despotic thinking on the part of a man who is reportedly so close to Thomas E. Dewey that he expects to be the next national chairman of the Republican Party. Thomas E. Dewey cannot pull a Dr. Jekyll and Mr. Hyde costume over the head of the American people. Jaeckle cannot be Dr. Jekyll and Dewey—Mr. Hyde. Both are now, as result of the failure to deny or explain the story of Dewey's man Jaeckle in the Life magazine, companions in publicly expressed and published opinions. Jaeckle's thought that MRUK could not be reelected because of his nationality and religion must be shared by his master—the Robinson Crusoe district attorney who has a man Jaeckle, who so far forgets the sins against religion which have in this war merited the castigation and challenge of all right-thinking men and women of the world, that in New York he has reburnished the ancient sword of the ignorant bigot to battle the forces of tolerance in the State which hopes to boast of Dewey as the candidate for President of these United States of America.

What is there in the Constitution which would force a proposed leader of a great part of our American people to decry the fact that a man was of Polish extraction and Catholic religion and to state that his ancestry and religion are tests of availability for public office. Is Thomas E. Dewey so restricted in his imagination, so blinded by his association with his man Jaeckle, so limited in his perception of the temper of the American people that he can believe in the political wisdom of such anti-American principles of government and tyrannical condemnation of the basic philosophy of the American way of life. And yet, if he does not believe in the wickedness of such bigotry and intolerance, why does he not condemn. There is no Dewey strength in silence in face of such preposterous indifference to American truth. As goes Jaeckle, so goes Dewey.

I am a Pole by ancestry. I am a Catholic. Our Constitution never raised a question of my religion or my ancestry. The liberation of the subjugated nations of the world, including Poland, has cost the flower of American manhood, nurtured by the idealism of government by representation. The beauty of that flower is now spread on the shores and in the hearts of every nation of the world—an exhortation and a challenge to nobility and sacrifice. Has Jaeckle been so engrossed in the possibility of Republicanism that he has forgotten the import of World War No. 2? Has his mate? Have any of his mates?

On May 3, 1944, the gentleman from Massachusetts, JOSEPH W. MARTIN, minority leader of the House of Representatives, stated:

> May the Government of the Polish Republic soon be able to function in their own country and rule over the land they love because it is Polish soil. The sympathy of the civilized world is with the heroic liberty-loving Polish people.

Yes, Mr. Jaeckle; the Polish people have given of their talents to America, heroism and love of liberty. Where is the suggestion in the words of the minority leader of your party in Washington that Polish ancestry is a deterrent in the eyes of the American electorate? No, Mr. Dewey—the American people will never accept a leadership which so narrowly construes Americanism as to infer that Polish ancestry and Catholicism make a person an undesirable. Right-thinking Republicans and Democrats are openly opposed to the slur suggested in the refusal to grant approval to the gentleman from New York [Mr. MRUK] because of the incident of his birth and the practice of his religion. Poland is one of the strongest Catholic nations of the world. Are her descendants to be politically avoided? The past of our glory was not born of hypocrisy. The future of our greatness lies in the universal conviction of our citizenry that fanaticism of any nature is abhorrent. As a lawyer, Mr. Jaeckle should remember the old Biblical expression, "Thou knowest the law. How readest thou?" How readest thou the law, Mr. Jaeckle—or you, Mr. Dewey? Did you, as a prosecuting attorney, ever charge your juries that a man's ancestry or his religion determined the nature of his crime? Or having long since left the portals of the courtroom, have you forgotten the principles of truth and justice? Political action and political expediency never justify un-Christian acts. Or had you forgotten?

A citizen, of whatever race or religion, must love his country, be interested in its welfare, and respect its lawful authority. Is there any love of country or interest in its welfare, in attacking a man, or his position in society, because of his ancestry or his religion? Has anyone publicly attacked Jaeckle or Dewey on either ground? Society must find better means of implementing the common weal than by the public reference of its purported leaders to race and religion as qualifications for the right to public office. Totalitarianism—that monster of war which has been offered by the leaders of the Axis as the solution of national problems, which would subject human activity to political domination—might well tremble before publicly announcing, or, having announced, fail to denounce, any such treachery to America as is to be found in the philosophy suggested by Jaeckle. Dictatorship says, "You shall not run, Mr. MRUK, because you are of Polish ancestry and a Catholic." Is there anything more odious than a well-dressed, overbearing, presuming bigot? Where can be the virtue of the father who relies upon the unmuted mouthings of an intolerant son? Or vice versa. And yet, Jaeckle is "Dewey's Man Jaeckle." The dictatorship suggested by the action against Mr. MRUK smacks of the denial of freedom of conscience, freedom of speech, freedom of the press, freedom of ballot. It exudes the aroma of false nationality. It would exalt men at the expense of his neighbor because of parenthood. It would justify exploitation, deliberate and callous of the rights of the individual, for the whim of a leadership. It denies the hope for peace in the world—ever.

The preservation of the liberties of the American people, the continuation of our American way of life, depend on the utilization of every force of character the American people possess which will advance our idealism.

America can never afford to relax her vigilance in the political education of the common people. Any man preaching racism or religious intolerance is neither American nor an educator. He sabotages our form of Government as truly as the saboteur is our enemy. America can never allow at the controls the bigot or the fanatic, despite the plausible supercilious denial by the bigot of his professed bigotry.

The physical, intellectual and moral well-being of America will be reflected in the physique, mentality, and morality of the world. On D-day, here on the floor of this House, there was no jubilation, no sense of the winning of a battle or a war. Nothing but prayerful hope that God in His justice would lead America along the path to victory. No word of races or religion. No recrimination because of ancestry or theology. Americans all—hoping and praying to Him.

The forgetfulness of Dewey's man Jaeckle and of Jaeckle's Dewey of this fundamental concept of our Government—marks the weakness of a political movement which must be stopped before the hour becomes too late.

AUTHORIZING PRESIDENT TO REQUISITION CERTAIN ARTICLES AND MATERIALS

Mr. MAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1749) to amend section 3 of the act entitled "An act to authorize the President to requisition certain articles and materials for the use of the United States, and for other purposes," approved October 10, 1940, as amended, to continue it in effect and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. MAY]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, does the gentleman from New York [Mr. ANDREWS], the ranking minority member, know that this bill is coming up at this time?

Mr. MAY. I do not know that he does. We talked about it and agreed upon it a day or two ago.

Mr. MARTIN of Massachusetts. This is the first I have heard of this legislation and I cannot permit it to be taken up at this time unless I know something about it.

Mr. MAY. The only thing this does is to strike out the figure "1944" and insert the figure "1945" and extend the act which authorizes the President of the United States under certain conditions to requisition personal property. Those

conditions are when it could not be obtained by bargain with the owner, or if it was not otherwise obtainable. It will extend the act to June 30, 1945.

Mr. MARTIN of Massachusetts. I appreciate that the Senate bill extends the act for a year. But what I am trying to get at is to know whether this is a unanimous vote of the committee and do the minority members know it was going to be brought up at this time?

