

Act. But I wish to know how much further it goes. Who else is brought in besides them? To that end, I think the language should be rather carefully considered and weighed. I should like to know as definitely as possible who is to be covered and who is not to be covered. Therefore, for the sake of good legislation, I believe the amendment should go over until Monday.

Mr. WHITE. Mr. President, I express my complete concurrence in what the Senator from New Mexico has just said. There is great confusion. The meaning of the language of this section is important, and I think we should have an opportunity to study the proposed amendment and consider it when the Senate is more orderly than it is at this time.

Mr. BARKLEY. Mr. President, I have no objection to the amendment going over. I wonder, however, whether we might agree on a limitation of debate on the bill and amendments when we resume consideration of the subject matter on Monday. We have had the bill under consideration now for a week. I express the hope that we may agree on limitation of debate on the bill and all amendments when we resume consideration of the subject matter on Monday.

Mr. PEPPER. Mr. President, I will say to the Senator on behalf of the committee—and I think I am authorized to speak for the committee—that we would be agreeable to a 20-minute limitation for each speech on the bill or amendment thereto on Monday.

Mr. MORSE. Mr. President, as one member of the committee for whom the Senator from Florida cannot speak, I say that I shall object.

Mr. BARKLEY. Therefore, Mr. President, having been forewarned and thus forearmed I do not make the request.

Mr. MORSE. Mr. President, I offer for the RECORD, as a part of my remarks in connection with the pending matter, a letter which I received from the Portland Council of Churches, and signed by the president of the council, in support of the minimum-wage bill now pending before the Senate.

I shall add only a brief comment to what is contained in the letter. I think it goes to the very heart of the issue and sets forth a very clear and convincing argument as to why the bill in its present form should be passed by the Senate.

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

PORTLAND COUNCIL OF CHURCHES,
Portland, Oreg., March 18, 1946.

The Honorable WAYNE MORSE,
The Senate Office Building,
Washington, D. C.

DEAR SIR: The board of managers of the Portland Council of Churches, at its regular monthly meeting on March 14, took favorable action on the following resolution:

"Inasmuch as for many years the Portland Council of Churches has stood for a living wage as a minimum in every industry, and for the highest wage that industry can afford; and

"Inasmuch as the current provision of 40 cents an hour or \$16 for a 40-hour week in the Fair Labor Standards Act is wholly inadequate under present costs of living: Be it

"Resolved, That the Portland Council of Churches favors an increase of the minimum wage to 65 cents an hour with 75 cents an

hour after 2 years, in order to provide for our lowest-paid workers, under present conditions, an adequate American standard of living."

We are submitting this resolution to you for your information and consideration.

Respectfully yours,

H. J. MAULBETSCH,
President.

Mr. HATCH. Mr. President, after consulting with the Parliamentarian I have changed my amendment and I ask that my corrected amendment to the Pepper amendment, as amended, may be stated at the desk.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 2, in line 1 of the Pepper amendment, as amended, it is proposed after the word "commerce", to strike out the comma and the following: "and every employer who is engaged in any activity affecting commerce shall pay to each of his employees employed in or about or in connection with any place of employment where he is engaged."

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Harry T. Foley, of Yonkers, N. Y., to be surveyor of customs, collection district No. 10, with headquarters at New York, N. Y., which was referred to the Committee on Finance.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

RECESS TO MONDAY

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 5 o'clock and 15 minutes p. m.) the Senate took a recess until Monday, April 1, 1946, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate March 29 (legislative day of March 5), 1946:

SURVEYOR OF CUSTOMS

Harry T. Foley, of Yonkers, N. Y., to be surveyor of customs in customs collection district No. 10, with headquarters at New York, N. Y. (Reappointment.)

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 29, 1946

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord God of the ages, we pray that Thy blessing in all its fullness may descend upon us, that our thoughts may harmonize with Thy thoughts, that our judgments may be in consonance with Thy judgment, and that our acts may

conform to Thy will. Bless all rich forms of the soul which are vouchsafed by the institutions of our Republic: one in language, one in morals, and one in the ideals of the future. Would to Thee that our generation would obey the standards it has erected, not charmed by the passing show, the tinsel, and the indulgences of life. As we hear the prayer of the parched fields and the cry of the needy, O give us a new vision that we may see a cloud rising out of the sea and hear the sound of abundance of rain. Do Thou set our souls in the enriched soil that we may bear fruit in every good work. In the blessed name of our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

PROHIBITING CERTAIN COERCIVE PRACTICES AFFECTING RADIO BROADCASTING

Mr. LEA. Mr. Speaker, I call up the conference report on the bill (S. 63) to amend the Communications Act of 1934, as amended, so as to prohibit interference with the broadcasting of noncommercial cultural or educational programs, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

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

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. 63) to amend the Communications Act of 1934, as amended, so as to prohibit interference with the broadcasting of noncommercial cultural or educational programs, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That title V of the Communications Act of 1934, as amended, is amended by inserting after section 505 thereof the following new section:

"COERCIVE PRACTICES AFFECTING BROADCASTING

"Sec. 506. (a) It shall be unlawful, by the use or express or implied threat of the use of force, violence, intimidation, or duress, or by the use or express or implied threat of the use of other means, to coerce, compel or constrain or attempt to coerce, compel, or constrain a licensee—

"(1) to employ or agree to employ, in connection with the conduct of the broadcasting business of such licensee, any person or persons in excess of the number of employees needed by such licensee to perform actual services; or

"(2) to pay or give or agree to pay or give any money or other thing of value in lieu of giving, or on account of failure to give, employment to any person or persons, in connection with the conduct of the broadcasting business of such licensee, in excess of the number of employees needed by such licensee to perform actual services; or

"(3) to pay or agree to pay more than once for services performed in connection

with the conduct of the broadcasting business of such licensee; or

"(4) to pay or give or agree to pay or give any money or other thing of value for services, in connection with the conduct of the broadcasting business of such licensee, which are not to be performed; or

"(5) to refrain, or agree to refrain, from broadcasting or from permitting the broadcasting of a noncommercial educational or cultural program in connection with which the participants receive no money or other thing of value for their services, other than their actual expenses, and such licensee neither pays nor gives any money or other thing of value for the privilege of broadcasting such program nor receives any money or other thing of value on account of the broadcasting of such program; or

"(6) to refrain, or agree to refrain, from broadcasting or permitting the broadcasting of any radio communication originating outside the United States.

"(b) It shall be unlawful, by the use or express or implied threat of the use of force, violence, intimidation or duress, or by the use or express or implied threat of the use of other means, to coerce, compel or constrain or attempt to coerce, compel or constrain a licensee or any other person—

"(1) to pay or agree to pay any exaction for the privilege of, or on account of, producing, preparing, manufacturing, selling, buying, renting, operating, using, or maintaining recordings, transcriptions, or mechanical, chemical, or electrical reproductions, or any other articles, equipment, machines, or materials, used or intended to be used in broadcasting or in the production, preparation, performance, or presentation of a program or programs for broadcasting; or

"(2) to accede to or impose any restriction upon such production, preparation, manufacture, sale, purchase, rental, operation, use, or maintenance, if such restriction is for the purpose of preventing or limiting the use of such articles, equipment, machines, or materials in broadcasting or in the production, preparation, performance, or presentation of a program or programs for broadcasting; or

"(3) to pay or agree to pay any exaction on account of the broadcasting, by means of recordings or transcriptions, of a program previously broadcast, payment having been made, or agreed to be made, for the services actually rendered in the performance of such program.

"(c) The provisions of subsection (a) or (b) of this section shall not be held to make unlawful the enforcement or attempted enforcement, by means lawfully employed, of any contract right heretofore or hereafter existing or of any legal obligation heretofore or hereafter incurred or assumed.

"(d) Whoever willfully violates any provision of subsection (a) or (b) of this section shall, upon conviction thereof, be punished by imprisonment for not more than one year or by a fine of not more than \$1,000, or both.

"(e) As used in this section the term 'licensee' includes the owner or owners, and the person or persons having control or management, of the radio station in respect of which a station license was granted."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill, and agree to the same.

CLARENCE F. LEA,
A. L. BULWINKLE,
OREN HARRIS,
CARROLL REECE,
CLARENCE J. BROWN,

Managers on the Part of the House.

E. C. JOHNSON,
JAMES M. TUNNELL,
FRANCIS J. MYERS,
WALLACE H. WHITE, Jr.,
WARREN R. AUSTIN,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 63) to amend the Communications Act of 1934, as amended, so as to prohibit interference with the broadcasting of noncommercial cultural or educational programs, 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 bill as agreed to in conference, except for two minor changes, is the same as the bill as passed by the House. The two changes made by the committee of conference are as follows:

In paragraphs (1) and (3) of the proposed new section 506 (b) of the Communications Act of 1934, the word "tribute" has been stricken out and the words "any exaction" have been substituted therefor. This change does not modify the meaning of these paragraphs, but was made merely for the purpose of using a term which the conferees deemed to be more appropriate than the term "tribute".

The other change is in subsection (c) of the proposed new section 506 of the Communications Act of 1934. In the bill as passed by the House this subsection provided that subsection (a) or (b) should not be held to make unlawful the enforcement, by means lawfully employed, of "any contract right or legal obligation". The quoted language has been modified to make it perfectly clear that it refers not only to contract rights and legal obligations which may have arisen prior to the enactment of the legislation, but also to contract rights and legal obligations which may arise after the enactment of the legislation.

CLARENCE F. LEA,
A. L. BULWINKLE,
OREN HARRIS,
CARROLL REECE,
CLARENCE J. BROWN,

Managers on the Part of the House.

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. SPARKMAN. 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. 71]

Adams	Coffee	Hedrick
Allen, Ill.	Colmer	Heffernan
Almond	Cooley	Herter
Anderson, Calif.	Courtney	Hoch
Andresen	Cravens	Hoffman
August H.	Crawford	Hollifield
Andrews, Ala.	Crosser	Holmes, Mass.
Baldwin, Md.	Curley	Hook
Baldwin, N. Y.	Daughton, Va.	Huber
Barden	Davis	Izac
Barrett, Pa.	Dawson	Jarman
Barry	De Lacy	Kearney
Bennet, N. Y.	Delaney,	Kefauver
Blemiller	James J.	Kelley, Pa.
Bishop	D'Ewart	Kelly, Ill.
Bland	Dingell	Keogh
Bradley, Pa.	Douglas, Calif.	Kirwan
Brumbaugh	Drewry	Klein
Buckley	Dworshak	Kopplemann
Bunker	Ellis	LaFollette
Burch	Engel, Mich.	Lane
Butler	Fernandez	Lemke
Byrne, N. Y.	Fisher	Lesinski
Byrnes, Wis.	Fulton	Ludlow
Cannon, Fla.	Gamble	McCown
Carnahan	Gardner	McDonough
Celler	Gerlach	McGehee
Chapman	Hall	Madden
Chiferfield	Leonard W.	Mankin
Clason	Harness, Ind.	Mason
Clements	Healy	Morrow

Monroney
Morrison
Murdock
Norton
O'Brien, Ill.
O'Brien, Mich.
O'Hara
Pace
Patman
Patrick
Patterson
Peterson, Fla.
Pfeiffer
Quinn, N. Y.
Rabaut
Rains
Rayfield
Reece, Tenn.
Reed, Ill.
Rodgers, Pa.
Roe, N. Y.
Rogers, Mass.
Sadowski
Sasser
Savage
Shafer
Sharp
Short
Sikes
Simpson, Pa.
Somers, N. Y.
Spence

Sumner, Ill.
Taylor
Thom
Thomas, N. J.
Traynor
Wadsworth
Welch
Whittington
Wilson
Winter
Wolfenden, Pa.
Wolverton, N. J.
Wood
Woodhouse
Worley

The SPEAKER. On this roll call 293 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PROHIBITING CERTAIN COERCIVE PRACTICES AFFECTING RADIO BROADCASTING

Mr. LEA. Mr. Speaker, we have before us the conference report on the bill (S. 63) to amend the Communications Act of 1934, as amended, so as to prohibit interference with the broadcasting of noncommercial cultural or educational programs. The conferees unanimously agreed to this report. The agreement makes only two changes in the bill as it passed the House, neither one of which is of substantial importance. The bill in substance is as it passed the House. The first of these changes strikes out the word "tribute" and substitutes the word "exaction" in two subparagraphs of the bill. This change is only a choice of words.

The other change relates to subsection (c) in reference to the contracts and legal obligations of the broadcaster. You will recall that the bill as it passed the House recognized the right of the broadcaster and persons dealing with him to make any contract mutually agreeable. Any contract or legal obligation of the broadcaster is to be enforceable by any means lawfully employed.

This provision, as agreed on in conference, provides that the bill, if enacted, shall not be held to make unlawful the enforcement or attempted enforcement, by means lawfully employed, of any contract right heretofore or hereafter existing, or of any legal obligation heretofore or hereafter incurred or assumed.

The only change made is the concluding language which makes contracts and legal obligations equally binding whether created heretofore or hereafter. This is not any change in substance as we interpret the bill as it passed the House.

The bill is not intended to prevent bargaining or the entering into contracts between the broadcaster and any other person, even for the purposes which are prohibited from being accomplished by coercion under terms of this bill. Any obligation created by contract thus made, or any obligation that exists as a matter of law against the broadcaster is subject to enforcement by legal procedures in court. A strike for failure to comply with such a contract would not be in violation of the provision of this bill. Therefore, there is nothing in controversy in this report. It carries out the purposes of the bill as it passed the House.

Mr. Speaker, I reserve the balance of my time and now yield 5 minutes to the

gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, it is most unfortunate that the intent and purposes and the scope of this bill are not well known to the American people. As a matter of fact, they are not well known to even the Members of Congress. The American people have been subjected to an expenditure of \$1,500,000 on the part of the National Association of Broadcasters to popularize Mr. Petrillo's middle name. Members of Congress have been treated to speech after speech carrying out the popularization of Mr. Petrillo's middle name. Under the guise—rather, should I say behind a smoke screen of an attack on Mr. Petrillo, there is now before the Congress what in my opinion is the most vicious antilabor measure ever presented to it. An examination of this bill will show just what it does to the American musicians. It does nothing to Mr. Petrillo but it helps impoverish American musicians. Let me give you just one instance in the bill of depriving musicians of earnings for the benefit of the broadcasting companies. The bill illegalizes payment for the use of transcription records. Let us see what is involved there. When the average American musician makes a record, he is really helping to put himself out of business. He is paid perhaps \$20 or \$30 for the making of that record. That record is used by the broadcasting companies, not for the cultural edification of anyone, but it is used to make money, more money, and more profit. It is played on programs advertising this or that item. The broadcasting companies are being paid for those programs. What does the American musician get for the playing of that record? Under this bill, what do you do? You say to the American musician that if he asks for a quarter of a cent royalty, and if he says "Unless you give me a quarter of a cent royalty on that record, I am going to refuse to work," under the language of this bill that means he is violating the law. Further, his refusal to work under those conditions constitutes a criminal offense under this bill. If there ever was a racket, this bill is a racket. If there ever was anything immoral, this bill is immoral. This bill takes money out of the pocket of the American musician and puts it in the pockets of the broadcasters. You cannot get away from that. You can stand up here and talk about burying Petrillo all you want, but, as a matter of fact, you are burying the American musician. That is what you are doing.

A great deal has been said about Interloken and about Legion bands and Shriners bands. Let us look at this thing realistically. I wonder how any Member of Congress would feel if somebody tried to invade his field of activity. The American musician wants to protect himself against amateur competition, because playing music is the livelihood of the American musician, and when amateurs try to invade that field and the American musician asserts his rights by refusing to work, going out on strike if necessary, under this bill you provide incarceration for him.

The SPEAKER. The time of the gentleman from New York [Mr. MARCANTONIO] has expired.

Mr. BULWINKLE. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. MARCANTONIO. So, examine item for item in this bill, and you find that it is a grab in favor of the broadcasting companies at the expense of the musician. It is a straight money proposition. You take money away from the American musician and put it in the pockets of the broadcasting companies.

I do hope that when the gentleman from Ohio [Mr. BROWN] or any other gentleman stands up here today, instead of devoting his time and energy to burying Caesar he will explain these propositions. I want to know just why you propose to make it illegal and unlawful for the American musician to insist that he be paid for the playing of these records. Explain that to the American people, instead of setting up a smoke screen about Julius Caesar Petrillo.

Explain why under this bill you are taking money away from the musicians and making it illegal for the American musician to insist that he get a share of the profits made by the companies out of records produced by him. The record which he has produced will drive him completely out of existence, unless he is given some form of royalty. We provide royalties for everyone, but we do not do it for the American musicians. Here you say it is illegal and unlawful if they go out on strike to get some of these well-earned pennies, and you want to send him to jail. Talk about the bill. Talk about this robbery of American musicians. Stick to the bill and do not set up smoke screens or bogeys.

The SPEAKER. The time of the gentleman from New York has again expired.

Mr. LEA. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. RABIN].

Mr. RABIN. Mr. Speaker, I took the floor when this bill was originally considered by the House. At that time I stated, and I state it again, that I do not take the floor in defense of Petrillo. I take objection to this bill because of the way it is written. It transcends Petrillo; it transcends the musicians' union. It is written in a manner which will set a precedent that transcends any particular union. It affects labor generally.

What does this bill provide? It provides that "it shall be unlawful, by the use or express or implied threat of the use of force, violence, intimidation, or duress, or by the use or express or implied threat of the use of other means, to coerce, compel, or constrain" certain acts. Is the use of force, duress, violence, and intimidation legal now? Of course, it is not. You do not have to write any law to make them illegal. What is left of the bill? What is new in this bill? What is left of the bill are the words "by any other means," which means the right to strike to accomplish certain ends. And this bill does not make those ends unlawful or illegal. If it did I might be inclined to vote for it. What this bill does is to make unlawful the right to strike for those ends which are otherwise

lawful; and that is why I object to this bill. I believe it is a bill that affects labor generally, it impairs the right of labor to strike.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. LEA. Mr. Speaker, I yield 10 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, this conference report comes before you with the unanimous support of all the members of the conference committee. As explained by the gentleman from California it contains but two slight changes from the House bill as it passed this body. These amendments make no real change in the measure but simply clarify it.

I have listened with a great deal of interest to the argument made against this conference report, the same kind of argument that was made against the original bill, and against the rule under which that bill was first considered. These same questions raised here today have been passed upon by this body on two separate occasions; and by overwhelming majorities this measure has been approved by this body.

This bill of course affects James Caesar Petrillo, but it affects James Caesar Petrillo for just one reason, because he has taken a labor organization and used it for his own purposes against the welfare of labor and the welfare of the people of the United States. The Congress of the United States has by its action demonstrated its determination to put an end to these practices, and this bill does put an end to certain unfair practices of Mr. Petrillo, insofar as the Committee on Interstate and Foreign Commerce has jurisdiction over matter pertaining to radio.

Mr. GALLAGHER. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I do not have time to yield at the moment.

You are told this legislation will reduce the compensation of musicians. It does nothing of the kind; for it does not reduce the compensation of any musician who actually plays any music. Those of us who have studied this measure know that better than two-thirds of the members of Mr. Petrillo's musicians organization are not working musicians. Only one-third do the playing; two-thirds derive other benefits; and, of course, this bill does not in any way reduce or limit the pay received by any man who actually plays music. It does prohibit collecting money for service which has not been rendered, or for music that has not been played. If compelling someone to pay you for something you have not done is not extortion, it is certainly a half-brother of extortion. That is the reason why the Congress of the United States has approved this legislation in both the House and the Senate.

That is the reason why this conference committee, made up of men who are just as good friends of labor as any who have spoken in opposition to this measure can be, are urging adoption of this report. If this legislation is such a great danger to labor, if this bill was designed

to destroy the right to strike for any legal purpose, or if it may injure the cause of labor, then representatives of the great labor organizations of this country would have been before this Congress protesting the passage of this bill. Your mail would have been flooded with messages in opposition to the bill. But, instead, outside of a few organizations connected with this particular Petrillo group, no messages opposing this bill have been received. Not a single labor organization, or representative of labor, including Mr. Petrillo, has come before this Congress or any committee thereof to defend the practices that are being outlawed by the passage of this bill. Remember, all this measure does is to prohibit certain practices in the radio industry which per se—just in themselves—are morally wrong, as the membership of this House so well knows and has so well attested by their approval of this legislation by a vote of something like 10 to 1. So, Mr. Speaker, I am urging this committee report, which supports completely and fully the original position and action taken by the House, be adopted.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from New York.

Mr. MARCANTONIO. The gentleman has passed over very lightly these practices which the bill makes unlawful. Will the gentleman justify the making unlawful of any demand on the part of musicians that they be paid when their recordings are played?

Mr. BROWN of Ohio. There is no provision in this bill that prohibits them from being paid for any recordings they may make.

Mr. MARCANTONIO. I say, when those recordings are played.

Mr. BROWN of Ohio. I will answer the gentleman. The musicians who make these recordings are paid huge sums for making them and they are entitled now, under the law, to receive royalties on the recordings they make. The only difference is that once such recordings are made and go out into the field of use, then union representatives cannot follow through and demand additional payment every time any particular recording is played.

Let me say further, for the gentleman's edification and education, that today, as he well knows, union musicians are receiving higher compensation than ever before in history; that today there are more musicians employed in the United States than at any time in our history; that these recordings and radio appearances have made the musicians of the United States, and their profession, the most prosperous in all of our history, as well as in all the history of any nation on the face of the earth.

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

Mr. BROWN of Ohio. I yield to the gentleman from Mississippi.

Mr. RANKIN. If the views of the gentleman from New York [Mr. MARCANTONIO] were carried out, then we might say to every man who copyrights a book

that everybody who reads that book has to pay him tribute?

Mr. MARCANTONIO. Oh, no.

Mr. BROWN of Ohio. Yes. They could collect for every item any machine they might build might turn out.

This is a matter of principle on which the House has passed.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from California.

Mr. HINSHAW. I note that an amendment has been adopted to subsection (c) providing that the contracts already made or hereafter existing shall not come under the terms of the act.

Mr. BROWN of Ohio. That is correct.

Mr. HINSHAW. Would it be illegal to make a contract pursuant to this act which would require that the musicians who make the recordings—and I am speaking of a particular name band—for example, shall receive compensation when their recordings are played over the air?

Mr. BROWN of Ohio. Not if the contract is made under the usual process of collective bargaining.

Mr. HINSHAW. That is what I mean.

Mr. BROWN of Ohio. Certainly not.

Mr. RABIN. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from New York.

Mr. RABIN. But you cannot strike to enforce a collective bargaining contract under this bill?

Mr. BROWN of Ohio. Certainly not, if contrary to law and public interest. In other words, this bill does this, as the gentleman well knows, it simply outlaws a strike called to compel someone to do something that is declared illegal.

Mr. RABIN. But you did not declare that illegal.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. ALLEN of Louisiana. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and twenty-three Members are present; a quorum.

Mr. LEA. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 186, noes 16.

Mr. RANKIN. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

Mr. SMITH of Virginia. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point or order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and thirty-four Members are present, a quorum.

So the conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. KNUTSON asked and was given permission to extend his remarks in the Record and include a newspaper article.

Mr. WHITE asked and was given permission to extend his remarks in the Record in two instances and include certain extracts.

Mr. RIVERS asked and was given permission to extend his remarks in the Record and include a newspaper article by Rev. W. Montgomery Bennett, of Beaufort, S. C.

Mr. DOYLE asked and was given permission to extend his remarks in the Record and include an editorial.

Mr. STEFAN asked and was given permission to revise and extend the remarks he expects to make on the Philippine bill and include a letter.

Mr. HORAN asked and was given permission to extend his remarks in the Record and include a newspaper article.

Mr. CLEVINGER asked and was given permission to extend his remarks in the Record and include a statement by Mr. George J. Buchy.

Mr. HILL asked and was given permission to extend his remarks in the Record.

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include a letter published in the Washington Post relative to General Mihailovich, who has been taken in Yugoslavia.

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

There was no objection.

SPECIAL ORDERS GRANTED

Mr. DOYLE. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 5 minutes, and to revise and extend my remarks and include a copy of House Resolution 575.

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

There was no objection.

Mr. ELLSWORTH. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 10 minutes.

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

There was no objection.

EXTENSION OF REMARKS

Mr. GRANT of Indiana asked and was given permission to extend his remarks in the Appendix of the Record.

Mr. GILLIE asked and was given permission to extend his remarks in the Appendix of the Record and include a statement made by Mr. Farrington, of the National Livestock Exchange.

Mr. MUNDT asked and was given permission to extend his remarks in the Appendix of the Record and include an editorial from the Republican magazine.

Mr. BRADLEY of Michigan asked and was given permission to extend his remarks in the Appendix of the Record and include a radio address delivered by him.

PHILIPPINE TRADE ACT OF 1946

Mr. DOUGHTON of North Carolina. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 5856) to provide for trade relations between the United States and the Philippines, and for other purposes.

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 further consideration of the bill H. R. 5856, with Mr. ZIMMERMAN in the chair.

The Clerk read the title of the bill.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Chairman, I asked for this time in order to inquire about the program for next week.

Mr. McCORMACK. On Monday the Consent Calendar will be called. Then the bill, S. 1907, authorizing permanent appointments in the Regular Navy and Marine Corps, will be considered. I understand that bill has been unanimously reported out of the Committee on Naval Affairs.

Mr. MARTIN of Massachusetts. I might add, and the gentleman from Massachusetts [Mr. McCORMACK] has probably had it called to his attention, that the Committee on Election of President and Vice President, headed by the gentleman from North Carolina [Mr. BONNER] has a bill relative to the Federal ballot law which was unanimously agreed on and which I understand is to be called up by unanimous consent.

Mr. McCORMACK. That is true. I understand a bill has been reported out of the committee of which the gentleman from North Carolina [Mr. BONNER] is chairman, and I understand that unanimous consent is going to be asked to consider the bill.

Mr. MARTIN of Massachusetts. I thought it might be well that the House have that information at this time.

Mr. McCORMACK. I am glad that the gentleman from Massachusetts has called it to the attention of the House.

To continue with the program further, on Tuesday, of course, the Private Calendar will be called. Then there is a conference report on the bill, S. 2, the airport Federal-aid bill. Then there is the bill, H. R. 5059, the postal employees pay raise bill. There is also the Federal employees pay raise bill. Those three bills will be on for Tuesday and Wednesday.

On Thursday and Friday the District of Columbia appropriation bill will be up for consideration. Also, the bill, H. R. 5244, a bill authorizing the employment of additional foreign service officers in the classified grades.

If, by chance, the extension of the Selective Service Act bill is reported out of the Committee on Military Affairs during the week in time to be considered and in the event such consideration is agreeable to the committee, I would want to bring that up after the District of

Columbia appropriation bill is disposed of. I have my doubts as to that, but if it can be considered I would like to bring that bill up.

Of course, any other conference reports may be called up at times agreeable to the House and, of course, such matters will be done after consultation with my friends, the gentleman from Massachusetts, or the acting leadership on the minority side at the time.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. MICHENER. A resolution has been reported favorably out of the Committee on Rules providing for an investigation with reference to the disappearance of certain official papers. The resolution was introduced by the gentleman from Michigan [Mr. DONDERO]. I am sure the majority leader is familiar with the resolution.

The gentleman is also familiar with the fact that it may be called up within 7 days after it was reported.

Mr. McCORMACK. Any time after 7 days.

Mr. MICHENER. It has been reported more than 7 days. The gentleman from Michigan [Mr. DONDERO] told me he understood it was to be taken up next week. Can the gentleman not program the resolution?

Mr. McCORMACK. I am aware of the situation. I am sure if the gentleman from Michigan [Mr. DONDERO] were present, he would probably state that there was no distinct agreement on my part that I would put it down for next week. I am frank to state that I did not intend to program it unless some member of the Rules Committee forced my hand. Of course, I would expect that any member of the Rules Committee, as they always have in the past, would serve notice on me, and under such conditions I would program it. Now, I have not made any arrangements for it for next week. Is the gentleman serving notice on me?

Mr. MICHENER. The gentleman from Michigan is always cooperative in the best interests of orderly procedure. He feels that that resolution is in the best interests of Government. Feeling as he does, and feeling that the distinguished majority leader knows all about the resolution, he wonders why the gentleman from Massachusetts refuses to program it, unless a practice seldom invoked in the Congress is resorted to. The gentleman from Michigan reserves the right to make the motion to call up the resolution by virtue of the 7-day rule. That might inconvenience a program which the leader has outlined. I do not want to do that. Therefore, I am asking the gentleman, in the light of that statement, that he program this resolution.

Mr. McCORMACK. In the light of the program I have made—I waited until after 12 o'clock on Friday—and in the light of the fact that I have made the program, of course, the gentleman says he is amazed at my refusal. Of course, "refusal" was not the correct finding of fact to make. On the "amazement," the gentleman and I might disagree as to

the question of fact. But here is the situation: Any member of the Rules Committee can call it up. I know that no member would do so without serving notice on me.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. HOFFMAN. Mr. Chairman, I demand the regular order.

Mr. McCORMACK. I will program it for the week after next, in view of the gentleman's statement.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KNUTSON. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, the debate on yesterday was very interesting, very elucidating, and altogether correct. All through the debates ran the fine sentiment of cordiality, best wishes flowing out from our Congress to the people of the Philippines, and reflected back to us by the distinguished representative in this Congress from the Philippines.

Mr. Chairman, the basis of this legislation is laid in that cordiality. The purpose of this legislation is to put into statute that cordial feeling, so that it might run on to benefit future generations.

It was said on this floor yesterday that probably never before in the history of the world was such legislation as this proposed. The reason for this is that at probably no time in the history of the world has one country shown such fine disposition toward another country which was one of its possessions. Most of the great countries of the world have acquired their possessions by force or by conquest, which is the same thing. But the United States took the Philippines for no other purpose than to free them from the tyranny of another country. It was always our purpose to give the Philippines independence when it seemed that they could maintain their independence. After the Spanish-American War our Nation spoke emphatically on this subject and promised to the Filipinos their freedom. This bill does not give the Filipinos freedom, because they have had that for some time. I should like to impress upon your minds, if I can, one fact, and that is that this bill has nothing to do with independence, which the Philippines will achieve on the 4th of July next. The independence of the Philippines has all been arranged for by legislation passed several years ago. This legislation is not necessary for that purpose. Also I should like to impress upon you the fact that this legislation is not intended to rehabilitate the Philippines by way of a gift or by way of a donation. No doubt within a few days after the passage of this bill another committee of this House will come forward with proper legislation that will provide a bountiful donation on the part of the United States to these Philippine people whose land has been so terribly devastated in the last 2 or 3 years. I am sure that this Congress will receive such legislation with favor.

If this legislation is not for the purpose of independence and if it is not for the purpose of financial rehabilitation, then what is it for?

On the Fourth of July of this year the Philippines will be a new, full-fledged member in the galaxy of nations of the world, it will have full national status of its own as a new-born independent nation. If we are to give economic encouragement to this new nation, now is the appropriate time to be making arrangements to do it. That is what we propose to do in this legislation.

As I have already said we propose not to turn this new nation loose among the nations of the world without any protection or security. After they have come through a devastating war that was fought for their benefit and for our benefit, we are not going to turn them loose on the seas of national and international uncertainty. We are going to give them aid and assistance over a long period of years, so that they can recoup a part at least of what they lost in the war. We are saying to them that for 28 years we will do for them that which we think should be done. What they will need is an opportunity to work and to develop their own industries. The best way to do this is to give them some commercial concessions that are really worth while—some concessions that will stabilize them and give them hope and courage to drive onward and upward.

Of course, they are going to reciprocate. Concessions that we give to them will probably be of more benefit to them when they can reciprocate, for in that we establish friendly relations in trade and in financial transactions.

We who have had long experience in this law-making business know that the law, like man, is sometimes fearfully and wonderfully made. I assure you that this proposed legislation has been wonderfully made. I hope that it does not carry any fearful consequences. It has been said several times in this debate that Mr. Beaman deserves a vote of thanks of the Nation—and I am sure he does of the Ways and Means Committee for his efforts in framing this legislation—I think this is the crowning activity of his long career. Without his assistance I do not think we could have written this bill. While the bill is logical in its conclusions and is complete in its phrasing it does not read like a story book. It deals with a very difficult problem and is naturally hard to read and understand.

The usual way to read a bill is to start with the first paragraph and read straight through. But to read this bill successfully one should start with section 4 on page 30, the executive agreement. Section 4 is the heart of the bill, without section 4 there would be no bill.

The first title, title I, deals, as was said yesterday, with definitions.

Title II provides what the United States must do as its part of this 28-year agreement.

Title III provides what the Philippines must do as their part of this 28-year agreement. But none of these would be

of any consequence if it were not for title IV. Let me read part of it:

TITLE IV—EXECUTIVE AGREEMENT BETWEEN
UNITED STATES AND PHILIPPINES

SEC. 401. Authorization of agreement.

The President of the United States is authorized (except as hereinafter in this title otherwise provided) to enter into an executive agreement with the President of the Philippines providing for the acceptance on the part of each country of the provisions of title II and of title III (except pt. 1) of this act. The President of the United States is not authorized by this section to enter into such agreement unless it contains a provision that it shall not take effect—

(a) Unless and until the Congress of the Philippines accepts it by law; and

(b) Unless and until the Congress of the Philippines (in the act of acceptance, or separately) has enacted such legislation as may be necessary to make all the provisions of parts 2, 3, 4, and 5 of title III take effect as laws of the Philippines, except (during the period prior to the amendment to the Constitution of the Philippines referred to in subsec. (b) of sec. 402) such provisions of section 341 as are in conflict with such constitution.

I have read this section for I want anyone who might compliment me by reading my speech in the CONGRESSIONAL RECORD to see the principal section of this important measure that no doubt will become much more important as time runs on.

Now let us see when can the President enter into that contract with the President of the Philippines? Not until after July 4, 1946. But should we wait until July 4, 1946, before we make any preparations? No. We have in this bill provided everything that we desire to be incorporated in the agreement.

Let us see what this section says. We do not in this section give the President the full authority to make any kind of an agreement that he may want to make. We say to him that he has the right to make an agreement but we provide further:

The President of the United States is not authorized by this section to enter into any such agreement unless it contains a provision that it shall not take effect—

And so forth. In other words, we provide that the President can make an agreement and in the very same paragraph we say he cannot make it unless the Philippine Government does certain things, and, further, unless the United States does certain things.

Here is an illustration of some of the matters that the President must find before he can sign the contract. This is in title IV. It says:

Unless and until the Congress of the Philippines accepts it by law.

In other words, the Congress of the Philippines must accept what we lay down in this charter as conditions precedent before the President can sign. It might be said that this could be considered the act of a tyrant, the act of a despot, for a powerful nation to lay down to one of its possessions what it must do. But that is exactly what we do not do. We do not put any burden on the Philippines that they cannot easily carry. We do not put on them any responsibility that is not for their best interest. We

have tested that in every way possible. We have gotten the sentiment of the people as expressed by those who appeared before our committee. We have the sentiment of people who do business in the islands, and we have the experience of our own departments that tell us what should go into this agreement and what will be for the benefit of the Philippines.

Mr. Chairman, again let me say that it is provided herein that the President of the United States is not authorized by this section to enter into such executive agreement unless the Philippine Congress agrees to do certain things.

I want to impress upon the Members, especially those who are lawyers, that this legislation is a real challenge for one who likes to read complicated statutes which have been well written considering the subject matter. When you read a statute you generally look to see if it has been amended and, if amended, what it was before it was amended. And you then consult your digest to find out if the act has been repealed. Not many statutes carry a repeal date but some do. Most statutes that have been repealed have been repealed by express language in a repealer statute. But we provide in this legislation that we are proposing today that it run for 28 years. We are going to bind ourselves, we are willing to bind ourselves, to a program that will run for 28 years, but we ask that just as soon as they can possibly do it they bind themselves also. We ask them to do it immediately after the 4th of July. The experts from the Philippines and our own experts think that the Philippine Congress will probably adopt the provisions of the law that we have recommended in this act immediately after July 4. It is also provided in this bill that if they refuse to adopt them, we can discontinue negotiations. We do not bind ourselves to do anything beyond the 4th of July unless the Philippine President and Congress act and do the things provided that they should do.

We do not bind ourselves to do anything if they do not meet in congress and if they do not accept the program that we lay down. In other words, we speak first and then wait for their action.

Now then, as I started to say for the benefit of the lawyers, we have a provision in this contract that is what I would call a self-repealing statute. We do not have to take any affirmative action. The statutes that we pass here will repeal themselves by the language of this contract when our President determines that the congress and the President of the Philippines have failed to cooperate properly. Another thing about this legislation I would like to impress upon you is that what we pass today will be our law controlling us and controlling the Philippines from now until the 4th of July, and it will apply because they are our possessions up to that time. But there is no hardship in any of the provisions, and consequently there will be no question raised with reference to that. But I want you to know that complicated as this proposed legislation is, and correlating and interrelating as it is, there is nothing that binds us to do anything

after the 4th of July, if the Philippines refuse to cooperate. Then on the 4th of July if the Philippine government fails to cooperate it will stand just the same as any other government. It will stand without any preferences of quotas, without any preferences of any kind that it would get if it had cooperated fully.

Title IV, as written, is binding and absolutely ironclad; not harsh, not burdensome, but cooperative in every respect. And through it all runs this proposition: That if and when the Philippine people become free and independent, if and when they want to change any of these provisions, all they need do is to get the cooperation and permission of our President and of our Congress, and their president and their congress, and it can be changed. In other words, we lay a foundation for economic freedom for this new nation. I cannot conceive how we could be more fair. We start out with this program with a fair attitude. We are sympathetic. We want them to succeed, and we expect to help them in this noble endeavor. We have brought them up this far and they have cooperated magnificently. Probably no nation of people has ever shown such remarkable advancement in such short time as the Philippine people. Nobody has ever been able to point the finger of dishonor or disloyalty at them in any respect. Now here they are, a new people, going out into the family of nations, going out with a guarantee on the part of the greatest Nation in the world that they will have a fair start. Today we are doing something that will be long remembered by a grateful people. I am sure that history will record this day as a great day in the march of civilization to higher ground. Our America has shown her greatness by keeping her promise made 40 years ago. Our America is great because she refuses to be small.

Mr. CHENOWETH. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I am glad to yield to the distinguished gentleman from Colorado.

Mr. CHENOWETH. I compliment the gentleman on his very fine statement concerning the Filipinos, and I am sure that every Member of this House concurs in all that he says. I would like to have the gentleman make a few observations on the sugar quotas. There has been considerable speculation over the impact of those quotas on our sugar-beet industry in this country. The gentleman comes, I think, from a State that also raises sugar beets.

I would like to have the gentleman answer this query: Does the gentleman have any apprehension that there are contained in this bill quotas that may have the effect of freezing the sugar-beet-acreage limits in this country?

Mr. JENKINS. Of course, nobody knows what the future has in store. As I have heretofore said, should a condition arise where it is evident that an injustice is being done to the best interests of either country, or any condition whereby it is advantageous to both parties to make a change in the contract

and the laws, such a change can be made.

Now to specifically come back to the gentleman's question. The gentleman knows that during and since the war the sugar industry in the United States has been punished terrifically; as a matter of fact, it has almost been wiped out. Now there is a great clamor on the part of the sugar producers in this country to be restored to their former opportunity, and the members of your committee have kept that in mind and have tried to do that. We have been criticized by some who think we have been a little bit harsh with the Filipinos in that we have reduced their sugar quotas somewhat. As you know we cut the Philippine sugar quota from 850,000 long tons to 850,000 short tons. This is a reduction of about 95,000 short tons. It was the idea of the committee, or at least some members of the committee, that this reduction would inure to the benefit of the American producer. Before the war we were getting about 95 percent of all the sugar produced in the Philippines. We have been getting no sugar from the Philippines for the past 3 or 4 years. We shall not get much from them for at least 3 years, for it takes 3 years to develop sugarcane so that it can be harvested profitably.

The Philippines have been a great market for us to purchase what they produce and in return they have found that the American market is the greatest market in which to sell and the greatest market in which to buy.

The Sugar Act of 1937 which followed the Jones-Costigan Act provides for a percentage distribution of sugar for the consumption of the United States. The domestic sugar producers in the United States, Hawaii, and Puerto Rico were given 55 percent of consumption load, which amounts to the same as saying 55 percent of the production. Forty-four percent was then allotted to the Philippines and to Cuba. The Philippines got about 16 percent out of the 44 percent, leaving Cuba about 28 percent. The Philippine portion, however, was not to be less than the quota allowed them under the Independence Act. If the domestic sugar production could be restored to its proper place in the quotas, about 55 percent, it would pretty well take care of it. Of course, if we come to the place in this country that we are going to protect American sugar to the very extreme of the possibilities of the Nation to produce, if we are going to produce sugar beets to the very extreme that we can produce, and if we are going to produce sugarcane to the very extreme we can produce down in Louisiana and Florida, we probably can supply ourselves with all the sugar we need, but I do not know that that is going to be the policy of the country. We Republicans have been for protection, of course, but I am not sure that that is going to be the policy. Anyhow, I do know that as far as this committee is concerned we have tried to maintain the proper balance as near as we possibly could, and we have been criticized for trying to do a little too much for the domestic sugar producers.

Mr. CHENOWETH. Does not the gentleman agree with me that perhaps there were those in this country that did

not fully appreciate the sugar-beet industry until the war came and we had to depend on it for almost our entire supply of sugar? We certainly do not want to destroy an industry that we may have to turn to again sometime.

Mr. JENKINS. I agree with the distinguished gentleman fully. He has always been alert to the best interests of the American beet sugar producers. The war destroyed the Philippine industry so that they cannot produce any sugar of any consequence for 3 years, and the war regulations destroyed the sugar industry in this country, so there they are. They both are prostrated. We hope they both can get up and again walk up to the high place they once enjoyed. They can get up if we can remove the restrictions. There is no reason why we ought not to produce more sugar in this country. Our consumption of sugar has been reduced terribly in the last 3 years. We had a terrible scarcity of sugar all during the war, as the gentleman knows, and we could have had more sugar if those in authority had performed their duties properly.

Mr. CHENOWETH. The first controversy I engaged in when I came to Washington in January 1941 was trying to persuade the Department of Agriculture to reduce restrictions on sugar-beet acreage. I hope we are not adopting legislation that is going to impose any further restrictions on sugar-beet acreage in this country.

Mr. JENKINS. The gentleman knows that the Republican Congressional Food Study Committee of which he and I are members has for the past 3 years been very active in a movement to bring more sugar to the consumers of the Nation. We were successful in bringing thousands of tons of additional sugar from Cuba. We were not very successful in getting increased production for the American producer. The New Deal has always believed in scarcities while we have always believed that no man gets fat on a scarcity and no man goes hungry on an abundance of production.

Mr. CHENOWETH. I appreciate that.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from South Dakota.

Mr. MUNDT. Along the same general line and dealing with a different subject, I should like to seek the gentleman's counsel on another matter, because I value it most highly. The warden of the State penitentiary of South Dakota has communicated with me because we have a State twine factory in the penitentiary, and he seems to be alarmed lest there is something in this legislation that is going to make it impossible for the State penitentiary twine factory to operate successfully. I wish the gentleman would elaborate a little bit on that situation.

Mr. JENKINS. I thank the distinguished gentleman from South Dakota. He asks a very pertinent question. The discussion of cordage would be a long and tedious discussion if I were permitted to exhaust it. This bill allows an absolute quota of 6,000,000 pounds of cordage per year. This quota will continue for the life of the contract. I have some fig-

ures here which show the amount of cordage exported from the Philippines in the 12 years preceding the war. I shall

put them in the RECORD at this place. From these figures you will see that the quota fixed under this bill is fair.

Cordage: Quantities and values exported from the Philippines to all countries and to the United States, 1928-40

Year	Total exports		Ratio of total value of exports of cordage to total value of all Philippine exports	Exports to the United States		Ratio of quantity of exports of cordage to the United States to total quantity of such exports to all countries
	Quantity	Value		Quantity	Value	
	Pounds		Percent	Pounds		Percent
1928.....	14,494,705	\$1,775,436	1.1	5,393,029	\$721,121	37.2
1929.....	15,667,016	1,904,272	1.2	6,850,770	932,731	43.7
1930.....	13,858,457	1,553,227	1.2	6,769,412	841,565	48.8
1931.....	10,224,805	887,408	.9	4,599,113	460,001	45.0
1932.....	8,451,224	859,047	.7	4,447,882	411,207	52.6
1933.....	12,907,781	906,768	.9	6,876,227	567,340	53.3
1934.....	18,339,701	1,334,110	1.2	8,943,167	785,053	48.8
1935.....	17,651,445	1,161,815	1.2	8,053,278	628,959	45.6
1936.....	14,561,103	1,198,870	.8	3,918,022	449,692	26.9
1937.....	16,449,336	1,436,461	.9	4,660,333	495,967	28.3
1938.....	15,315,656	1,199,031	1.0	3,236,697	323,468	21.1
1939 ¹	10,767,751	764,060	1.1	3,903,449	326,958	36.3
1940 ²	21,672,210	1,725,977	1.5	5,348,664	568,381	24.7

¹ January to June 1939 only.

² Fiscal year from July 1, 1939, to June 30, 1940.

Source: Annual reports, insular collector of customs.

I think the cordage people in this country are pretty well satisfied. The members of the subcommittee were fearful that out of this bill and out of what we are trying to do, monopolies would be built up in the Philippines, and that they probably would have trouble shaking off. On the other hand, you must remember that you cannot expect anybody to go into the Philippines to build it up unless those who have already been in there are permitted to return to build it up. If you shut the door against those who have previously been there and have big investments there, you cannot expect any new people and inexperienced men to go in. Capital is timid. We cannot build the Philippines after the 4th of July by anything except what is in this contract, unless we want to give them donations from the Treasury. We do not want to do that. And to their credit, they are not asking that. We want, if we can, to encourage them to do something besides raise sugar and raise cordage and commodities like that; they must diversify their products.

It has taken me a long time to answer the gentleman's question, for I had intended discussing the cordage matter. It is my confirmed judgment that the cordage business is going to work out very well. I thank the gentleman for being patient with me.

Mr. MUNDT. I thank the gentleman very much.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. JENKINS. Will the gentleman from New York yield me five additional minutes?

Mr. REED of New York. Mr. Chairman, may I submit a parliamentary inquiry, just to have the matter clear in the record? We were to have had one day of general debate, but on account of other legislation intervening yesterday, the time of general debate, of course, was greatly shortened. How much debate, therefore, are we entitled to today?

The CHAIRMAN. Both sides are entitled to 1 hour each today. The time

consumed by the gentleman from Massachusetts, in the discussion of the program for next week is not taken out of the time for general debate. Therefore, both sides will have 1 hour each.

Mr. REED of New York. Of course, Mr. Chairman, I asked for that information in order to divide the time as equitably as possible between the Members who have asked for time.

Mr. Chairman, I yield two additional minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I am glad to yield to my able friend from New York.

Mr. COLE of New York. I am fearful that the gentleman will not be able to answer my question satisfactorily within 2 minutes time. He was discussing the effect of title IV relating to its effectiveness when this bill comes into operation. I recognize the difficulty in drafting a proposal which is clear to everybody. But apparently the provisions of this bill are not clear at least to one person who has had a very close connection with the drafting of the bill. That is Mr. Vicente Villamin, who, I read in the paper about a week ago, referring to section 403 of title IV, points out that the word "effect" is used 13 times. He is quoted as expressing the hope that when the law has finally gone into effect and the trade agreement has been put into effect, then the Filipinos can start to find out just what has gone into effect and try to keep it in effect during the effectiveness of the agreement. At least to help that gentleman understand the provisions of section 403, I wonder if the gentleman would tell us what is covered by section 403?

Mr. JENKINS. While that language is somewhat alliterative it is not difficult to understand. It is in that section that the duties and obligations imposed on the United States are set out. Without this section the Philippine Government would not be protected properly. I dare say that if the gentleman will read this

section through carefully he will, of course, come out with a clear understanding. His bright legal mind will enable him to understand it thoroughly by just one reading.

Mr. COLE of New York. Is this bill the basis for final agreement between the two countries or must this be supplemented by additional legislation to be enacted by Congress?

Mr. JENKINS. Yes; this bill is the basis of the final agreement. It is not necessary for Congress to pass additional legislation. This legislation gives the President the right to make a contract. The terms and limitations of the contract that he may make are clearly and definitely set out in this bill. Of course, the President has some rights which are inherent in his office. But this law stipulates what he shall do, how far he shall go, and what the Philippine Nation can and must do in order to make the agreement effective.

To express in language what the American people and the Philippine people wanted to have done by this legislation was a difficult task. That this task has been well accomplished there is not the slightest doubt. I am proud to have had a humble part in this work. I hope the future will approve what we have tried to do. Hail the day when the great American Republic and the Philippine Republic will light up the great southern Pacific areas with "Freedom's holy light."

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I yield 20 minutes to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Chairman, the purpose of the pending bill, H. R. 5856, is the establishment of mutually advantageous trade relations between the United States and the Philippine Islands for a period of 28 years following the independence of the Philippines on July 4 of this year. I would like especially to point out that this is a new type of legislation. Legislation of this type has never been enacted before in the history of this or any other country in the world so far as I am aware. We have two types of executive agreements; one is a type known to us as the reciprocal trade agreement where Congress vests certain discretionary authority in the Chief Executive, the President of the United States, under certain broad standards provided in the legislation, and authorizes the President to negotiate trade agreements with other countries of the world. That is one type of executive agreement that we have in this country.

The second type might be illustrated by the Bretton Woods agreement, where the officials of the executive branch of the Government met with the officials and representatives of other governments of the world and worked out an executive agreement which is later submitted to Congress for consideration and necessary approval.

Those are the two types of executive agreements we have had up to this point. One, where the Congress authorizes the President to negotiate an agreement under certain broad standards provided by the Congress; and the other where the

President negotiates an executive agreement which is later ratified or approved by the Congress.

This bill presents a different situation. Under this bill the Congress is providing by statute that an executive agreement may be entered into with only one other country of the world, and provides under the terms of the bill itself what that executive agreement shall be, for all practical and essential purposes.

This bill contains five titles. Title I includes the short title of the bill, and definitions. I could not too strongly impress upon the Members of this body the importance of bearing in mind the definitions contained in title I of this bill. Every important provision in the bill is dependent upon a defined term that is set out in title I of the bill. A person cannot get any fair consideration or an intelligent understanding of this bill, or the program that is set up under this bill, without constantly bearing in mind those defined terms that are used in title I of this bill.

As an illustration, the term "Philippine article" is defined. That means, first, that it must be produced in the Philippines; second, it cannot contain more than 20 percent of material that is imported into the Philippines from any other country except the United States.

All through this bill where the term "Philippine article" is used you must bear definitely in mind that definition, to have a fair understanding of what the provisions really contain. That would mean that any commodity imported into the United States from the Philippines, assume it cost \$1, not more than 20 cents out of that dollar could represent material that was imported into the Philippines from other countries for the manufacture of that article, unless that material came from the United States.

So it is highly important that we bear in mind all the way through the consideration of this legislation that each of the important provisions rests upon certain defined terms that must always be borne very clearly in mind.

Title II of the bill contains the provisions for the things that the United States is to do.

Title III of the bill contains the provisions setting out the things the Philippines must do.

Title IV of the bill provides for the executive agreement, and the basis or essential terms of the executive agreement that is to be entered into.

Title V contains various miscellaneous provisions that are necessary to round out the legislation and provide the program that is here presented.

Members of the subcommittee worked diligently and for a long time on this legislation. I was busily engaged at that time as a member of the Pearl Harbor Committee and did not have an opportunity to participate as actively in the consideration of this legislation as members of the subcommittee. Many of them have already spoken and explained more in detail the provisions of the bill. Others will speak along those lines; so I shall not ask your indulgence much longer except to point out the im-

portance of this legislation because of its mutual advantage to the United States and the Philippines.

Prior to the war the Philippines were the sixth best customer of the United States. Large quantities of our cotton cloth and wheat flour and many other agricultural products as well as many industrial products were exported by our people to the Philippines; and, of course, we received many important commodities from the Philippines that we needed in this country and still must have or must procure from some other place in the world. So it is fair to state that the program here presented by this legislation is mutually advantageous to both the United States and the Philippines.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from South Carolina.

Mr. HARE. I know the gentleman's time is limited, and I regret that very much, because I think this is one bill that should be thoroughly discussed and analyzed for the benefit of the public. It has been pointed out rather clearly what concessions we were making to the Philippine Government. I wonder whether the gentleman will not point out here just for a minute or two some of the benefits we expect to derive after July 4, 1946? He referred to the exports from this country prior to the war that made up a trade of great value to this country. What assurance under this bill have we that such reciprocal arrangements will be continued after the war?

Mr. COOPER. Every assurance that the people of a great country can give to the people of another country. Certainly, I know the gentleman would join with me and every other Member of this House in the highest praise of the Philippine people for their great loyalty to this country, the tremendous sacrifice they have made during this terrible war; and we are absolutely confident that they will continue to stand steadfast and firm in their friendship to the people of the United States as they have throughout the decades of the past.

Bear in mind this has in itself far-reaching consequences to the future economy of the United States and the economy of the Philippine Islands. The people of the United States, in all fairness, stand a far greater chance and opportunity to benefit under this legislation than do the people of the Philippines. It will be remembered that we have pushed the outposts of this Nation from where they formerly stood at Pearl Harbor out to the Philippines, great gateway to the Far East, with the teeming millions of the Orient; and the Philippines will be the entrance we shall have to that vast area of the world with its enormous populations to carry forward the trade of the United States and dispose of the things produced by industry in the United States as well as to dispose of important agricultural surpluses that we have in this country.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from California.

Mr. VOORHIS of California. As the gentleman has so well expressed it in his

speech, it seems to me this is a measure of much greater consequence than even appears on its surface. I would like to ask the gentleman whether or not he believes I am overemphasizing that? It seems to me that in this bill the United States, in cooperation with the people of the Philippine Islands, may well be setting a pattern upon the basis of which solution of a great many of the critical and pressing problems of many of the peoples of various parts of the world might be solved, some of the problems that are now disturbing the thoughts and minds of numerous individuals around the world. It seems to me that this bill represents an effort on the part of the United States to which we can in the future point with justifiable pride and can use as a pattern whereby many of the other problems in other areas can be solved.

Mr. COOPER. I think the gentleman is entirely correct. It affords a vast opportunity for our country in developing trade in the Far East, in that section of the world with such an enormous population, and this will be our opportunity to advance the foreign trade of our country in that direction because of these relations that we here establish with the people of the Philippines.

Mr. HARE. May I make a short observation at this point?

Mr. COOPER. I shall be glad to have the gentleman do so.

Mr. HARE. This affords one of the greatest opportunities ever presented to this country for you might say the doing of missionary work for its democratic system of government. I feel that in the Philippine Commonwealth the people have developed a fair and definite idea as to the fundamentals of a republican system of government and I am satisfied they will have an opportunity to demonstrate the operation of this principle in the Philippine Commonwealth. If they succeed, then this should be the object lesson for all other nations of the world that have heretofore subscribed to the totalitarian system to show that here is one definite, clear, clean-cut example where people who once become inoculated with this germ of democracy can survive and perpetuate themselves and establish a system of government that will bring happiness, success, and prosperity as no other system of government has heretofore presented.

Mr. COOPER. I appreciate the gentleman's contribution.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Michigan.

Mr. MICHENER. I am wondering what effect, if any, this agreement will have on the favored-nations clause in the Trade Agreement Act?

Mr. COOPER. I appreciate the gentleman's kindness in asking that question because it has been asked before and I am glad to have the opportunity to clear it up.

I invite the gentleman's attention to pages 46 and 47 of the bill, to section 508, entitled "Trade Agreements With the Philippines," which reads as follows:

Until July 4, 1974, no trade agreement shall be made with the Philippines under

section 350, as amended, of the Tariff Act of 1930, unless, prior to such time, the President of the United States has made the proclamation provided for in section 407 of this act, or the executive agreement provided for in title IV of this act has been terminated.

In other words, for the life of the program contemplated under this legislation we cannot have a trade agreement with the Philippines under the Reciprocal Trade Agreements Act.

I invite attention also to the following section, 509, entitled "Rights of Third Countries," which the gentleman recognizes relates to the so-called most-favored treatment, reading as follows:

The benefits granted by this act, and by the executive agreement provided for in title IV, to the Philippines, Philippine articles or products, and Philippine citizens, shall not, by reason of any provision of any existing treaty or agreement with any third country, be extended to such country or its products, citizens, or subjects.

Mr. MICHENER. I thank the gentleman for that explanation. May I ask another question? Something was said on the floor yesterday about quotas. I make special reference to sugar. Does the bill provide that the tonnage, for instance, of sugar involved, shall be granted by quota to those groups, citizens or people of the Philippines who were producing sugar before the enactment of this law; in other words, is there a monopoly granted to a certain group now existing, or existing before the war, which would prevent the development of new sugar industries or interests in the Philippines?

Mr. COOPER. I think it would be a little more accurate and fairer to state that the bill does confer certain preferential treatment upon those who have heretofore engaged in those activities in the Philippines. The reason for that is this. As the gentleman well knows, the Philippines are now destroyed, devastated. It is thought that it is highly important to get their economy established as quickly and as promptly as possible. It is felt by those who are in a position to give your committee the best advice on this subject, that those who have been engaged in those activities and have enterprises located there would be in a better position to get back into production more promptly and thereby assist the rehabilitation of the economy of the Philippines more quickly than any other way, and that is one of the main reasons why certain preferential consideration is given to those who have been engaged in business and these activities in the Philippines.

Mr. MICHENER. Of course, that is an important question, especially in view of our own economy. We have been permitting production in accordance with quotas based on historical backgrounds of the industry in this country. If that is followed through it will prevent the development of new projects engaging in the same industry.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. COOPER. I would like to invite the gentleman's attention to one thing

with respect to these quotas, especially sugar. I think it is entirely fair and accurate to state that the program provided under this bill is more to the advantage and interest of our domestic sugar producers than the situation that exists without the enactment of this legislation, because under this bill there is an absolute quota of 850,000 short tons of sugar that can be brought into this country from the Philippines, whereas without this legislation the quota is 850,000 long tons that can be brought in free, and they can bring in all they want to over that and pay the duty on it. But under this bill an absolute quota of 850,000 short tons is fixed and they just cannot bring in any more than that amount.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from California.

Mr. JOHNSON of California. Does the gentleman agree with me that this bill will, as a byproduct, prove to be a great step toward world peace? The reason I make this statement is this: We have already passed a bill to liberate the Philippines and the bill before us is designed to give aid to the Philippines in their economic problems in the early days of their liberation. If we can help stabilize the economy of the Philippines during the time when they are getting started in self-government, we will do much to make sure that the liberty which we gave the Filipinos will be properly exercised. The success of this policy may well serve as a model for the liberation of other peoples who have a right to look forward to independence. Imperialism is sometimes a stumbling block to the development of self-government. In the early days of our ownership of the islands we told the Filipinos, in substance, that "we will give you your freedom when you have the capacity to handle self-government." We have kept our word and during the infancy of this country we have also determined to help the new member of the family of nations to stabilize its economy. Millions of people in that part of the world are looking hopefully toward the day when they may, like the Philippines, become free and independent. No one knows how far-reaching or important our conduct today may be. Also, I think we should not merely get along with, help, and encourage the country but we should understand and know better the Filipinos. If the people know and understand each other, peace is almost inevitable. What we do today may be one of the bricks that will build the temple of peace that we are all looking and hoping for. I want to compliment the committee and its members for bringing out a bill on which there is unanimous agreement. Their conduct can be truly described as statesmanship that not only will bring good trade relations of the countries involved, but will help the people in their infancy in self-government, and will help build a more peaceful world.

Mr. COOPER. I think the gentleman is correct. In addition, it will be of tremendous advantage to this great country of ours to have this free and independent nation in that far outpost of the Far

East standing there as the steadfast and true friend of the United States, as it has throughout all the decades of the past. It is of tremendous importance to us from the standpoint of peace as well as the great advantages that come to the people of this country from the standpoint of increasing the possibilities of our foreign trade.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from New York.

Mr. REED of New York. Further, we are underwriting the safety and defenses of the Philippines by having various fortifications there, so that they need not fear an enemy. They will know we are there to help them.

Mr. COOPER. The gentleman is correct. I think it will be of great benefit and importance to our country.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Michigan.

Mr. DONDERO. Is there anything in the bill that would prevent the introduction of new industry for the expansion of the sugar industry of the Philippines?

Mr. COOPER. There are certain limitations provided in the bill, but at the same time there are certain provisions included that do allow a redistribution of the quotas that are assigned to the sugar producers there. For instance, where quotas are assigned to producers and those quotas are not used, the Philippines can redistribute the balance of those quotas.

Mr. DONDERO. The purpose of that question was to see whether or not there is any restriction which would limit or forbid the Philippine from producing that crop, which seems to be their cash crop, in order to make them self-sustaining as quickly as possible.

Mr. CURTIS. Mr. Chairman, will the gentleman yield? I would like to answer that question.

Mr. COOPER. I yield to the gentleman from Nebraska.

Mr. CURTIS. The only limitation on the Philippines is on the sugar sent to the United States. There is nothing in this legislation limiting how much sugar they can raise and consume themselves or send to the rest of the world. This is merely that part of it that comes to our market.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Michigan.

Mr. MICHENER. There is something in this bill that limits the raising of that sugar to certain persons or companies.

Mr. CURTIS. That is the sugar that comes to this country only.

Mr. MICHENER. Yes. In other words, under this bill, the established concerns, as I said a little while ago, with historic background, can continue to produce the sugar coming to this country up to 1974, and no new industry may enter that business so far as exporting the product to the United States is concerned.

Mr. COOPER. As I endeavored to explain to the gentleman, those there do

have certain preferential advantages, which I endeavored to point out.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Nebraska [Mr. STEFAN].

THE PHILIPPINES—MERCY AND JUSTICE FOR OUR FRIENDS

Mr. STEFAN. Mr. Chairman, this is a solemn moment for me. I rise to defend and to advocate the passage of H. R. 5856, a bill to provide for trade relations between the United States and the Philippines. The destiny of the people of this Nation and the destiny of the courageous Filipino people are inextricably bound together. My own remembrances of American times of crisis in the past, my own hopes of American achievement in the future are joined with the remembrances and hopes of 18,000,000 Filipinos in the firm and enduring bonds of comradeship.

The Philippine Trade Act of 1946 is, as I understand it—and I have followed it carefully through all its stages of development as a legislative measure—not a gift, nor is it a repayment. No gift could take away from the anguish of starving, homeless, disease-ridden men, women, and children. No payment of any kind could lessen the degree of suffering of those who have endured the devastation of their cities, the brutality of prison camps, the bestial arrogance of the Japanese invader, the loss of their loved ones, death itself. No. Gold could not atone for blood nor may we condescendingly bestow upon these gallant Filipinos—heroes every one—that which is already rightfully their own. We must act as strong men dealing with strong men, with the dignified humility which becomes equals, by passing this bill which will give the Filipino people their first opportunity in this peace which we have jointly brought about to live as equals.

What have the Filipinos done to burn their right to equality and fair, just consideration into American minds, American hearts—our very American souls? Turn back the clock only a few short months. It is dawn on a June day. The satanic fireworks of American and British might are blasting the defenses Hitler built up over 4 years to bulwark his Fortress Europa. Men—American and British men—are falling, wounded and dying on the beaches of Normandy. And, when the casualty list is checked, it is found that out of every 100, 70 casualties were American, 30 British. This was the proportion that they fell for that is the way they went in, 70-30, 30 British, 70 American.

Now, I give you another picture. It is Leyte. It is Lingayen Gulf. It is Mindanao. Americans are pouring ashore. American heavy ordnance is firing from American battlecraft. American planes are droning overhead. The Japanese hold momentarily. Then, they fall back in retreat. Not in the bush, where they might enjoy some short security from our vigilant aircraft. No. They take to the open roads where they have poor chance of survival. Why? Because, back in the bush, on the flanks, at their rear, are

brown men with bolos in their hands, with captured Japanese rifles at their shoulders. They are ragged, these Filipino guerrillas. They have marched for days on starvation rations. One man in 5 carries a gun. Of course, they die before the desperate Japanese onslaughts. But, where one falls, another takes his place. This is another Thermopylae, another Little Big Horn, another Alamo. There is a light in the eyes of those men, a light that not even death can fully extinguish. It is the light of freemen fighting for freedom.

In some cases, yes; in most cases, the proportion of Filipino-American casualties was not 50-50 or 60-40 or even 70-30. It was 90-10—90 Filipinos to 10 Americans.

What does this mean? You know what this means. It means that, because Juan de la Cruz opposed a modern rifle with his shattered bolo there is an American Congress, instead of a Japanese Diet in Washington. It means that, because Benedicto Gonzales chose the way of the patriot and joined the guerrillas in the hills—knowing that the hated Japanese would burn his home—John Smith drives back to his home on Main Street in your town today, a home that is intact and free from the torch of the Japanese destroyer. It means that, because the merciful junglegrowth now covers the sightless eyes and the gaping hole in Tomasco Lopez's chest, Lars Peterson can go cheerfully on with his job of spring plowing on his Nebraska farm.

This is my remembrance of Filipinos. I know that most of you share this remembrance with me. How then can we talk in such terms as "gift" and "repayment"? They look to us. We must meet them as equals—with the first step toward the equality of our national economies—with the Philippine Trade Act of 1946.

Our bond of friendship with the Filipino people does not alone extend deep into our common yesterdays, but through today and into our common tomorrow. We need this brotherhood in peace as we have needed it in war. We need it for the sake of the Filipinos. We need it for our own sake.

The Philippines is not only the oldest Christian nation in the Far East: it is the only Christian nation. Yet, in the few short months since the shooting war ended, communism—the camp follower of hunger, pestilence, and privation—has spread into three Philippine provinces. In less than a hundred days Filipinos will be free to govern themselves. They will be a new nation. Filipinos know what democracy is. They fought to gain it. They died to gain it. They would only abandon it if they first abandoned hope. The Philippine Trade Act of 1946 would be the first step in keeping hope alive for them.

What Congress does in regard to this legislation will not only be watched by Americans. It will be watched by the world. The half billion people of the Far East are searching for the light; they want to know that there is at least one Western nation which deals fairly with their brothers of the Orient. The trust of far eastern peoples in the United States would mean a mighty impetus to-

ward a better world. Nor would the trend stop there. The champions of small nations everywhere would be heartened by the example of this small nation who kept faith with us and with whom we kept faith. Such an act of confidence in equals by the Congress of the United States would show the world what America really is—not desirous of territorial aggrandizement, ever desirous of fostering the growth of peace and justice, for one cannot exist without the other.

I would go even further than the Philippine Trade Act of 1946 in certain provisions. For example, I believe that the total amount of all Philippine sugar entered or withdrawn from warehouses in this country for consumption should be set at 850,000 long tons a year, instead of 850,000 short tons, as the Trade Act provides. I believe that the Filipino people should not be let down by this Congress in any way whatsoever. They were the sixth ranking American foreign customer before the war. I do not believe that they should occupy a lower rank on the list of those who deal with us after they have attained to the independence they so richly deserve.

During the soul-searing days of the war the Filipino people heard the Voice of America over their hidden radios—and they believed that voice. They had reason to believe that voice as it came to them before and after they became a Commonwealth. General MacArthur told them that he would come back and he did come back. What he did was a symbol of the faith that they had a right to place in all our promises. They well know that freedom, without hope of economic security, is only another form of tyranny. Whether or not that promise is written, that promise exists. They did not fail us. We must not fail them.

Nearly 6,000 years ago Cain asked: "Am I my brother's keeper?" Today 60 centuries later—we have found the answer. We are our brother's keeper and the Filipino is, in word and in deed, our brother. We must keep him fed. We must keep him clothed. We must keep him housed. We must keep him economically strong. We must keep him alive. We must keep him free.

Gentlemen, I ask your support for the Philippine Trade Act of 1946—the first forward step on the road to true liberty for a brave and an honorable people.

Mr. REED of New York. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. WOODRUFF].

Mr. WOODRUFF. Mr. Chairman, some columnists, radio commentators, Government spokesmen, and political leaders have, during recent days, become greatly excited over a decision on the part of the members of the Ways and Means Committee to modify the Philippine quota of sugar to be permitted entry into the American market free from duty. It should be recalled that back in 1924 the figure 850,000 long tons was inserted in the legislation merely as a guide to indicate an outside figure of the amount of cane sugar to be given free entry into the American market. This was not intended as a quota under the new sugar program which was developed immedi-

ately following the passage of the Reciprocal Trade Agreements Act in June 1934.

In order to set the record clear, it should be recalled that total production of cane sugar in the Philippines averaged only 820,000 short tons of raw sugar annually during the 5 years 1925-29. On account of a tremendous drive to increase production in the Philippines, since all sugar from the Philippines was at that time admitted free of duty, the production of raw sugar in the Philippines was increased to an average of 1,175 tons per annum during the 5-year period of 1930-34. But this figure was largely the result of the three tremendous crops harvested in 1931-32-33. Literally everything in the islands was harvested in 1933 in order to establish a high base indicator of total production possibilities. In that year the calculated yield of cane per acre was higher than during any other year of the history of the Philippines and total production of raw sugar was estimated at 1,653,000 short tons. That, however, was no guide of the total economic production. During the 5 years 1935-39 total production averaged only 1,100,000 tons per annum. It is generally recognized that this is an outside figure of anything like economic production in the Philippines. The average number of acres of sugarcane harvested in the Philippines during the 20-year period 1920-40 was slightly under 600,000 acres. And yet, in the year 1933 there were 756,000 acres harvested, indicating that even the lowest yield and poorest crops of stubble cane were harvested in order to get an abnormal base from which to measure theoretical possibilities. Actual acreage harvested during the 5 years 1935-39 did not exceed the acreage harvested during the earlier period 1920-24.

All independent objective students of sugar production in the Philippines report that a very considerable acreage now devoted to sugar is uneconomical and could only be perpetuated under a system of free entry into the American market. In other words, it is perfectly clear that, when the American tariff is made to apply to sugar from the Philippines, a considerable acreage of this marginal sugar land will be forced out of production. At the present time, therefore, it would seem like sound public policy to not encourage the Philippines to return to production of sugarcane on much of this marginal land. Some of this land, however, is admirably adapted to the production of rice, corn, beans, cassava, vegetables, and other farm crops, which are tremendously needed by the people of the Philippine Islands to provide them with normal food requirements.

In any scheme to reimburse investors in the Philippines on account of damage done during the war, there should be no requirement to the effect that all old sugar mills and plantations must be restored. It is well known that practically all such mills were either destroyed, dismantled, or otherwise made unusable. While those who lost money should be partly compensated for their loss, they should not be required to restore production on uneconomic areas.

Another fallacy presented to the American people is the idea that sugarcane grows abundantly in all parts of the Philippines and that the yield of cane per acre far exceeds the yield in other parts of the world. This is an absolute fallacy. As already indicated, probably not more than half a million acres of profitable sugarcane land is under cultivation in the Philippines, and some of this is the result of relatively recent unwise exploitation. The yield of sugarcane per acre in the Philippines does not differ from the yield in Louisiana, Cuba, Puerto Rico, and so forth, and the yield of sugar per ton of sugarcane is no better than in continental United States and in the Latin-American countries south of us.

Any sound policy now developed should be realistic and not hysterical. Probably every American is prepared to give people of the Philippines full credit for their magnificent cooperation with the United States. This differs from the attitude in most of the great colonial empires. But it will do no good to become hysterical and impose upon the Philippines or upon the Government of the United States a task which would be quite uneconomic and undesirable from the standpoint of both countries.

There is no particular reason why all of the sugar produced in the Philippines should be shipped half way around the world to markets in the United States. The people who have investments in sugar production in the Philippines might very well turn their attention to the possibilities for a market of at least part of their product in Asiatic areas. It is proverbial that the people of that part of the world are very much in need of greater sugar production for their own use and part of the production in the Philippines should be diverted to the demands of that area. This undoubtedly will be found to be necessary over a period of 20 years when American tariffs and quotas apply more specifically to production from the Orient.