Mr. MAY. It was voted out by the committee and is on the Union Calendar, that is, the exact bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, I shall have to ask the gentleman to withdraw it at this time.

Mr. MAY. Mr. Speaker, I am asking to take up the Senate bill to keep from passing a different bill, and pass one on which the Senate has agreed.

Mr. MARTIN of Massachusetts. The gentleman would save a lot of time if he would talk to us before bringing up this bill, so we would be prepared to know what it is.

Mr. McCORMACK. May I suggest to the gentleman from Kentucky that he confer with some of the minority members of his committee, after which, if they are agreeable to the procedure, they will confer with the minority leader and the gentleman then get his clearance.

Mr. MAY. Mr. Speaker, I have already said that I talked with the gentleman from New York [Mr. ANDREWS] about it and we agreed about it.

Mr. MARTIN of Massachusetts. I do not doubt the gentleman's word at all. But I have had nobody on my side speak to me about it. I do not know what the situation is.

Mr. MAY. I am sorry.

Mr. MARTIN of Massachusetts. Mr. Speaker, we are only asking the gentleman to follow the same procedure that every other chairman follows. Perhaps an exception should be made in the case of the gentleman from Kentucky, I do not know.

Mr. MAY. Mr. Speaker, I am not going to stand here and be subjected to the criticism of following a different course than other chairmen follow. I discussed this matter at length with the gentleman from New York [Mr. ANDREWS], and we talked it over. I was to take it up at the first time I got an opportunity.

Mr. MARTIN of Massachusetts. Mr. Speaker, I have a responsibility here on the floor as well.

Mr. MAY. Mr. Speaker, if the gentleman from Massachusetts [Mr. MARTIN] desires to object, that is perfectly all right.

Mr. McCORMACK. Mr. Speaker, the gentleman from Massachusetts [Mr. MARTIN] will not be compelled to object by the majority leader because there is a certain procedure and the gentleman from Kentucky [Mr. MAY] can very easily solve the question by withholding his unanimous-consent request.

The SPEAKER. The Chair suggests that the gentleman from Kentucky [Mr. MAY] withdraw his request.

Mr. MAY. Mr. Speaker, I will withdraw my request, and somebody else will have to take it up.

LABOR AND FEDERAL SECURITY AGENCY APPROPRIATION, 1945 — CONFERENCE REPORT

Mr. HARE. Mr. Speaker, I ask unanimous consent that the conferees may have until midnight to file a conference report and statement on the bill (H. R. 4899) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1945, and for other purposes.

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

There was no objection.

EXTENSION OF REMARKS

Mr. HULL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include certain letters.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CANAL ZONE CODE

Mr. BLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3646) to amend section 42 of title VII of the Canal Zone Code, with Senate amendments thereto; disagree to the Senate amendments, and agree to the conference asked by the Senate thereon.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia? [After a pause.] The Chair hears none and appoints the following conferees: Mr. BLAND, Mr. RAMSPECK, and Mr. WELCH.

EXTENSION OF REMARKS

Mr. BLAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include therein an article by the vice president of the Grace Line on an adequate post-war merchant marine.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ENROLLED BILLS SIGNED

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 272. An act for the relief of Mrs. Vola Stroud Pokluda, Jesse M. Knowles, and the estate of Lee Stroud;

H. R. 1220. An act for the relief of the legal guardian of Paul M. Campbell, a minor;

H. R. 2303. An act for the relief of O. W. James;

H. R. 2855. An act for the relief of the estate of John Buby;

H. R. 3102. An act for the relief of Mrs. Eva M. Delisle;

H. R. 3661. An act for the relief of G. F. Allen, chief disbursing officer, Treasury Department, and for other purposes;

H. R. 3891. An act to provide night differential for certain employees; and

H. R. 4115. An act to give honorably discharged veterans, their widows, and the wives of disabled veterans, who themselves are not qualified, preference in employment where Federal funds are disbursed.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1157. An act to amend section 61 of the National Defense Act of June 3, 1916, as amended, for the purpose of providing such training of State and Territorial military forces as is deemed necessary to enable them to execute their internal security responsibilities within their respective States and Territories.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 1475. An act to amend further the Civil Service Retirement Act, approved May 29, 1930, as amended;

H. R. 4320. An act relating to the computation of interest on contributions to the civil service retirement fund returned to employees upon their separation from the service;

H. R. 4659. An act to authorize the Soil Conservation Service to lend certain equipment; and

H. J. Res. 298. Joint resolution making appropriations for grants to States under the Social Security Act.

REGULATION OF INSURANCE BUSINESS

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, in my humble opinion, all this bill is, is an attempt on the part of certain defendants in an antitrust suit prosecution to get absolution for their sins. All this talk about contemplated, threatened Federal regulation of insurance companies is just a duststorm. There is nothing on the horizon whatsoever which indicates anybody seeks to have Federal control or regulation of any type of insurance company. All this talk about the destruction of States' rights is simply balderdash. In the final analysis all this bill does is to absolve from culpability and free from punishment for their wrongs, some 200 fire insurance companies who are banded together unlawfully under the guise of the South-Eastern Underwriters Association, together with some 29 other personal defendants, officers, and directing heads of the companies.

Mr. MILLER of Connecticut. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield.

Mr. MILLER of Connecticut. As an attorney, is it the contention of the gentleman that the passage of this bill would in any way interfere with the trial of indictments handed down before this bill was even introduced?

Mr. CELLER. It would have a very grave effect on the prosecutions because a demurrer was overruled, the demurrer having been offered by the defendant.

Remember the instant bill was introduced mainly for the purpose of putting a broomstick between the legs of the administration to prevent trial of the indictment. The decision made in the chamber will affect the trial of the case.

Mr. RAMSPECK. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield.

Mr. RAMSPECK. The gentleman stated that the Southeastern Underwriters were banded together unlawfully. I do not think the gentleman wants that statement to remain in the RECORD.

Mr. CELLER. Yes; I do want that statement to remain in the RECORD and I want to high-light it, and I shall if given sufficient time. They were unlawfully banded together and rigged and fixed rates in a high-handed manner. Further they punished and hurt those who interfered with them. All this was contrary to law.

Mr. RAMSPECK. Why does the gentleman charge them with that when they were acting in accordance with what the law was understood to have been for 75 years?

Mr. CELLER. You cannot say, when a group of individuals get together and arbitrarily and unfairly seek to fix rates that have no relation whatsoever to the risk involved, that they are not doing that which is unlawful and which has been banned by our antitrust laws for a great many years. Just because they were not brought to book over all those years did not make them innocent. These companies doing this business in Florida, Alabama, Georgia, North Carolina, South Carolina, and Virginia had the people of those States seeking insurance by the throat, and the people there were helpless and hopeless because not one of the States had the power to reach out into all the other five States and control adequately the activities of these insurance companies.

Mr. VORYS of Ohio. Will the gentleman yield?