In this connection, it should be noted that in the Island Formosa—Taiwan—just north of the Philippines, there has been a production of sugar during the 5 years 1937-41 exceeding production in the Philippines. Indeed, it is estimated that in 1941 raw-sugar production in Formosa was approximately 1,422,000 short tons, while total production in the Philippines was 1,167,000 short tons. Formosa, under control of Japan, supplied the sugar requirements of Japan. Now, however, since Formosa has been turned back to China, it may be presumed that all of the sugar from Formosa will be sold or in some manner distributed among the people of China. In other words, Japan, during the years ahead of us, will require at least a million tons of sugar from some source, and the Philippines would seem to be the natural sources upon which they must draw for at least half of their requirements. Incidentally, the Japanese in turn will undoubtedly have other products which they could sell in the Philippines in exchange for the sugar. There are other markets in the Orient which could and

should absorb at least a part of the sugar from the Philippines.

It has already been noted, first, that sugar production was overexpanded in the Philippines and that it would be wise economic policy not to restore uneconomic areas and sugar mills, and second, that there are other markets for sugar in the Orient which would be more economical than shipping the entire Philippine output halfway around the world to the United States when continental resources and Latin-American countries are fully capable of providing all the sugar needed in this country.

But there are other very strong reasons why a wise agricultural policy should be promoted in the Philippines, entirely apart from the sugar program.

Anyone familiar with the dietary needs of the people of the Philippines and with the agricultural policies followed in the past must be aware of the fact that during normal years the Philippines are tremendously deficient in rice for home consumption. During the 5-year period 1935-39, when much land was unwisely devoted to sugarcane, the Philippines found it necessary to import an average of nearly 60,000 tons of rice annually. This would be equal to 2,000,000 bushels of rice, which represents the normal shortage of rice in the Philippines. The Philippines are also short of corn, wheat, starch, and other cereals and cereal products, many of which can be produced to good advantage right there in the Philippines. Imports of flour on the average during the same 5-year period considerably exceeded 3,000,000 bushels, while imports of corn and of starch were substantial. Other forms of starch, such as tapioca, arrowroot, and so forth, cassava, and other starch-bearing products, are economically grown in the Philippines.

The Philippines were also very large importers of fresh green vegetables, fresh roots—potatoes and so forth—canned vegetables, dried beans, peas, and other vegetable products currently needed by the people. Practically all of these green vegetables and roots are successfully grown and many of them could be grown to advantage on land now devoted to sugar. Incidentally, 200,000 bushels of dried beans and peas are imported into the Philippines when these can be grown to advantage in many parts of these islands.

The Philippines are also large importers of fresh fruits and dried fruits, and yet about the only fruit product exported consists of canned pineapple. There could be a very large expansion of fruit production for domestic use in the Philippines. Peanuts and other nuts should also be included in the same category. Extensive surveys of agricultural possibilities in this direction have been carried on and very encouraging reports have been made.

It is unnecessary to make special reference to the tremendous production of coconut products in the Philippines. Literally hundreds of millions of pounds of copra, coconut oil, and other coconut products are exported, some of which could advantageously be consumed at

home, thus greatly increasing the standard of living of the people of the islands.

Without getting into further details, it should be noted that both tobacco and various fibers are produced to great advantage in the Philippines, and tobacco and other fiber products in many cases could be much more profitably and economically grown than sugar.

The people of the Philippines during the same 5-year period before World War II were large importers of fresh meats, canned meats, dried, smoked, and otherwise prepared meats, dairy products, and canned and prepared fish products. A very large expansion of these livestock or animal products could be developed to advantage in the Philippines, thus give employment to large numbers now unable to support the very lowest standards of living as laborers and tenants on the sugar plantations. In fact, it is generally contended that the lowest standards of living are found among those producing sugar for export to the United States. Wage rates and other conditions are considered the very lowest to be found almost anywhere. In other words, other branches of agriculture, even in the Philippines, are much more conducive to high living standards, good health, and so forth.

Many surveys have been made, which indicate that there are other miscellaneous crops which can be produced in the Philippines to advantage. A well-recognized agricultural and industrial program would seem to offer very much more profitable opportunities for development than this hysterical clinging to sugar as the one outstanding specialized crop.

This brief reference to possibilities of Philippine agriculture is merely to call attention to some aspects of the sugar and other agricultural activities of the Philippines, and no attempt is made to go into the question of forest products, fishing industries, mining, and quarrying and other opportunities for developing the Philippines into a highly prosperous independent nation.

Mr. Chairman, I shall quote briefly from a very splendid magazine article by Francis B. Sayre.

Mr. Sayre is a lawyer by training. He gained his first experience in the Far East when in 1923 he served as adviser in foreign affairs to the Siamese Government. In 1925 and 1926 he negotiated in behalf of Siam new political and commercial treaties with the great powers. In 1933 he was called to Washington, where for 6 years he served as Assistant Secretary of State charged with the negotiation of the American trade agreements. The President appointed him High Commissioner of the Philippines in 1939, and he observed the islands closely and fairly during those precarious years when the commonwealth was finding its feet. In 1942, after the departure of President Quezon, acting under instructions from President Roosevelt he escaped with his wife and young son by submarine from Corregidor when surrender was inevitable.

Mr. Sayre is a deep student of everything which gains his interest. That he is deeply interested in the future wel-

fare of the people of the Philippine Islands is indicated by his splendid article entitled "Freedom Comes to the Philippines," which appeared in the Atlantic Monthly of March 1945, and which I inserted in the CONGRESSIONAL RECORD on February 21, 1946. I had this splendid article printed and placed a copy thereof on the desk of every Member of this House and of the Senate for their information. I commend to every one of you a careful reading of the entire article.

I quote:

Perhaps the greatest difficulty confronting the new government will be how to achieve economic independence. When the Philippines became part of the American Nation in 1898, the Filipinos were given free access to the highly protected American market—one of the richest in the world. This right to send Philippine products into the United States free of duty and to sell them there for remunerative prices, while other nations had to pay high duties on similar imports into the United States, proved to be an economic gold mine for the Filipinos. For instance, because they could ship sugar duty-free to the United States, Philippine sugar producers in 1937 received about \$41,000,000 more than they would have obtained if they had sold an equivalent amount of sugar at the world price.

Under such conditions it has been inevitable from the outset that the Filipino people should concentrate their productive effort upon those commodities which could be sold in the United States market at prices maintained above world levels by American legislation. Of the total value of Philippine exports, the United States accounted for 19 percent in 1900, 46 percent in 1910, 70 percent in 1920, and an average of 85 percent in the 5 years ending in 1940.

In short, although during the past 40 years we were doing everything possible to prepare the Filipinos for political independence, the effect of our economic policy was to make them even more dependent upon the United States. With four-fifths of Philippine products before the war dependent upon American markets, the United States could not suddenly shut Philippine producers out of the duty-free American markets without entailing grave injury to the entire Philippine economy.

Permanent free entry for Philippine products in the American market offers no solution. If the Filipino people are ever to have the independence which they crave, clearly their fundamental economy and means of livelihood must be free from dependence upon changeable legislative majorities in the United States Congress. Political independence without economic independence would be a mockery.

When liberation comes, presumably sugar cultivation in the Philippines will be on a home-consumption basis. If the new Philippine Government after the war is wise enough and strong enough to prevent a return to prewar sugar production figures, one of the great milestones on the way to economic independence will be passed.

The solution of their economic problem will be a thorny and difficult task. It is not insoluble. American ingenuity and technical skill will be at the call of the Filipinos to help in the solution.

Because the present economic dependence of the Filipinos upon the United States is largely of our own making, and because it is to our own interest to build for future stability in the Pacific, the Filipino people must be given their independence under such conditions as will assure them sound eco-

nomie foundations for their future. The American people will not be content with anything less.

Washington, D. C., MARCH 28, 1946.

Hon. ROY O. WOODRUFF,
House Office Building,
Washington, D. C.

MY DEAR CONGRESSMAN: My attention has been called to a considerable amount of excitement stirred up among columnists, radio commentators, editorial writers, and propagandists in general over the fact that the Ways and Means Committee (in the Philippine Trade Act of 1946—H. R. 5856), adopted the American standard of weights, the short ton, in setting the quota of sugar which may be imported annually—in place of the British standard weight, or long ton.

Webster's New International Dictionary gives the definition as "Ton: A large weight, usually diverted into twenty hundreds weight."

It then proceeds to give three special definitions, (1) the short ton, commonly used in the United States, (2) the long ton, commonly used in England, (3) the metric ton, commonly used in the Latin countries, and (4) other special definitions dealing with coal, shipping space, etc., are then given. The following are the three definitions noted after the general definition of "ton":

(a) The weight of 2,000 pounds (907.20 kilograms), often called short ton. It is the one in common use in the United States, Canada, South Africa, etc., and is used to a small extent in England, especially in Liverpool.

(b) The weight of 2,240 pounds (1,016.06 kilograms), often called the long ton or gross ton. It is the ton in common use in England and is employed for certain purposes in the United States and elsewhere.

(c) The weight of 1,000 kilograms (2,204.6 pounds), usually called a metric ton.

Perhaps it would be proper to refer to the fact that in all standard reports of Government departments in Washington, the standard short ton is used, and all items are converted into this standard ton. This applies to sugar as well as to thousands of other commodities.

If I had any suggestion to make, it would be that the use of the short ton be extended to other parts of the pending bill. I am referring especially to the quota for coconut oil. If my memory serves me right, we have never imported as much as 200,000 long tons of coconut oil from the Philippine Islands during any year in our history and in only 2 years did we reach 20,000 short tons. A change, therefore, to the short tons could not possibly be interpreted as a penalty or indicate any desire to injure the trade relations between the Philippines and the United States.

Very sincerely yours,

JOHN LEE COULTER.

Mr. Chairman, the bill now before us follows in part at least the lines laid down by Mr. Sayre, and if finally made the law, I believe will contribute to a wonderful period in the life, prosperity, and continued happiness of the Filipino people. I hope the bill will receive the unanimous vote of this House.

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

Mr. REED of New York. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. LEFEVRE] may extend his own remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LEFEVRE. Mr. Chairman, I very much approve of this legislation. As a member of the Insular Affairs Committee, I have had the privilege of hearing of the present conditions in the Philippines and, therefore, realize the grave necessity of its passage. Our very able chairman the gentleman from Missouri [Mr. BELL] the author of the bill, H. R. 5856, has spent a great deal of time in an effort to bring us a bill that is fair to both the United States and the Philippines. He has had the fullest cooperation of the Ways and Means Committee and I can say that committee has handled the problem in a nonpartisan manner, in the same spirit as our Committee on Insular Affairs deals with the problems of our insular possessions.

The people of the Philippines bore the brunt of our war against the Japanese. Thousands of these people were killed and their property and lands devastated. Throughout this mad rush the Filipinos were our loyal and courageous allies.

One could not sit in yesterday's session and hear those eloquent words of the able Resident Commissioner of the Philippines [Mr. ROMULO] without realizing the sincerity of these long-time friends. There exists a bond between our two countries which I hope will never be broken. This trade-relations bill will provide new life and incentive to the Filipinos. It will give their businessmen an opportunity to get on their feet and we have reason to feel that within the next 28 years—the life of this act—these worthy people will build a true economic independence and so maintain a strong position in the world.

Following our acquisition of the Philippines from Spain some forty-odd years ago, we have continuously aided the Philippines to be dependent on the American duty-free market. We needed their sugar, tobacco, coconuts, and hemp. It is my understanding the great bulk of their exports came to the United States. Now with the economy of their country practically gone, we have the moral duty to help rehabilitate their agriculture and industries. When the Philippine Independence Act was framed in 1934, no one knew the war would devastate that country in 1941. The independence program is going ahead. We are going ahead with our program of economic assistance. This is to our interest and is the sincere desire of the Filipinos. We can and will gladly help them with capital, with markets, and with counsel.

I wonder whether we Americans realize the importance of these people. There are 18,000,000 of them. There are approximately 7,000 islands involved and roughly 7,000 miles from our western coast. Within a radius of 2,500 miles of Manila, there lives nearly one-third of the population of the world. The eyes of all the great nations are watching the progress to be made in the Philippines. Let these people know our philosophy by our actions. July the 4th this year will be a great day in the Philippines. It will also be a great day for us Americans. This piece of legislation should help this first trial of democracy in the Orient and we must back this effort to the limit.

Mr. REED of New York. Mr. Chairman, I ask unanimous consent that the gentleman from Indiana [Mr. GILLIE] may extend his remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILLIE. Mr. Chairman, in supporting this legislation, I cannot let pass this opportunity of expressing my deep feeling of gratitude to our Filipino comrades, and my intense admiration for that great patriot, soldier, and statesman, Gen. CARLOS ROMULO, whose friendship I will always cherish.

The people of America will never forget how the Filipinos gave their blood, sweat, and tears to win the war, fighting side by side with our own soldiers against overwhelming odds. Even after Bataan they continued their brave resistance, going underground to harass the Japanese and help us to final victory.

Within a few short months, our friends in the Philippines will start their adventure into self-government. They will face many trials and tribulations, but they already have proved to the world that they have the determination and ability to succeed in the face of great obstacles.

We in America must always be ready to extend a helping hand. The passage of this bill is but a first step. With our friendship and cooperation, the Republic of the Philippines should enjoy peace, prosperity, and independence for many generations to come.

Mr. REED of New York. Mr. Chairman, I yield one-half minute to the distinguished gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, the bill which is before the House is exceedingly complicated and very difficult for the average Member of Congress to understand. I have tried to familiarize myself with the problems presented in this bill, and the four bills, of which this is one, involving the Philippine question. It is understood that the war-damage bill will come before the House for consideration perhaps next week.

In order to gain the point of view of the Filipino people as represented in the person of Mr. Vicente Villamin, I asked him to prepare for me a statement which I could read and understand with reference to this and the other legislation.

Under permission granted in the House, I incorporate Mr. Villamin's statement in my remarks.

He writes as follows:

FILIPINO DISCUSSES PHILIPPINE BILLS—MAKES FAR-REACHING SUGGESTIONS

(By Vicente Villamin)

Congress desires to help the Philippines rebuild herself and make her independence scheduled for July 4, 1946, successful.

CONGRESS IS ACTING

Four bills have been considered by Congress and two of them are already laws. These latter two are an act placing the Philippines within the operation of the Export-Import Bank of Washington and an act turning over to the Philippine Government the accumulated internal taxes on certain Phil-

ippine products amounting to \$73,000,000. The trade bill will be discussed in the House from tomorrow (March 28). The rehabilitation bill, which passed the Senate on December 5 last, is still in a House committee. Congress authorized in 1934, but never appropriated, the payment of about \$24,000,000 as the "profit" of the Philippines based on the dollar-peso ratio from the devaluation of the American dollar, from which operation the American Government made a "profit," which was utilized as expendable funds, of around \$2,800,000,000.

To appreciate the effects of the trade bill (H. R. 5856) and the rehabilitation bill (S. 1610), an exposition of Philippine conditions is essential.

WAR DAMAGES

The War Damage Corporation, an RFC subsidiary, sent three investigators to the Philippines and reported that the approximate total war losses amount to \$800,000,000, of which \$196,000,000 is public property, \$464,000,000 is private, and \$139,000,000 are religious properties. The industrial losses may be roughly estimated as follows: Sugar 65 percent, coconut oil 95 percent, tobacco products 95 percent, mining 70 percent, shipping 70 percent, and land transportation 60 percent. The estimate of losses by the Philippine Government is over \$1,200,000,000, which in point of completeness and present-day replacement values is logically the more nearly correct figure.

The Philippine Government today is spending on the basis of \$150,000,000 per annum on an uncertain income of less than \$40,000,000. In normal times, the annual budget was balanced at approximately \$80,000,000. On the day the Philippines becomes a republic it will be in debt and funds will have to be found to operate it.

TWO MONETARY ITEMS

However, there are two financial items that lighten up the sombre picture—items which if wisely used could bring about the country's revival from war and which could be the functional base for its future stability, prosperity, and progress. These are: (a) The \$520,000,000 which Congress will appropriate to meet partially the war damages and (b) a national nest egg of some \$500,000,000 which the Americans spent in the Philippines during and since the war. This grand total of \$1,020,000,000 is four times the value of the country's annual production, nine times its yearly exports, and seven times the monetary circulation.

Under the trade bill, if not prevented by administrative regulations, the Philippines will exhaust those two financial assets in 5 to 8 years, precipitating a severe economic depression. Not that the law is not helpful, but rather it is not helpful enough, and in the evaluation of advantages, the United States comes out at the long end and the Philippines the short, presenting the spectacle that it is the United States that is being helped primarily.

PHILIPPINE FOREIGN TRADE

Over 90 percent of Philippine production, outside of the people's two main articles of diet—rice and fish—is exportable surplus. An estimate of the Philippine-American trade in the 5 years following independence should convince Congress to make the trade bill more liberal to the Philippines.

The normal trade between the two countries is roughly \$225,000,000 yearly. In the next 5 years the Philippines, by reason of the inherent paucity of rehabilitation, can export to the United States less than one-half of normal, while the United States, precisely on account of the need for rehabilitation, will export about two times the normal amount. There are no quantitative restrictions on American products entering the Philippines, although Philippine products are under quota limitations in the United States.

UNFAVORABLE BALANCE

Expressed in figures, the average annual exports of the Philippines to the United States, including precious metals, will be about \$80,000,000, against imports of approximately \$200,000,000, or a balance against the Philippines of \$120,000,000. In prewar years the Philippines was on the debit side of the ledger in the sum of \$25,000,000 a year in the exchange of items ("invisible items") like freight, insurance, investment returns, handling, financing, remittances, and other expenditures. In the next 5 years those items will go up to \$50,000,000 at least a year. Thus, the total balance against the Philippines will be about \$170,000,000 a year, or a grand total of \$850,000,000 in 5 years. That wipes out the total appropriation for rehabilitation and leaves only \$170,000,000 of the national nest egg, to be wiped out in the following 3 years. After that, the Philippines will begin its exports to the United States on the basis of decreasing quotas or increasing duties, while the United States imports into the Philippines will be only on a decreasing-duty basis, the bill exempting them from quantitative restrictions.

WAR-DAMAGE PAYMENT

Two fundamental suggestions are offered: 1. Let Congress appropriate now the full amount of Philippine war damages. It is now clear, from news coming from Tokyo, that at least \$12,000,000,000 worth of reparation assets will be obtainable from Japan. Eventually, therefore, the uncovered portion of the Philippine war damages in the rehabilitation bill of about \$500,000,000 will be paid. So, since the bill provides for the eventual settlement of 100 percent of the losses out of Japanese reparation assets, it is suggested that Congress advance now by increasing the appropriation the full amount of the losses. It will be in the nature of aid-advance, and not a loan-gift.

AMERICA'S MILITARY POSITION

2. Let Congress realize the full meaning of its resolution 94 of June 19, 1944, under which an extensive American military establishment will be built on Philippine territory after independence. When the American flag flies over it, the Philippines without benefit of treaty will in effect become an American military protectorate and a political associate considered as such by foreign nations. In that situation, it is to the vital interest of America to have a strong, prosperous, and cooperative Philippines. Therefore, it is but logical that Congress, instead of passing a bill dissolving the Philippine-American economic ties, should consider one strengthening and perpetuating them. It is possible to make the economic relations between the two countries less competitive and overwhelmingly complementary to their mutual benefit.

BILL'S DESCRIPTION

The trade bill (H. R. 5856) is the fifth re-drafting of the measure. It is very involved. The Filipinos will have difficulty in understanding it. But they don't have to understand it fully if they want to receive the entire benefits of the rehabilitation bill, for a House amendment to the latter bill states that no payments over \$500 shall be made until the Filipinos have accepted the trade bill.

Among the reasons why the bill is so complicated seems to be that an executive agreement is not considered by its author as having the force of law both in the United States and in the Philippines, even after it has been ratified by the Philippine Congress. Additional legislation on both sides is required by provisions of the bill.

The bill establishes a modified free trade between the United States and the Philippines for 28 years. During the first 8 years there will be no duty on both sides, but from

then on there will be increasing duties on both sides excepting Philippine coconut oil, cigar, scrap tobacco, and pearl buttons which will all be duty-free, while their quotas will be decreased by 5 percent yearly.

WAIVER OF DUTIES

Mutual waiver of duties: The Philippines in the first 5 years will waive about \$60,000,000 annually on duty-free American goods, while the United States will waive only about \$20,000,000 yearly on duty-free Philippine products. In other words, the Philippines will make a sacrifice of \$60,000,000 for the privilege of not paying the duty of \$15,000,000. The sacrifice will be enough to run the Philippine Government economically for a year while the waiver of \$20,000,000 by the American Government can meet its expenses for only a few hours.

EXECUTIVE AGREEMENT

Title IV: The trade and other relations will be set forth in a Philippine-American executive agreement. Instead of the complicated provisions of the bill, it should simply provide that the pertinent provisions of the bill be incorporated in it, with the commitment by the Philippine Government that section 341, defining the rights of Americans after independence, shall be made a part of the treaty required by article XVI of the Philippine Constitution, thereby making it the law of the land then and there. If it is still desired to make said section 341 a part of that constitution, although it would be a surplusage and a departure from the present American foreign policy, such could be made a part of the treaty. The ratification by the Philippine Congress of the executive agreement shall be required within a period definite to be mentioned in the bill.

AMERICAN IMMIGRATION

Section 341 drops the clause in section 341 in the committee print (March 15) of the bill which says that Americans shall enjoy "the same rights as to property, residence and occupation as citizens of the Philippines." If that clause is inserted in the bill, sections 331, 332, and 402 (e) can be deleted because, if the Americans have the same right of residence in the Philippines as the Filipinos, it does not make sense to have provisions limiting their entry and residence in the Philippines. The Filipinos welcome as many Americans as are desirous to come to their country, which they helped to build, stay there at their pleasure, and be free to come and go without limitations.

FILIPINO NATURALIZATION

Section 231 places Filipinos under the immigration law provisions applicable to non-Orientals, but dropped the provision of its predecessor bill (H. R. 5185, sec. 17) granting Filipinos the right of naturalization. It is suggested that the provision be put back in the bill. The Chinese have been given by Congress the privilege of becoming American citizens, why not the Filipinos, who are American nationals under American law until they become aliens on July 4, 1946?

SUGAR

Section 211: The original quota of 850,000 long tons is reduced in the bill by about 60,000 long tons. During the first 8 years there will be no duty, but after that period it will pay progressively 5 percent a year until the full 100 percent is reached, and without diminution of the quota. It is suggested that the quota be reduced to 750,000 long tons, but eliminating the duty for the entire period of 28 years. This duty-free position of Philippine sugar even on a reduced amount, considering the 60-percent destruction of the industry, will place it on a more solid and stable basis and make it conform to the agricultural diversification program that the Philippines must work out.

COCONUT OIL

Sections 505 and 506: As an exception to the provisions of the bill that each country shall not impose any internal tax on each other's products, the United States is continuing the processing tax of 3 cents a pound on Philippine coconut oil. This tax, amounting to about \$18,000,000 a year, was turned over to the Philippine Government, but after independence such will not be done. The tax has proved highly burdensome both to the Philippine producers and the American users of coconut oil. Before the tax, the average price was 4.14 cents a pound, and after the tax was imposed it was 2.42 cents. So it is suggested that since the tax is not to be returned to the Philippines, that it be reduced from 3 cents to 1 cent. The American users will pay 2 cents less and expectedly will be able and willing to pay more for the product.

It is also suggested that the quota be reduced from 200,000 long tons (sec. 214-a-3) to 150,000 or 125,000 long tons. With the industry 95 percent destroyed and adverse interests ever active, it would be better for the Philippines to place that industry on a more stable basis with a reduced quota. But there must be one quid pro quo: That the quota shall be intact during the entire 28 years.

This principle might be adopted with respect to cigar, scrap tobacco, and pearl buttons. These suggestions contemplate the possibility and probability that there might be a perpetual free-trade arrangement between the United States and the Philippines in harmony with their military and other relations.

Luxury goods: There is no provision in this bill that would enable the Philippines to control or curtail imports of luxury goods to make the rehabilitation program effective and to keep the Philippine dollar balances from being dissipated. If the needful provision is decided upon, as it should, what luxury goods are should be defined.

Simplification: A last appeal is made here to simplify the bill and make it more liberal to the Philippines.

REHABILITATION SUGGESTIONS

The following suggestions are offered on the rehabilitation bill, S. 1610:

1. Appropriate the full amount of damages. In line with the idea of staggering the rehabilitation to forestall a depression, there should be a provision in section 104 (d) to permit the recipient of war-damage payments to reinvest them at the proper time to assure a reasonable success of the investment.

2. Since foreigners in the Philippines will receive war-damage payments under section 102 (b-1), the necessary additional appropriations should be made to cover their damages, which are estimated at about \$150,000,000, so the amount set aside for Americans and Filipinos is not reduced.

3. Churches should be placed in the same category as other properties and paid for under the same provisions. An increase of total appropriations would be necessary.

4. Under section 106 (b) the amount of coins and bullion obtainable from Japan as reparations shall be applied to that part of the Philippine losses not covered by the appropriation. But before a dollar is paid out, the bill's total appropriation of \$520,000,000 shall first be obtained and turned over to the United States Treasury. In this way Uncle Sam will not be out of pocket under the bill. General MacArthur, as of last December, had in his control Japanese coins and bullion, both gold and silver, valued at about \$263,000,000. He had also 159,000 carats of diamonds, 6,200,000 grams of platinum, and other rare metals, all roughly valued at \$50,000,000, making a total of \$313,000,000. Since these assets are in-

adequate to carry out the bill's provisions, section 106 (b) should be amended to include precious stones, rare metals, and other assets, otherwise the provision will not aid the Philippine war sufferers.

AGRICULTURAL EXPERIMENT STATIONS

5. Lastly, there should be an amendment, with special liberal appropriations, under title III for the establishment by the United States Department of Agriculture of experiment stations in the Philippines to carry out the program of agricultural diversification and improvement of the yield and quality of existing products. This amendment is indispensable if the Philippines is to be less dependent on American markets and on too few products. It will also be highly beneficial to the United States.

AMERICAN GOOD WILL

The Filipinos fought in the war cheerfully with America with effectiveness and without the aid of lend-lease, helping to shorten the war and subdue the Japanese.

The two bills should be at least imperfect as possible. They will not go into effect until after July of this year. They will be the expression of America's good will to the Philippines. It is incumbent upon the Filipinos, as a token of appreciation and for their own sake, to do their best to make them work successfully and serve the best interests of the people.

Mr. REED of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. CARLSON].

Mr. CARLSON. Mr. Chairman, I had not intended to discuss this legislation as it has been so thoroughly analyzed by the other members of the committee. I do wish to say, however, that it has been a real privilege to work on the preparation of this legislation. Few people realize that we began its consideration as far back as last October. Our committee and the subcommittee which was later appointed by the chairman worked diligently in perfecting this bill. I am positive every member of the committee feels indebted for the excellent help we had from Mr. M. Beaman of the Legislative Drafting Service, and from Mr. E. G. Martin and Mr. P. F. Burnham of the Tariff Commission.

The Ways and Means Committee, in presenting this bill to the House, is pioneering in new legislative draftsmanship. While this legislation is introduced in the form of a bill, it contains in reality and in effect language that becomes a treaty between the United States and the Philippine Government as a sovereign nation.

For many years the Philippine Islands have been a ward of our Government, and we have for political and economic reasons assisted them with their economic problems. On July 4, 1946, they become an independent nation, and the pending bill will, when enacted into law, mutually obligate one nation to the other. The Philippine Islands have been our outpost in the South Pacific, and we expect to maintain our friendly and economic interests in them in the future.

All of us realize the suffering of the people and the destruction of their country during the recent World War. The Filipinos gave their lives as valiant soldiers of the Philippine Islands, but also as a people greatly concerned for the future welfare of the United States. It is for these reasons that it is most diffi-

cult to write legislation of this type without being carried away by emotional appeal. However, as legislators and representatives of the American people, we must and did view this legislation from a practical standpoint. We wrote provisions into this bill protecting the American producers of sugar, oils, rice, and tobaccos with absolute import quotas. It was absolutely necessary that we do this as this bill provides for a period of 8 years of free trade and, following that, 20 years of graduated tariff rates.

The Philippine Islands were not only given a preference in the world tariff rates, they were given a preference based on a Cuban rate. In other words, they were given a preference on a preference. Earlier in the debate the gentleman from South Dakota [Mr. MUNDT] made inquiry regarding the effect of the section concerning the importation of cordage as it dealt with binder twine. For the record I wish to state that we are using the same definition in this bill in defining "cordage" which has existed since 1934. It is true that the wording was changed in Public, 300, Seventy-sixth Congress, for the purpose of definiteness. This definition includes binder twine, a product never produced by the Philippines. This inclusion was agreed to by the Philippines at the time of the establishment of the same in 1934.

We should keep in mind that the domestic industry has enjoyed the same absolute quotas since 1935 and that is the law today. The present bill continues the same absolute quota.

Title III of the pending bill lists very definite obligations on the part of the Philippines that must be complied with before this legislation can become effective as an agreement between the two nations. Many of these provisions are most exacting and if time permitted I would like to discuss it from the standpoint of the citizens of the Philippines. Some of these provisions are far reaching. We make some very exacting demands regarding the custom duties, demanding equality in import duties and on matters of taxation. We provide limitations regarding internal taxes and provide for reciprocal arrangements on immigration. Section 341 states specifically that when and if the public domain of the Philippine Islands is opened for development to the Philippine people, our citizens must be given the same rights and privileges as their own. Following is a copy of the section:

SEC. 341. Rights of United States citizens and business enterprises in natural resources

The disposition, exploitation, development, and utilization of all agricultural, timber, and mineral lands of the public domain, waters, minerals, coal, petroleum, and other mineral oils, all forces and sources of potential energy, and other natural resources of the Philippines, and the operation of public utilities, shall, if open to any person, be open to citizens of the United States and to all forms of business enterprise owned or controlled, directly or indirectly, by United States citizens.

In all fairness I think we might ask ourselves if we as citizens of the United States would agree to the same requirements were they submitted to us by an-

other nation. Regardless of these requirements I am informed that the people of the Philippines are accepting these terms and conditions without reservation. It shows a magnanimous spirit on their part and I am confident that the agreements made through the entire bill will be mutually helpful.

It has been a privilege to have served on the committee during the formulation of this bill, which is a token of our interest in the future welfare and success of a new nation.

Mr. REED of New York. Mr. Chairman, I yield 9 minutes to the distinguished gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I am at the foot of the class, so to speak, on the Ways and Means Committee, and should talk but little on this bill. I should say, however, that I appreciate the outstanding abilities of members of that committee. It is an extremely busy committee. We especially love its chairman. How patient he is, but he expects us to be always prompt in attendance.

Our experts also did faithful and most effective work for us. I would praise greatly General ROMULO who, although he would like to have had some greater concessions, now urges us to pass this bill as it is.

Mr. Chairman, my particular reason for taking a minute or two at this time is because of certain newspaper articles and announcements to the effect that the Philippine people will call us ungrateful because we have not been more liberal in the provisions of the bill. I have always felt that no one would consider me ungrateful as long as I was expected to or would grant more and more favors. I do not like the newspaper article that calls for large sums for the Philippine people because of their assistance in helping us during the so-called our war. It may have been ours, and, of course, it can be reasoned that way. But I thought we had been a defense to the Filipinos for some years, and that we intend and must now stand between them and all other nations for their protection. We will have their safety on our hands for many years to come. They will be a free and independent nation after July 4, 1946, but it appears to me that the nation is to be greatly dependent upon us for their protection. Is it possible that we regard the Philippine people as a people located where we must have for our own safety something akin to a Pearl Harbor? I have heard that stated rather often. I want to do everything I possibly can for the Philippine people; no one would be more willing than I, but I have some worry for my own people. Here we have a legislative enactment, a trade agreement, but not a bureaucratic trade agreement. I feel rather comfortable about that. We seem to have no longer a democracy in this country; it seems now to be a bureaucracy. We are pleading with bureaucrats nearly every day for relief from acts and decisions of bureaucrats. Why do we not insist upon the recovery of our own legislative authority? For once we have enacted a trade agreement by statute. Again I am worried about our own people. You

Philippine people say you have been devastated, and you have been devastated. So have we, since our direct debt is greater than practically all we possess, and have guaranteed about as much more, about 50 percent of which may have to be met by the National Treasury.

I feel that we have also been devastated, but I hope and expect we can carry out our agreements, at least with the Philippine Nation. But I am one of those perhaps foolish people who think we are not really prosperous. Many people appear to be prosperous as long as they can borrow money and keep up a prosperous appearance. But there is always a bottom to that barrel. Some people seem to think otherwise. These are the new ideas that have sprung up during the past dozen years. I will say to you that while I think we will manage to do all of the things these people expect us to do, they must not expect too much. I often have my doubts as to our own financial future. But why should I worry any more? So many other people do not seem to worry. Other nations will appear and urge that they be given financial support of many billions, because they feel assured that we are prosperous. I deny emphatically that we are really prosperous with such a huge debt and liability enveloping us. We may have a way of appearing to be prosperous. People appear that way so long as borrowed money is available to them. Because we borrow it from ourselves it may be a lesser danger, but I can get only scant assurance from that declaration even from high officials of our Government. I may have old-fashioned ideas. The Philippine Nation will be independent, but will be politically allied to us. We are certainly greatly responsible for their recovery. We are also to be responsible for their safety. They must not consider us ungrateful if in a few matters we have failed to concede fully to their wishes. These remarks are prompted because of the huge sums for which we are being asked by many other nations urging the "our war" responsibilities. Vast sums are to be asked of us because we have so much, although our financial balance indicates we have really nothing except the willingness of our people to plunge themselves still further into this highly dangerous debt condition.

Mr. REED of New York. Mr. Chairman, I yield 6 minutes to the distinguished gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Chairman, it is regrettable that H. R. 5856, known as the Bell bill, with reference to future trade relations between this country and the Philippine Islands, and S. 1610, known as the Tydings bill, cannot be considered at the same time as this legislation, inasmuch as they both have for their purpose the relief of the stricken people of the Philippine Islands.

In the more than a generation that has passed since the Treaty of Paris was signed in 1899, the United States has held the responsibility of assisting in the direction of the whole social and economic development of the Philippine people. We have carried that responsibility

along such a high level that it has not only received the commendation of the nations of the world, but it has set an example for all other nations having colonial possessions. The policies we have followed have lifted the Philippine people to such a high moral, social, and economic position that by 1934 we granted to the Philippines the right to become a free and independent nation after 10 years' experience as a commonwealth government.

It is tragic that during that 10-year period, which began in 1936, their land was devastated by war, their people tortured, and their economy completely destroyed. No country engaged in the last war suffered as great relative destruction as did the Philippine Islands and their loyal people. That destruction places a greater responsibility upon the United States today than at any time since the Treaty of Paris. We must not forget that the Philippine Islands are still under the American flag and we have a moral responsibility to see to it that their future economy and social well-being is founded upon sound principles.

We should be careful not to forfeit that friendship which has been built up throughout many years of painstaking effort. The Philippines are so geographically located that they are strategically important to our national security. We plan to maintain strong military and naval bases in the Philippine Islands. To maintain their greatest effectiveness we must have the continued loyalty and good will of the Filipinos themselves. They proved their loyalty in the dark days of the recent conflict.

The eyes of the world are upon us. The action we take with reference to the Philippine Islands will increase our international prestige or will impair the good will our past policies have built.

We have poured billions of dollars into the relief and rehabilitation of our allies since the war and we have even spent other huge sums for the relief of peoples of enemy countries. But, Mr. Chairman, we have been sparing and ultraconservative in the aid we have given the stricken people of the Philippines who are still our wards.

I sincerely hope the Philippine trade bill now under consideration will be speedily enacted into law.

Mr. REED of New York. Mr. Chairman, I yield 8 minutes to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, the bill H. R. 5856 deals with the trade relations between the United States and the Republic of the Philippines, which will come into reality on July 4 next. Help for the Philippines is not a debatable question. I believe that all thinking Americans are anxious that America lend a helping hand to this new Republic. The entire Committee on Ways and Means approached this legislation with that motive.