Mr. SPRINGER. Will the gentleman yield?

Mr. CELLER. I do not yield at this time. In a designated period there was collected from the policyholders of those six companies $1,000,000,000, and the losses paid out only amounted to $400,000,000, leaving a very handsome profit indeed, a gross profit of $600,000,000. The profits were high and the protection money was plentiful.

Let me read from the minority report, which I drafted:

> The combine fixes whatever rates it can get away with. Not only are the profits high but the protection money is plentiful. The Attorney General pointed out that 116 of the companies involved in the pending case were among the 142 which raised a fund of $446,000 in 1936 to bribe the Missouri Superintendent of Insurance and others. In fact, the present case in Georgia originated as a result of the plea of the attorney general in Missouri to the Department of Justice. He said that his efforts to prosecute companies in his State were rendered impossible because the rate-fixing conspiracies were part of a vast interstate scheme, operating as a unit and that the laws of his State, carefully conceived and properly executed, could not reach the huge combine. I would say that their activities resulted in what might be compared to a tremendous flood from some great tributaries whose waters have spread for miles and miles across many States. One individual State, apparently, cannot cope with the situation.

I say to the gentleman from Georgia [Mr. RAMSPECK] indeed these companies banded together most unlawfully. I shall subsequently attempt to outline some details of the unlawful conspiracy.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from Indiana [Mr. LAFOLLETTE].

Mr. LAFOLLETTE. Mr. Speaker, I ask that I may extend my remarks at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

Mr. LAFOLLETTE. Mr. Speaker, the House of Representatives of the Congress of the United States is confronted with a decision to be made with reference to the passage of H. R. 3270, which is a bill designed to exempt the insurance business from the operations of the Federal antitrust laws. All Members of the House who have studied the question are agreed upon this statement. As I pointed out in my extension of remarks on this bill, which appears in the Appendix of the RECORD for December 9, 1943, I construe the bill as having a further intent and design, namely, that it is expressly drawn to deprive the Federal judiciary of all jurisdiction over pending litigation, specifically the litigation originally brought by the United States against the South-Eastern Underwriters Association in the United States District Court in Georgia.

I opposed the legislation originally on numerous grounds, but particularly in the belief that the words "shall be construed to apply" were particularly chosen to bring the bill within the decision of the Supreme Court in the case of Hollingsworth et al. against Virginia, decided in the February term of the Supreme Court in 1798, and reported in 3 Dallas at page 378, first limited edition, 664.

At the time the bill was introduced this case was pending in the Supreme Court of the United States, and if the construction for which I contend is correct, then, had the bill been passed before the Supreme Court ruled on the question, it was my opinion, and it is still my opinion, that the Court would have been deprived of jurisdiction in the case and would have been precluded from rendering a decision. The bill was not presented for consideration in the House until after the Supreme Court ruled on the pending case on June 5, 1944, in which ruling it upheld the Government on the two principal issues involved: First, that the business of insurance was interstate commerce within the meaning of the Constitution; and, second, that the antitrust laws, under which the indictment had been drawn against the companies, applied in the instant case and that the lower court had erred in deciding both of these issues against the Government. I am still of the opinion that any time this legislation becomes law it will deprive the Federal courts of the right to proceed with any litigation pending at the time it becomes a law. In other words, if it is passed prior to the time the Supreme Court has an opportunity to pass upon a petition for rehearing—assuming, as I think we have a right to do without engaging in a violent presumption, that such a petition will be filed—I think it would have the effect of depriving the Supreme Court of the right to consider the petition for rehearing, in which event it is proper to infer, in passing, that the insurance companies are not very hopeful as to the outcome of their petition for rehearing and therefore impliedly admit that it is their opinion that the decision of the Court will stand. But more than that, if the bill becomes a law after the petition for rehearing is passed upon, but before the case can be tried in the court below—and we must remember that the case went to the Supreme Court from a ruling upon a demurrer so that at the present time no evidence has been introduced whatsoever—then, under my construction of the language of this bill, there could be no trial of the case in the court below.

I admit that as the matter stands now, I am apparently alone among the Members of either House of the Congress of the United States in placing this extra interpretation upon this legislation. However, I think I am privileged to say that able lawyers outside of the Congress of the United States to whom my arguments on this question have been submitted are in agreement with the position which I have taken as to the additional effect of the proposed legislation which is inherent in the use of the words "shall be construed to apply."

I have made this preliminary statement particularly because I felt it necessary to make it in order to serve as a background to the arguments which I shall later propound against the passage of this legislation.

I think also that it is necessary, as a further preliminary statement, to make some observations with reference to the effect upon the power of the Congress to act upon this matter in view of the decision of the Supreme Court, which was rendered on June 5, 1944, in Case Number 354 of the October term, 1943, being the United States of America, Appellant, against South-Eastern Underwriters Association et al. As far as I am concerned, I can see no good purpose being served by debating in the Congress of the United States the correctness or incorrectness of the decision or the separate dissenting opinions of the Chief Justice, Mr. Justice Frankfurter, and Mr. Justice Jackson.

As a result of this decision, the Supreme Court of the United States has held squarely that the business of insurance is interstate commerce. In so doing, it has exercised a function given it under the Constitution to construe the Constitution and particularly to apply the meaning of the word "commerce" in the Constitution to the facts contained in the record presented to it. I decline to discuss the opinion or the dissents solely for the reason that for the Congress of the United States to debate this question now would be a vain and use-

less thing and also would introduce irrelevant issues which should not have persuasive effect upon us in deciding the question which we have to decide, namely, shall we exempt this form of interstate commerce from the application of the antitrust laws.

It would be vain because the Congress of the United States cannot now alter or in any way affect the decision of the Supreme Court that the business of insurance is commerce. This is true, because, as I have pointed out, it is the function of the Court to construe the Constitution and in determining that the business of insurance was commerce, it has exercised that function by construing the Constitution and applying its construction of the word "commerce" in the Constitution to the business of insurance. Whether we might wish to or not, we cannot now enact any legislation which would alter or change in any way this constitutional decision.

Let me make this plain—I reiterate that the Congress, by the passage of the Walter bill, cannot declare that insurance is not interstate commerce. It can, of course, declare that it will not apply the antitrust laws to this form of interstate commerce, and this is what all lawyers admit is the purpose of the Walter bill. But the Members of the House who are not lawyers or the Members of the House who are lawyers, but who have not had the time to give consideration to this matter should clearly understand as we begin to debate this legislation that the passage of the Walter bill cannot, under our constitutional form of government, reverse or alter that part of the decision of the Supreme Court which declared that the business of insurance was interstate commerce. That decision brought within the scope of congressional action the insurance business and those acts of it which constitute the doing of interstate commerce. The Congress unquestionably has the power and the right now to say that it will not make the antitrust laws applicable, to say that it will make no laws applicable; or at some future date, to say, if at some future time it decides to enter into this field, that the business should be regulated and that the only geographical and political unit which can adequately regulate it is the Federal Government. The decision which we will make in the House of Representatives upon the pending legislation, among other things, will go a long way toward pointing out the path which the Congress of the United States, as a constitutional branch of the Federal Government, will take in the future.