This legislation is an administration measure. No public hearings were held, and the only people appearing before the committee in executive sessions were Commissioner Paul McNutt, Mr. McNutt's staff and advisers, the Resident Commissioner, Mr. Carlos Romulo, and

Mr. Romulo's advisers, the author of the bill, the gentleman from Missouri, Mr. Bell, and the representatives of the various departments of the executive branch of our Government, including State, Treasury, Agriculture, Justice, and the Tariff Commission. These various officials of the administration had several conferences, and a meeting or two at the White House. These groups largely determined the policy to be followed here and the work of the committee was confined to taking the proposals that had been agreed upon and working out legislation in accordance therewith.

The drafting of this bill was a most difficult task. You can best understand this measure by first reading section 401. It involved in effect the making of a treaty, or executive agreement, through an act of legislation, with a nation that did not yet exist. It deals with tariffs, import duties, internal taxes, absolute quotas, duty-free diminishing quotas, conditions for imposing additional quotas, immigration into the United States, immigration into the Philippines, export taxes, a provision requiring the Philippines to change their constitution, various technical definitions, the making of an executive agreement, the interpretation thereof and the termination thereof, and many related features.

I want to pay tribute to Mr. Middleton Beaman, of the office of Legislative Counsel, for his work on this bill. It was my privilege to observe his work over a period of many weeks in the preparation of this bill. He has done a splendid job and has performed a great public service. His diligence, foresight, knowledge, and untiring efforts constitute an outstanding piece of work. He has rendered an outstanding service to the committee and to the Congress.

In brief, the bill provides for free trade between the Philippines and the United States until July 3, 1954. For the balance of the calendar year 1954, tariff rates between the two countries shall be 5 percent of the lowest ordinary customs duty prevailing in the two nations. It will be 10 percent the next calendar year, and it shall be increased by 5 percent each year thereafter.

A quota on the importation of sugar from the Philippine Islands into the United States is fixed in the bill at 850,000 short tons, of which not to exceed 50,000 short tons may be refined sugars. The quota on cordage is established at 6,000,000 pounds, and on rice at 1,040,000 pounds. All of these quotas are on an annual basis. Imports under these quotas just mentioned will be subject to the fractional duty carried in the bill.

In reference to cigars, tobacco, coconut oil, and buttons of pearl or shell, an absolute quota is established, also a duty-free quota. This is set out in detail on page 16 of the bill. Up to and including the year 1954, the entire quota of these articles shall be duty-free. Thereafter the duty-free quota diminishes and the Philippines will be required to pay the full duty on that part of their quota which is not duty-free, which will become larger each year. Take the case of coconut oil, for instance. The quota is 200,000 long tons, but beginning in 1955 only

190,000 long tons of that quota shall be duty-free. In 1956, only 180,000 long tons of it will be duty-free, and by 1974 none of it will be duty-free.

The provisions contained in this legislation are to be incorporated into an executive agreement to be entered into by the President of the United States with the President of the Republic of the Philippines. It should be borne in mind, however, that this measure which we are now enacting, provides very definitely and specifically what shall be contained in that agreement. With the exception of negotiating in reference to the immigration of American citizens into the Philippine Islands, nothing is left for negotiation between the Presidents of the two republics. This legislation provides what the terms of the agreement shall be.

The concessions made on the part of the United States immediately become the law of the land upon the enactment of this measure. We authorize the President of the United States to agree that we will keep them in effect during the life of the agreement. We do not in this measure in any sense attempt to legislate for the Philippines for the period after July 4 next. We do require certain things before the executive agreement authorized by this act becomes effective. The Philippines are required to not only enter into the agreement, but to enact into law those things pertaining to the obligations of the Philippines and must agree to keep them in force and in effect before the executive agreement made by the Presidents of the two republics becomes effective.

The theory of this legislation, as advanced by the proponents, is to give an inducement to American capital and American citizens to return to the Philippine Islands and rebuild their industry and their economy. It is very definite that there must be some rebuilding. The questions are, Who shall do it? Is there any other source for the obtaining of capital than from America, and would it be desirable? Should private enterprise be furthered in the Philippine Islands? The answers to these questions support the position of the proponents of this bill and the individuals who have brought it to Congress and asked its enactment.

The allocation of quotas granted to the Philippine Islands, such as the sugar quota, is fixed in this bill. This bill requires that these quotas be given to the same concerns that were exporting the products into the United States in the period prior to the war. Certain definite years are set forth in the various provisions of the bill.

American capital is further encouraged into going into the Philippine Islands by the incorporation in this legislation, and to be incorporated in the executive agreement, provisions that neither country will impose any discriminatory taxes against the other. The bill provides that in the event the President of the United States finds that American citizens and business concerns are being discriminated against, he may terminate or suspend the agreement.

This legislation also requires the Philippine Islands, within a reasonable time, to make a change in their constitution that I shall mention. It also vests authority in the President of the United States to make a finding and proclaim that the Philippines have failed to amend their constitution as required and in that event the entire executive agreement is terminated. Whenever the executive agreement is terminated those parts of this legislation which are the statutes of the United States cease to have force and effect as such.

Articles XII and XIII of the Philippine Constitution contain clauses under which the disposition, exploitation, development, and utilization of the public domain and natural resources of the Philippines and the operation of public utilities, are confined to citizens of the Philippines and corporations at least 60 percent of the capital of which is owned by Philippine citizens. This legislation requires the Philippines to change that, so that Americans shall have the same rights.

Those Members of Congress who are interested in legislation affecting the dairy industry, as well as all agriculture, will be interested in noting that this legislation dealing with free trade and fractional duties makes a specific exemption to the internal tax of 15 cents a pound on oleomargarine. That part of existing law is not disturbed by this legislation or the agreement to be entered into.

This bill makes it possible for the United States, after 1948, to impose additional quotas on Philippine articles, upon a finding by the President that those articles are or are likely to be in substantial competition with American production. The bill sets up a formula for such a finding.

It will also be noted that our Agricultural Adjustment Act contains provisions for the establishment of world-wide quotas when the same is necessary in establishing support prices in this country or carrying out the various provisions of the Agricultural Adjustment Act. We retain that right and it is not surrendered to the Philippines in this bill.

This agreement that will be entered into in pursuance to this act shall have no effect after July 3, 1974. It can be terminated by either party at any time upon not less than 5 years' notice, without any specific cause. It also provides that the President of either country can determine and proclaim that the other country has adopted or applied measures which would operate to nullify or impair any right or obligation in said agreement and thereby terminate the agreement upon 6 months' notice. I have already mentioned it is the right of the President of the United States to terminate the agreement, if he finds that a reasonable time has elapsed and the Philippines have failed to change their constitution as required. The bill also makes certain provisions whereby the President of the United States can suspend the arrangement or parts thereof.

This legislation also provides that the value of Philippine currency in relation

to United States dollars shall not be changed, the convertibility of pesos into dollars shall not be suspended, and no restrictions shall be imposed on the transfer of funds from the Philippines to the United States, except by agreement with the President of the United States.

The writing of legislation of this kind is most difficult. It involves venturing a guess upon the future in a troubled and disturbed world. That guess is binding upon the parties, unless otherwise terminated, for a period of 28 years. But more than that, it will probably set the course of all future actions toward the Republic of the Philippines in the years that lie ahead. It is my sincere hope that it will work out well, and that it will be a source of substantial help to that new Republic. I sincerely hope that the citizens of the Philippine Islands will in truth and in fact be free and independent not only politically but economically. The criterion for this and other legislation that we may pass for the Philippines is not what is the dollar value of the aid that we give, but will it help them to help themselves and thus make the Philippines strong and free. Whatever help is granted by the United States should be for the purpose of making them strong and independent, and not for the purpose of making them weak and dependent.

Will this arrangement be a good thing for the Republic of the Philippines? The answer to that question must be determined by the Republic of the Philippines. That decision and other momentous decisions which they will be called upon to make will be tests of their ability to be self-governing. I have faith in them. May God bless this new nation and forever preserve and protect her citizens as freemen.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I yield such time as he may desire to the gentleman from Louisiana [Mr. MALONEY].

Mr. MALONEY. Mr. Chairman, the proposed legislation as contained in H. R. 5856, the basis of which is for a trade agreement with the Philippine Islands, has been before our Ways and Means Committee for the past several months. From my experience and observation I cannot remember any legislation that has had more careful consideration and attention. As the type of legislation was unusual, it did require the very best legal technical minds to bring it in composition with other laws, and those gentlemen, headed by Mr. Middleton Beaman, did perform a rather outstanding service in this respect.

The question of giving trade benefits to the Philippine people cannot be questioned when you recognize the fact, first, that the Philippine country suffered to a major extent from the war; and, secondly, that on July 4, this year, it is to become an independent nation. Therefore, when you change it over from its present status to an independent nation it loses its trade privileges with this country; and to do such a thing too suddenly would bring about an upset in their economics that would be most dam-

aging to their welfare. Therefore, to avert such a condition it has been proposed that the Philippines have a trade relationship with this country of some kind that would permit them to gradually work up to the customary trade requirements with foreign countries. This proposal is to give the Philippines free trade for 8 years and from then on to step up the tariff rates 5 percent each year until the maximum has been reached.

This arrangement is felt to be of great assistance to the Filipinos and should establish their economic stability. It may also be said that such an arrangement for our Nation has its advantages. To give protection to some products of our country, Philippine quotas have been established in this legislation—in other words, to protect home production in these products, it is felt that these quotas must be established, and they are on cordage, rice, cigars, scrap, and Philippine tobacco, coconut oil, pearl buttons, and sugar.

Coming from a State that produces cane sugar, I was particularly interested in the quota that has been established for sugar, as I realize it will not be but a short time before the production of sugar will exceed the consumption and there will be a big demand for more acreage by our American farmers and it is for this reason that I thought some definite quota should be fixed for the Philippines on sugar. Therefore, remembering the fact that when quotas on sugar were fixed by legislation in 1934, I felt that the Philippine record in its production had been given a little bit higher quota than it deserved, and further the Constitution of the United States, article 1, section 8, requires that, "Congress shall have power to fix a standard of weights and measures." The short ton is the regularly established basis for computing quantities of commodities, it is used in the sugar act for reference to sugar quotas. It has been confusing to have in the Philippine Independence Act a limitation on duty-free exports of sugar to the United States in terms of long tons, while the quotas authorized under the Sugar Act which regulated sugar quotas from the Philippines and other areas have been expressed in short tons. In view of this we, therefore, recognized the past and visualize the future with a token of consideration for the American producer. I suggested that the sugar quota for the Philippines be based upon short tons instead of long tons—this will probably mean a difference of approximately 92,000 long tons, which in days to come we expect to be given to the American farmers.

The above facts are not the only reasons I thought the quota should be reduced some for I believe the question of diversified production would mean more to the welfare of the Filipinos than by concentrating their main efforts on sugar. A serious question has been raised by persons in high positions and unquestionable friendship and support of the Philippines that there was a great overproduction of sugar in the Philippine Islands. Men

who have visited the islands and made local surveys have written that it is not for the best interest of the Philippine's national economy or the Filipino himself to have such a large portion of his lands under a one-crop system.

A well-known writer on international affairs, Mr. Edgar Snow, wrote an article on this subject for the Saturday Evening Post which was published in the March 16 issue of this widely read magazine.

The Honorable Francis B. Sayre, former Assistant Secretary of State, and United States High Commissioner of the Philippines, just prior to the war and at the time of invasion wrote the most thorough article on the Philippines I have read on the subject. After discussing the Philippine national economy broadly and most thoroughly, which he had investigated at first hand, he writes in the March 1945 issue of the Atlantic Monthly:

When liberation comes to the Philippines, presumably sugar cultivation in the Philippines will be on a home-consumption basis. If the new Philippine Government after the war is wise enough and strong enough to prevent a return of prewar sugar production figures, one of the great milestones on the way to economical independence will be passed.

I trust for the good of the Philippines and the consideration of the American farmer that the quota on sugar in the bill we are now considering will not be increased. While I note from a statement sent to me, Commissioner McNutt intends to take this matter up in the Senate. I trust he will change his mind, as to some extent I feel such action would not be in good faith with our committee in dealing with the subject which was a compromise.

We have also fixed a quota on rice which should protect the rice-producing areas of this Nation of any undue hardship in reference to their production.

Of all the products that have been consumed by the American people, I do not know of any one that the price has been so uniformly kept down as on sugar. In fact, I think if the authorities had been a little bit more considerate to the domestic producers of sugar in incentives, the production in sugar in this country would have been increased by several hundred thousand tons.

Below I quote some figures on production and consumption of sugar:

Louisiana production:	Short tons, raw value
1940	243,395
1941	328,894
1942	407,427
1943	446,141
1944	378,359
1945	399,515

The mainland cane area—Louisiana and Florida combined—have produced the following:

Mainland cane area (Louisiana and Florida) production:	Short tons, raw value
1938	583,000
1939	504,000
1940	332,000
1941	419,000
1942	460,000
1943	498,000
1944	437,000
1945	500,000

Year	Production in domestic areas ¹	Production in foreign areas ²	Total
1930	3,310,997	4,502,699	7,813,696
1931	3,474,925	4,130,700	7,605,625
1932	3,601,067	3,608,848	7,209,915
1933	4,201,564	4,235,794	8,437,359
1934	3,269,560	3,637,377	6,906,937
1935	3,623,410	3,946,852	7,570,262
1936	3,781,163	4,564,708	8,345,871
1937	3,862,365	4,495,419	8,357,784
1938	4,238,078	4,243,141	8,481,219
1939	4,264,716	4,269,783	8,534,499
1940	4,115,862	3,881,870	7,997,732
1941 ³	4,026,144	3,804,000	7,830,144
1942 ³	4,114,721	3,240,000	7,354,721
1943 ³	3,095,000	4,471,000	7,566,000
1944 ³	3,305,000	4,000,000	7,305,000
1945 ³	3,517,991	4,727,000	8,244,991

¹ Including mainland cane area, mainland beet area Hawaii, Puerto Rico, and Virgin Islands.

² Including the Philippines and Cuba.

³ No Philippine production in 1941, 1942, 1943, 1944 and 1945.

Total civilian consumption in the United States

	Short tons
1930	7,221,000
1931	6,669,000
1932	6,321,000
1933	6,293,000
1934	6,357,000
1935	6,602,000
1936	6,703,000
1937	6,642,000
1938	6,645,000
1939	6,908,000
1940	6,763,000
1941	7,350,000
1942	5,674,000
1943	6,801,000
1944	7,460,000
1945	6,332,000

War years include military.

Under rationing, in 1944, purely civilian consumption was 6,100,000 tons.

Under rationing, in 1945, purely civilian consumption was 5,100,000.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I yield the balance of the time on this side, 35 minutes, to the gentleman from Arkansas [Mr. MILLS].

Mr. MILLS. Mr. Chairman, I can assure the membership it is not my intention to use the remainder of the time. I do desire, however, to make certain comments on the legislation now before the committee.

On yesterday the Ways and Means Committee referred to the House for consideration what I deem to be the most difficult bill to understand of any that perhaps the committee has ever referred to the House, even including some of those bills levying taxes.

The objectives of the bill are very clear. It is the details of the bill, the procedure by which we attempt to attain those objectives, that may be somewhat difficult of understanding.

Although I may be repeating, let me call attention again to what those objectives are.

First of all, we propose by this legislation the establishment of mutually advantageous trade relations between the United States and the Philippines following their independence on July 4, next, for a period of 28 years.

Second, we propose to provide an incentive for the rehabilitation and further development of Philippine trade. We propose to provide stability to future commerce between the United States and the Philippines.

The matters discussed and covered by the bill are easy to understand, relatively simple. First of all, the bill deals with customs duties on a reciprocal basis, preferential as against all other countries. Second, the establishment of quotas on the imports of certain Philippine products. Third, reciprocal, non-discriminatory treatment in the field of taxes; fourth, adjustments in the immigration laws of both countries to meet the pressing needs of the immediate future; fifth, protection of United States citizens and American business enterprises regardless of form against discriminatory treatment. To do these things the bill authorizes in title IV the President to make an executive agreement with the Philippines. It provides the statutes necessary to put these specific provisions into effect. It provides means to cover the period between the date of the enactment of the act and July 4, 1946, before the Philippines become independent.

As has been pointed out by a previous speaker, the bill is divided into five titles. In order to understand the bill, as the gentleman from Tennessee said, titles II, III, and IV must be read after a careful analysis of the definitions contained in title I. In order to understand the bill at all, however, one must have a complete understanding of title IV of the bill, which is the keystone in the arch of the entire structure. Without title IV we would not have a bill. Title IV was referred to by the gentleman from Ohio [Mr. JENKINS]. It provides for an executive agreement between the United States and the Philippines. It states that the President upon certain conditions is authorized to enter into an executive agreement with the Philippines. Those conditions must be met by the President which are specified in title IV. First of all, if the President of the United States and the President of the Philippines do enter into such an agreement, the provisions of title II, which are the obligations of the United States, and the provisions of title III, which are the obligations of the Philippines, must be accepted by the executive agreement. Furthermore, before the agreement referred to in title IV can go into effect, the Philippine Nation must do what we have done or what we are doing now. The Philippine Nation must place into its statutes the provisions of title III so that those provisions of title III become a part of the statutes of the Philippines; and, furthermore, the Philippine people are called upon to amend their constitution to make it compatible with the provisions of section 341.

Title IV provides, after the agreement once goes into effect, as proclaimed by the President, certain ways by which the agreement can be terminated.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. COLE of New York. The gentleman has referred to the requirement that the Filipino people must amend their constitution in order to make this agreement operative. As I recall the provisions of the Philippine Constitution, any change in the document must be submitted to the people of the Philippines before it is effective; and, also, the next

election following the one to be held next month will not occur until 1950. Can the gentleman advise us what will be the status of this agreement until the year 1950 which seems to be the earliest date that a constitutional amendment could be effected?

Mr. MILLS. I was coming to that point. Evidently I did not make it clear.

The Philippine people are not required to amend the Constitution of the Philippines in order for this agreement to go into effect. It will go into effect whether there is an amendment, as requested in title III, or not. If the President finds that there has been an undue delay for any reason on the part of the Philippine Government in obtaining amendment of the constitution, then the President issues a proclamation and the agreement can have no further effect.

Mr. COLE of New York. What is the situation if the provisions required under this bill by way of laws to be enacted by the Philippine Legislature are such that those laws, if enacted, would be in violation of the Constitution of the Philippines? Would it not be necessary then to have an amendment to the constitution?

Mr. MILLS. First of all, after a very careful analysis of the Philippine Constitution, the members of your committee are of the opinion, quite definitely of the opinion, that the only provision in the bill that now or in the future may require an amendment to the constitution is the provision found in section 341 on page 29. There are no other provisions that we can think of that would require an amendment to the constitution.

Mr. COLE of New York. My point is that the constitutional limitations of the Philippine Government might be such as to make it impossible for them to comply with the provisions of this bill earlier than 1950.

Mr. MILLS. We were advised by Governor McNutt, who has just returned from the Philippines, that in all likelihood this constitutional provision will be submitted to the people of the Philippines some time this fall.

Mr. Chairman, I know of no further safeguard that can be placed in title IV providing for termination of the agreement for the protection of the people of the United States or the people of the Philippines than your committee has seen fit to include in the bill. Beginning on page 35 of the bill you will find the reasons and the grounds for termination, which must be distinguished from the grounds for suspending operation of the act or the grounds under which the agreement does not go into effect.

First of all, there are certain conditions which must be met before it goes into effect. There are certain other conditions which must be met and maintained in order to permit the agreement to last for the period designated in the bill of 28 years or until July 4, 1974.

We might call title V of the bill, at least in part, rather than a miscellaneous title, "supplemental legislation," for we have agreed in the agreement, if it goes into effect, along with the Philippines, to pass such other supplemental legislation as is necessary to give effect to the provisions

of titles II and III. We are doing that in part in title V of the bill now. It may be necessary later on for the White House to call upon us to pass direct legislation to give effect to certain provisions of it, but, insofar as we know now, we are trying to take care of those supplemental pieces of legislation at the present time.

Mr. COLE of New York. On that point, will the gentleman tell us what would be the situation if they agree to pass or fail for any reason to pass whatever legislation appears to be necessary?

Mr. MILLS. Any failure on the part of Congress to pass any supplemental legislation constitutes a violation of the agreement, either our Congress or the congress of the Philippines. The entire agreement then, upon 6 months' notice, is subject to termination.

Mr. COLE of New York. Of course, the Filipinos in all likelihood would not exercise that power to revoke the agreement even though the Congress might fail to enact whatever additional legislation is necessary.

Mr. MILLS. Of course, that would remain to be seen.

There are other provisions, before I go to title II, that I desire to call attention to. I have had some Members expressing some concern about the bill in that we pick out only a few items and impose quotas. But in the bill you will find on page 41 what I consider to be for agricultural interests and others in the United States a sufficient safeguard. I trust that all Members will see fit not only to read the entire bill, but to analyze very carefully section 504 under title V of the bill which provides that the President shall, when the Tariff Commission finds that any commodity from the Philippines is likely to come into substantial competition with an American product, impose quotas. Under other provisions of the bill the findings of the Tariff Commission will be made public because the Tariff Commission must report its findings to both Houses of Congress so that we will be apprised of what the findings are with respect to the importation of any product or item from the Philippines. I know of no better safeguard we could place in the bill for the products of the United States which are not mentioned in the bill.

As I started to say, there is perhaps more interest in title II of the bill than anything else. First of all, permit me to say that when I first read H. R. 4185, H. R. 4676, and H. R. 5185, all predecessors of the bill before us, introduced by our distinguished colleague from Missouri [Mr. BELL], I had some difficulty in bringing myself to the point of view that we were not doing violence to our reciprocal-trade-agreement philosophy of the most-favored-nations policy. Of course, we cannot say that the preferential benefits which are extended under this bill are in keeping with the philosophy of the most-favored-nations policy. There is no need of us to voice that issue. The bill itself is not compatible with that philosophy. There has been some confusion, however, as to what it does do and as to why we do it.

First of all, we recognize from the very beginning that it is necessary, if we rehabilitate and develop the Philippines

back to the point where they were on December 7, 1941, that we must extend to them something more than the most-favored-nations policy placed in the Reciprocal Trade Agreements Act. Therefore we frankly say that we make an exception to the Philippine Islands, and we are reliably informed that all of the countries of the world with which we do business fully understand the necessity for making such a distinction on the part of the Philippines. With that in mind, then, I could bring myself to agree to the provisions of title II.

Further, there has been some confusion even on the part of some newspapers I have read with respect to part 2 of title II, the imposition of quotas. I read one newspaper editorial that stated that the imposition of quotas in this instance was in violation of the philosophy of reciprocal trade agreements. Actually it is not. Why do we impose these quotas? First of all, we have made an exception of the Philippines. We have extended to them a preference which we extend to no other people in the world under this bill. Nobody else gets this benefit. They get more than all the rest of the world put together, including Cuba. Why then do we impose the quota? We impose the quota to limit the preference which we are giving the Philippines, a quota on preferential trade arrangements. It is not a quota upon world trade, it is a quota upon the preference we are extending to the Philippines, and is clearly understood as such. The quota provisions contained in the bill are not incompatible with the theory of the reciprocal-trade-agreement policy or the most-favored-nations policy. It is not, therefore, incompatible for one who strongly believes in that philosophy and who opposes quotas upon imports into the United States to vote for this bill.

We do provide in title II that for a period of 8 years we will enjoy a partial free-trade relationship with the Philippines. We do not enjoy a full free-trade relationship, but, as far as the "ordinary customs duties" are concerned, as defined in title I, we enjoy free trade. In return for that, under section 311, on page 23, the Philippines make the same provision in their law and provide for the same thing in their agreement. Then in section 202 we provide for a graduation, at the end of the 8 years of free trade, in our rates and our charges on "Philippine articles" until finally, about the time the agreement is to expire, we bring our duties on the importation of "Philippine articles" until finally, about the time the rate enjoyed by Cuba, which is 20 percent or more on each item less than the world rate. In other words, if we fix the world rate at 100 percent, the Cuban rate is 80 percent or less. We graduate the Philippine rate up to the Cuban rate of 80 percent or less of our world rate. When the agreement expires, by the very terms of the agreement, by the very act which the Congress passes, the Philippines, in the absence of some subsequent legislation, must pay the full world duty upon imports into the United States. However, for the period of the agreement they enjoy this preferential treatment based upon the Cuban rate.

The Philippines have no preference to which we can attach our rates. They have a world rate. But we do obtain this safeguard, and I think it is wise to point it out: Under the present situation, as I say, the Philippines have a world rate. They have no preference such as we extend to Cuba. They have no preferential rate. But we do not know during the period of the 28 years whether the Philippines will have, perhaps, some rates that are lower than the world rate. If they do decide to enter into an agreement with Borneo, say, whereby they extend to Borneo what we have extended for years to Cuba, then under the provisions of this bill we get a percentage of the Borneo rate. They guarantee to give us the lowest rate regardless of what that rate is. That condition lasts for the life of the agreement, 28 years.

There has been some talk about the quotas. I think that all businesses in the United States which are affected by these quotas should be at least satisfied with what is provided in the bill. Sugar consumed in the United States, for instance, so we were informed by the sugar experts from the Department of Agriculture, is largely imported into the United States right now. If we had all the sugar we wanted in the United States we would consume at the rate of 8,000,000 tons per year. We are producing in the United States at the rate of 1,500,000 tons per year. Before the war we consumed at the rate of about 6,500,000 tons per year. We asked this expert whether or not there was anything in this bill that did violence to the producers of cane sugar or beet sugar in the United States that could be that even if we attempted to raise all the sugar in the United States. He said not; consumed in this country, we would be longer than 28 years in getting to it, or words to that effect. So that I think the people interested in sugar can be assured that we are better off in having this language in the bill than we would be without any bill whatsoever. I say that for this reason: As I recall, we make no commitments in the Independence Act with respect to the importation of sugar from the Philippines, but we do make a commitment in the Sugar Act of 1937, as amended, that we will not reduce the quota of sugar from the Philippines as set forth in the Independence Act.

On cordage, which is the next absolute quota imposed in the bill, I might say that cordage is the only item in the bill which is treated separately from the other items. We impose a quota on Philippine cordage, not as a Philippine article, but as a product of the Philippines. That meets the approval not only of the producers of cordage in the United States and the people who are interested in the subject, but it is also satisfactory to the people in the Philippines, as I understand.

We have in the bill an absolute quota on rice. That means that with reference to sugar, cordage, rice, and the other commodities mentioned in the bill, it does not make any difference who in the Philippines would be interested in paying more than the duty rates, they cannot ship any more into the United States than the quota provides for.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. RICH. This quota on cordage is for the protection of the manufacturers in this country, is it not?

Mr. MILLS. It is for the protection of the manufacturers. We have never imposed, as I understand, any quota or duty upon manila fiber, for instance. We do not propose to do so here, and guarantee against any internal tax being placed upon it. We have not imposed any duty on some of the other items that go into the manufacture of cordage, so that they can bring into the United States if they desire all they need in the way of raw materials. This keeps out merely the manufactured article.

Mr. RICH. May I ask the gentleman this question with reference to the sugar quota: If we permitted the Filipinos to ship more sugar here, and if we permitted the people to pay a little bit more for sugar, could we not save the \$69,000,000 that we pay in subsidies to the American growers of sugar, and would not our Treasury be a great deal better off if we did that?

Mr. MILLS. In other words, the gentleman, for the period of rationing, let us say, would suggest that we permit the importation from the Philippines of all the sugar that they could produce and send to us?

Mr. RICH. And, if necessary, permit the American people to pay half a cent a pound more. Then we would save the \$69,000,000 that we pay to the producers in this country for raising sugar. I want to get rid of these subsidies. I want to save the Treasury from going into bankruptcy. I asked the gentleman that question, thinking that he would try to help us out in some way. We need help.

Mr. MILLS. The gentleman knows my interest in getting rid of subsidies. Of course, on this question of sugar, some of the Members from the sugar-producing sections of the country know a great deal more about the subject than I do. But let me point out to the gentleman just how it does operate. The members of the committee have had to study a great many different subjects with reference to this bill. If we provide for an unlimited amount of sugar to be imported into the United States from the Philippines for the next 3 years, let us say, we would not get any more sugar from the Philippines, I am reliably informed, than we will get under the quota contained in the bill. For the reason, and again I am basing my statement upon information that I have obtained, I understand it takes some 3 years to plant and harvest the sugarcane. If you plant the sugarcane in April of this year, you do not harvest the raw sugar from that cane in the fall of the year. It takes some 3 years, in other words, to get production from what you plant. So that presently we will be out from under this dark picture we are now under on sugar before the 3 years have expired. But remember that this agreement lasts for 28 years. Whatever we vote in this agreement is binding and we cannot change it by some subsequent action of

Congress without violating the agreement.

Mr. RICH. I would say that is a very wise provision. I am interested in the Philippines and I want to help them. But I am interested at all times first in the States, whether it be Louisiana and Florida where they raise sugarcane, or Michigan or Colorado where they raise sugar beets. We do not have enough men in this country and enough men in Congress who are as much interested in America as they should be. If we were more interested in these States of ours and tried to get things straightened out here, we would be better off and we would have a much better country.

Mr. MILLS. Of course there are many Members who are in the same class as the gentleman and myself. We are both much interested in America.

Mr. MALONEY. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. MALONEY. Following the question of the gentleman from Pennsylvania [Mr. RICH] that the sugar production should come from offshore, if all the sugar that is consumed in this country came from offshore, what do you think the price would be? Do you think it would be up or down?

Mr. MILLS. Sugar would be up if all of it came from offshore.

Mr. MALONEY. We would be at the mercy of the offshore producers and they could charge any price they wanted to?

Mr. MILLS. Yes.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. WOODRUFF. History tells us that when the offshore producers of sugar had the American market themselves, they forced the price to the consumer as high as 35 cents a pound. That occurred in 1920.

Mr. MILLS. The gentleman is correct.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Colorado.

Mr. HILL. There are two or three questions I would like to get straight in my mind. I notice on page 4 of the hearings, you say something like this: "The establishment in the bill of a sugar quota of 850,000 short tons is recognition of the need to give every possible encouragement to the expansion of the domestic sugar industry." The question I have in mind on that is this: It bothers me, because the State of Colorado alone has, in its top production, produced 240,000 acres of sugar beets. Now we are down to around 150,000 acres of beets. We find the same situation existing in many other States. At times our domestic producers of sugar beets and sugarcane have increased their acreage and they may wish to increase them again. Now they are down. Now we find the State of Florida could possibly increase their sugarcane acreage some 30,000 acres. Then we find in the Northwest country new irrigation projects coming in, and the only cash crop I know of that will really make money for those farmers to pay for their farms in those irrigated regions will be sugar beets.

The thing that bothers me is this: Are you only going to provide, as time goes on, that those folks who can produce new acres in beets will have a chance to produce them under this legislation?

Mr. MILLS. As the gentleman well knows, that legislation extending the Sugar Act of 1937 for another 2 or 3 years does not come from our committee. I understand it comes from the gentleman's committee. I do not know of anyone on that committee, or any place else who can better look after that situation than the gentleman from Colorado.

Mr. HILL. You are satisfied in your own mind that you are in no way circumscribing the sugar producers of these United States by this legislation?

Mr. MILLS. I am most positive in my own mind that if we did not give the Philippines one iota of sugar quota we would not increase, by that act alone, the allotments of sugar or the production of sugar in the United States. In other words, I think the gentleman can be assured that the 850,000 short tons this bill provides may be imported from the Philippines will not, over the period of the agreement, keep anybody in the United States from having that allotment which he wants. We have only produced a million and a half tons of sugar in the United States.

Mr. HILL. That is our average production.

Mr. MILLS. We now have a possible consumption of 8,000,000 tons of sugar. Add the 850,000 tons to the million and a half and we find there is still room for a lot of expansion in the domestic crop.

Mr. COOPER. Mr. Chairman, will the gentleman yield at that point?

Mr. MILLS. I yield.

Mr. COOPER. As I endeavored to point out during the remarks I made, I think this bill is more favorable to the domestic sugar producers than the existing situation without this bill, because, as the situation now stands, you can bring in 850,000 long tons of sugar from the Philippines without tariff and bring in all over that you want by paying duty, but under this bill you fix an absolute quota of 850,000 short tons and stop right there.

Mr. MILLS. I call the gentleman's attention to the fact that the Sugar Act of 1937, as amended, does impose absolute world quotas on sugar.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. CURTIS. In respect to the statement made by the gentleman from Tennessee, if there were no provision in this bill about sugar, the Congress of the United States, in extending the Sugar Act, could fix the Philippine quota at anything they wanted.

Mr. MILLS. Absolutely.

Mr. CURTIS. A hundred thousand tons or a million tons.

Mr. MILLS. Or two million tons.

Mr. CURTIS. But this does fix it so it cannot be changed for a period of 23 years, and in this way protects the sugar people of this country.

Mr. MILLS. I trust the bill which has been so carefully prepared for the committee and the gentleman from Missouri

[Mr. BELL] by Mr. Beaman of the Legislative Counsel's Office and Mr. Martin of the Tariff Commission will be passed unanimously without amendment other than committee amendments to be offered.

We show the world the nature of the American desire to serve the cause of a better world by the creation of this agreement.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted, etc.—

TITLE I—SHORT TITLE AND DEFINITIONS

SECTION 1. Short title.

This act may be cited as the "Philippine Trade Act of 1946."

SEC. 2. Definitions.

(a) For the purposes of this act—

(1) The term "person" includes partnerships, corporations, and associations.

(2) The term "United States," when used in a geographical sense, means the States, the District of Columbia, the Territories of Alaska and Hawaii, and Puerto Rico.

(3) The term "ordinary customs duty" means a customs duty based on the article as such (whether or not such duty is also based in any manner on the use, value, or method of production of the article, or on the amount of like articles imported, or on any other factor); but does not include—

(A) a customs duty based on an act or omission of any person with respect to the importation of the article, or of the country from which the article is exported, or from which it comes; or

(B) a countervailing duty imposed to offset a subsidy, bounty, or grant; or

(C) an anti-dumping duty imposed to offset the selling of merchandise for exportation at a price less than the prevailing price in the country of export; or

(D) any tax, fee, charge, or exaction, imposed on or in connection with importation unless the law of the country imposing it designates or imposes it as a customs duty or contains a provision to the effect that it shall be treated as a duty imposed under the customs laws; or

(E) the tax imposed by section 2491 (c) of the Internal Revenue Code with respect to an article, merchandise, or combination, 10 percent or more of the quantity by weight of which consists of, or is derived directly or indirectly from, one or more of the oils, fatty acids, or salts specified in section 2470 of the Internal Revenue Code; or the tax imposed by section 3500 of the Internal Revenue Code.

(4) The term "Philippine article" means an article which is the product of the Philippines, unless, in the case of an article produced with the use of materials imported into the Philippines from any foreign country (except the United States), the aggregate value of such imported materials at the time of importation into the Philippines was more than 20 percent of the value of the article imported into the United States, the value of such article to be determined in accordance with, and as of the time provided by, the customs laws of the United States in effect at the time of importation of such article. As used in this paragraph the term "value," when used in reference to a material imported into the Philippines, includes the value of the material ascertained under the customs laws of the Philippines in effect at the time of importation into the Philippines, and, if not included in such value, the cost of bringing the material to the Philippines, but does not include the cost of landing it at the port of importation, or customs duties collected in the Philippines.

For the purposes of this paragraph any imported material, used in the production of an article in the Philippines, shall be considered as having been used in the production of an article subsequently produced in the Philippines, which is the product of a chain of production in the Philippines in the course of which an article, which is the product of one stage of the chain, is used by its producer or another person, in a subsequent stage of the chain, as a material in the production of another article.

(5) The term "United States article" means an article which is the product of the United States, unless, in the case of an article produced with the use of materials imported into the United States from any foreign country (except the Philippines) the aggregate value of such imported materials at the time of importation into the United States was more than 20 percent of the value of the article imported into the Philippines, the value of such article to be determined in accordance with, and as of the time provided by, the customs laws of the Philippines in effect at the time of importation of such article. As used in this paragraph the term "value," when used in reference to a material imported into the United States, includes the value of the material ascertained under the customs laws of the United States in effect at the time of importation into the United States, and, if not included in such value, the cost of bringing the material to the United States, but does not include the cost of landing it at the port of importation, or customs duties collected in the United States. For the purposes of this paragraph any imported material, used in the production of an article in the United States, shall be considered as having been used in the production of an article subsequently produced in the United States, which is the product of a chain of production in the United States in the course of which an article, which is the product of one stage of the chain, is used by its producer or another person, in a subsequent stage of the chain, as a material in the production of another article.

(6) The term "United States duty" means the rate or rates of ordinary customs duty which (at the time and place of entry, or withdrawal from warehouse, in the United States for consumption, of the Philippine article) would be applicable to a like article if imported from that foreign country which is entitled to the lowest rate, or the lowest aggregate of rates, of ordinary customs duty with respect to such like article.

(7) The term "Philippine duty" means the rate or rates of ordinary customs duty which (at the time and place of entry, or withdrawal from warehouse, in the Philippines for consumption, of the United States article) would be applicable to a like article if imported from that foreign country which is entitled to the lowest rate, or the lowest aggregate of rates, of ordinary customs duty with respect to such like article.

(8) The term "internal tax" includes an internal fee, charge, or exaction, and includes—

(A) the tax imposed by section 2491 (c) of the Internal Revenue Code with respect to an article, merchandise, or combination, 10 percent or more of the quantity by weight of which consists of, or is derived directly or indirectly from, one or more of the oils, fatty acids, or salts specified in section 2470 of the Internal Revenue Code; and the tax imposed by section 3500 of the Internal Revenue Code; and

(B) any other tax, fee, charge, or exaction, imposed on or in connection with importation unless the law of the country imposing it designates or imposes it as a customs duty or contains a provision to the effect that it shall be treated as a duty imposed under the customs laws.

(b) For the purposes of sections 221 (b) and 321 (b), any material, used in the pro-

duction of an article, shall be considered as having been used in the production of an article subsequently produced, which is the product of a chain of production in the course of which an article, which is the product of one stage of the chain, is used by its producer or another person, in a subsequent stage of the chain, as a material in the production of another article.

(c) For the purposes of paragraphs (6) and (7) of subsection (a) of this section—

(1) if an article is entitled to be imported from a foreign country free of ordinary customs duty, that country shall be considered as the country entitled to the lowest rate of ordinary customs duty with respect to such article; and

(2) a reduction in ordinary customs duty granted any country, by law, treaty, trade agreement, or otherwise, with respect to any article, shall be converted into the equivalent reduction in the rate of ordinary customs duty otherwise applicable to such article.

(d) The terms "includes" and "including" when used in a definition contained in this act shall not be deemed to exclude other things otherwise within the meaning of the term defined.

TITLE II—LAWS AND PROPOSED OBLIGATIONS OF UNITED STATES

PART 1—CUSTOMS DUTIES

SEC. 201. Free entry of Philippine articles

During the period from the day after the date of the enactment of this act to July 3, 1954, both dates inclusive, Philippine articles entered, or withdrawn from warehouse, in the United States for consumption shall be admitted into the United States free of ordinary customs duty.

SEC. 202. Ordinary customs duties on Philippine articles

(a) July 4, 1954–July 3, 1974: The ordinary customs duty to be collected on Philippine articles, which during the following portions of the period from July 4, 1954, to July 3, 1974, both dates inclusive, are entered, or withdrawn from warehouse, in the United States for consumption, shall be determined by applying the following percentages of the United States duty:

(1) July 4, to December 31, 1954: During the period from July 4, 1954, to December 31, 1954, both dates inclusive, 5 percent.

(2) Calendar year 1955: During the calendar year 1955, 10 percent.

(3) Calendar years 1956–72: During each calendar year after the calendar year 1955 until and including the calendar year 1972, a percentage equal to the percentage for the preceding calendar year increased by 5 percent of the United States duty.

(4) Percentage after 1972: During the period from January 1, 1973, to July 3, 1974, both dates inclusive, 100 percent.

(5) Exceptions to above rules: The provisions of this subsection shall not be applicable to the classes of articles referred to in section 214 (a) of part 2 of this title (relating to quotas).

(b) Period after July 3, 1974: The ordinary customs duty to be collected on Philippine articles which after July 3, 1974, are entered, or withdrawn from warehouse, in the United States for consumption, shall be determined without regard to the provisions of subsection (a) of this section or of section 214.

SEC. 203. Customs duties other than ordinary

Customs duties on Philippine articles, other than ordinary customs duties, shall be determined, without regard to the provisions of sections 201 and 202 (a), but shall be subject to the provisions of section 204.

SEC. 204. Equality in special import duties, etc.

(a) With respect to Philippine articles imported into the United States, no duty on or in connection with importation shall be collected or paid in an amount in excess of

the duty imposed with respect to like articles which are the product of any other foreign country, or collected or paid in any amount if the duty is not imposed with respect to such like articles.

(b) As used in this section the term "duty" includes taxes, fees, charges, or exactions, imposed on or in connection with importation; but does not include internal taxes or ordinary customs duties.

SEC. 205. Equality in duties on products of Philippines

(a) With respect to products of the Philippines, which do not come within the definition of Philippine articles, imported into the United States, no duty on or in connection with importation shall be collected or paid in an amount in excess of the duty imposed with respect to like articles which are the product of any other foreign country (except Cuba), or collected or paid in any amount if the duty is not imposed with respect to such like articles which are the product of any other foreign country (except Cuba).

(b) As used in this section the term "duty" includes taxes, fees, charges, or exactions, imposed on or in connection with importation; but does not include internal taxes.

PART 2—QUOTAS

SEC. 211. Absolute quota on sugars

(a) Definition of Philippine sugars: For the purpose of this section, an article shall not be considered "Philippine sugars" unless it is a Philippine article.

(b) Definition of refined sugars: As used in this section the term "refined sugars" has the same meaning as the term "direct-consumption sugar" as defined in section 101 of the Sugar Act of 1937.

(c) Amount of quota: During the period from January 1, 1946, to July 3, 1974, both dates inclusive, the total amount of all Philippine sugars which, in any calendar year, may be entered, or withdrawn from warehouse, in the United States for consumption, shall not exceed 850,000 short tons, of which not to exceed 50,000 short tons may be refined sugars; except that during the period from January 1, 1974, to July 3, 1974, both dates inclusive, such total amount shall not exceed 425,000 short tons, of which not to exceed 25,000 short tons may be refined sugars.

(d) Allocation of quotas for unrefined sugars: The quota for unrefined sugars, including that required to manufacture the refined sugars, established by this section, shall be allocated annually to the sugar-producing mills and plantation owners in the Philippines in the calendar year 1940 whose sugars were exported to the United States during such calendar year, or their successors in interest, proportionately on the basis of their average annual production (or in the case of such a successor in interest, the average annual production of his predecessor in interest) for the calendar years 1931, 1932, and 1933, and the amount of sugars which may be so exported shall be allocated in each year between each mill and the plantation owners on the basis of the proportion of sugars to which each mill and the plantation owners are respectively entitled, in accordance with any milling agreements between them, or any extension, modification, or renewal thereof.

(e) Allocation of quotas for refined sugars: The quota for refined sugars established by this section shall be allocated annually to the manufacturers of refined sugars in the Philippines in the calendar year 1940 whose refined sugars were exported to the United States during such calendar year, or their successors in interest, proportionately on the basis of the amount of refined sugars produced by each such manufacturer (or in the case of such successor in interest, the amount of refined sugars produced by his predecessor in interest) which was exported to the United States during the calendar year 1940.

SEC. 212. Absolute quota on cordage

(a) Definition of "cordage": As used in this section the term "cordage" includes yarns, twines (including binding twine described in paragraph 1622 of the Tariff Act of 1930, as amended), cords, cordage, rope, and cable, tarred or untarred, wholly or in chief value of manilla (abaca) or other hard fiber.

(b) Definition of "Philippine cordage": For the purpose of this section, an article shall not be considered "Philippine cordage" unless it is a product of the Philippines.

(c) Amount of quota: During the period from January 1, 1946, to July 3, 1974, both dates inclusive, the total amount of all Philippine cordage which, in any calendar year, may be entered, or withdrawn from warehouse, in the United States for consumption, shall not exceed 6,000,000 pounds; except that during the period from January 1, 1974, to July 3, 1974, both dates inclusive, such total amount shall not exceed 3,000,000 pounds.

(d) Allocation of quotas: The quota for cordage established by this section shall be allocated annually to the manufacturers of cordage in the Philippines in the calendar year 1940 whose cordage was exported to the United States during such calendar year, or their successors in interest, proportionately on the basis of the amount of cordage produced by each such manufacturer (or in the case of such successor in interest, the amount of the cordage produced by his predecessor in interest) which was exported to the United States during the 12 months immediately preceding the inauguration of the Commonwealth of the Philippines.

SEC. 213. Absolute quota on rice

(a) Definition of rice: As used in this section the term "rice" includes rice meal, flour, polish, and bran.

(b) Definition of Philippine rice: For the purposes of this section, an article shall not be considered "Philippine rice" unless it is a Philippine article.

(c) Amount of quota: During the period from January 1, 1946, to July 3, 1974, both dates inclusive, the total amount of all Philippine rice which, in any calendar year may be entered, or withdrawn from warehouse, in the United States for consumption, shall not exceed 1,040,000 pounds; except that during the period from January 1, 1974, to July 3, 1974, both dates inclusive, such total amount shall not exceed 520,000 pounds.

SEC. 214. Absolute and duty-free quotas on certain articles

(a) Absolute quotas:

Amount of quota: During the period from January 1, 1946, to July 3, 1974, both dates inclusive, the total amount of the following articles which are Philippine articles, and which, in any calendar year, may be entered, or withdrawn from warehouse, in the United States for consumption, shall not exceed the amounts specified as to each:

(1) Cigars (exclusive of cigarettes, cheroots of all kinds, and paper cigars and cigarettes, including wrappers), 200,000,000 cigars;

(2) Scrap tobacco, and stemmed and unstemmed filler tobacco described in paragraph 602 of the Tariff Act of 1930, as amended, 6,500,000 pounds;

(3) Coconut oil, 200,000 long tons; and

(4) Buttons of pearl or shell, 850,000 gross. During the period from January 1, 1974, to July 3, 1974, both dates inclusive, such total amount shall not exceed one-half of the amount above specified with respect to each class of articles, respectively.

(b) Duty-free quotas:

(1) In general: Philippine articles falling within one of the classes specified in subsection (a) of this section, which during the period from January 1, 1946, to July 3, 1974, both dates inclusive, are entered, or withdrawn from warehouse, in the United States for consumption, shall be free of ordinary

customs duty, in the quantities and for the periods set forth in the following table:

Periods (calendar year)	Amount of duty-free quotas			
	Cigars referred to in subsection (a) (1) (number)	Tobacco referred to in subsection (a) (2) (pounds)	Coconut oil (long tons)	Buttons of pearl or shell (gross)
Each of calendar years 1946-54	200,000,000	6,500,000	200,000	850,000
1955	190,000,000	6,175,000	190,000	807,500
1956	180,000,000	5,850,000	180,000	765,000
1957	170,000,000	5,525,000	170,000	722,500
1958	160,000,000	5,200,000	160,000	680,000
1959	150,000,000	4,875,000	150,000	637,500
1960	140,000,000	4,550,000	140,000	595,000
1961	130,000,000	4,225,000	130,000	552,500
1962	120,000,000	3,900,000	120,000	510,000
1963	110,000,000	3,575,000	110,000	467,500
1964	100,000,000	3,250,000	100,000	425,000
1965	90,000,000	2,925,000	90,000	382,500
1966	80,000,000	2,600,000	80,000	340,000
1967	70,000,000	2,275,000	70,000	297,500
1968	60,000,000	1,950,000	60,000	255,000
1969	50,000,000	1,625,000	50,000	212,500
1970	40,000,000	1,300,000	40,000	170,000
1971	30,000,000	975,000	30,000	127,500
1972	20,000,000	650,000	20,000	85,000
1973	10,000,000	325,000	10,000	42,500
1974	0	0	0	0

(2) Duty on imports in excess of duty-free quota: Any such Philippine article so entered or withdrawn from warehouse in excess of the duty-free quota provided in paragraph (1) shall be subject to 100 percent of the United States duty, despite the provisions of section 202 of this title (which provides rates of less than 100 percent of the United States duty with respect to Philippine articles). Nothing in this subsection shall be construed as enlarging the absolute quotas provided in subsection (a) of this section.

(c) Allocation of quotas: Each of the quotas established by this section shall be allocated annually to the manufacturers in the Philippines in the calendar year 1940 of products of a class for which such quota is established, and whose products of such class were exported to the United States during such year, or their successors in interest, proportionately on the basis of the amount of the products of such class produced by each such manufacturer (or in the case of such successor in interest, the amount of the products of such class produced by his predecessor in interest) which was exported to the United States during the calendar year 1940.

SEC. 215. Laws putting into effect allocations of quotas

The necessary laws and regulations for putting into effect the allocation of quotas on the basis provided for in sections 211, 212, and 214, respectively, shall not be enacted by the United States, it being the purpose of this title that such laws and regulations shall be enacted by the Philippines.

SEC. 216. Transfers and assignments of quota allotments

The holder of any allotment under existing law, including his successor in interest, and the holder of any allotment under any of the quotas established by sections 211, 212, or 214, may transfer or assign all or any amount of such allotment on such terms as may be agreeable to the parties in interest. If, after the first 9 months of any calendar year, the holder of any allotment, for that year, under any of the quotas established by such sections, is or will be unable for any reason to export to the United States all of his allotment, in time to fulfill the quota for that year, that amount of such allotment which it is established by sufficient evidence cannot be so exported during the remainder of the calendar year may be apportioned by the Philippine Government to other holders of allotments under the

same quota, or in such other manner as will insure the fulfillment of the quota for that year: *Provided*, That no transfer or assignment or reallocation under the provisions of this section shall diminish the allotment to which the holder may be entitled in any subsequent calendar year.

PART 3—INTERNAL TAXES**SEC. 221. Equality in internal taxes**

(a) With respect to articles which are products of the Philippines coming into the United States, or with respect to articles manufactured in the United States wholly or in part from such articles, no internal tax shall be—

(1) collected or paid in an amount in excess of the internal tax imposed with respect to like articles which are the product of the United States, or collected or paid in any amount if the internal tax is not imposed with respect to such like articles;

(2) collected or paid in an amount in excess of the internal tax imposed with respect to like articles which are the product of any other foreign country, or collected or paid in any amount if the internal tax is not imposed with respect to such like articles.

(b) Where an internal tax is imposed with respect to an article which is the product of a foreign country to compensate for an internal tax imposed (1) with respect to a like article which is the product of the United States, or (2) with respect to materials used in the production of a like article which is the product of the United States, if the amount of the internal tax which is collected and paid with respect to the article which is the product of the Philippines is not in excess of that permitted by paragraph (2) of subsection (a) such collection and payment shall not be regarded as in violation of subsection (a).

(c) This section shall not apply to the taxes imposed under section 2306, 2327, or 2356 of the Internal Revenue Code.

SEC. 222. Exemption from tax on Manila fiber

No processing tax or other internal tax shall be imposed or collected in the United States with respect to Manila (abaca) fiber not dressed or manufactured in any manner.

SEC. 223. Prohibition of export taxes

No export tax shall be imposed or collected by the United States on articles exported to the Philippines.

SEC. 224. Exemption from taxes of articles for official use

No processing tax or other internal tax shall be imposed or collected in the United States with respect to articles coming into the United States for the official use of the Philippine Government or any department or agency thereof.

SEC. 225. Application to Puerto Rico

Section 9 of the act of March 2, 1917 (39 Stat. 951, ch. 145) is amended to read as follows:

"Sec. 9. That the statutory laws of the United States not locally inapplicable, except as hereinbefore or hereinafter otherwise provided, shall have the same force and effect in Puerto Rico as in the United States except the internal-revenue laws other than those contained in the Philippine Trade Act of 1946: *Provided, however*, That hereafter all taxes collected under the internal revenue laws of the United States on articles produced in Puerto Rico and transported to the United States, or consumed in the island, shall be covered into the Treasury of Puerto Rico."

PART 4—IMMIGRATION**SEC. 231. Certain Philippine citizens granted nonquota status**

(a) Any citizen of the Philippines who actually resided in the United States for a continuous period of 3 years immediately prior to November 30, 1941, if entering the United States during the period from July 4, 1946, to July 3, 1951, both dates inclusive, for

the purpose of resuming residence in the United States, shall, for the purposes of the immigration laws, be considered a nonquota immigrant; and shall not be excluded from entry into the United States by reason of section 13 (c) of the Immigration Act of 1924, or by reason of so much of section 3 of the Immigration Act of 1917 as provides for the exclusion from admission into the United States of natives of a therein specified geographical area.

(b) After such admission as a nonquota immigrant he shall, for the purposes of the immigration and naturalization laws, be considered as lawfully admitted to the United States for permanent residence.

(c) The benefits of this section shall also apply to his wife, if a citizen of the Philippines or eligible to United States citizenship, and to his unmarried children under 18 years of age, if such wife or children are accompanying or following to join him during such period.

(d) This section shall not apply to a citizen of the Philippines admitted to the Territory of Hawaii, without an immigration or passport visa, under the provisions of paragraph (1) of section 8 (a) of the act of March 24, 1934 (48 Stat. 456, ch. 64).

TITLE III—OBLIGATIONS OF PHILIPPINES PART 1—PURPOSES OF TITLE

SEC. 301. Statement of purposes of title

(a) Period until July 4, 1946: The following parts and sections of this title, insofar as they are applicable to the period from the date of the enactment of this act to July 3, 1946, both dates inclusive, are intended to, and shall, operate as statutes of the United States, binding on one of its possessions.

(b) Period July 4, 1946–July 3, 1974: The following parts and sections of this title, although expressed in statutory form, are not in any manner intended, insofar as they are applicable to the period after July 3, 1946, as an attempt on the part of the Congress of the United States to legislate for the Republic of the Philippines as a sovereign nation, but constitute a statement in precise terms of provisions—

(1) which the Government of the Philippines, on the taking effect of the executive agreement provided for in title IV of this act, will be obligated to observe and execute as the law of the Republic of the Philippines during the effectiveness of the agreement; except that the observance of such part of the provisions of section 341 as is in conflict with the Constitution of the Philippines will not be required under such agreement for the period prior to the amendment to the constitution referred to in section 402 (b); and

(2) which, between the proclamation of the independence of the Philippines and the date of the taking effect of such executive agreement, will, according to the policy and expectations of the Congress of the United States, be observed and executed by the Government of the Philippines.

PART 2—CUSTOMS DUTIES

SEC. 311. Free entry of United States articles
During the period from the day after the date of the enactment of this act to July 3, 1954, both dates inclusive, United States articles entered, or withdrawn from warehouse, in the Philippines for consumption shall be admitted into the Philippines free of ordinary customs duty.

SEC. 312. Ordinary customs duties on United States articles

(a) July 4, 1954–July 3, 1974: The ordinary customs duty to be collected on United States articles, which during the following portions of the period from July 4, 1954, to July 3, 1974, both dates inclusive, are entered, or withdrawn from warehouse, in the Philippines for consumption, shall be determined by applying the following percentages of the Philippine duty:

(1) July 4, to December 31, 1954: During the period from July 4, 1954, to December 31, 1954, both dates inclusive, 5 percent.

(2) Calendar year 1955: During the calendar year 1955, 10 percent.

(3) Calendar years 1956–1972: During each calendar year after the calendar year 1955 until and including the calendar year 1972, a percentage equal to the percentage for the preceding calendar year increased by 5 percent of the Philippine duty.

(4) Percentage after 1972: During the period from January 1, 1973, to July 3, 1974, both dates inclusive, 100 percent.

(b) Period after July 3, 1974: The ordinary customs duty to be collected on United States articles which after July 3, 1974, are entered, or withdrawn from warehouse, in the Philippines for consumption, shall be determined without regard to the provisions of subsection (a) of this section.

SEC. 213. Customs duties other than ordinary
Customs duties on United States articles, other than ordinary customs duties, shall be determined without regard to the provisions of sections 311 and 312 (a), but shall be subject to the provisions of section 314.

SEC. 314. Equally in special import duties, etc.

(a) With respect to United States articles imported into the Philippines, no duty on or in connection with importation shall be collected or paid in an amount in excess of the duty imposed with respect to like articles which are the product of any other foreign country, or collected or paid in any amount if the duty is not imposed with respect to such like articles.

(b) As used in this section the term "duty" includes taxes, fees, charges, or exactions, imposed on or in connection with importation; but does not include internal taxes or ordinary customs duties.

SEC. 315. Equality in duties on products of United States

(a) With respect to products of the United States, which do not come within the definition of United States articles, imported into the Philippines, no duty on or in connection with importation shall be collected or paid in an amount in excess of the duty imposed with respect to like articles which are the product of any other foreign country, or collected or paid in any amount if the duty is not imposed with respect to such like articles which are the product of any other foreign country.

(b) As used in this section the term "duty" includes taxes, fees, charges, or exactions, imposed on or in connection with importation; but does not include internal taxes.

PART 3—INTERNAL TAXES

SEC. 321. Equality in internal taxes

(a) With respect to articles which are products of the United States coming into the Philippines, or with respect to articles manufactured in the Philippines wholly or in part from such articles, no internal tax shall be—

(1) collected or paid in an amount in excess of the internal tax imposed with respect to like articles which are the product of the Philippines, or collected or paid in any amount if the internal tax is not imposed with respect to such like articles;

(2) collected or paid in an amount in excess of the internal tax imposed with respect to like articles which are the product of any other foreign country, or collected or paid in any amount if the internal tax is not imposed with respect to such like articles.

(b) Where an internal tax is imposed with respect to an article which is the product of a foreign country to compensate for an internal tax imposed (1) with respect to a like article which is the product of the Philippines, or (2) with respect to materials used in the production of a like article which is the product of the Philippines, if the amount of the internal tax which is collected and paid with respect to the article which is the

product of the United States is not in excess of that permitted by paragraph (2) of subsection (a) such collection and payment shall not be regarded as in violation of subsection (a).

SEC. 322. Prohibition of export taxes

No export tax shall be imposed or collected by the Philippines on articles exported to the United States.

SEC. 323. Exemption from taxes of articles for official use

No processing tax or other internal tax shall be imposed or collected in the Philippines with respect to articles coming into the Philippines for the official use of the United States Government or any department or agency thereof.

PART 4—IMMIGRATION

SEC. 331. Certain United States citizens given nonquota status

Any citizen of the United States who actually resided in the Philippines for a continuous period of 3 years immediately prior to November 30, 1941, if entering the Philippines during the period from July 4, 1946, to July 3, 1951, both dates inclusive, for the purpose of resuming residence in the Philippines, shall, for the purposes of the immigration laws, be considered a nonquota immigrant. After such admission as a nonquota immigrant he shall, for the purposes of the immigration and naturalization laws, be considered as lawfully admitted to the Philippines for permanent residence. The benefits of this section shall also apply to his wife, if a citizen of the United States, and to his unmarried children under 18 years of age, if such wife or children are accompanying or following to join him during such period.

SEC. 332. Immigration of United States citizens into the Philippines

Citizens of the United States, admissible to the Philippines under the provisions required by section 402 (e) to be included as a part of the executive agreement made under title IV, shall be entitled to enter the Philippines, in the numbers and during the periods of years, and to remain therein for the time, specified in that part of the agreement which embodies the provisions of section 402 (e).

PART 5—MISCELLANEOUS

SEC. 341. Rights of United States citizens and business enterprises in natural resources

The disposition, exploitation, development, and utilization of all agricultural, timber, and mineral lands of the public domain, waters, minerals, coal, petroleum, and other mineral oils, all forces and sources of potential energy, and other natural resources of the Philippines, and the operation of public utilities, shall, if open to any person, be open to citizens of the United States and to all forms of business enterprise owned or controlled, directly or indirectly, by United States citizens.

SEC. 342. Currency stabilization

The value of Philippine currency in relation to the United States dollar shall not be changed, the convertibility of pesos into dollars shall not be suspended, and no restrictions shall be imposed on the transfer of funds from the Philippines to the United States, except by agreement with the President of the United States.

SEC. 343. Allocation of quotas

The allocation, reallocation, transfer, and assignment of quotas established by sections 211, 212, and 214, respectively, of part 2 of title II, shall be on the basis provided for in such part.

TITLE IV—EXECUTIVE AGREEMENT BETWEEN UNITED STATES AND PHILIPPINES

SEC. 401. Authorization of agreement

The President of the United States is authorized (except as hereinafter in this title

otherwise provided) to enter into an executive agreement with the President of the Philippines providing for the acceptance on the part of each country of the provisions of title II and title III (except pt. 1) of this act. The President of the United States is not authorized by this section to enter into such agreement unless it contains a provision that it shall not take effect—

(a) Unless and until the Congress of the Philippines accepts it by law; and

(b) Unless and until the Congress of the Philippines (in the act of acceptance, or separately) has enacted such legislation as may be necessary to make all the provisions of parts 2, 3, 4, and 5 of title III take effect as laws of the Philippines, except (during the period prior to the amendment to the Constitution of the Philippines referred to in subsec. (b) of sec. 402) such provisions of section 341 as are in conflict with such constitution.

SEC. 402. Obligations of Philippines

The President of the United States is not authorized by section 401 to enter into such executive agreement unless in the agreement the Government of the Philippines agrees—

(a) That the Republic of the Philippines will continue in effect as laws of the Philippines, during the effectiveness of the agreement, the provisions of parts 2, 3, 4, and 5 of title III, except (for the period prior to the amendment of the Constitution of the Philippines referred to in subsec. (b) of this section) such part of the provisions of section 341 as is in conflict with such constitution.

(b) That the Government of the Philippines will promptly take such steps as are necessary to secure the amendment of the Constitution of the Philippines so as to permit the taking effect as laws of the Philippines of such part of the provisions of section 341 as is in conflict with such constitution before such amendment.

(c) That the Republic of the Philippines will promptly enact, and keep in effect during the effectiveness of the agreement, such legislation as may be necessary—

(1) to supplement the legislation referred to in section 401 (b), and to implement the provisions of parts 2, 3, 4, and 5 of title III; and

(2) to put and keep in effect during the effectiveness of the agreement, the allocation, reallocation, transfer, and assignment of quotas on the basis provided for in part 2 of title II.

(d) That the United States shall have the right to provide the basis for the allocation of the quotas established under that portion of the agreement which sets forth the provisions of section 403 (c) of this act, and that, if the United States exercises such right, the Republic of the Philippines will promptly enact, and keep in force during the period for which each such quota is established, such legislation as is necessary to put and keep in effect, on the basis provided by the United States, the allocation of such quotas.

(e) That there shall be permitted to enter the Philippines, without regard to any numerical limitations under the laws of the Philippines, in each of the years of a specified period of years, of a specified number of citizens of the United States. The number of years (which shall not be less than five) the number of citizens of the United States (which shall not be less than one thousand) entitled to be so admitted in each year, and the length of time each shall be entitled to remain in the Philippines, shall be stated in the agreement.

(f) That the value of Philippine currency in relation to the United States dollar shall not be changed, the convertibility of pesos into dollars shall not be suspended, and no restrictions shall be imposed on the transfer of funds from the Philippines to the United States, except by agreement with the President of the United States.

SEC. 403. Obligations of United States

The President of the United States is not authorized by section 401 to enter into such executive agreement unless in such agreement the Government of the United States agrees—

(a) That upon the taking effect of the agreement the provisions of title II—

(1) if in effect as laws of the United States at the time the agreement takes effect, shall continue in effect as laws of the United States during the effectiveness of the agreement; or

(2) if not so in effect at the time the agreement takes effect (because suspended under section 502 of title V) shall take effect and continue in effect as laws of the United States during the effectiveness of the agreement.

(b) That the United States will promptly enact, and keep in effect during the effectiveness of the agreement, such legislation as may be necessary to supplement and implement the provisions of title II so continued in effect, or so made to take effect, as laws of the United States.

(c) That with respect to quotas on Philippine articles (other than the quotas established in pt. 2 of title II, and other than quotas established in conjunction with quantitative limitations, applicable to products of all foreign countries, on imports of like articles), the United States will not establish any such quota for any period before January 1, 1948; and that, for any part of the period from January 1, 1948, to July 3, 1974, both dates inclusive, it will establish a quota with respect to any Philippine articles only if—

(1) the President of the United States, after investigation, finds that such Philippine articles are coming, or are likely to come, into substantial competition with like articles the product of the United States; and

(2) the quota established for any Philippine article for any 12-month period is not less than the amount determined by the President as the total amount of Philippine articles of such class which (during the 12 months ended on the last day of the month preceding the month in which occurs the date proclaimed by the President as the date of the beginning of the investigation) was entered, or withdrawn from warehouse, in the United States for consumption; or, if the quota is established for any period other than a 12-month period, is not less than a proportionate amount.

(d) That during the effectiveness of the agreement the United States will not reduce the preference of 2 cents per pound provided in section 2470 of the Internal Revenue Code (relating to processing taxes on coconut oil, etc.) with respect to articles "wholly the production of the Philippine Islands" or articles "produced wholly from materials the growth or production of the Philippine Islands"; except that it may suspend the provisions of subsection (a) (2) of such section during any period as to which the President of the United States, after consultation with the President of the Philippines, finds that adequate supplies of neither copra nor coconut oil, the product of the Philippines, are readily available for processing in the United States.

SEC. 404. Termination of agreement

The President of the United States is not authorized by section 401 to enter into such executive agreement unless it provides—

(a) Termination in general: That the agreement shall have no effect after July 3, 1974; and

(b) Termination by either party:

(1) that the agreement may be terminated by either party at any time, upon not less than 5 years' notice; and

(2) that if the President of the United States or the President of the Philippines determines and proclaims that the other country has adopted or applied measures or practices which would operate to nullify or impair any right or obligation provided for

in such agreement, then the agreement may be terminated upon not less than six months' notice; and

(c) Termination or suspension by the United States:

(1) that if the President of the United States determines that a reasonable time for the making of the amendment to the Constitution of the Philippines referred to in section 402 (b) has elapsed, but that such amendment has not been made, he shall so proclaim and the executive agreement shall have no effect after the date of such proclamation; and

(2) that if the President of the United States determines and proclaims, after consultation with the President of the Philippines, that the Republic of the Philippines or any of its political subdivisions or the Philippine Government is in any manner discriminating against citizens of the United States or any form of United States business enterprise, then the United States shall have the right to suspend the effectiveness of the whole or any portion of the agreement; and

(3) that if the President of the United States determines and proclaims, after consultation with the President of the Philippines, that the discrimination which was the basis for the suspension under paragraph (2) of this subsection—

(A) has ceased, the suspension effected under paragraph (2) shall end; or

(B) has not ceased after the lapse of a time determined by the President of the United States to be reasonable, then the United States shall have the right to terminate the agreement upon not less than 6 months' notice.

SEC. 405. Effect of termination of agreement

Upon the termination of the agreement as provided in section 404, the provisions of title II shall cease to have effect as laws of the United States.

SEC. 406. Interpretation of agreement

The President of the United States is not authorized by section 401 to enter into such executive agreement unless it provides that the acceptance of the provisions of titles II and III is on the understanding that the definitions, and provisions in the nature of definitions, contained in section 2 of title I, shall apply in the interpretation of the provisions so accepted.

SEC. 407. Termination of authority to make agreement

Whenever the President of the United States determines that a reasonable time for the entering into, acceptance, and taking effect, of the executive agreement has elapsed, but that such agreement has not taken effect, he shall so proclaim, and thereupon his authority to enter into such executive agreement shall terminate, and the provisions of title II shall cease to have effect as laws of the United States.

SEC. 408. Effective date of agreement

When the President of the United States determines that the executive agreement entered into under section 401 has been accepted by the Congress of the Philippines by law and that the Congress of the Philippines has enacted the legislation the enactment of which is, under section 401, a condition precedent to the taking effect of the agreement, he shall so proclaim, and in his proclamation specify the effective date of the agreement.

TITLE V—MISCELLANEOUS

SEC. 501. Suspension and termination of agreement in case of discrimination

(a) Suspension: If the President of the United States determines, after consultation with the President of the Philippines, that the Republic of the Philippines or any of its political subdivisions or the Philippine Government is in any manner discriminating against citizens of the United States or any form of United States business enterprise, he

shall so proclaim, and thereupon the effectiveness of the agreement, or such part thereof as he may in the proclamation specify as necessary in order adequately to protect the interests of the United States, shall be suspended.

(b) Termination of Suspension: If the President of the United States, after consultation with the President of the Philippines, determines that the discrimination which was the basis for the suspension under subsection (a) of this section has ceased, he shall so proclaim, and thereupon the suspension effected under subsection (a) shall end.

(c) Termination of Agreement: If the President of the United States, after consultation with the President of the Philippines, determines that such discrimination has not ceased, after the lapse of a time determined by him to be reasonable, he shall so proclaim and give to the Philippine Government notice of the intention of the United States to terminate the agreement.

(d) Laws of the United States:

(1) In case of suspension: If the effectiveness of the agreement is suspended under subsection (a) of this section, the provisions of title II of this act shall cease to have effect as laws of the United States during the period of the suspension. If the suspension is of the effectiveness of only part of the agreement, then such provisions of title II as the President may in his proclamation under subsection (a) specify as necessary adequately to protect the interests of the United States, shall cease to have effect as laws of the United States during the period of this suspension.

(2) In case of termination: If the agreement is terminated under subsection (c) of this section, the provisions of title II of this act shall cease to have effect as laws of the United States.

SEC. 502. Suspension of title II

If the President finds that, during the period after July 3, 1946, and before the taking effect of the executive agreement provided for in title IV, the Government of the Philippines is not putting into effect, or making every effort to put into effect, to the fullest extent possible under its Constitution, the provisions of title III of this act, or is not providing for the allocation of quotas on the basis provided in section 211, 212, or 214, respectively, he shall so proclaim. On the day following the date of such proclamation, such provisions of title II shall be suspended as he may in the proclamation specify as necessary in order adequately to protect the interests of the United States. Such suspension shall continue until the taking effect of the executive agreement provided for in title IV, whereupon the suspension shall terminate and the suspended provisions shall again take effect and continue in effect as laws of the United States during the effectiveness of the agreement.

SEC. 503. Customs duties on importations from Philippines

Articles coming or imported into the United States from the Philippines, and Philippine products coming or imported into the United States, shall, except as otherwise provided with respect to Philippine articles by title II of this act during the period such title is in effect—

(1) if entered, or withdrawn from warehouse, in the United States for consumption, during the period from the day after the date of the enactment of this act to July 3, 1946, both dates inclusive, be subject to the same duties as like articles coming or imported into the United States from foreign countries, except Cuba; and

(2) if so entered or withdrawn during the period after July 3, 1946, be subject to the same duties as like articles coming or imported into the United States from other foreign countries, except Cuba.

SEC. 504. Quotas on Philippine articles

(a) Establishment by President: After the executive agreement referred to in title IV has taken effect, then whenever the President of the United States, after the investigation by the United States Tariff Commission provided for in subsection (d), finds, with respect to any Philippine articles (other than those for which quotas are established by part 2 of title II), that they are coming, or likely to come, into substantial competition with like articles which are the product of the United States, he shall so proclaim, and in his proclamation shall establish the total amount of such Philippine articles which may in each of specified periods be entered, or withdrawn from warehouse, in the United States for consumption. If he finds that the allocation of any quota so established is necessary to make the application of the quota just and reasonable between the United States and the Philippines, he shall, in such proclamation or a subsequent proclamation, provide the basis for such allocation.

(b) Maximum and minimum quotas: No quota shall be established under subsection (a), with respect to a Philippine article, which is greater than the smallest amount of such article which in each of such specified periods the President determines may be so entered or withdrawn from warehouse without coming into substantial competition with like articles which are the product of the United States; except that in no case shall the quota be less than the minimum amount provided in that portion of such executive agreement which sets forth the provisions of section 403 (c) (2) of this act.