Although I have no intention of analyzing or discussing the decision and the dissents, I think it is proper to say that although the Court divided four to three with two Justices not sitting upon the question of whether the present antitrust laws should be construed as applying to the business of insurance, no one can read the decision of Mr. Justice Jackson, who "dissents in part," without reaching the very positive conclusion that he was of the opinion that the business of insurance was interstate commerce within the meaning of the Constitution. The decision of Mr. Justice Frankfurter is not capable of any such unequivocal statement, but I believe that I do him no injustice and place no improper construction upon his decision, when I say that I conclude that he also is of the opinion that the business of insurance is interstate commerce. The Chief Justice was of the opinion that it was not interstate commerce. A study of the decision and the opinions thus discloses that five of the Justices of the Court clearly were of the opinion that the business of insurance is interstate commerce; that it is not improper to say that six of the Justices were of the opinion that the business of insurance is interstate commerce; that one Justice held it was not; and that two Justices did not sit.

This observation is made for the purpose of tempering the enthusiasm or the wishful thinking of any people in the United States, whether they are Members of the Congress or not, that the decision made on June 5 declaring that the business of insurance is commerce as a constitutional decision or as a decision construing the Constitution will ever be set aside at any time in the future of this Republic. In other words, as Members of the Congress of the United States, we in the House of Representatives are now confronted with a fact and not a theory. The fact is that the business of insurance is now, and for all future time will be, a business with reference to which we must either legislate or not legislate, and if we choose to legislate, then we must legislate wisely and in the interest of all of the people of the United States. We cannot avoid the responsibility and it will accomplish nothing for us to either upbraid or damn the Supreme Court of the United States for placing this subject matter in our laps. Let no one think the Congress of the United States can put this responsibility behind it for all time in the future by passing the Walter bill. The Walter bill will not in any way repeal that part of the decision of the Supreme Court which declared that the business of insurance was interstate commerce; it cannot in any way lift from the shoulders of this Congress or future Congresses the responsibility of making decisions in this field.

It is only when we thus understand the true situation under which we are called upon to enact legislation that we can understand fully the significance inherent in the passage or the rejection of the Walter bill.

For the purpose of the argument which is to follow, and solely for that purpose, I shall assume that the Walter bill is not designed to affect pending litigation—although it must be at all times understood that I personally believe it does. However, it does have for its purpose the lifting of the business of insurance out from under the application of the antitrust laws generally referred to as the Sherman and the Clayton Acts. Or, putting it another way, if the Walter bill becomes law, the Congress of the United States is saying that the antitrust laws of the country shall not apply to the insurance business.

Again let us consider solely at this point whether this legislation, in the end, will be beneficial to the insurance business. The arguments made at the hearings on this legislation and the arguments contained in appendix B on pages 87 to 90 of the brief of the insurance companies in the Supreme Court are that the insurance business is not competitive. Therefore we are entitled to accept these arguments, made primarily by Mr. Edward L. Williams, the president of the Insurance Executives Association, and by the attorneys for the companies who argued the case in the Supreme Court, with whom it is proper to infer from the record—part V of the joint hearings, page 259—Mr. Williams was associated as an attorney prior to September or October 1943; we are entitled to infer then, are we not, that this is the official position at least of the insurance companies who are members of the Insurance Executives Association, which association it is also proper to infer from pages 266 to 270 of the same hearings is representative of the largest and most powerful fire insurance companies in the United States. Therefore, we are asked to pass this legislation because we are told that the business of insurance is not competitive and that this is the official position taken by the most powerful group of fire insurance companies in the United States. But, if a business is not competitive and if it affects so completely the economic life of a nation as the fire insurance business does, it must follow that the business is subject to regulation as a business which is coupled with a public interest. And indeed this is the position not only which the companies have taken over a long period of time, but which the courts of the United States, including the Supreme Court of the United States, have taken in upholding State regulation. Does it not follow therefore that if we pass the Walter bill and exempt insurance business from the operation of the antitrust laws are we not, in effect, saying, at the behest of insurance companies, the business of insurance is noncompetitive; it is coupled with a public interest and we thereby lay the background out of which, not this Congress, but subsequent Congresses of the United States, will find the authority for enacting legislation creating Federal regulation of the insurance business in some form?

Despite the position which the companies have been forced into, in my opinion, by Mr. Williams and his former law associates, I for one am not prepared to say at this time and upon the record now before the Congress that the insurance business is noncompetitive and that therefore if the Federal Government ever acts, and remember it now has the power to act and will always have that power in the future and no Congress can do anything about it, because we are the legislative branch of the Government and not the judicial branch, under the power which the Supreme Court has given it to act, it must and can only regulate the insurance business.

I am driving this point home in an attempt to point out the implications involved in the passage of the Walter bill with the hope that I might dissuade some of my colleagues from taking a

position out of which future Federal regulation is bound to arise and at a time when, in my opinion, we do not have sufficient information before us in the way of exhaustive testimony before a committee of the Congress seeking factual information with reference to the nature of the conduct of the insurance business upon which we can base an intelligent opinion. I point out, in order to avoid any implication that I am attacking unjustly the investigation conducted by the joint hearings of the subcommittees of the Committee on the Judiciary of the previous Congress, that the largest part of the testimony produced before that committee had to do with legal questions rather than with the production of factual information disclosing the manner in which the insurance business is conducted.

I am also not prepared to accept the action of Mr. Williams or the law firm which represented the insurance companies before the Supreme Court as representing the position of all the fire-insurance companies or all the fire-insurance agents in the United States by any means. A study of the hearings discloses that there are substantial groups of brokers and agents who do not agree with Mr. Williams that the fire-insurance business is necessarily a noncompetitive business. Also, I have in my own files evidence which discloses that small companies, both stock and fire companies, in the Middle West section of the United States are not so sure that the insurance business is not a competitive business and they also are not so sure that Mr. Williams and the companies for whom he professes to speak are not engaging in monopolistic practices in a competitive industry.

Therefore, from the standpoint of the insurance business itself, it is my very positive opinion that we do not have enough facts before us to justify us in taking a position which may drive some future Congress into the position of establishing Federal regulation of the insurance business just because one man and his former law partners have, in my opinion, given very bad advice to their clients, the insurance companies of the United States, in the attempt: First, to win a law suit and, second, to foster upon the Congress of the United States legislation which it is apparent will have the effect, if passed, of driving future Congresses into the position of regulating the insurance business rather than leaving it as a competitive business subject to the antitrust laws.

Very frankly, from the evidence that I can find in the record, I cannot form an abiding conviction that the business of insurance is either competitive or noncompetitive; and I don't believe that anyone else who studies the record dispassionately can reach a decision on this question either solely from the record which is now before the Congress of the United States and in the absence of some special information which the average Member of Congress does not have. If this is true, it seems clear to me that in any event the passage of this legislation at this time would be a premature decision made by the House of Representatives upon inadequate information.

Heretofore I have attempted to point out to the Members what they will be doing to the insurance business if they pass this legislation. I am driven to the conclusion that we are asked to pass it practically in a vacuum as far as adequate factual information is concerned. However, such a statement is not completely correct. A study of the record of the hearings would at once disclose to every Member of the Congress, as I have attempted to point out in my previous discussions of this legislation on December 9, December 15, and December 21, 1943, that under the insurance business as presently conducted, there is strong evidence to indicate that we will be passing this legislation exempting the insurance companies from the antitrust laws on a record which disclosed unexplained discriminations against agents, small businesses, between the cities of the various States and between the citizens not only of the United States but of the various States. If a man votes for this legislation on the record of the hearings which have been conducted to date, he will be exempting the insurance business from the operation of the antitrust laws in the face of evidence which at least persuasively establishes that there is a special rating bureau of the large companies in New York City known as the Interstate Rating Bureau, which grants special rates and special favors to large corporations as distinguished from small businesses and that these rates are established in such a manner that they can never be effectively reached or the evils cured by the regulatory bodie set up in the several States. Suffice it to say that it is quite apparent that they have not been. And on this sort of record in the interest of the people of the United States, without regard to any State in which they live, is any Member of Congress prepared to say that he is serving his people when he exempts the fire-insurance business from the operation of the antitrust laws at this stage of the game, when the little evidence which has been brought out before the committees indicates that not only are there monopolistic practices indulged in at present which cannot be reached by State regulatory bodies but also that there is discrimination in rates in favor of existing monopolies which definitely have a tendency to mitigate against small business? It would seem to me that he would have to quit crying publicly and in speeches about the "plight of, and any interest in, the small businessman and the dangers of monopolies and free enterprise" if, on the basis of the present record, he voted for legislation calculated to exempt the fire-insurance business from the operation of the antitrust laws. Some day the people of the United States are going to hold us accountable and ask that we prove that our acts have been consistent with our speeches and our mouthings. The problems of America cannot be solved by words; they must be solved by acts.

Finally, we are asked to pass the legislation which, if it becomes law before the case in the District Court of Georgia can be tried, will prevent the Government from ever trying that case. If the Government does not try that case, not only the Members of the Congress of the United States, not only the people of the United States, but the insurance companies themselves will never know just what acts constitute a violation of the antitrust laws and what acts do not. It is said that if we do not pass this legislation, we will have chaos. But I am inclined to believe that, if we do pass it, we will create chaos. Certainly there is enough in this record to show that chaos exists now, if by chaos we mean an unexplained discrimination in rates between small insurers and large insurers, between citizens of one State and citizens of other States, between cities of the various States of the United States, and at least a hint at discrimination against home owners by the charges made that the home owners are carrying a disproportionately high share of the losses of the whole fire-insurance business by the device of paying rates which are disproportionately high in light of the losses experienced. Certainly a trial of the case below would permit the country, and the people, and the Congress to have placed before it the evidence which the Department of Justice must produce in order to prevail in the litigation. I for one do not see why the insurance companies involved, if they feel they are in the clear, are not ready now to say to the Department of Justice: "You have been making a lot of charges; we deny them; now it is time to put up or shut up." This is the attitude which a man whose skirts are clean would always take in his own interest. But if you prevent a trial, the facts upon which this indictment is predicated will never be tested in a court of justice where their authenticity and relevancy and materiality can best be tested.

This is particularly true because last week the Rules Committee of the House denied a rule for House Resolution 382, introduced by Mr. LYNCH, of New York. The resolution called for an investigation into the conduct of the insurance business; the resolution sought to develop for the Members of the Congress of the United States facts under which we could proceed to carry out the duty which the opinion of the Supreme Court has plainly thrust upon us. We cannot even fail to legislate, in my opinion, without being able to point to facts developed at an investigation which would justify us in saying to our people, "There is no need for Federal legislation." However, the Committee on Rules reached a contrary conclusion. I have no desire to quarrel with the committee or with the members of the committee as to their decision; I merely point out that the effect of their decision, in my opinion, makes it mandatory that the Walter bill be defeated.

The Supreme Court has placed the responsibility upon the Congress of the United States of not legislating in this field or legislating; and if we are to legislate, again we have the responsibility of determining how we shall legislate. It

is the grossest abuse of the legislative function for us to avoid this responsibility by failing to seek out in some manner the evidence upon which to make our decision. Even if we choose not to act, we certainly can be charged with supinely accepting the story of the insurance companies as to what is best for the people of the United States if we fail to attempt to find the facts in some manner. Since this House, through its Rules Committee—acting under the authority which the rules of the House give to that committee—has chosen not to investigate, that action is not the sole responsibility of the Rules Committee, but it is the individual responsibility of every Member of this House because we have set up the rules, we have chosen the Rules Committee to be our agents in this matter and we are bound by its decision until such time as we attempt, by other appropriate procedure under the rules, to make other decisions. The decision made, which is binding upon each individual Member, is this: We will not investigate the manner in which the insurance business is conducted for the purpose of determining how we shall act upon the responsibility placed upon us by the ruling of the Supreme Court on June 5. We will not even attempt to get evidence to guide us in discharging that responsibility.

But there is a way open by which that evidence, at least in part, can be obtained and that is by permitting the case in Georgia to go to trial. It is my opinion that if you adopt the Walter bill you will prevent that case from being tried and thereby every Member of this House who now votes for the Walter bill, following the action of the Rules Committee, will be going home to his people with the record, from which this conclusion is properly inferable, namely: "I did not want to know anything about the way the insurance business is conducted; I do not want the people of the United States to know anything about the way the insurance business is being conducted; I did not want the House to investigate it; and I voted to keep a case in Georgia from going to trial in which evidence might have been brought out showing something about the way in which the business of insurance was conducted." If you go to your people on such a record, will you not be saying, in substance: "We accept without question the statements of the insurance business that it is being conducted properly in the interest of all of the people; you people have not any right to investigate or to expect me to investigate this claim; I believe that the insurance business should not be investigated, either by the Congress or by the courts." I do not know what other Members may wish to do, but, for myself, I do not propose to submit such a record to the people of the Eighth Congressional District of Indiana, who selected me to represent them and to act in their interest in the House of Representatives of the Congress of the United States. I at least want to say to them that I am interested in developing and finding some facts. I at least want to say to them that I am willing to do something to discharge the responsibility placed upon me as a Member of the Congress by the ruling of the Supreme Court of the United States. If the facts should disclose that there are no reasons for any Federal legislation, I am willing to adopt that policy. I hold no brief for Federal regulation in the absence of more factual information than I presently have, but I likewise see no reason, under the present record, of voting: first, blindly and without enough factual information to satisfy me as to the correctness of the position of those who seek through the Walter bill to remove the insurance business from the operation of the antitrust laws; and, second, to vote for legislation which, in my opinion, as a matter of law, will prevent the pending case from being tried and thereby, under the record which now exists in the Congress, created by the action of the Rules Committee, creating a situation where no facts can ever come to light, at least until another Congress has met.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, the gentleman from New York [Mr. CELLER] speaks of a smoke screen. I think his contention about the effect and purpose of this bill is, rather, the smoke screen.