(c) Duration of quotas: Any quota established pursuant to this section shall become effective at such time as the President shall designate (but not before January 1, 1948), and shall continue in effect until the President, after investigation, finds and proclaims that the conditions which gave rise to the establishment of such quota no longer exist, but no such quota shall continue in effect after the termination of the executive agreement provided for in title IV.

(d) Investigations by Tariff Commission: The United States Tariff Commission shall at the request of the President, upon resolution of either House of Congress or concurrent resolution of both Houses of Congress, upon its own motion, or when in its judgment there is good reason therefor, upon application of any interested party, make an investigation to ascertain (1) whether imports of a Philippine article (other than an article for which a quota is established by pt. 2 of title II) are coming, or are likely to come, into substantial competition with like articles which are the product of the United States; (2) what is the greatest amount of such article which may be entered, or withdrawn from warehouse, in the United States for consumption, without coming into substantial competition with like articles which are the product of the United States; and (3) the total amount of such article which (during the 12 months ended on the last day of the month preceding the month in which occurs the date of the beginning of the investigation) was entered, or withdrawn from warehouse, in the United States for consumption. During the course of the investigation the Commission shall hold a public hearing, of which reasonable public notice shall be given and at which parties interested shall be afforded reasonable opportunity to be present, to produce evidence, and to be heard. The Commission shall give precedence to such investigations. The Commission shall report the results of its investigations to the President, and shall send copies of such report to each House of the Congress.

SEC. 505. Processing tax on coconut oil

(a) Exemption for Philippines: Section 2470 (a) (2) of the Internal Revenue Code

is amended by striking out the word "other" wherever it appears in clauses (A) and (B) thereof; and by inserting at the end of the paragraph a new sentence to read as follows: "The tax imposed by this paragraph shall not apply to any domestic processing after July 3, 1974."

(b) Suspension of section 2470 (a) (2) of Internal Revenue Code: Whenever the President, after consultation with the President of the Philippines, finds that adequate supplies of neither copra nor coconut oil, the product of the Philippines, are readily available for processing in the United States, he shall so proclaim, and after the date of such proclamation the provisions of section 2470 (a) (2) of the Internal Revenue Code shall be suspended until the expiration of 30 days after he proclaims that, after consultation with the President of the Philippines, he has found that such adequate supplies are so readily available.

SEC. 506. Termination of payments into Philippine Treasury

(a) Notwithstanding the provisions of section 4 of the act of March 8, 1902 (32 Stat. 54, ch. 140), or of section 19 of the act of March 24, 1934 (48 Stat. 456, ch. 84), as added to such act by section 6 of the act of August 7, 1939 (53 Stat. 1232, ch. 502), or of the act of November 8, 1945 (59 Stat. 577, ch. 454), or of any other provision of law, the proceeds of any duties or taxes, collected subsequent to July 3, 1946, which but for the enactment of this act would be required to be paid into the general funds of the Treasury of the Philippines or would be held in separate or special funds and paid into the Treasury of the Philippines, shall be covered into the general fund of the Treasury of the United States.

(b) Sections 2476 and 3343 of the Internal Revenue Code are repealed, effective July 4, 1946.

SEC. 507. Special excise provisions relating to the Philippines repealed

(a) Section 2800 (a) (4) of the Internal Revenue Code is amended by amending the heading to read:

"(4) Alcoholic Compounds from Puerto Rico and Virgin Islands.—"; and by amending subparagraph (B) to read as follows:

"(B) Virgin Islands.—For provisions relating to tax on alcoholic compounds from the Virgin Islands, see section 3350."

(b) Sections 3340, 3341, and 3342 of the Internal Revenue Code are repealed, effective July 4, 1946.

(c) Subchapter B of chapter 28 of the Internal Revenue Code is amended as follows:

(1) By amending the heading of such subchapter to read as follows:

"SUBCHAPTER B—PROVISIONS OF SPECIAL APPLICATION TO THE VIRGIN ISLANDS AND PUERTO RICO"

(2) By striking out the heading:

"PART I—PHILIPPINE ISLANDS"

(3) By renumbering parts II and III of such subchapter as "Part I" and "Part II", respectively.

SEC. 508. Trade agreements with the Philippines

Until July 4, 1974, no trade agreement shall be made with the Philippines under section 350, as amended, of the Tariff Act of 1930, unless, prior to such time, the President of the United States has made the proclamation provided for in section 407 of this act or the executive agreement provided for in title IV of this act has been terminated.

SEC. 509. Rights of third countries

The benefits granted by this act, and by the executive agreement provided for in title IV, to the Philippines, Philippine articles or products, and Philippine citizens, shall not, by reason of any provision of any existing treaty or agreement with any third country,

be extended to such country or its products, citizens, or subjects.

Sec. 510. Administration of title II

(a) The provisions of parts 1, 2, and 3 of title II shall be administered as parts of the customs and internal revenue laws of the United States.

(b) The provisions of part 4 of title II shall be administered as a part of the immigration laws of the United States.

Sec. 511. Repeals

The following parts of acts are repealed, effective on the day following the date of the enactment of this act:

(1) section 301 of the Tariff Act of 1930;
(2) section 6 (except subsection (g)) of the act of March 24, 1934 (48 Stat. 456, ch. 84), as amended by the act of August 7, 1939 (53 Stat. 1226, ch. 502); and

(3) so much of section 13 of such act of March 24, 1934, as amended by the joint resolution of June 29, 1944 (58 Stat. 626, ch. 323), as reads as follows: "After the Philippine Islands have become a free and independent nation there shall be levied, collected, and paid upon all articles coming into the United States from the Philippine Islands the rates of duty which are required to be levied, collected, and paid upon like articles imported from other foreign countries."

Sec. 512. Effective date

This act shall take effect on the day after the date of its enactment, except part 2 of title II, which shall take effect as of January 1, 1946.

Mr. DOUGHTON of North Carolina (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill may be considered as read, that it be printed in the RECORD at this point, and that amendments may be offered to any part of the bill.

Mr. RICH. Mr. Chairman, reserving the right to object, and I shall not, I wish to ask one or two questions of the gentleman from Arkansas about the bill.

The CHAIRMAN. The gentleman may do that under the 5-minute rule.

Mr. RICH. That is all I want.

Mr. STEFAN. Mr. Chairman, reserving the right to object, are we to understand that amendments may be offered to any part of the bill or that we may speak of any part of the bill under the 5-minute rule?

Mr. COOPER. The very purpose of the request was to allow that.

Mr. STEFAN. I withdraw my reservation of objection, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina that the bill be considered as read, and that amendments may be offered to any part of the bill?

There was no objection.

Mr. COOPER. Mr. Chairman, on behalf of the committee I offer an amendment.

The Clerk read as follows:

Committee amendment offered by Mr. COOPER: Page 21, line 9, strike out "immediately prior to" and insert in lieu thereof the following: "during the period of 42 months ending."

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from Tennessee.

The committee amendment was agreed to.

Mr. COOPER. Mr. Chairman, I offer another committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. COOPER: Page 28, line 6, strike out "immediately prior to" and insert in lieu thereof the following: "during the period of 42 months ending."

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from Tennessee.

The committee amendment was agreed to.

Mr. COOPER. Mr. Chairman, I offer another committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. COOPER: Page 34, lines 6 and 7, strike out "a quota with respect to any Philippine articles" and insert in lieu thereof the following: "such a quota."

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from Tennessee.

The committee amendment was agreed to.

Mr. CURTIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there have been a great many things said about the sugar provisions of this bill, but I do not believe there has been given a full picture of the situation and for that reason I wish to speak at this time.

Prior to the Underwood tariff there was a quota on the importation of Philippine sugar into the United States of 400,000 tons. In the passage of that legislation that provision was omitted and the importation of sugar continued to rise. In 1926 there was agitation to put a quota limitation of 600,000 tons on Philippine sugar. This was not done. The imports of sugar continued to go up until in the early part of the thirties they were considerably over a million tons.

The result upon the sugar industry not only in the United States but throughout the world, and particularly in the Western Hemisphere, were very adverse. The industry went to pieces. As a result, the Congress began to pass sugar legislation.

The first act was the Jones-Costigan Act, later on the Sugar Act of 1937, which in a sense, and a very definite sense, regimented the sugar industry not only in the United States but in all places that supplied the American market. The present sugar act provides in substance that the Secretary of Agriculture shall determine what our consumption will be, then he allocates the right to raise that sugar to certain areas according to a formula prescribed by the Congress. Not only the Philippines, but Hawaii, Puerto Rico, Cuba, continental cane and continental beet share in that market.

That law has been extended from time to time. The Congress has the right to change it any time at will. It amounts to this, that a citizen of the United States cannot raise sugar, whether it be cane or beet, unless he has an allotment, not even for the use of our own people here. That is the extent to which this industry is controlled.

At no time has the United States guaranteed to the Philippine Islands a portion of our domestic sugar market after they gain independence. I think they

should have a portion; I am not arguing against that, but I do wish to point out the fallacy of the statement that we are taking something away from the Philippine Islands. It is without foundation in truth. Every producer of sugar that shares the American market must come before the American Congress, in effect, every few years and present his case, and the Congress passes a sugar act. Thousands of Americans never get to share in that job of producing sugar. Perhaps they never will get their share. Now, the problem was, should the Philippine quota be settled in this legislation and be binding for 28 years or should they be in the same position as American citizens and our other neighbors who share in this market? I understand that the Farm Bureau—and this is just hearsay, I have not seen it—passed a resolution stating that the question of sugar should be left out of this legislation. That is the position of the State Department. The position of the Department of Agriculture was that sugar should be left out of this legislation.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. CURTIS. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CURTIS. The position of the Sugar Division of the Department of Agriculture was, in effect, that we should not deal with the Philippines at one time and then have to deal with all the other people that share in the American sugar market at another time. However, I will admit that the Secretary ended his letter by saying that inasmuch as the policy had been determined, they were not going to object to the bill but they did point out the difficulty here. Who determined the policy I do not know. The Constitution of the United States says that the Congress shall control interstate and foreign commerce. No one else can write a policy.

It was the belief of some that the Philippine Islands were entitled to a quota in this bill so that they could go back in there and build up their industry. Consequently, at one time the committee did take action, providing for a 700,000 short-ton quota that would last 28 years, so American capital, Spanish capital, British capital, and Philippine capital could go back in there and rebuild their industries and know that over a long period of time they had a share in our market. That action also provided that the Congress of the United States might raise that from 700,000 to 850,000 short tons; in other words, it was a combination of the two theories. It was eminently fair. It was fair to the Filipinos. That provision should have remained in the bill.

I want to point out that there are a great many well-informed people who believe that you are doing an injustice to the Filipinos when you give a direct encouragement for them to stay with a one-crop economy. I want to call as my witness, Francis B. Sayre, former United

States High Commissioner to the Philippines, who stated in an article in March 1945, in the *Atlantic Monthly*:

If the new Philippine government after the war is wise enough and strong enough to prevent a return to prewar sugar production figures, one of the greatest milestones on the way to economic progress will be passed.

I sincerely hope that when this bill goes over to the Senate this matter can be explored and possibly public hearings held on it. The minimum quota of 700,000 short tons and maximum of 850,000 short tons should be restored to the bill.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from Colorado.

Mr. HILL. Was any additional testimony given to the committee to indicate exactly who owns these sugar mills, not the acreage of land and not some cane plantations, but actually who has the dollars and cents invested in the sugar mills that make the sugar?

Mr. CURTIS. I think the Filipino interests own about 45 percent, the Americans about 30 percent, and the Spanish, British, and other interests own the balance.

Mr. HILL. I have heard two different stories in regard to the destruction of the mills themselves. One observer said that his trip through the sugar territory of the Philippine Islands indicated that the Japanese had not destroyed the machinery, but that a considerable amount of the sugar acreage is in bad shape, as well as the roads to it. Another observer said that the mills have been destroyed. I bring that question up because I would like to know what is the use of our putting sugar into this bill today, when one of the members of the committee told us on the floor of the House that nothing could be done for the Philippines under this measure for 3 years.

Mr. CURTIS. There was no evidence taken by the committee on any of this part, because no public hearings were held.

After the Committee on Ways and Means accepted my amendment which fixed a minimum quota on Philippine sugar of 700,000 short tons, with a provision that the United States might raise it to not to exceed 850,000 short tons, the proponents of this measure objected vigorously. As a result, the committee, in its final consideration, by a rather close vote, took out my amendment and accepted a compromise fixing an absolute quota of 850,000 short tons. It is my understanding that the proponents of the bill accepted this compromise. In all fairness to the Philippines, the figure is too high but it appears to be the best that can be done in the House.

If the existing provision becomes law, the Philippines will be the only producers of sugar that have a guaranteed portion of our market for 28 years. During this 28 years Congress cannot change it. There are no restrictions on Philippine producers of sugar in their right to produce sugar for their own use, or to sell to the rest of the world. That is not true of our domestic producers of sugar.

They are regimented and restrained. They cannot expand. Countless thousands of farmers would like to produce sugar and can get no allotment.

We have been generous to the Philippines to their own damage. We are encouraging the Philippines to restore a one-crop economy in their islands.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. RICH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, may I ask the gentleman from Nebraska a question, since he did not have time to permit me to interrogate him? I want to know why it is that we are making a law now that cannot be changed for 28 years.

Mr. CURTIS. Because it is in effect an executive agreement, that is as binding as a treaty. We say that we are bound by it for 28 years. However, either country can terminate it upon 5 years' notice. That would be most difficult once the economies of both countries become geared to the arrangement, and it would be especially difficult to do that for the relief of one industry.

Mr. RICH. Who gave that executive order?

Mr. CURTIS. That is the very essence of this legislation. When you vote for this bill today you vote for that.

Mr. RICH. To give the Chief Executive power to do that? If it is, then you are going to have one vote against it, because I am sick and tired of the Congress giving the Chief Executive these powers. It is time for the American Congress to act and not turn its powers over to the Chief Executive.

Mr. CURTIS. Let me answer that. I am anxious to do something for the Philippines.

Mr. RICH. So am I. And I am interested more so in the United States.

Mr. CURTIS. I want to defend this bill in that regard. This bill delegates no discretionary authority to the President of the United States in reference to this executive agreement. It states specifically what shall be included in it and leaves it to that, with one exception. It does open the way for certain negotiations in the matter of the integration of American citizens into the Philippine Islands. Otherwise, you today are saying what is to go into that executive agreement. It is not a delegation of authority.

Mr. RICH. That is different, then. However, I recall back in 1939 when by order of the Executive or by order of the czar of the Department of the Interior you destroyed 250,000 tons of sugar in Puerto Rico and destroyed 250,000 tons of sugar in the Virgin Islands, while at the same time you were paying the sugar growers over there and the sugar growers in this country \$68,000,000 for not raising sugar. Think of it. The next year the administration turned around and passed a law giving them \$69,000,000 for raising sugar. If that is the kind of business you do here, it is about time that we clean house and clean it quick. A New Deal wrinkle, some wrinkle.

Another thing I want to know about raising sugar is this. In the Virgin Islands you have your sugar quota and you

are still raising sugar. You have the rum plants there under the Interior Department using the sugar to manufacture rum. Can anybody answer that question? Every American is a stockholder in a rum plant.

Mr. DINGELL. Rum is being made out of molasses.

Mr. RICH. You baffle me so. I do not know what it is made of. Really, you take my breath away telling the things about this Administration. But I want you to know that this administration has not been followed by the gentleman from Pennsylvania. I do not want to follow it, and never did. I am not a party to it. I did not give them that authority and it is for that reason I am questioning now whether you ought to give this authority of a contract for 28 years. I am afraid of a contract of that duration. I am afraid of what might happen, notwithstanding the fact that either one of the parties to the contract can cancel it on 5 years' notice. It is dangerous. A contract of 5 years' duration can do much harm to America, 1 year would be long enough.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. KNUTSON. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, there is a great deal of merit to what the gentleman from Pennsylvania says. However, we are confronted with a situation, not a theory.

The islands were devastated during the war. In order to be rehabilitated, it will be necessary for considerable American capital to go into the islands. If we were to limit the life of this law to, let us say, 10 years, little American capital would go to the Philippines. It is doubtful if American capital would go in if we limit it to 20 years. We must not overlook the fact it is going to take the Filipino people, if they apply themselves diligently, at least 3 years before they will be able to take advantage of the benefits conferred by this legislation. Therefore, I think that answers the gentleman's contention. I am in full accord with his position, and under normal circumstances I would say he is 100 percent right.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. RICH. Of course, I want to help the Philippine Islands and the Filipino people.

Mr. KNUTSON. I am sure of that.

Mr. RICH. I certainly want to keep my eye all the time on the United States of America, however.

Mr. KNUTSON. Yes, so do I, but I call the attention of the gentleman to the fact that this is one trade agreement that has come before the Congress which was not negotiated or dictated by the executive branch of the Government. This is a congressional trade treaty and, as such, I hope every Member of the House on both sides of the aisle will vote for it.

Mr. DINGELL. My friend brings that out very forcefully, but may I just add, and I am sure he will agree, that under

the bill now before us the basic bill becomes the executive agreement or else there is no executive agreement.

Mr. KNUTSON. That is right. The gentleman from Pennsylvania can support this bill with a clear conscience.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to my good friend and colleague, the gentleman from New York.

Mr. REED of New York. Of course, it is well understood, I assume, by the Members of the House that the President has the constitutional power, if he wishes to exercise it, to enter into negotiations for a treaty with the new government and write any sort of a treaty that he wants to write provided he can get the approval of the Senate to the treaty.

Mr. KNUTSON. Yes, that is true.

Mr. CLEVINGER. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to my friend, the gentleman from Ohio.

Mr. CLEVINGER. I think in common with the rest of our membership, the gentleman has seen in the press the story of lobbying by the sugar interests. I am a member of the Committee on Agriculture and I have sugar planters in my district. I have been unable to find a single man on the Committee on Agriculture or any other committee who has ever met the sugar lobby that is supposed to be trying to cut the Philippine quota. I wonder if the gentleman has ever seen one.

Mr. KNUTSON. The so-called sugar lobby is nothing but a figment of the imagination on the part of a few who are trying to get Congress to act against their best judgment. There has been no such thing as a sugar lobby, a Washington newspaper to the contrary notwithstanding.

Mr. CLEVINGER. The same is true with reference to the housing bill which the House recently considered. We heard a lot about the so-called real-estate lobby.

Mr. KNUTSON. Oh, whenever they have a weak proposition that needs to be bolstered up, they always conjure up lobbies and other such figments of their imagination.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. WOODRUFF. Will the gentleman not agree that that was a figment of the imagination of the administration's superlobbyist?

Mr. KNUTSON. Whether it was superlobby or superduperlobby, I do not know. It was a most unusual set-up, I will say that. I do not think it was sufficiently intelligently directed to be called a lobby.

Mr. DOUGHTON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Yes; of course.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KNUTSON. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. DOUGHTON of North Carolina. Is it not the gentleman's opinion that if the gentleman from Pennsylvania [Mr. RICH] with his watchful eye, his brilliant mind, and his alertness on behalf of the American people, had been a member of our committee and for months had lived with this matter as much as we have, that he would be here defending this bill as we are, with his usual outstanding ability, energy, and industry?

Mr. KNUTSON. I am satisfied that if the gentleman from Pennsylvania [Mr. RICH] understood this bill as does this committee, which has been laboring with it for months, he would be here defending it and advocating its passage with all the ardor of a crusader.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Certainly.

Mr. RICH. After the explanation made by the chairman of the committee and the gentleman from Minnesota, and with their assurance that this is the thing to do to aid and assist the people of the Philippines and to save America, I will go along with you, in the hope that it will do that eventually and will be for the best interests of this country.

Mr. KNUTSON. Of course, we have not had very much success in saving other people in the past, although it has not been due to the lack of lavish expenditures.

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

Mr. VOORHIS of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have listened to the major portion of the debate on this bill. I have been deeply interested in it. I have taken these 5 minutes because I think there are fundamental implications in this measure which should not be overlooked.

It will be recalled that when World War II broke upon us at Pearl Harbor, the Japanese attacked to the south. They overran all of southeast Asia. In all of the invasions which they made in that part of the world, there was one people and only one that afforded effective, spirited, and courageous resistance against the Japanese invader. Those people were the people of the Philippine Islands. One reason for that, beyond the shadow of doubt, was the caliber of people that they are, which I think most Members of the House appreciate. But I think another reason was the fact that in the Philippine Islands, and there alone, were a people who had found themselves granted by one of the great powers of the world the opportunity to hope for the full expression of their nationhood, and progressively greater and greater expression of their nationhood as time went on. No one can tell me that an influence of that sort does not have much to do with the spirit with which the Philippine people opposed the Japanese invader.

We now find ourselves at the close of that great war, but in a world that can hardly be said to be truly at peace. We find ourselves in a world which is in great and desperate need of finding fundamental principles to which it can tie and the best way to develop such principles is by examples of far-sighted and statesman-

like action on the part of the great powers of the world. That is our task.

Further than that, we are in a situation today where great nations and millions of people, as far as their allegiance to philosophies of government is concerned, are hanging in the balance as between their allegiance to a free system of government, as we call democracy, on the one hand, and a totalitarian system on the other, where people do not need to think and cannot think. What we do in this, the world's greatest democracy, will deeply affect their decisions.

Here is a pattern which the United States of America is setting today; a pattern which I can describe, I believe, in two sentences, and one upon which great hope can be built.

First, the United States is granting to the Filipino people their independence; but, second, in so doing the United States does not tell the Filipino people, "We are no longer interested in you; we no longer are concerned with your welfare."

Not only does the United States, on its own decision, grant independence and the opportunity to develop their own national life, but by this measure I feel and hope and am confident we are also giving the Philippine Commonwealth an opportunity for economic strength and prosperity in the future and close relationship with ourselves in that regard.

It occurs to me, Mr. Chairman, as we are troubled—and I am sure we are—about the problems of other areas in the world, about the problems of the Indies, about the problems of other sections which are known as colonial areas in the world, that we may be doing something here today of greater importance even than appears on the surface. For perhaps we are setting a pattern which may recommend itself to other great nations and which in the future we may be able to lay before them as our recommendation for a solution of some of the problems which have got to be solved one of these days if all the peoples of the world who deserve freedom are to have it. We know the time will come when that must be done. It can best be done under circumstances, under conditions as nearly as possible corresponding to those which have pertained in the Philippine Islands, where through the years we gave that people the promise that some day they would become a nation in their own right.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. COLE of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: Page 20, line 24, strike out the proviso.

Mr. COLE of New York. Mr. Chairman, I hope the offering of this amendment will not in any way be considered a discordant note in what has otherwise been a very harmonious discussion of the bill under consideration. If for a moment I thought the effect of this amendment would in any way change or jeopardize the passage of this bill I certainly would not offer it. Let it be definitely understood that the effect of the amendment in no way changes the

trade relationships with the Philippines established under the terms of this bill.

The amendment relates wholly to Puerto Rico. Under existing law all the internal revenues collected on goods made in Puerto Rico and sold in the United States are covered into the treasury of Puerto Rico. With that I have no disagreement. I recognize that the economy of Puerto Rico is much the same as that of the Philippines. They are dependent largely upon us and we should in every way necessary subsidize their economy. My disagreement is completely concentrated toward the use to which these funds have been put, especially in the last 3 years. Largely during the war period these revenues have gradually increased until, it is my recollection, last year approximately \$30,000,000 of internal revenues which, if collected in any State of the Union would have been retained in our Treasury, were turned over to Puerto Rico. If the American people realized to what uses those moneys have been put in the last 3 years, largely under the regime of Governor Tugwell, they would be amazed. It is unbelievable that such a system of economic activity exists any place under the American flag. Let me tell you about it briefly, although in 5 minutes I cannot begin to tell you all that has happened and is happening.

The insular government of Puerto Rico through a system of different government corporations is permitted to engage in any kind of business or industry whatsoever. It has bought lands with this money that we have sent down there and distributed those lands to private individuals. It is running the one railroad that is on the island. It is even now running or is in the process of acquiring the telephone company. It owns the telegraph company; it operates the bus lines and taxis; it operates the electric lines, the public utility lines, the power resources of the island; it is in the banking business, and in the cement business. There is not a single type of business activity that the government of Puerto Rico, acting through these agencies, cannot engage in and that is what the American people's money is being used for under the terms of existing law.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Tennessee.

Mr. COOPER. I hope the gentleman agrees that that question should be considered on its merits and not brought into this matter which relates to the Philippines. The only reason this provision is in here at all is to try to keep Puerto Rico from discriminating against the Philippines. That is the only reason it is in here. It has no relation to the subject matter under discussion.

Mr. COLE of New York. It is for that purpose that I have offered the amendment so the matter can be given consideration by the Congress. There have been bills pending before the Congress and referred to the gentleman's Committee on Ways and Means for over 2 years which will do this very thing, which would not withhold money from Puerto Rico but would, on the contrary, make sure that the money coming from our

Treasury would be used in Puerto Rico for the things that the American people think it should be used for, namely, for the building of schools, for paying the salaries of school teachers, to build hospitals, roads, and things of that sort, but not to be put into enterprises such as have been operated in the past.

Let me read to you a letter I have received from a friend of long standing in Puerto Rico, a man whose judgment and counsel I respect. I cannot disclose his identity for fear of political recrimination against him, and there is plenty of evidence of that as to Puerto Rican citizens who have criticized the administration in that island. He states:

All the newspapers of this island have written articles and editorials stating that we are under a totalitarian, Fascist, Communist government. The latest thing they have done is to appropriate money to petition the Federal Communications in Washington to own and operate a radio station which is intended for political propaganda. The legislature will be closed this week and \$80,000 has been appropriated for the expenses of a committee of representatives and senators to go to Washington; besides \$200,000 were appropriated for offices in Washington for propaganda.

Mr. Chairman, the people of Puerto Rico have a representative in the Congress, a Commissioner who has the same salary, the same office equipment and facilities that either you or I have; yet the insular government has thought it necessary to establish an extra-governmental activity up here to the extent of \$200,000. I may say, in this connection, that it is my understanding it has already engaged former Under Secretary of the Interior, Mr. Abe Fortas, as its public relations counsel at an annual retainer or salary of \$25,000 a year. It is for such purposes as that that these Federal Internal Revenue monies, collected by the United States Treasury and turned over to the Puerto Rican treasury, are being used, and it is to stop such abuses that I have offered this amendment.

Mr. MATHEWS. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from New Jersey.

Mr. MATHEWS. Is it not true that if this proviso remains in there and the bill becomes effective it will be in there for 28 years and cannot be taken out without the consent of the two governments?

Mr. COLE of New York. That is a consideration, because I assume if this bill is adopted, it might well be argued by some, whether with good logic or not, that we cannot in any way touch, modify, or change the Filipino trade bill if we come to consider the Puerto Rican phase of it.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Arkansas.

Mr. MILLS. I think the gentleman is entirely incorrect in his supposition that this will last for 28 years. We can do anything affecting Puerto Rico and do anything we want to with reference to funds going to Puerto Rico without violating this agreement. The only reason for this language being included in the bill at all is to remove the discrimina-

tion or the possibility of discrimination on the part of Puerto Rico in internal taxes against the Philippines.

Mr. COLE of New York. I realize it will be argued that amendments of this sort on a bill relating to the Philippines should not be offered if they relate to Puerto Rico, but as long as the amendment in nowise affects the Philippine relationship established under this bill and does very directly and forcibly bring to the attention of the Congress a condition in Puerto Rico which to my mind is abominable, I feel it should have the determined support of the committee and House this afternoon.

Mr. BELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not know of any Member of this House whose amendment I would be more reluctant to oppose than my distinguished friend the gentleman from New York [Mr. COLE]. He and I have served together on the Committee on Insular Affairs for many years, and I greatly admire his ability, his sincerity, and his patriotism. I can agree with him on many things that he says.

Conditions in Puerto Rico are rotten. Mr. Tugwell has a philosophy as foreign to anything I believe in as is possible for day to be foreign to night or the North Pole to be foreign to the South Pole. But the amendment that the gentleman offers is just as foreign to the purposes of this bill.

This is a bill for the purpose of taking care of the Philippine situation. The only purpose, as the gentleman stated a few moments ago, for which this section was put in here was to make a slight amendment to provide that Puerto Rico shall not discriminate against the Philippines in respect to certain general provisions in this bill. I think it would be a great mistake to start now and open up a controversy that ought to be debated for a week.

Mr. DOUGHTON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield to the gentleman from North Carolina.

Mr. DOUGHTON of North Carolina. Is not this matter of Puerto Rico one that should be more appropriately considered by the Committee on Insular Affairs, of which the gentleman is chairman?

Mr. BELL. I think the gentleman is entirely correct.

May I say this to the House that the distinguished High Commissioner to the Philippines is remaining here in Washington. He is long overdue in the Philippines. The situation out there is very urgently demanding his presence, and yet he is having to wait here until this legislation has been disposed of. This bill has to go from here over to the Senate, and if we open up Pandora's box on Puerto Rico in the Senate, it may be weeks longer before this legislation is disposed of. I think beyond any question those of us who want to see this constructive bill enacted and enacted quickly, as it ought to be, should vote down the amendment. I urgently request that you do that.

On the other hand, I will say that there are many things upon which I can agree with my distinguished colleague.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield to the gentleman from Minnesota.

Mr. JUDD. Can the distinguished chairman of our Committee on Insular Affairs give us any assurance that there will be in the committee consideration at an early date of this matter of Puerto Rico? We have had it up a dozen times in the last 3 years and never have been able to get it through to any sort of conclusion. I agree with the gentleman that it should not be done in this bill, but I wish the gentleman would assure the House that we in the Committee on Insular Affairs can get it out shortly.

Mr. BELL. I think the gentleman knows that any delay in bringing this out has not been the fault of the chairman. I think the gentleman knows that. I spent 2 or 3 months' time taking thousands of pages of testimony, gathering the very facts that the gentleman from New York has referred to, and the only thing that is keeping it from being considered by the committee is the tremendous press of other matters which have occupied our time.

Mr. JUDD. But I wonder, does the gentleman have a reasonably accurate idea or definite idea as to when we may be able to consider it?

Mr. BELL. I will give the gentleman my individual feeling about it: As quickly as we can get this bill and another bill that is coming up, affecting the Philippines, disposed of. Whenever the committee wants to consider it, I will be one of the most willing members of the committee to go into it thoroughly.

Mr. JUDD. Between now and June 30?

Mr. BELL. I am not going to fix any date, because I cannot control those things any more than the gentleman can. I merely told the gentleman what I, as an individual, would like to do.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield to the gentleman from New York.

Mr. COLE of New York. It is very unfortunate, but I am fearful that the gentleman's committee will have no jurisdiction over any legislation, since a bill of this nature, being amendatory of a revenue law, would go to the Committee on Ways and Means; and, in fact, the bill to which I referred, which was introduced 2 years ago, has been before the Committee on Ways and Means and there has been no action.

Mr. BELL. I think the gentleman knows that I have again and again offered to go with him before that committee to lend my voice and every ounce of energy and influence, if any I have, to get the committee to consider that bill. We have not done it just because we have been pressed with other matters. That is the only reason it has not been taken up.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I ask unanimous consent that all debate on this amendment do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. COLE].

The question was taken; and on a division (demanded by Mr. COLE of New York) there were—ayes 26, noes 50.

So the amendment was rejected.

Mr. MILLER of Nebraska. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to direct attention to two provisions of this bill, the sugar and the coconut-oil provision.

I know there have been some very fine laudatory words said here about the Filipino people, and I join with others in giving praise, but much has been an emotional appeal. But in considering an important bill like this we ought to look at it in a cold, hard way and face the realities as to what will happen to business in this country after we pass the bill, yes 20 years from now. I join with those who say the Filipino people were grand in their defense of the Philippines. So were the Australians, and so were those people who gave their lives at Corregidor, and others.

I wish to call your attention to the sugar provision in the bill. It permits 850,000 short tons of sugar to come into the United States for 26 years. This is more than the Philippines had from 1926 to 1929. Then they had an average of 549,000 tons. From 1934 to 1937 they had an average of 979,283 tons.

This House should be mindful of the fact that there are certain segments in the Department of Agriculture that have not been friendly to the production of sugar in the United States. I can remember a few years ago when in Nebraska they hung somebody in effigy—he was the head of the Department of Agriculture at that time. They were talking about plowing under our crops and killing little pigs at that time. The agricultural head made the statement that sugar beets should not be raised in this country.

I call the attention of the House to the fact that sugar is an important industry in many sections of the United States. In my own district there are five or six sugar factories. It takes about 10,000 acres of sugar beets to keep a factory going. An acre of 20 tons of sugar beets produces about 64 100-pound bags of sugar. It produces 350 pounds of refuse syrup, and 1,600 pounds of dried pulp tops. The byproducts from this acre of beets that produced 6,400 pounds of sugar will produce more beef than the corn from an acre, or 75 bushels of corn. An acre of 20 tons of beets sold last fall for \$13.50 per ton, or \$270 per acre, and the tops will sell for about \$15 an acre.

It takes about 10,000 acres of beets to run a factory as it should be run. Each factory can be depended upon to feed 75,000 lambs and 10,000 head of cattle each season.

That is important when you stop to think about the sugar-beet industry in this country. I hope the provisions concerning sugar in this bill will not in the future preclude the development of more sugar-beet acreage in this country. The sugar-beet growers have been under a quota in the past. They were told how much they can raise. I am sure they

will be again told how many acres they can plant. This bill sets up the pattern.

It is quite possible under this bill that when new areas are developed by irrigation the Department of Agriculture will say, "You cannot raise any more sugar beets because we are getting enough sugar now from the Philippine Islands."

The other provision in this bill that I should direct your attention to is the provision concerning coconut oil. You provide for 200,000 long tons of coconut oil every year for 8 years. Heretofore the average amount of coconut oil from the Philippines has been less than 150,000 tons a year. It is true that for 8 years it stays at 200,000 tons and then after that it is reduced 5 percent a year until it is finally down to zero. But I would remind you people who raise corn and feed cattle and hogs that the fat around the entrails of the hogs and sheep and cows are pretty important sources of oil. The Philippine Islands may be 10,000 miles away from you, but you are next door economically so far as the competition with fats and oils is concerned. The farmers of this country may be competing with the cheapest labor of the Philippine Islands and may be trying to produce oils which they cannot compete with under the provisions of this bill. Neither do we know in 5 or 10 years the type of government which may prevail in these islands. I understand there is a very strong communistic feeling in some parts of the Philippines which may be in power in the near future. I do view with some alarm the economic provisions of this bill.

Mr. GEELAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GEELAN: On page 11, line 21, after the word "sugars", strike out the period and insert a colon and the following: "Provided, however, That this section shall not be applicable during the period of time that sugar is a rationed commodity in the United States."

Mr. GEELAN. Mr. Chairman, the amendment is self-explanatory. I cannot imagine a single vote in this House being cast against it. We all claim we wish to do all that we can to help the Philippines. One of the things we do, of course, is to place a quota restriction upon their principal crop; and that restriction is placed at this particular time when sugar is such a scarce commodity in this country that the rationing of it has had to be resorted to. That is the only thing the amendment does. It merely makes the application of the quota as contained in the bill inapplicable during that period of scarcity of the commodity in this country. Members of the committee have assured me that the only reason they could not give consent to this amendment was that they had an arrangement or agreement that no amendment would be agreed to unless the whole committee could be called into session and have the amendment explained. Inasmuch as that was not possible, they could not agree at this time. I am certain that everybody in the House wants to do everything that is possible, not only to rehabilitate the Philippines,

but to continue the expression of our policy of giving to all peoples of the world capable of self-government the right to do so. I submit, however, we are not going as far in that direction by this particular bill as we might. I sincerely hope that the amendment will be adopted.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment was not considered by the committee. This is no time to be adopting amendments that may throw the whole bill out of balance. I can see no reason for the amendment whatever. The bill has been considered and has the unanimous report of the committee. Why was it not brought before the committee if it was so important?

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON of North Carolina. I yield.

Mr. SIMPSON of Pennsylvania. Is it not probable that a great many years will pass before the Philippines will be able to produce any like quantity of sugar as will even reach the amount of their quota?

Mr. DOUGHTON of North Carolina. I think that is probably true.

Mr. SIMPSON of Pennsylvania. And within that period of several years we certainly should have sufficient sugar available to avoid any further rationing.