For 75 years the courts of this country and the Congress have held and believed that the writing of insurance contracts was not commerce to be controlled by the Federal Government or under the Sherman Antitrust Act. The courts and the Congress have consistently held and believed that the regulation of such insurance was to be in the States and not in the Federal Government.

It is significant that when the States asserted the right to control fire insurance and regulate it, their efforts were resisted by the fire-insurance companies which said their business should be under Federal regulation and not State regulation. The courts held otherwise.

Bills have been introduced to bring about Federal control of insurance. Those bills have been consistently turned back by the Congress of the United States.

Now there is no Federal legislation for the control of fire insurance in the States. There is no Federal agency presently existing to regulate fire insurance. The Congress never intended that the Sherman Antitrust Act would be used as the means to bring about the indictment of people engaged in the fire-insurance business under State regulation. Now by the 4-to-3 decision the Supreme Court has reversed the rulings of 75 years, and holds that the writing of insurance is commerce.

Let me say this with particular reference to what the gentleman from New York [Mr. CELLER] has said. If this decision of the Court stands, the jurisdiction of the States to regulate fire insurance will be terminated. As a result, the Congress of the United States at this time, in the middle of a war with all the other things we have to do, will be required to enact Federal regulation.

I will read from what Chief Justice Stone said. He happened to be in the minority, but I think he knows what he is talking about:

> But the immediate and only practical effect of the decision now rendered is to withdraw from the States, in large measure, the regulation of insurance and to confer it on the National Government, which has adopted no legislative policy and evolved no scheme of regulation with respect to the business of insurance. Congress having taken no action, the present decision substitutes, for the varied and detailed State regulation developed over a period of years, the limited aim and indefinite command of the Sherman Act for the suppression of restraints on competition in the marketing of goods and services in or affecting interstate commerce, to be applied by the courts to the insurance business as best they may.

Now, if that is true, and I believe it is, what do we have before us? In this bill we are doing nothing more than acting legislatively in keeping with legislative responsibilities. The Congress of the United States can today repeal the Sherman Antitrust Act if it wants to. And the Congress, in the exercise of legislative responsibility and authority, can write an exemption into the Sherman Antitrust Act, which is exactly what this bill seeks to do.

Some people say this involves usurpation of judicial authority. I say that the decision of the Supreme Court, the four to three decision handed down on June 4 of this year, is itself, in effect, an attempt at judicial usurpation of legislative authority.

The SPEAKER. The time of the gentleman from Indiana has expired.

Mr. ALLEN of Illinois. I yield the gentleman 3 additional minutes.

Mr. HALLECK. If the Congress of the United States, being the legislative branch of the Government, wants to say that the writing of insurance contracts—and we had better say all other contracts if we get to that point—is commerce, and that it is commerce which we want to regulate as an exercise of Federal authority and responsibility, then I say let the Congress make that decision. But I hold that for the Supreme Court to come along at this late date with this decision and undertake to change what has been clearly the legislative intent and judicial interpretation for 75 years, is outside the realm of proper and timely judicial action.

It is said that by this action we are going to absolve certain defendants. How guilty is a man or a group of men who are in the insurance business and who have carried on their business under State regulation, as they have for 75 years, under the consistent interpretations and decisions of the Supreme Court, and following the intent and purpose of the Congress of the United States? I say, how guilty are they of the commission of a crime under the Sherman Antitrust Act? To my mind it is not a matter of absolution of anybody.

If we are to have Federal regulation, let us approach it as a matter of legislative action and responsibility, and not as a matter of entering through the back door of the Antitrust Act, through judicial decision.

Along with Justice Jackson of the Supreme Court I hold that this is a poor

time indeed to render this decision to nullify the State regulations and to thrust upon the Federal Government the necessity for writing comprehensive legislation to cover the country. Why create another gigantic Federal bureaucracy, wrest from the States the job they have been doing, and concentrate, following the trend that has been too prevalent here lately, another great administrative responsibility in Washington? So far as I am concerned I am not for it. That is the reason I am for this rule and this bill.

Mr. VORYS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Ohio.

The SPEAKER. The time of the gentleman from Indiana has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 1 additional minute to the gentleman from Indiana.

Mr. VORYS of Ohio. In my State of Ohio every fire insurance company is required by law to belong to a rating bureau that fixes rates. Under this Supreme Court decision that action which is required by the State of Ohio would be considered as a violation of the Sherman Antitrust Act unless we take such action as is contemplated in this legislation.

Mr. HALLECK. Yes; and if the State of Ohio believes that the rates charged by these companies are too high they can refuse a license to them to do business.

Mr. PLOESER. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. PLOESER. Is it not ironical that at a time when we are trying to stabilize the economy of the country the Supreme Court should imperil some $30,000,000,000 of assets, much of which is Government bond holdings?

Mr. HALLECK. I do not want to look too far into the future but I know certain people have been irked by the fact that fire, life, and other insurance companies have enormous assets of which they have not yet been able to get hold.

The SPEAKER. The time of the gentleman from Indiana has again expired.

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Speaker, it is my position that this rule ought not to be adopted by the House. I do not often take a position in opposition to a rule, but I do not believe this bill ought to be considered by the House at this late stage in the session; and, certainly, I do not believe it ought to be passed. Many arguments will be made, but in the last analysis there is no getting away from the fact that the whole language of this bill and the net purpose of it is to exempt the whole business of insurance from the operation of the antitrust laws. It is not a bill directed to the question as to whether there should be State control or Federal control, nor can that decision possibly be made except by the action of this Congress. As a matter of actual fact if the statements of the proponents of the bill as to what they want to accomplish, if the statements of the insurance companies as to what they want to have accomplished, were to be taken at face value there might be legislation passed, defining its scope of State or Federal jurisdiction over the business of insurance. But it certainly would not be this legislation. If Members of the House in a few moments of time want to take responsibility for saying that the greatest financial business in this whole Nation shall be completely free of all action on the part of the Government to prevent monopolistic practices in many cases operating to coerce the independent agent and discriminate against the small insurer, then they want to take a responsibility other than what I want to take.

As a matter of fact, the passage of this bill would be tantamount to an invitation on the part of the Congress to the insurance business to go ahead and engage in monopolistic practices; and if there is any better way to invite Federal regulation of any business than to permit that business to engage in monopolistic practices, I do not know what it is. In other words, the net effect of the action of Congress in exempting insurance from the antitrust laws will in the long run be, in my judgment, to invite a train of events which will make Federal regulation necessary.

The SPEAKER. The time of the gentleman from California has expired.

Mr. SABATH. Mr. Speaker, I yield to the gentleman from Virginia [Mr. SMITH] such time as he may desire.

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made this morning on the bill to investigate campaign expenditures and include some correspondence I had with the Attorney General.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia [Mr. RAMSPECK].

Mr. RAMSPECK. Mr. Speaker, I had not intended to engage in this discussion, but, to my astonishment, my colleague the gentleman from New York [Mr. CELLER] has brandeti the men who compose the Southeastern Underwriters' Association as being engaged in an unlawful conspiracy.

I thought in this country people were still innocent until they were convicted by a court. It happens that the headquarters of the Southeastern Underwriters' Association is in the city of Atlanta, in my district. For 12 years I was a local insurance agent and I learned to know many of these men personally. I wish to assure my colleagues in the House that they are not crooks; they are as good citizens as you will find in any city anywhere in the world. They had no idea that they were engaged in any violation of the antitrust laws They were advised, of course, by their lawyers, that 75 years ago, before most of them were born or ever thought of the insurance business, the Supreme Court of the United States had held that insurance was not interstate commerce. I think therefore it is going pretty far for a Member of this House to charge those men with being guilty of a crime when the Supreme Court has not decided that. They have sent that case back to the district court to be tried on its merits and I doubt seriously whether any jury in Georgia is ever going to find them guilty of violating the antitrust laws when they were advised by their attorneys that this decision of the Supreme Court 75 years ago was still the law of the land; and it was until the Supreme Court reversed it.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. VORYS of Ohio. The gentleman is familiar with the practices of the Southeastern Underwriters?

Mr. RAMSPECK. I am.

Mr. VORYS of Ohio. Are not their practices substantially the same as is required by law in the States that establish rating bureaus for fire-insurance companies?

Mr. RAMSPECK. That is my understanding. They are following the regulations laid down by the insurance commissioners of the various States in which they operate. I do not want to get into a discussion of the merits of this bill because I have not studied it, but I do want to say to this House that the charge made by the gentleman from New York that these people involved in this case are anything else but the finest sort of citizens is not true. They are, all of them, good people.

Mr. MILLER of Connecticut. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. MILLER of Connecticut. While insurance executives may have been indicted in the gentleman's district, I am happy to hear him defending them as fine citizens. A great many of them are constituents of mine and I am very proud to consider them as friends. I resent the imputation that they are guilty before they are even tried.

Mr. RAMSPECK. We ought not to decide this question on any such statement as that.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. SABATH. Mr. Speaker, I yield the balance of my time to the gentleman from Texas [Mr. RUSSELL].

The SPEAKER. The gentleman from Texas is recognized for 9 minutes.

Mr. RUSSELL. Mr. Speaker, I had very much hoped that this bill would not come up at this late hour at this late date just before the recess with a very limited time for debate and consideration of a most important bill that creates a precedent unheard of heretofore in the annals of our country—3 hours of debate, and that in the hands of two who are in favor of the bill. This occurs to me as a little bit unfair. Again I say I had hoped it would not come up at this time because I feel myself not physically able, as most of the Members feel, to give to it that service I should like to and which I believe is in the interest of the 132,000,000 American people. In saying that, I am not opposed to insurance. The only stock I own in the world in any corporation is insurance stock. I am a little part owner in two insurance companies. If I had any bias in favor of either end of this question

naturally I would be in favor of the insurance companies. Having grown up under adverse circumstances, it became necessary for the protection of me and my loved ones, especially my loved ones, to rely on insurance policies for their protection. I spent most of my life's earnings for it, but I am more interested in 132,000,000 American citizens and their future welfare than I am in insurance companies and the financial standing they have at the present time. They are able to take care of themselves.

Mr. Speaker, this rule has so many angles to it that, of course, we cannot touch it. I have said this before, and I say it now, after long and mature study and consideration, we who have been engaged in the legal profession and who have studied the legal principles throughout the years past, or for any length of time, knew what the Supreme Court was going to say when this case went before it. This case that had its inception down in the State of Missouri, where Boss Pendergast connived and colluded with the then insurance commissioner to rob the poor people who were paying into the insurance companies the enormous amount of funds that they had. We will not have time to talk about that. The question whether or not it was interstate commerce has been answered by the Court a few weeks ago.

Reference has been made on the floor of this House to the three dissenters and it was felt they spoke correctly. But let us see what they said. Let us see what Chief Justice Stone said:

> This Court has never doubted, and I do not doubt, that transactions across State lines which often attend and are incidental to the formation and performance of an insurance contract, such as the use of facilities for interstate communication and transportation, are acts of interstate commerce subject to regulation by the Federal Government under the commerce clause. Nor do I doubt that the business of insurance as presently conducted has in many aspects such interstate manifestations and such effect on interstate commerce as may subject it to the appropriate exercise of Federal power.

That is what Chief Justice Stone said, with reference to the insurance business being commerce. Of course, if it is commerce, intrastate and interstate, naturally it would come under the commerce clause of the Constitution.

Associate Justice Frankfurter reiterated the stand that Chief Justice Stone took.

Then Associate Justice Jackson wrote at length a dissenting opinion and he stated in these words:

> I am unable to make any satisfactory distinction between insurance business as now conducted and other transactions that are held to constitute interstate commerce. Were we considering the question for the first time and writing upon a clean slate, I would have no misgivings about holding that insurance business is commerce and where conducted across State lines is interstate commerce and therefore that congressional power to regulate prevails over that of the State.

That is the third Justice who dissented, admitting the things that are the vitals of the question involved before us today.

This bill seeks to immune a certain business from the antitrust laws. Why single out the insurance business if their hands are clean? They are not always clean, and I happen to know a little something about this case. I am going to yield at this time to my colleague from Texas who heard one of the defendants indicted down at Atlanta make the statement confessing his guilt. This was on a railroad train not long ago. I yield to the gentleman from Texas [Mr. POAGE] to tell what the man indicted had to say.

Mr. POAGE. I simply wish to say to the House what I said to the gentleman. I did have a conversation with one of the defendants in this case. This gentleman was the head of a small insurance company with headquarters in Texas. He told me and he told the group on the train that he recognized that he and all the rest of the defendants were "as guilty as hell." These were his own words. He said, "Of course, we are guilty; we had to enter into the conspiracy to stay in business." He further stated that all of the small companies were forced to go into this conspiracy or else the large companies would put them out of business under the way they were running the business in the Southeast. That is what one gentleman who is in the insurance business in the Southeast said and that is what is going to happen to the small insurance men all over the country, if you let the larger insurance companies run high, wide, and handsome without any control of any kind and exempt them from all the restraints of antitrust laws. I am just as much in favor of the State control of insurance as anybody else, but, as the gentleman from New Mexico has explained very clearly, you have got to pass other legislation to place control of insurance in the hands of the States. All this does is to place the insurance business in the hands of the big companies that are going to control it if you repeal your antitrust laws. If you have no antitrust laws to keep them from destroying the smaller companies, they will do just that.