Mr. DOUGHTON of North Carolina. Certainly.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON of North Carolina. I yield.

Mr. KNUTSON. I am under the impression that the President would have the power to make the adjustment which the gentleman from Connecticut [Mr. GEELAN] seeks to accomplish in this amendment. I would like to say for the benefit of the gentleman that it was testified before our committee that it will be 3 years before the Philippines can begin to ship sugar to this country in any volume.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON of North Carolina. I yield to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. I wish to add my voice in appreciation to this amendment. There are many good and legitimate reasons for hoping that the Filipinos will never again plant enough sugar to reach the quota of 850,000 short tons provided in this bill. It seems to me it would be utterly selfish on our part to encourage them to plant even more than the 850,000 short tons, just in order to get a little more sugar for ourselves during this period of shortage. It would not be a kindness to them to encourage them to go back to a predominantly one-crop country. The more self-restraint they exercise in limiting their planting of sugar to the quota, or even less, the better it will be for them. The least helpful thing we could do would be to invite them to get their country again so dependent eco-

nomically on the production and sale of one commodity—sugar—to the United States.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON of North Carolina. I yield.

Mr. MILLS. Is it not a fact that the gentleman's amendment would not give us any more sugar for the next few months, or for the period when sugar is to be rationed in the United States, than we can obtain under the bill as it is now written?

Mr. DOUGHTON of North Carolina. That is undoubtedly true.

Mr. GEELAN. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON of North Carolina. I yield.

Mr. GEELAN. Is it not the purpose of this Committee sitting as the Committee of the Whole to consider amendments? Is it not for the purpose of offering these amendments? How can the gentleman claim that because it has not been heard by the committee considering this bill, it is not properly considered at this time? That is what we are sitting here for. If all the other objections raised to this amendment are true, what harm can be done to this bill by the adoption of this amendment? All you are doing is saying that during this period of time when there is a shortage of sugar in the United States, this quota will not be applicable.

Mr. MILLS. What we are endeavoring to do, by fixing a certain quota on sugar that can be shipped from the Philippines into the United States and naming the date over which it will run, is to get people in the United States and other places to go back there immediately and start doing it. If we accept your amendment, we will be that much longer delayed in getting them back to the Philippines.

Mr. GEELAN. I submit the amendment would hasten that, because it would encourage production immediately, which will not happen under this bill, inasmuch as there will be certain restrictions.

Mr. DOUGHTON of North Carolina. I do not think the gentleman is correct. I hope the amendment will be defeated.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield further?

Mr. DOUGHTON of North Carolina. I yield.

Mr. KNUTSON. Under ordinary circumstances I would be happy to support the gentleman's amendment, because I think it would be meritorious, but not under the present circumstances.

Mr. GEELAN. Are not these extraordinary circumstances when you have to ration a commodity in this country?

Mr. KNUTSON. I think it would be harmful to adopt the amendment at this time.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

The question is on the amendment offered by the gentleman from Connecticut [Mr. GEELAN].

The amendment was rejected.

Mr. STEFAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, now, while we are considering the Philippine Trade Act of 1946, is an opportune time to recall that, before and during Japanese occupation of the Philippine Islands an organization known as the Philippine National Volunteers served valiantly in the cause of defense and freedom. This organization, formed in 1932, once had more than 100,000 members. These men ranged in age from 18 to 45 years. They wore uniforms and were trained. The members were sworn to uphold and defend the Constitution of the United States and the Constitution of the Philippine Commonwealth. The organization was dedicated to the observance and support of organized law and order. All Provinces of the Philippine Islands contributed to its membership. The Philippine National Volunteers were largely responsible for putting down the Sakdalista uprising. They were an instrument of good government. Before the arrival of the Japanese the organization prepared for defense. Many of its members joined the Filipino Army and thousands became guerrillas.

The Philippine National Volunteers are still in existence. The story of these patriotic Filipinos is told in a letter that I have just received from one of their high-ranking officers, Brig. Gen. H. W. Lombard. And I make this letter a part of these remarks.

LOS ANGELES, CALIF., March 23, 1946.
To Hon. KARL STEFAN,
Member of Congress,
House of Representatives,
Washington, D. C.

MY DEAR COLONEL STEFAN: Having at last commenced to recuperate from the ravages caused by 37 months in the Jap prison camp at Santo Tomas and later that at Los Banos, am writing to let you know that I am here and that I shall be in Washington shortly. Hope to see you there.

The story of events in Manila leading to the outbreak of war has been so often written that I shall say nothing of them here, but the story of the intense and arduous preparation of thousands of young Filipinos of the Philippine National Volunteers for war has been unsung and unpublicized, as have been the efforts of the headquarters staff to plan for the maintenance, uniforms, supply, and instruction of its members.

Not 1 cent of assistance was ever received from the government, or assistance in any form whatsoever. Yet officers and men labored incessantly at all hours of the day and night to prepare themselves to be of efficient value to the government when the time came. They gave of their time and their money without thought of pay or reward. I have never heard of, or read of, a better example of pure patriotism than that demonstrated by the men, both old and young, of the Philippine National Volunteers. Nor have I ever worked with a more earnest, determined, eager group of men.

I certainly should know because of the fact that from October 11, 1939, when I attained the grade of brigadier general and was detailed as deputy chief of staff, I practically carried the organization on as acting chief of staff. The chief of staff at that time was Francisco Delgado (formerly Commissioner to the United States), who was up to his ears in other important work. He and Lacanico (late Gen. Panfilo Lacanico, national commander), whom I came to know and have a real affection for, always backed me to

the limit and their support and counsel was valuable and was reward enough. There was no other compensation of any kind.

Many, many of the volunteers joined the Philippine Army. They did so on our advice and went with our blessing. We felt that we had accomplished a great deal in partially preparing them for their duties in what was to become a great army, fighting against tremendous odds. Here again we indulged in no publicity and consequently received no public credit, but the fact remains that the ranks—both commissioned and enlisted—of USAFFE contained a very large number of volunteers. I have heard of none who did not serve with credit and many shed their blood on now historic battlefields.

With Pearl Harbor and the bombing of the Philippines, the transition from peace to war was stunning in its completeness, ruthlessness, and speed. Means of communication were seized by the military, or broke down, or were seized by the enemy. It was impossible for our headquarters to contact our provincial units or to issue orders. We did attempt to use couriers and succeeded in getting word to some of our commands, advising them to go out as guerrillas or join other bands or the underground. Those who by reason of age or physical condition were unable to take the field became underground agents engaged in collecting information as to the enemy, his strength and movements. Others engaged in sabotage or other resistant activities. Some became guides for Japanese troops and deliberately misguided them. The stories of their adventures, sufferings, lamentable deaths, and achievements are in their entirety a veritable fantasy, an odyssey of gallant Filipino war effort.

At 2 o'clock on the morning of December 8 Tony Escoda, then assistant city editor of the Bulletin, called my house at Santa Mesa and told me of the bombing of Pearl Harbor. I immediately went to our headquarters at the corner of Rizal Avenue and Camarines and notified the national commander. Then I called my two aides, and other officers, and started them out to notify the three regimental commanders in Manila.

Before 9 we were told that we could best serve by training as many men as possible for duty as auxiliary police to serve with the Manila police. This we did, and in 2 weeks had delivered to the chief of police, Manila, 1,400 men. Others of our Manila men had joined various local watch groups, while still others joined up with civilian guards at the perimeter of the town. Every man, woman, child, automobile, truck, carratela, and oxcart was stopped, scrutinized, and searched as they attempted to either enter or leave the town. Several Japs in civilian clothes, ahead of their Army, were in that way apprehended. This work, particularly at night, was increased by the fact that hundreds of cars and other forms of transportation were constantly arriving laden with refugees and their effects. Many of them reported having left their towns as the Japs entered them. They were seeking a safe haven. Manila would not be taken! We all thought that then. All of this during very, very strict black-outs, and in an atmosphere of panicky hush. I even found myself once whispering as a Jap plane roared overhead for fear that the pilot would see and machine gun me. That's the way it was.

On the 23d (December 1941), I think it was, I decided to go to Bulacan. The Japs were relentlessly working south from Lingayen and north from Tayabas. MacArthur's men had commenced to trickle from Laguna through the Marquina Valley to Bataan, the beginning of a famous trek and a masterpiece of strategy.

We hiked and hitched our way to Balinag and then turned west and went to Hagonay. Here we found many willing workers, civilians all. I might say that Hagonay, although a large town, is in the middle of the swamps

on the northern boundary of Manila Bay, and is traversed by a myriad of water passages. The people know these watery trails and use them habitually in traveling. To our surprise, these people had plenty of arms and ammunition but no leadership. They even had .30 caliber machine guns which no one knew how to use. We remedied that, organized them into bands and placed them along the waterways most likely to be used by the Japs. Many of them later died in the Hagonay swamps, but then, they were happy, enthusiastic, and raring to go. The news of the relentless approach of the Japs left them undaunted. The best-disciplined bands were those led by strict men who were able to back up their orders by physical force. Moral suasion did little toward controlling men who were hysterically trigger happy. At night the silence was frequently broken by the staccato sound of machine guns and the ping of single shots.

A man from Manila told me that it was feared there that our families would be tortured by the Japs in an attempt to locate us so I decided to go back to Manila and take them to a place of safety before the Nips arrived. My wife and son were there. Paddled and hiked to a town called Hermosa on the Bataan-Pampanga border and at 11:55 on the night of December 31, caught an Army sedan manned by two Army civilian traffic inspectors. The traffic was terrific, some coming, some going, confusion, profanity, reason, unreason, all making kaleidoscopic impressions, hard, now, to sort out. They were blowing up the bridges behind us and I remember we were the last car over on one. Had we been later, our run for that night would have ended. The demolition lieutenant said, "If you so and sos want to get to Manila tonight, get the hell over that bridge before we shoot her." He was tired I guess. Anyway, we reached home about 3 a. m. At 6 I moved my wife and boy to what I thought was a safer place. On the following morning the Jap Army rolled in. Those that I saw then, from behind a hedge, moved in an orderly, disciplined way. Truck after truck of them sitting at attention occasionally smiling at some children beside the road. We later learned that this was a particularly crack division. Some of the other columns in other parts of the town did not behave so well. In fact, orgies of lust, drinking, and thievery started immediately.

General Certez (national commander) and some of the officers at our headquarters removed all of the records, the seal, and the flags and divided them. Each was to secrete his quota. Some, we have never recovered since those who had them either died or were killed and took the secret of their location with them.

A group of us wanted to get to Bataan. From there I intended to go back to the swamps but we could not get out of the city. It was dangerous for Americans to go around the city and doubly so to be around at night. The Japs had us bottled in tight. Every time we tried we bumped up against Jap outposts or sentries. Fortunately we always saw them in time to prevent them seeing us. They would have bayoneted, shot, or brutally beaten us.

On the morning of January 7, 1942, my son and I were arrested and taken to Santo Tomas camp. Stayed there until December 5, 1944, when we were transferred in cattle cars to Los Banos. The trip up the mountain from the station to the camp was almost another death march. I later saw the officer who conducted it killed. Released by combined parachute, amphibious tank, and guerrilla action on February 23, 1945. The day on which the Japs had planned to kill the entire 2,200 of us. I have written an article on the rescue for Fred Steven's book. Called it A Military Epic.

During the entire 8 years in prison camp had frequent clandestine contact with guerrillas and on three occasions went over the fence at night for conferences with guerrillas, returning before daybreak. It was dangerous but exhilarating. After the Japs executed three of our number for going over the fence and promised to kill the men in the beds on either side of the beds of men missing, we discontinued the practice.

The story of our imprisonment is long. I will give you the high lights when I see you.

After we were liberated, Certega, others, and I attempted to gather up the reins but there was still fighting in the land and no communications. It was a little too early.

Of one thing I am very proud, I know of no volunteer who joined the bleating mob clamoring for pay for having helped. After the Americans came in, thousands came out as guerrillas who were not and never had been. They, I feel, were the most clamorous of the lot.

Hundreds of volunteers visited me between the date of liberation and the time of my leaving. Most of them had been and still were members of various guerrilla units. They all want the N. V. to continue and believe that it can be a great force for good in helping clean up banditry and in teaching the people "respect for constituted authority and obedience to the laws." The organization fought, not under its own banners, but as members of the nearest local units available, as members of U. S. A. F. F. E., as members of the active underground, and as resistance advocates. Many of them were tortured and killed. In my own case, the Japs were looking for me. I was known to them as a general officer serving with the N. V. They called on many Filipinos for information as to my whereabouts, and, in one or two cases, had some of our N. V. officers on the carpet about it. The story was that I had been at Bataan and there had been killed. This satisfied the Japs. Meanwhile I was in their custody and registered at Santo Tomas. Nothing unusual since we found there to be little cooperation or coordination between certain units of the Jap army.

W. H. Donald, adviser to Chiang Kai-shek, and to every Chinese leader back to and including Sun Yat Sen, was in camp under his own name. The Japs had big sums offered for his capture dead or alive. Yet they never checked at Santo Tomas to see if they had him there.

My own plans have not yet crystallized. Lost 105 pounds in the camp and came out with several things the matter as a direct result of the starvation there, beri-beri, sinus, bronchitis as a result of working out in the rain, hernia—result of doing work to which unsuited, teeth gone—result of malnutrition. Am very much better though. Have had no assistance or hospitalization by the Government. Not the Government's fault, though, since I have not applied. I understand now that money has been appropriated for our relief.

This morning I talked with Mullen, of the American President Line, who arrived from the Philippine Islands yesterday. He confirms what others have written me, that life is very rugged. Prices very high and food difficult and scarce. No clothing procurable yet. He says that a lot of things are very screwy and gives this as an example: The other day the Army, with no notice to anyone, dumped a large quantity of potatoes on the market—so many that they sold for 100 potatoes for 40 centavos (20 cents gold). Two days later potatoes were \$20 per sack. He says that merchants complain that the Army dumps in enormous quantities with no previous advice and that, as a result, the market is so widely disturbed as to cause confusion; and scrambling on the part of those who buy and then resell on the black market. I

only repeat what he says here but I can tell you some interesting stories when I get there.

Very sincerely,

H. W. LOMBARD,
Brigadier General, Philippine National
Volunteers.

P. S.—By the way, on one of my trips over the wall, one of our National Volunteer lieutenant colonels, Julio Yap, told me very elatedly that he had heard a broadcast from you and that others had also. It pleased them immensely and helped them maintain high morale. We were not permitted radios in camp.

Mr. McDONOUGH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the present bill, H. R. 5856, will provide a basis for rehabilitating the agriculture and industries of the Philippine Islands and will help effectively in reestablishing the economic life of the brave and loyal people of the Philippines, which was shattered and destroyed by the war in the Pacific and the ruthless and wanton destruction by the Japs during the invasion of the islands. I submit herewith a critical analysis of H. R. 5856, by Mr. Vicente Villamin, Filipino lawyer and economist, who is thoroughly familiar with trade conditions between the United States and the Philippine Islands. Here is what Mr. Villamin says:

The substance of the final draft of the bill (H. R. 5856) is an improvement on the first draft (H. R. 4185), although, it must be frankly said that the wording is bewildering. It is to be hoped that the bill's administration and interpretation will be liberal to the Philippines.

In speeches to the Ways and Means Committee, I criticized H. R. 4185 and it is noted that most of my criticisms have apparently been heeded by changed provisions in the present bill. It is the added provisions that I am criticizing now.

1. I objected to section 15 of the original bill because, among other things inimical to the Philippines, it would deprive the Philippine government completely of tariff autonomy. It would render it impossible for that government to negotiate trade agreements with foreign nations, for trade agreements involve the mutual reduction of tariff duties, and the Philippines, under that section, would be prohibited from reducing its tariff schedules. The present bill has eliminated that objectionable provision.

2. I attacked section 10 on the ground that it would tend to establish and legalize monopoly in the industries receiving export quotas to the United States. Under that section, it is possible for one firm to acquire the entire quota given the Philippines, for if the firms are unable to deliver their allotments under the quota, such allotments would be turned over to the firm that is in a position to do so. I contended that in such a case the undeliverable allotments should be offered to the public to give new persons, especially the Filipinos, an opportunity to enter in the industry. The present bill meets the criticism by adding a clause giving the Philippine government the authority to redistribute the unfilled allotments among persons other than the ones already in the industry.

3. The third criticism is very fundamental. I stated that the application of a flat 4 percent or 5 percent of the American tariff duty on all Philippine products entering the United States was unscientific and would work a positive injustice to the industries involved. I explained that the rates of duty on different products were not uniform—some are high, others low—and so while a product could

stand the duty for 5 to 10 years, another product would go under in much shorter time. A good example is the cigar industry, which employed 15,000 people in Manila. The 4 percent of the American duty on Manila cigars on the first year will wipe out most of the profits of the manufacturer; and on the second year, under an 8-percent duty, his entire profits and a goodly part of his production costs would vanish completely. The reason, of course, is that the tariff duty on cigars is sky high.

This criticism has been met in the bill with the provision that the four high-duty products—cigars, scrap tobacco, coconut oil, and pearl buttons—will be duty-free during the entire 28 years of the life of the law, but their quotas will decrease gradually every year. This is the better arrangement. If this provision had not been inserted in the present bill those four Philippine industries would be exposed to almost immediate annihilation and no investor could be induced to rehabilitate them.

4. I worked against the provision denaturing coconut oil because it constituted the debasement of quality of a product. The principle of depreciating quality by legislation is one of the worst forms of economic oppression and exploitation. It discourages human skill and penalizes enterprise. The obnoxious precedent must not be established with any Philippine product. The present bill does not contain the denaturing provision. However, the question of coconut oil internal taxation in the United States is yet to be solved equitably.

5. Finally, in memoranda to committee members, I pointed out that if the relevant provisions of the bill were not modified the bill and its incidences would not be effective until 4 years from now, in 1950, when the Philippine constitution could be amended. The present bill recognizes that constitutional fact.

As a private Philippine citizen, I thank the members of the Ways and Means Committee for their patient work and desire to serve the best interests of the Philippine people, and when I return to the Philippines I will do my level best to help make the bill work successfully for the benefit of all concerned.

Mr. ROMULO. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the demonstration yesterday and today of the unanimous support for the Philippine trade bill during the debate on this floor was more than support for a piece of legislation. It was proof—if proof were needed—of the unbroken friendship which the representatives of the American people feel for the Philippines.

It has been urged on this floor that the bill be passed unanimously. It has been pointed out that this is one case at least where there need be no partisanship, because both of the major parties are unequivocally in favor of this legislation. Passage of the bill itself will have a tremendous and beneficial effect in the Philippines. This effect, of course, will not really be felt for some months to come, because it takes a long time before trade legislation can be translated from the books to the reality. But the passage of this bill by a unanimous vote will have an immediate effect in the Philippines and throughout the world. It will bolster the wavering morale of the Filipino people who live today amid the shambles of postwar devastation.

As I have said, this bill is not a perfect piece of legislation. There are many features in it to which we have objected

and to which we would still object if there were any point in doing so. At the same time, I suspect that the bill, as it now stands, would not be considered perfect by anyone who had a hand in drafting or who will be benefited by it. The quota system and its allocations, the provision on processing taxes, and other provisions, are not as we would have wished. There will undoubtedly be some disappointments, some criticisms, some objections, voiced against the bill both in the Philippines and in the United States. Nevertheless, the fact remains that this is a worth-while piece of practical legislation which in the long run will benefit both our peoples.

When you vote for this bill, you will be telling the world that America keeps her promises. At a time when there is too much suspicion rife among the nations of the earth, you will be demonstrating that the greatest force for true world peace and security is the force of friendship, of harmony, of understanding. You will be showing all the peoples of the world that the United States—the most powerful and the wealthiest Nation on the face of the globe—has no desire to abuse its power or to exploit the weak.

To us of the Philippines, passage of the Philippine trade bill marks the dawn of a new era, in which we emerge from the shadow of death and destruction and enter into the unfolding day of opportunity and confidence.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. ROMULO. I yield with pleasure.

Mr. DONDERO. The world will little note nor long remember what we say here today, but it will never forget what your people did in the recent struggle just ended.

Mr. ROMULO. I thank the gentleman.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I ask unanimous consent that all debate on this bill close in not to exceed 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DOYLE. Mr. Chairman, I move to strike out the last word and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

COPRA FROM PHILIPPINES NECESSARY FOR CALIFORNIA DAIRY HERDS

Mr. DOYLE. Mr. Chairman, there is a phase of this bill which is very important to the State of California. I wish to call your attention to it briefly. For instance, I am one of the Members in this Congress from the greatest dairying county in the United States, the county of Los Angeles; and, the great Eighteenth Congressional District that I represent has in Los Angeles County some of the greatest herds in the country as far as the production of milk is concerned. The only mention of the importance of copra in this report is on page 29. In other words, while it has not been treated

in the report at much length, yet it is one of the most important of the imports from the Philippines, as far as California is concerned. It is a very major import from the Philippines, so far as cattle feed and other feeds in the State of California are concerned.

Mr. Chairman, I am not going to speak more of the great patriotism of the Filipinos, their love of and loyalty to our country, as demonstrated in this war. It needs no mention by me. Nor shall I refer to our respect and hopes for them, excepting to say that I feel increasingly as a Member of this House that our duty is not only to help them have their fullest freedom as soon as possible, but that there is no security for any people of the world if there is economic insecurity for any mass of people of the world, any place. In other words, I feel that we are now living in a sort of interdependent world neighborhood and that until all the masses of people of the world are secure economically we shall not secure economic freedom which will outlaw war and establish a permanent world peace.

I wish to compliment the committee on this bill.

At this point I am asking your attention to two letters which I am including in my remarks, by request. They read as follows:

COSMOS CLUB,

Washington, D. C., February 18, 1946.

Hon. HARRY D. WHITE,
Assistant Secretary,

Treasury Department,

Washington, D. C.

DEAR MR. WHITE: Understanding that your Department has something to do with section 18 of H. R. 5185, concerning the relation of the Philippine peso to the American dollar, I should like to ask a question which may arise in the future: If the American dollar is again devalued, can the Philippine Government, like the American Government, declare an increment or "profit" for itself?

When the dollar was devalued in 1934 the American Government declared a profit for itself of \$2,818,807,826.61, of which \$2,029,397,108.56 has been used pursuant to specific appropriations by the Congress and \$645,387,965.45 was used in connection with the retirement of national bank notes during the fiscal years from 1935 to 1939, leaving an unexpended balance on July 24, 1945, of \$144,022,752.60.

The Philippine Government asked for its profit, and the United States Congress authorized but never appropriated, the payment of approximately \$24,000,000. That, at least, recognized the right of the Philippine Government to receive a profit.

Another question arises: Having received no profit from the 1934 dollar devaluation, can the Philippine Government, before or after independence on July 4, 1946, declare and make available, as did the American Government in respect to its profits in 1934, the profit that accrued to itself in 1934?

Anticipating thanks for enlightenment on the above queries, I am

Sincerely yours,

VICENTE VILLAMIN.

TREASURY DEPARTMENT,

Washington, March 12, 1946.

Mr. VICENTE VILLAMIN,

Cosmos Club, Washington, D. C.

DEAR MR. VILLAMIN: This will acknowledge receipt of your letter of February 18 in which you request information concerning certain

possible effects of past or hypothetical future devaluation of the United States dollar. Your letter makes reference to an act of the United States Congress approved on June 19, 1934, authorizing and directing the Secretary of the Treasury, when funds therefor are made available, to establish on the books of the Treasury a credit in favor of the Treasury of the Philippine Islands for \$23,862,750.78, this being an amount equal to the increase in value (resulting from the reduction of the weight of the gold dollar) of the gold equivalent at the opening of business on January 31, 1934, of the balances maintained at that time in banks in the continental United States by the Government of the Philippine Islands for its gold-standard fund and its treasury certificate fund less the interest received by it on such balances. Funds have not been made available for the purposes of this act, and hence it has not been possible thus far for the Philippine Government to realize this amount.

It is the established policy of the Treasury Department to express no views to private individuals on governmental problems of the type presented by your letter. We regret that under the circumstances we are not in a position to answer the questions you have raised.

Sincerely yours,

HAROLD GLASSER,

Acting Director, Monetary Research.

May I say it is very refreshing to me as a Member of the House, to sit here and listen to the accurate, full, conscientious information that is given the Members of the House by the members of the committee on both sides of the aisle. I feel this is another one of those occasions where the members of this committee, regardless of party affiliation, have tried to fully inform the Members of the House.

To me, it was an inspiration a few minutes ago to listen to General ROMULO, Commissioner from our neighbor, the Philippines. I know he will happily convey to his great peoples, our affectionate regard and best wishes.

The great port city of Long Beach, Calif., anticipates the mutual pleasure and benefits of trade with the Philippine people.

Mr. DOMENGEAUX. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the gentleman from Louisiana?

There was no objection.

Mr. DOMENGEAUX. Mr. Chairman, there is a complete misconception as to the situation in the Philippines today as compared to 1934 when the sugar quota system was first inaugurated by Congress. In 1933, the Secretary of Agriculture had called together representatives from all sugar areas to discuss and formulate plans for the stabilization of the sugar industry. The Filipinos, under the leadership of foreign investors from Spain, Great Britain, New York, and San Francisco, engaged in a wild expansion. The statistical record shows that prior to 1932, the Philippines had never produced a million tons. In 1933, they suddenly jumped to 1,652,593 tons; but in order to do that, they practically denuded the islands of every standing stalk of sugarcane. Every informed person knows that cane is a crop which requires 2 years' growth in the Philippines, and

the proof that every standing stalk was sacrificed to build up an extraordinary production record lies in the fact that in 1934, only 754,721 tons were produced in the Philippine Islands.

The quota system was necessary because there was too much sugar available from normal sources. Everybody had to be cut down, and everybody was cut down, including the mainland cane and mainland beet areas. There appeared to be a very drastic cut in the case of the Filipinos, but it was really representative of the previous 5 years' production and amounted to an increase over the previous 10 or 15 years' production. In 1934, the sugar industry of the Philippines was a going concern.

Today, there is no Philippine sugar industry. The prospect of production in the Philippines is practically nil unless the United States Government provides for rehabilitation and finances the operation for many years. As Member of Congress, I think we should do exactly that. But we have other problems, and in my judgment we should be extremely cautious not to allow our sentiments to run away with our judgment. There is legislation pending which would pay war damages to the owners of sugar properties. There is pending legislation which would rehabilitate these properties and there is pending legislation which would underwrite the initial operations. This legislation also seeks to create a monopoly largely in favor of foreign investors in the Philippines by giving to exporters in 1940 exclusive rights to the exportation of sugar to the United States. Pending legislation also would require, as a condition of eligibility for the generous payments and loans offered, that the applicants agree to go back into the same business. Thus, regardless of the economic situation and regardless of business considerations, this legislation, in my opinion, provides much more generously for the foreign investors in the Philippines than it does for the native Filipinos. I am grateful to the Filipinos, and I advocate complete generosity in recognition of their heroic deeds and their loyalty. For those reasons I am concerned whether the native Filipinos are going to get even half of the generosity which Congress is evidently willing to give to the Philippine Commonwealth.

I am glad to see that a quota is placed on rice to the extent they enjoyed during normal years. This is fair for the Philippines and also to the producers of domestic rice of this country. This protective provision was suggested by me some time ago to the gentleman from Louisiana, member of the Ways and Means Committee, and his efforts resulted in the adoption of the provision.

If this provision was not placed in this bill it would have been quite possible for exporters of rice in the Philippines to purchase cheap oriental rice for use in the Philippines and to take rice grown there for export to this country, thereby flooding our domestic markets.

Mr. COOPER. Mr. Chairman, in order to meet the questions raised by certain gentlemen interested in the Puerto Rican situation, especially in view of the

fact that the contention was offered that section 225 is included as a part of title II of the bill, and in order that there can be no doubt about the situation, and to meet the question raised, I ask unanimous consent that on page 20, line 16, section 225 be transposed from that point in the bill and inserted following line 16, on page 48, and also change the section number to 513.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. ZIMMERMAN, 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. 5856) to provide for trade relations between the United States and the Philippines, and for other purposes, pursuant to House Resolution 572, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

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

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

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. McDONOUGH asked and was given permission to revise and extend the remarks he made in Committee of the Whole and include a statement by Mr. Vicente Villamin, Filipino lawyer and economist.

Mr. LUTHER A. JOHNSON asked and was given permission to extend his remarks in the RECORD and include an address delivered by his colleague, the gentleman from Virginia [Mr. ROBERTSON].

Mr. ZIMMERMAN asked and was given permission to extend his remarks in the RECORD and include a letter from General Pershing.

Mr. WASIELEWSKI asked and was given permission to extend his remarks in the RECORD in three instances and include a newspaper article in each.

Mr. DOYLE asked and was given permission to revise and extend the remarks he made in Committee of the Whole and include an exchange of letters to and from the Treasury Department on the subject of the Philippines.

Mr. KEEFE (at the request of Mr. JENKINS) was given permission to revise and extend the remarks he made in Committee of the Whole and include tables and excerpts.

Mr. REED of Illinois (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the RECORD.

Mrs. LUCE (at the request of Mr. MARTIN of Massachusetts) was given permission to extend her remarks in the RECORD and include a statement made before the Rules Committee.

Mr. McDONOUGH asked and was given permission to extend his remarks in the RECORD and include two letters; one from the American Legion and one from the veterans' homes in California.

Mr. CARLSON asked and was given permission to revise and extend the remarks he made in Committee of the Whole and include extraneous matter.

Mr. CURTIS asked and was given permission to revise and extend the remarks he made in Committee of the Whole and include certain excerpts.

Mr. WEICHEL asked and was given permission to extend his remarks in the RECORD.

Mr. JOHNSON of Illinois asked and was given permission to extend his remarks in the RECORD and include a survey of the black-market meat situation.

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article on facts on Rumania, prepared by the counselor at large of the Rumanian Churches of America. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost \$100, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

ADJOURNMENT OVER

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

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

There was no objection.

LEAVE OF ABSENCE

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Wisconsin [Mr. BYRNES] may be granted leave of absence for 1 week on account of official business.

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

There was no objection.

The SPEAKER. Under previous order of the House, the gentlewoman from California [Mrs. DOUGLAS] is recognized for 30 minutes.

MY DEMOCRATIC CREDO

Mrs. DOUGLAS of California. Mr. Speaker, I think we all know that communism is no real threat to the democratic institutions of our country.

But the irresponsible way the term "communism" is used to falsely label the things the majority of us believe in can be very dangerous.

I do not think communism in Russia need prevent international cooperation in building the peace, any more than it prevented international cooperation in winning the war.

I know that the road ahead is not without difficulty or without its vexing

problems, but, if we could solve the difficulties and the problems that arose during the war, surely we can solve them in peace.

We solved them in war because we had to. If we had not, we would all now be slaves of the Axis Nations.

We will solve them in peace if we fully realize the grim fact that, if we do not, civilization has run its course.

We have reached a point where war can no longer be the final recourse. We have reached a point where we either grow up or blow up.

If it is blow up, the issues over which we struggle today are meaningless.

I have asked to talk about communism. But I am also going to talk about democracy—democracy, which I strive daily to live—democracy, which is the only form of society in which I believe—the principles of which were fed to me with my first spoon of cereal—democracy, which my forefathers helped establish on this great continent.

I shall talk about democracy because it is democracy that we believe in and live by—or should live by. We are interested in communism as a system that challenges democracy. I am not afraid of that challenge.

I do not think we value democracy highly enough. The great mass of the American people will never exchange democracy for communism as long as democracy fulfills its promise. The best way to keep communism out of our country is to keep democracy in it—to keep constantly before our eyes and minds the achievements and the goals which we, a free people, have accomplished and intend to accomplish in the future under our own democratic system.

I am jealous for democracy. I do not like to see the things that democracy can accomplish credited to communism. Through the years democracy has given the people of the United States more freedom and a higher standard of living than any other system that we know—and it has done so with less inequity, less persecution, less infringement on the rights of free thinking, free speech, and free action than under any other form of government anywhere else in the world. I do not want the things that democracy has done ascribed to anything other than the democratic process.

I am jealous for the school system we have built under democracy, and I do not want its extension, including fair salaries for teachers, day nurseries, school-lunch programs, and Federal aid to education, called communism.

I am jealous for the reputation of our democratic institutions to achieve a high level of employment, and I do not want to see measures for increasing that employment attributed to communism.

I am jealous for my belief, and the belief of millions of other Americans, that in our democracy the Government is the servant of the people, and that, as the servant of the people, it will protect the people—all of us, Protestant, Catholic, Jew, or gentile; black, white, or yellow. I do not like to have that belief, the very cornerstone of our greatness, disavowed and called communistic.

I am jealous for that greatest of all our institutions the American home. I pay my disrespect to those short-sighted individuals who called our housing program for our returning service men and women, the program which would have helped millions of them to start their homes, communistic.

I believe now, and I shall always believe, that this Government of the people is capable of self-growth, is capable of making whatever adjustments are needed in a world that has changed so greatly since the days when my great-grandfather, the Reverend William Harrison Gahagan, helped found Dayton, Ohio.

I do not claim that democracy, as we now know it, is perfect, but I know that it has the capacity to remedy its own imperfections, and I do not want to hear each remedy called communism.

I have a respect that amounts to reverence for our kind of Government and for this body of which I am privileged to be a Member.

As a child, the Congress of the United States was to me the symbol of freedom. It was the embodiment of all the great phrases and words that I had heard spoken in my home and at school, words I memorized in my heart and mind.

"Sweet land of liberty," "We, the people of the United States," "One Nation, indivisible, with liberty and justice for all," "A Government of the people, by the people, for the people," "the land of the free and the home of the brave," "From every mountainside let freedom ring!"

As a very little girl I stood holding my father's hand and looked upon the Members of this body. In my childish way I thought to myself how wonderful to be a Member of the Congress of the United States—to speak for the people—to be a part of the people's Government.

In the years that followed, I, as many other Members of this House, earned in a few weeks what we are paid here in a year. But the privilege and satisfaction of becoming a Member of this House are greater than any I ever enjoyed outside. For I still feel now, as I felt as a child, that the confidence of people in their Representatives whom they have freely chosen, is in itself the greatest reward—and cannot be measured by any material standards.

That confidence demands that we give to our role our hearts, our minds, the whole of all our talents. It is here, so long as we are permitted to serve as Members of this House, that the greatest of all possible rewards is found. For the greatest of all possible trust has been given to us, a trust, to protect the liberties of the people and fulfill their hopes.

This is the role, as a representative of the people, which I cherish above all I have ever held, or could ever dream of holding.

It is as a representative of the people, a democratic people, who believe in the principles and future of democracy—that I now speak about communism.

There is no word in the world today more misused or misunderstood. I, for one, would not pretend to give a final definition of the word.

I have no special contribution to make on the subject. I am not a student of communism. I have not been to Russia.

That, however, does not mean that I have not thought about communism and tried to understand it and take an objective view toward it. One of the most important things today is for the American people to try to understand the Russian people and the Russian people to understand us.

I think we do a disservice to democracy when we dismiss communism as the devil's handiwork. Of course, there is competition between democracy and communism in the world today.

There is no doubt in my mind that the result will continue to be the triumph of democracy in the world if we spend our energy and genius in demonstrating to the world what democracy can do.

One-sixth of the globe today, an area as large as the United States, India, and China combined, is inhabited by people who are living under a form of state socialism known as communism.

Primarily as the result of geographic isolation, these people since the Middle Ages had lived under the cruelest, most barbaric autocracy in world history. Under the czars, the nobility held huge estates. There was a relatively small trading class and working class of artisans. In 1917, when the revolution began, there were only 10,000,000 industrial workers in the whole country. There were many more millions of peasants who worked the land with the most primitive tools and methods; mentally and physically debased, almost to the level of animals, and who until less than a hundred years ago were bought and sold like the animals on the land of the big estates on which they lived and worked.

When Lenin with the philosophy of Marx and Engel arrived in Petrograd in the midst of a revolt against the czars and the war, there was small wonder that the Russian people followed him who promised bread and freedom.

In other words, communism was born out of hunger, slavery, illiteracy, superstition, degradation.

But, communism has no place in our society. We have something better. We have democracy. Communist methods are foreign to ours. Their policies are superimposed from the top and you take it from the top whether you like it or not.