Mr. RUSSELL. I thank the gentleman. One of the main things they tell you about in connection with this Supreme Court decision is that we are taking the regulation of the insurance companies out of the State hands and putting it in the hands of the Federal Government.

Since this bill was introduced I have dared the proponents of it—in the terms of the country boy of long ago I double-dogged dared them—to produce one single opinion of any court that would substantiate such a statement. The fact is, Mr. Speaker, the regulations will remain as they are unless this Congress sees fit to act, and I do not believe it is going to act.

I grew up in a States' rights country, not in Connecticut. When did they adopt the policy of States' rights? It is a part of our political religion in my State, but I do not want to run off in a hysteria here under the guise of States' rights when the principle does not apply, to the injury of the people of our country. I cannot do that and I am not going to do it.

We are going to preserve State control, unless the Congress acts. Are you afraid of the law? Are you afraid of Congress?

The SPEAKER. The time of the gentleman has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 1 minute to the majority leader.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 10 o'clock.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that during the remainder of this week it shall be in order to consider conference reports the same day reported, notwithstanding the provisions of clause 2, rule XXVIII, and that it shall also be in order during the remainder of the week for the Speaker to entertain motions to suspend the rules notwithstanding the provisions of clause 1, rule XXVII.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman tell us what the program is for tomorrow?

Mr. McCORMACK. I will be glad to. The conference report on the contract termination bill is ready. The conference report on the Labor-Federal Security bill will come up for consideration tomorrow. Conference reports will have precedence. Conference reports on the appropriation bill having to do with the war agencies, the lend-lease conference report, conference report on the military and the District of Columbia might be brought in during the day.

This insurance bill after adoption of the rule of course will be the legislative order of business, but it must be understood that we will give preference to conference reports.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

REGULATION OF INSURANCE BUSINESS

The SPEAKER. All time has expired on the rule.

Mr. SABATH. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. MARCANTONIO and Mr. CELLER) there were—ayes 102, noes 30.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the further

consideration of this resolution be postponed until tomorrow.

Mr. MARCANTONIO. I object, Mr. Speaker.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 52 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, June 22, 1944, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, a letter from the Archivist of the United States, transmitting a report on records proposed for disposal by various Government agencies, was taken from the Speaker's table and referred to the Committee on the Disposition of Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PRIEST: Committee on Interstate and Foreign Commerce. H. R. 4803. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Memphis, Tenn.; with amendment (Rept. No. 1699). Referred to the House Calendar.

Mr. MAY: Committee on Military Affairs. H. R. 4970. A bill to provide additional pay for enlisted men of the Army assigned to the Infantry who are awarded the expert infantryman badge or the combat infantryman badge; with amendment (Rept. No. 1700). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. H. R. 4810. A bill to extend the provisions of the Selective Training and Service Act of 1940, as amended, to the Virgin Islands; without amendment (Rept. No. 1701). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. H. R. 4466. A bill to place glider units of the Army and Navy on the same parity as to pay allowances and privileges as now given to the Air Forces of the Army and Navy and paratroops; with amendment (Rept. No. 1702). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 1704. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 1705. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 1706. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 1707. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. SPARKMAN: Committee on Military Affairs. H. R. 3187. A bill to amend section 5, Public Law 140, Seventy-seventh Congress; with amendment (Rept. No. 1709). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MAY: Committee on Military Affairs. House Joint Resolution 228. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Alexander Firouz, a citizen of Iran; without amendment (Rept. No. 1703). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. DONDERO:

H. R. 5079. A bill to provide vocational training and retraining programs for the occupational adjustment and readjustment of veterans returning from military service, workers demobilized from war production plants, and for other youth and for adults, that individuals and the Nation may attain economic stability and security, and to further extend the program of vocational education; to the Committee on Education.

By Mr. SATTERFIELD:

H. R. 5080. A bill prohibiting the use of the words "Army" or "Navy," or both, in the name of a mercantile establishment; to the Committee on the Judiciary.

By Mr. SUMNERS of Texas:

H. R. 5081. A bill to improve the administration of justice by prescribing fair administrative procedure; to the Committee on the Judiciary.

By Mr. VOORHIS of California:

H. R. 5082. A bill to establish a National Surplus Property Disposal Board, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. COLE of New York:

H. R. 5083. A bill to provide for the promotion of moral, temperance, and character education; to provide for cooperation with the States in the promotion of such education; and to provide for cooperation with the States in preparation of teachers of moral, temperance, character, and good-citizenship subjects; to the Committee on Education.

By Mr. HARNESS of Indiana:

H. R. 5084. A bill relating to the granting of commissions to members of the armed forces who have had training under the Civil Aeronautics Administration war training service program; to the Committee on Military Affairs.

By Mr. RAMSPECK:

H. R. 5085 (by request). A bill to provide for the extension and application of the provisions of the Classification Act of 1923, as amended, to certain officers and employees of the Immigration and Naturalization Service in the Department of Justice; to the Committee on the Civil Service.

MEMORIALS

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

By the SPEAKER: Memorial of the Legislature of the State of Kentucky, memorializing the President and the Congress of the United States with regard to a constitutional amendment having to do with taxation; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BENNETT of Missouri:

H. R. 5086. A bill for the relief of Noel Eugene Johnson; to the Committee on Claims.

By Mr. BENNETT of Michigan:

H. R. 5087. A bill for the relief of Joseph Mario Garagiloa; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5908. By Mr. HART: Memorial of Hudson County (N. J.) Bar Association, advocating passage of House Joint Resolution No. 149, to increase the salaries of judges of the United States district courts; to the Committee on the Judiciary.

5909. By Mr. LANE: Resolution of the Boston (Mass.) City Council, passed June 19, 1944, requesting legislative steps be taken by the Congress to amend the Selective Service Act to include a deferment status to persons qualified to enter and attend premedical and medical schools; to the Committee on Military Affairs.

5910. By the SPEAKER: Petition of various real estate owners, banks, and agents of New York City, petitioning consideration of their resolution with reference to the inequities in the rent control section of the present Emergency Price Control Act; to the Committee on Banking and Currency.

SENATE

THURSDAY, JUNE 22, 1944

(Legislative day of Tuesday, May 9, 1944)

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

Rev. Bernard Braskamp, D. D., pastor of Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou God of might and mercy, whose amazing goodness crowneth all our days, we pray that we may always yield ourselves unreservedly and in willing obedience to the persuasions and power of Thy spirit as we seek to discharge the tasks and responsibilities demanding the noblest investment of those capacities and energies with which Thou hast endowed us.

We humbly confess that again and again we place all our confidence in human ingenuity, only to find our efforts futile and fruitless. May we now gird ourselves with that divine wisdom which never errs and that strength which cannot fail.

Grant that as God-fearing men we may serve our generation according to Thy holy will and labor faithfully for the coming of that day when righteousness shall be triumphant and nations shall live together in a blessed fellowship of peace and brotherhood.

Hear our prayers for the sake of suffering humanity and in the name of Christ our Saviour. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, June 21, 1944, was