Under our democratic system, programs are proposed from many sources in the community. A candidate running for office stands for a certain program, and the people elect him or reject him on the basis of that program. In other words, the people themselves select or reject what is good for them. We do not believe that one man or a group of men can save the people. We believe that the people save themselves.

The Soviets have never developed certain rights which to us are fundamental—the civil rights we cherish, the political rights we so boisterously and vigorously enjoy. They have sacrificed the competitive free-enterprise system we believe in.

Since the war I think we all must admit that some good things have been accomplished under communism for the Russian people.

But, communism is the receiver which takes over when bankruptcy takes place.

It is our job, not only to see that bankruptcy never takes place here, but that through democratic processes the welfare and security of the people which are what make a society solvent increase day by day.

The fear of communism in this country is not rational. And that irrational fear of communism is being deliberately used in many quarters to blind us to our real problems. The spreading of this fear is in fact propaganda for communism.

I am nauseated and sick to death of the vicious and deliberate way the word Communist has been forged into a weapon and used against those who organize and raise their voices in defense of democratic ideals—of hearing the very program which was initiated by Franklin Roosevelt and which the majority of the American people voted for in four successive national elections and to which President Truman has dedicated himself in his twenty-one point program called Communistic by those who seek to defeat the majority will of the American people.

Communism could successfully invade only a weakened democracy. A vigorous democracy—a democracy in which there are freedom from want, freedom from fear, freedom of religion and freedom of speech—would never succumb to communism or any other ism.

Our fight is not against the windmill of communism in America. Rather it is against those who would make a treadmill of democracy through special privilege, bigotry, and intolerance.

Those who serve democracy and the future of democracy best are those who believe that full employment and fair employment practices can be achieved under our free enterprise system and who fight for full employment and fair employment practices through the democratic process.

It is up to us, the people, to show that we can have full employment and full production and freedom at the same time. That is a test democracy faces.

Nobody believes in free enterprise or its future more than I do. I have had all the benefits of this free enterprise system. I was bred in a family that handed down its business from father to son, a family that believed and believes today that individual initiative is the source of our economic vitality. I had every advantage and every opportunity that a child born into that kind of family would have.

It is because I know what education and opportunity and the respect of the community mean in the development of human beings that I fight for them for everyone.

I have never been in a breadline. I have never had to live on a ditch bank. I am not one of the millions who have never known a doctor's care.

I was not one of those 200,000 women a year who gave birth to their children

without medical attention. I do not belong to a minority—at least, I do not think the Irish are considered a minority in America any more.

But I have been in the slums of America. I have been to the ditch bank and have seen the people who came out of the cities because there was no place for them there. I have seen the people who were blown off, tractored off, or because of lack of markets were pushed off the land.

I have seen their miserable cars with all their worldly belongings strapped to them wending their weary way through State after State, millions in all, hunting for a job, hunting for somewhere beside the road to lay their heads.

I have seen shanty towns where the dust blinded and choked—where there was no water to relieve the thirst—no water to wash sick children, or when it rained rivers ran through the tents or the improvised shanties.

I have seen children with sore eyes and swollen bellies. I have looked deep into the despairing eyes of fathers and mothers without jobs—or hope of jobs. I have seen minorities humiliated and denied full citizenship. And I tell you that we betray the basic principle upon which this Government of free people was founded unless this Government of the people finds a way by which all the people can live out their lives in dignity and decency.

Yes; I believe in free enterprise. I believe in it so much that the whole object of my participation in government as a representative of the people is to make it free, free for everybody.

It is a good thing to own your own business, your own farm. The problem that confronts this Congress is that not enough people own their own businesses and their own farms. The test again and again is whether we side with the great monopolies or with the people. The great monopolies are suffocating free enterprise and, if not halted in their growth, will in the end destroy not only their own dynasties but democracy itself.

Only 10,000 persons own one-quarter and 75,000 persons own one-half of all the corporate stock in this country. Only 61,000 persons out of 130,000,000 collect half the dividends.

The war Franklin D. Roosevelt talked about in 1936 is still going on. It is, as he said, "a war for the survival of democracy," and the battle should not rage around the bogus issue of communism but around the real issue of monopoly and the exploitation of the people and their resources.

Monopolies did not build America. It was not monopoly which built our great industrial economy. It was competitive enterprises which later were too often strangled by the forces of monopoly. Typically, our plants, factories, mines, and mills were built by enterprising businessmen, creating income for their respective communities. But after the facility was built, too often it was taken over by the large combine, the Wall Street group.

Not only did monopoly fail to contribute materially to the development of our industrial structure, it actually promoted

illegal price fixing and the restriction of production which resulted in underconsumption and unemployment.

Monopoly, through cartels, contributed seriously to our industrial unpreparedness for war by restricting the production and distribution of such vital materials as magnesium, synthetic rubber, aviation gasoline, and electrical equipment and many other products.

Monopoly deeply affects the spiritual and economic lives of those who live in communities which it dominates.

In a study prepared by the Smaller War Plants Corporation and printed as Senate Document 165, a comparison was made of the levels of civic welfare in what were termed "big business" as against "small business" cities. It was found that in the big-business cities—those in which most of the working population was employed by a few large plants or absentee-owned corporations—the level of civic welfare was lower than in small-business cities—those in which most of the workers were employed in many small, locally owned businesses.

It was found that the chance that a baby would die within 1 year after birth was considerably greater in big- than in small-business cities.

Slums were more prevalent in the "big business" cities.

The "big business" cities had less home ownership; they spent less per capita on health, on public recreation, and on public libraries; and they had a lower degree of church membership than did comparable "small business" cities of the same size located in the same area, possessing the same type of population.

These are only a few manifestations of the lower levels of civil welfare which were found to prevail in the "big business" cities.

The alternative to this concentration is, its very opposite—more privately owned business, more employers competing for the respect of the community, more participation in ownership.

Democracy cannot long survive when the people permit their lives to be dominated—economically or politically—by a powerful few.

We must make democracy work. We must realize the greatness that is in America. We are proud of our past and proudest because of what we can build upon that past. We do not want to turn our eyes backward and to keep the dead hand of the past upon our growth. And above all we want to shake off the deadening hand of monopoly.

We must reverse the trend to monopoly. We must enlarge the opportunities for all, with our magnificent capacities for production and distribution. It is in this atmosphere of hope and freedom that we became great and shall go forward to new leadership in the world. It is in this setting that we can undertake to provide new security and well-being for all our people, rather than much for the few and little for the many.

To make democracy work we must recognize its real enemies. And one of the most dangerous of its enemies is intolerance borne of fear and loss of faith in America.

Intolerance which poisons the sweet air of liberty.

I do not agree with everything that is said. But I will fight with the last ounce of my strength for the right of people to say what they will.

One of the great privileges of democracy is the privilege to make mistakes—the privilege to say foolish things, the privilege to expound ideas with which others violently disagree, the privilege to say them without being tracked down and labeled as subversive, the privilege to criticize our Representatives mercilessly, whoever they may be, and, next to the secret ballot, the greatest privileges of all are the right to organize and defeat or elect candidates to public office. The whole history of American politics is the history of vigorous and often violent disagreements.

We believe and we have shown by experience that we can afford these luxuries—these luxuries which are a necessity of democracy—because in a people's government balance is found and kept in the final voice of the majority; the majority which at all times defends the minority. There is no danger in letting people have their say. We have proved that. There is only danger when you try to stop them from saying it.

This, the most powerful nation on earth, stands today as irrefutable proof that there is no danger in a conglomeration of peoples and ideas freely expressed. In fact, out of the very conglomeration a rich harvest, which is the growth of America, has been reaped.

There is a danger in the hysteria that always follows war. That danger is suspicion—suspicion that breeds in ignorance; thrives on bigotry, reaches epidemic proportions on hysteria.

Tom Paine said:

Suspicion is the companion of mean souls and the bane of all good society.

This is true at home and abroad, as true in 1946 as it was in 1776. And former Secretary of State and War Henry L. Stimson wrote a few days ago:

The chief lesson I have learned in a long life is that the only way to make a man trustworthy is to trust him; and the surest way to make him untrustworthy is to distrust him and show your distrust.

Mr. Stimson said this in reference to the atomic bomb and our international relations, but what is true of international relations is also true here at home.

We, the Members of this body, will fail in our duty if we permit suspicion of another's purpose to divert us from our own purpose—that of making democracy function at full efficiency for our own people.

To be sure there are Communists in America. There are a few people in America who believe the free enterprise system has run its course. As I have made clear, here today, I share no such belief. But to attack each new development in the progress of American democracy, as communism, is to dig the grave of government of the people, by the people, for the people.

If we succeed in the practice of democracy communism will never take

over, as some faint-hearted but loud-mouthed have proclaimed.

We cannot fail if we carry forward into the future the principles which have made America great.

Mr. Speaker, this body must always be loyal to the principles of its founders and the teachings of its fathers.

It must never yield to the tyranny of bigotry.

It must never succumb to the rantings of the demagog.

It must always be the forum where justice is dispensed and intolerance is despised.

It must be the protector of free speech and the guardian of free worship.

It must never become an arena where class is arrayed against class—where race hatreds are bred and suspicions nourished.

We, the Members of this Congress—chosen by a free people to protect their rights and to bring to reality their hopes and faiths—are not bigots. We do not believe in name calling. We do not agree that everyone who disagrees with us should be hunted down like a criminal, denied his civil rights, and deprived of his ability to earn a living.

We, the Members of this House, do not believe that Capitol Hill is a hill on which to kindle a fiery cross but rather one on which to display the shining cross which since Calvary has been to all the world the symbol of the brotherhood of man.

EXTENSION OF REMARKS

Mr. OKONSKI asked and was given permission to extend his remarks in the RECORD in four instances.

Mr. PITTINGER asked and was given permission to extend his remarks in the RECORD.

Mr. STIGLER (at the request of Mr. BAILEY) was given permission to extend his remarks in the RECORD and include a brief article relating to an oratorical contest held in his State.

Mr. HART asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. HINSHAW asked and was given permission to extend his remarks in the RECORD and include a statement prepared by five members of the California delegation.

SPECIAL ORDERS GRANTED

Mr. BAILEY. Mr. Speaker, I ask unanimous consent that on Wednesday next at the conclusion of the legislative program of the day and following any special orders heretofore entered, the gentleman from Oklahoma [Mr. STIGLER] may be permitted to address the House for 30 minutes.

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

There was no objection.

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent that on Thursday next, following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

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

There was no objection.

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Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that on Monday, Tuesday, and Friday of next week, following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

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

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. DOYLE] is recognized for 5 minutes.

HOUSE RESOLUTION 575, A BILL TO MAKE A STUDY AND SURVEY OF JUVENILE DELINQUENCY, AND TO REPORT THEREON

Mr. DOYLE. Mr. Speaker, I wish to call attention to the fact that on yesterday I filed a resolution, House Resolution 575. It is a resolution asking that this Congress name a committee of seven Members to make a Nation-wide study, survey, and report to Congress on the important question of juvenile delinquency. The purpose of the resolution itself is such that there is no need for any subpoena power by such a committee. All agencies and groups and people will cordially cooperate in such a survey. As a former officer of the Juvenile Court of Los Angeles County, serving under that distinguished juvenile judge Curtis D. Wilbur, and as former superintendent for three years of a school for 125 so-called bad boys of high-school age, as an athletic coach and YMCA boys' secretary, I know for a fact there is no subject now more pertinent or important in the field of human welfare than is the subject of juvenile delinquency as a Nation-wide problem. I repeat that I am very sure that such a committee of this House will find the most cordial cooperation throughout the Nation from all agencies, public and private, and from thousands of qualified individuals, in such a study. I do not now know what it would cost but any reasonable expense is not too much, certainly. The children of our Nation in times of peace, and most certainly in times of war, are the bulwark of our national economy and national defense.

Mr. PHILLIPS. Mr. Speaker, will the gentleman yield?

Mr. DOYLE. I yield to my colleague from California.

Mr. PHILLIPS. This is the first I have known of the gentleman's intention to introduce this resolution. I am very glad indeed that he is doing it. I think he is doing a service by the resolution, for these reasons: We have ended a great war. After the last war one of the most tragic things that happened was the effect of the postwar period upon the juvenile population of the United States. I know the Congress does not want that to happen again. Second, in recent years

the State from which the gentleman comes—California—has adopted a youth authority to meet this problem in the most modern and progressive way, and it is being carried out very successfully and with very fine results. There is a bill today before the Committee on the Judiciary of this House proposing to set up the same sort of an authority on a national scale. I am sure the gentleman's resolution would fit right into the support of that bill and give information which that committee could very finely use. I congratulate the gentleman on the introduction of the resolution.

Mr. DOYLE. I thank my colleague from California for his comments. I had not heard of the bill the gentleman refers to, but, of course, know of the progress made in California since the establishment of the youth authority there. Of course, all the facts and knowledge of juvenile delinquency and its causes and effects, with possible aids to deterring and combating same, will be of inestimable value at every level of experience and responsibility—National, State, county, municipal, group, agency, church, school, homes, parental—in dividend.

The reported rapid rise in the volume of and extent of juvenile delinquency has aroused the thinking and concern of the people generally. They are awake to the fact that there must be no longer delay in a conscientious, thoroughgoing national study, survey, and report, with every reasonable solution or remedy to be in that report to the Congress and the people.

I know that there are many Members of this great legislative body as much concerned as I am for I have talked with them about my planning to file this resolution. Unanimously they have endorsed the plan. Never before has such a study and report been made by Congress, although many Nation-wide agencies, groups, and organizations have had committees consider it in one or more phases. Likewise, departments of our Federal Government have in the past and do now continue to study and plan and work helpfully in the field. For instance the Federal Bureau of Investigation and the Attorney General's Office and the Children's Bureau are amongst the Federal departments referred to.

Nor should the study and survey under my resolution be hastily nor hurriedly made. The seriousness of the situation demands the very best of the brains, talent, and resources of this Congress. Members should be placed on the committee, if this House approves the resolution, who have no preconceived notions or conclusions. The facts must be ascertained and the truth known as far as possible. Nothing else will suffice.

I shall shortly seek a rule and approval by our Rules Committee of this resolution, House Resolution 575. I respectfully ask your favorable action and support of its objectives.

The text of the resolution itself as I wrote it will further give you answers to your questions:

House Resolution 575

Whereas it is recognized that the welfare of our Nation in time of peace and the security of our Nation in time of war depends upon the training of the children and youth of the present day of our Nation; and

that the future of the United States of America rests upon the shoulders of its children and that they are at one and the same time its greatest resource and responsibility; and

Whereas it is well known that juvenile delinquency is increasing at such a rate that the problem of juvenile delinquency and of violation of law by juvenile offenders is one of the present-day problems; and

Whereas it is recognized that great benefit would be had throughout the Nation as a result of a thorough survey, study, and investigation of the causes and factors contributing to juvenile delinquency and the effects and results of juvenile delinquency; and

Whereas it is recognized that such study and survey would be most beneficial if it contained a report as to ways and means believed to be necessary and proper to deter or prevent juvenile delinquency; and

Whereas it is recognized that there is great public interest throughout the Nation at this time upon this important subject; and

Whereas it is believed that the public will gladly cooperate in such survey and study, and will facilitate the functioning of a committee of Congress in this matter; and

Whereas it is recognized that the cities, counties, States, and the Nation are all desirous of having the most information attainable on this important subject, and to undertake to use the same for the welfare of the Nation through prevention of juvenile delinquency: Therefore be it

Resolved, That there is hereby created a select committee of the House of Representatives to be composed of seven members to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the committee shall be filled in the same manner as the original appointment was made. This committee is authorized and directed to make a full and complete study, survey, and investigation into (a) the subject of juvenile delinquency, (b) causes and factors contributing to juvenile delinquency, (c) the effects and results of juvenile delinquency, (d) possible ways and means to deter or prevent juvenile delinquency.

SEC. 2. For the purpose of this resolution, the committee or any subcommittee thereof, is authorized 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 hold such hearings and to take such testimony as it deems necessary. To this end, said committee is authorized to invite, seek, and to receive such testimony, either oral or documentary, as is readily available to the uses and purposes of the committee. And, such testimony, evidence, and facts shall be sought from both public and private agencies actively interested in the subject of child welfare, and the subject of juvenile delinquency, and likewise from other groups or individuals, also similarly interested, informed, and qualified.

SEC. 3. All or such part of the testimony and evidence received by the committee shall be printed as the committee shall determine and the report of said committee shall be made available for distribution at such time and in such amount as shall be later determined upon.

THE SPEAKER. Under previous order of the House, the gentleman from Oregon [Mr. ELLSWORTH] is recognized for 10 minutes.

BUILDING MATERIALS

MR. ELLSWORTH. Mr. Speaker, after exhausting all the normal and usual methods that we Members of this body, and I assume also the Members of the

other body, use in contacting the representatives of the various offices, bureaus, commissions, and authorities downtown in the executive branch of this Government, on a matter which I think is vital to the whole country, as well as to some residents of my district, I come before this House to state a few facts and to point to at least one cause of delay in home construction.

Sometimes I think some of the agency people in the executive branch of our Government who talk about building houses think that houses can be built with legislation and red tape, but, Mr. Speaker, in order to build houses for the people of this country, in order to build houses for the veterans of our wars, we must have material. Houses cannot be built with red tape or with legislation. Material is absolutely essential. But the red tape and the dilatory tactics downtown have the effect of holding back the distribution and the manufacture of material for needed houses.

I take this time to cite one case of which I have intimate knowledge, but I have learned this morning that there are 40 almost identical applications lying on the desk of one of the CPA men downtown waiting to be processed, having been delayed exactly as this one typical case I shall mention has been delayed.

For 3 weeks an operator of a sawmill in the State of Oregon has been endeavoring to obtain a priority from the CPA in order to buy a lumber loader so that he can ship throughout the country where houses are needed more than 1,000,000 feet of lumber, lumber enough to frame 600 houses, lumber which he now has on hand—and he is still waiting.

Let me read you the telegram I received from him this morning. It states his case:

Since our mill burned August 14 last we have attempted to purchase from commercial suppliers and Government agencies lumber handling equipment unsuccessfully. Commercial suppliers quote 1947 delivery. Government surplus hyster equipment located Tacoma Navy Depot and advise by officer in charge can be released on priority. Central Point mill rebuilt and running two shifts producing 100,000 board feet daily 100-percent housing lumber in excess of 1,500,000 feet now stored in yard ready for shipment to home builders providing we can secure Government surplus hysters here at navy depot. Mill will be forced to close unless hysters secured so have come to Tacoma awaiting Government action allowing us to purchase carriers.

And now here is the story from this end: Day after day for the last 10 days I have called up various men here in the Civilian Production Agency, I believe it is called, and I have traced the problem of getting this man a priority to buy one of these loaders. They say they have to write a new order in order to set up the legal machinery for issuing the priority, although there is already a Director of Priorities in the Civilian Production Administration, a man by the name of John Houston. But the new order must be written so that they will have machinery for putting out a priority. For 3 weeks they have been worrying about writing this order so that a simple

piece of paper known as a certificate of priority can be issued. I was told this morning it might be issued today. I was told yesterday it might be issued yesterday. I was told Monday it might be issued then. I do not know when it will be issued. But I know meanwhile that a million feet of lumber is lying on the docks in this one place, lumber ready to use but which cannot be shipped to be used to build houses until this simple priority is issued. I know of 40 other applications from lumber manufacturing concerns that are in about the same fix.

MR. PHILLIPS. Mr. Speaker, will the gentleman yield?

MR. ELLSWORTH. I am glad to yield.

MR. PHILLIPS. Does not the gentleman think that getting that lumber into the hands of a carpenter with a hammer and saw would do more for the veterans than creating another agency on top of an existing agency as the House attempted to do the other day?

MR. ELLSWORTH. The agency to which the gentleman refers, I am sure, is the office of the Housing Expediter. The Housing Expediter already has all of the power he can possibly use, not only to get this lumber rolling, but to do everything else that is necessary to help the housing program. We do not need to have this housing legislation passed in order to get houses built because they are being expedited at the present time.

MR. PHILLIPS. Does not the gentleman think that if any changes in the law are necessary they can be made under existing regulations under the authority of the OPA in case the question of price is involved on material in order to get production?

MR. ELLSWORTH. The gentleman is quite correct. The OPA already has the power to control prices that will inspire production. In other words, incentive prices. There has been very little evidence anywhere along the line that the OPA has done this. However, discussions during the last 2 weeks indicate that they have become aware of the housing shortage although it was called to the attention, not only of the OPA and the Office of War Mobilization but of John Snyder, the Reconversion Director, as long ago as last June, by the lumber industry. The National Lumber Manufacturers Association wrote the Reconversion Director, and told him a crisis was imminent. That was in June 1945 that I am talking about. So far as I know, the National Lumber Manufacturers Association never received a reply to that letter. They were never invited to a conference with the Reconversion Director. To this day, the Office of Reconversion has taken no part in the problem so far as housing and lumber for housing is concerned.

MR. PHILLIPS. The gentleman is making an extremely interesting statement. That is not the sort of statement we have been hearing through the more or less propaganda reports that have come out of Washington. If I understand the gentleman, what he is saying is that the lumber industry almost a year ago came to the Government and told them exactly what would happen if

certain things were not done to provide lumber for houses. Those things were not done. They received no reply to some of their communications and today a scarcity of lumber exists which is preventing veterans from getting homes.

Mr. ELLSWORTH. I have a copy of a letter written on June 23, 1945. It is a 2-page letter, setting forth in detail the possible crisis in housing which might develop following the end of the war. It was written by the National Lumber Manufacturers Association manager and sent to the Director of Reconversion. I shall be glad to show it to the gentleman. I expect to place the letter in the RECORD one of these days.

Mr. PHILLIPS. I think it would be good if the gentleman would do that.

Mr. ELLSWORTH. In conclusion, may I say that the time seems to me to be at hand when the Director of Priorities of the Civilian Production Administration and the Housing Expediter and the Director of Reconversion and everybody else, even up to the President himself, ought to break up some of these red-tape bottlenecks so that lumber and needed materials can be shipped.

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

FOREIGN COMPETITION IN AIR TRANSPORTATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to include excerpts from the Wichita Beacon of March 26 in my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am greatly alarmed by the fact as the Wichita Beacon states in an editorial that for the first time in 100 years our State Department has, by treaty, invited foreign business into American domestic fields in competition with our own industries. By the Department's action, this country will have invited disaster, if the treaty is ratified. I understand that bilateral agreement has been reached with the French which would allow the French to operate a line into Mexico, which parallels one of our own American lines, and in competition with it, because undoubtedly the rates would be much less, and the money paid the personnel would be less than we pay in our own country.

The Wichita Beacon says:

THE CITIZENS OF THE UNITED STATES ALWAYS
PAY THE BILLS

For the first time in 100 years, our State Department has, by treaty, invited foreign business into American domestic fields in competition with our own industries. By the Department's action, this country will have invited disaster, if the treaty is ratified.

The action was the approval by this country of an Anglo-American air transport agreement which, to all practical purposes, invites 52 nations to compete with our air lines for air travel originating in this country.

Such an agreement can hardly help in the development of American domestic air lines, despite proponents' arguments that we got

more than we gave. Must this country lower its living and wage standard to meet the competition the nations with cheap labor can offer? That is the problem we face under terms of the agreement.

Let's go a step farther. The agreement, by offering foreign nations opportunity to compete with our air transportation set-up, naturally weakens the position of American air carriers. Anything that weakens our air lines weakens our national defense.

The air lines' remarkable job of wartime transportation was one of the deciding factors in our quick victories over Germany and Japan and particularly Italy. The air lines, by their cooperation, brought about the beginning of the end by running supplies to the north African sector at the outset of the war.

If we are to sacrifice our air lines as we sacrificed our ocean-going trade after the last war, then we are inviting disaster.

In effect, the Anglo-American agreement, reached at Bermuda, aids foreign countries to take business away from American industries.

About a quarter of all world travel originates in America. England, by virtue of the Bermuda agreement, now has access to this most fertile field of air transportation. We have given Britain the right to land and pick up passengers at some of our most strategic cities. We have given Britain access to our Pacific outposts, to Hawaii, the Philippines, and to China and Japan over the bases we fought so hard to win in the recent war.

Prices to be charged by the various operating air lines in this so-called world airways system will be fixed by an international traffic association. There are 56 foreign votes to our 4. We will be outvoted 14 to 1 on any issue which might arise.

As American citizens interested primarily in the welfare of our own country and our own industries, it is our duty to let Congress know that we are looking to it for protection in this chess game of world politics in which our State Department appears determined to let foreign nations checkmate our air lines.

There are some questions, I believe, Mr. Speaker, as to the legality of what is being done, and I, as one Member of Congress, am going to take up the Beacon suggestion and also the suggestions of others that we look into this matter. On Monday I shall introduce a resolution of inquiry. I am vitally interested, and always have been, in the development of our aviation, our air transport. Certainly if this country is to maintain its place in the world it must have development in air transport as well as air security in the landing fields and bases all over the world.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DOYLE, indefinitely, on account of critical illness of member of immediate family in California.

To Mr. LEFEVRE (at the request of Mr. MARTIN of Massachusetts), for Monday, Tuesday, and Wednesday, on account of official business.

ADJOURNMENT

Mr. BAILEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 17 minutes p. m.) the House, pursuant to its previous order, adjourned until Monday, April 1, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON IRRIGATION AND RECLAMATION

The Committee on Irrigation and Reclamation will continue hearings on H. R. 5124, on Wednesday, April 3, 1946, at 10 a. m., in room 328, Old House Office Building. The hearings will continue through Thursday, April 4, and probably through Friday, April 5.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold a public hearing Thursday, April 4, 1946, at 10 a. m. to consider the bill, H. R. 5892, providing for a medal for service in the merchant marine during the present war.

COMMITTEE ON FLOOD CONTROL

The Committee on Flood Control will begin hearings on an omnibus flood-control authorization bill on Monday, April 8, 1946, at 10 a. m. The hearings will continue daily except Saturday up to and including Friday, April 19.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, April 9, 1946, at 10:30 a. m., to begin the preparation of an omnibus river and harbor bill. Following is the schedule for hearings:

(Tuesday, April 9)

1. Portland Maine, Maine.
2. Fall River Harbor, Mass.
3. Wickford Harbor, R. I.
4. New Haven Harbor, Conn.
5. Bridgeport Harbor, Conn.
6. Stamford Harbor, Conn.
7. Barnegat Inlet, N. J.
8. Absecon Inlet, N. J.
9. Delaware River, Biles Creek, Pa.

(Wednesday, April 10)

10. Sacramento River, Calif., deep-water ship channel.

(Thursday, April 11)

11. Schuylkill River, Pa.
12. Middle and Dark Head Creeks, Md.
13. Mattaponi River, Va.
14. Newport News Creek, Va.
15. Norfolk Harbor, Va.
16. Savannah Harbor, Ga.
17. St. Johns River, Fla., Jacksonville to Lake Harney.
18. Hollywood Harbor (Port Everglades), Fla.
19. Withlacoochee River, Fla.

(Friday, April 12)

20. Sabine River, Adams Bayou, Tex.
 21. Sabine-Neches waterway, Texas.
 22. Trinity River below Liberty, Tex.
 23. Aransas Pass, Intracoastal Waterway, Tex.
 24. Brazos Island Harbor, Tex.
- (Monday and Tuesday, April 22 and 23)
25. Tombigbee-Tennessee Rivers.
- (Wednesday and Thursday, April 24 and 25)
26. Franklin Canal, La.
 27. Mermentau River, La.
 28. Lake Charles deep waterway, Louisiana.
 29. Plaquemine and Morgan City route, Louisiana.
 30. Red River below Fulton, La.

(Friday, April 26)

31. Big Sandy River, Tug, and Levisa Forks, Va., W. Va., and Ky.

(Monday and Tuesday, April 29 and 30)

32. Arkansas River, Tenn. and Ky.

(Wednesday, May 1)

33. Cumberland River, Tenn. and Ky.

34. Big Sioux River, S. Dak.

35. Mississippi River seepage, Iowa, Minnesota, and Wisconsin.

36. Mississippi River at Lansing, Iowa.

37. Mississippi River at Wabasha, Minn.

38. Mississippi River at Lake Pepin, Minn.

39. Mississippi River at Hastings, Minn.

(Thursday, May 2)

40. Fairport Harbor, Ohio.

41. Cleveland Harbor, Ohio.

42. Great Lakes connecting channels, Michigan.

43. Calumet-Sag Channel, Ind. and Ill.

44. Chicago River, North Branch of, Ill.

45. Napa River, Calif.

46. Coos Bay, Oreg.

47. Columbia River at Astoria, Oreg.

48. Columbia River at The Dalles, Oreg.

49. Columbia River, Foster Creek Dam, Wash.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1171. A letter from the Administrator, Federal Security Agency, transmitting a draft of a bill, making permanent the authority heretofore carried in annual appropriation acts, to permit expenditures by Freedmen's Hospital for uniforms for its personnel, special instruction for its student nurses, and repairs and alterations to its buildings; to the Committee on the District of Columbia.

1172. A letter from the Administrator, Federal Security Agency, transmitting a legislative proposal, making permanent authority heretofore carried in annual appropriation acts, to permit St. Elizabeths Hospital to make expenditures for certain purposes; to the Committee on the District of Columbia.

1173. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1947 in the amount of \$40,647,000 for the Navy Department in the form of an amendment to House Document 501 (H. Doc. No. 519); to the Committee on Appropriations and ordered to be printed.

1174. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1947 in the amount of \$525,200 for the legislative branch, Architect of the Capitol (H. Doc. No. 520); to the Committee on Appropriations and ordered to be printed.

1175. A letter from the Administrator, Federal Security Agency, transmitting a draft of a bill amending the Public Health Service Act (42 U. S. C., ch. 6A) and the act of June 15, 1943, as amended (50 U. S. C. App. 1451 et seq.), in order to make permanent the authority, heretofore carried in annual appropriation acts, under which the Public Health Service is permitted to make certain expenditures in carrying out the purposes of these two statutes; to the Committee on Interstate and Foreign Commerce.

1176. A letter from the Acting Secretary of the Interior, transmitting a draft of a proposed bill to authorize the sale of 137.29 acres of restricted lands belonging to individual Indian allottees and 40 acres of tribal land held in trust for the Keweenaw Bay Indian Community, located on the L'Anse Reservation, Mich.; to the Committee on Indian Affairs.

1177. A letter from the Acting Attorney General, transmitting a report reciting the facts and pertinent provisions of law in the cases of 260 individuals whose deportation has been suspended for more than 6 months by the Commissioner of the Immigration and Naturalization Service under the authority vested in the Attorney General, together with a statement of the reason for such suspension; to the Committee on Immigration and Naturalization.

1178. A letter from the Administrator, Federal Security Agency, transmitting a draft of a proposed bill to authorize intraagency transfers and consolidations of appropriations by the Federal Security Administrator, and for other purposes; to the Committee on Expenditures in the Executive Departments.

1179. A letter from the Secretary of Agriculture, transmitting a draft of a proposed bill to amend the Federal Crop Insurance Act; to the Committee on Agriculture.

1180. A letter from the Secretary of the Department of Agriculture, transmitting a draft of a proposed bill to amend section 508 (d) of the Federal Crop Insurance Act (7 U. S. C. 1508 (d), 52 Stat. 75), as amended, so as to permit the Federal Crop Insurance Corporation to purchase insured commodities on the futures market; to the Committee on Agriculture.

1181. A letter from the Acting Secretary of the Interior, transmitting a draft of a proposed bill to authorize the Director of the United States Geological Survey to produce and sell copies of aerial or other photographs and mosaics, and photographic or photostatic reproductions of records, on a reimbursement of appropriations basis; to the Committee on Mines and Mining.

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. VINSON: Committee on Naval Affairs. H. R. 5641. A bill to authorize the attendance of the Marine Band at the national convention of the United Spanish War Veterans to be held in Milwaukee, Wis., August 4 to 10, inclusive, 1946; without amendment (Rept. No. 1832). Referred to the Committee of the Whole House on the State of the Union.

Mr. COLE of New York: Committee on Naval Affairs. H. R. 5911. A bill to establish an Office of Naval Research in the Department of the Navy; to plan, foster, and encourage scientific research in recognition of its paramount importance as related to the maintenance of future naval power, and the preservation of national security; to provide within the Department of the Navy a single office, which, by contract and otherwise, shall be able to obtain, coordinate, and make available to all bureaus and activities of the Department of the Navy, world-wide scientific information and the necessary services for conducting specialized and imaginative research; to establish a Naval Research Advisory Committee consisting of persons preeminent in the fields of science and research, to consult with and advise the Chief of such Office in matters pertaining to research; without amendment (Rept. No. 1833). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. GRANGER:

H. R. 5938. A bill authorizing an appropriation for the construction, extension, and improvement of a high-school building near Roosevelt, Utah, for the school district comprising Duchesne and Uintah Counties, Utah; to the Committee on Indian Affairs.

By Mr. JACKSON:

H. R. 5939. A bill to increase the rates of compensation of officers and employees of the Federal Government, and for other purposes; to the Committee on the Civil Service.

By Mr. LANHAM:

H. R. 5940. A bill to make Government-owned patents freely available for use by citizens of the United States, its Territories, and possessions; to the Committee on Patents.

By Mr. WINSTEAD:

H. R. 5941. A bill to provide for payments to the States with respect to certain lands of the United States; to the Committee on the Public Lands.

By Mr. BOREN:

H. R. 5942. A bill to fix the rate of postage on domestic air mail, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. THOMAS of Texas:

H. R. 5943. A bill to authorize the Secretary of the Navy to transfer to the State of Texas the battleship *Tezas*, including the silver service presented to the United States for such battleship; to the Committee on Naval Affairs.

By Mr. HINSHAW:

H. R. 5944. A bill defining the powers and duties of the Secretary of the Interior with respect to the Colorado River under the treaty with Mexico of February 3, 1944; authorizing the construction, acquisition, and administration of works required for performance of said treaty on the Colorado River; and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. SHEPPARD:

H. R. 5945. A bill defining the powers and duties of the Secretary of the Interior with respect to the Colorado River under the treaty with Mexico of February 3, 1944; authorizing the construction, acquisition, and administration of works required for performance of said treaty on the Colorado River; and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. IZAC:

H. R. 5946. A bill defining the powers and duties of the Secretary of the Interior with respect to the Colorado River under the treaty with Mexico of February 3, 1944; authorizing the construction, acquisition, and administration of works required for performance of said treaty on the Colorado River; and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. PHILLIPS:

H. R. 5947. A bill defining the powers and duties of the Secretary of the Interior with respect to the Colorado River under the treaty with Mexico of February 3, 1944; authorizing the construction, acquisition, and administration of works required for performance of said treaty on the Colorado River; and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. HOLIFIELD:

H. R. 5948. A bill defining the powers and duties of the Secretary of the Interior with respect to the Colorado River under the treaty with Mexico of February 3, 1944; authorizing the construction, acquisition, and administration of works required for performance of said treaty on the Colorado River; and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. BLOOM:

H. R. 5949. A bill to provide basic authority for the performance of certain functions and activities of the Department of State; to the Committee on Foreign Affairs.

By Mr. PFEIFER:

H. J. Res. 332. Joint resolution requesting the President to establish friendly diplomatic relations with Italy and recognize Italy as a full and equal ally; to the Committee on Foreign Affairs.

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 New York, memorializing the President and the Congress of the United States to enact legislation, or in cooperation with the Secretary of Agriculture, take such other steps as may be necessary, for the purpose of continuing payment of subsidies, for a period of 1 year or until the end of such crisis, to producers of dairy products in such manner and in such amounts necessary to insure fair cost thereof to consumers and fair prices therefor to producers; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BARTLETT:

H. R. 5950. A bill for the relief of Cleo C. Reeves, Floyd L. Murphy, and Fabian P. Durand; to the Committee on Claims.

By Mr. BATES of Kentucky:

H. R. 5951. A bill for the relief of Elwood David Arnold; to the Committee on Claims.

By Mr. HOOK:

H. R. 5952. A bill for the relief of Julius Johnson; to the Committee on Claims.

By Mr. PHILBIN:

H. R. 5953. A bill for the relief of Stanislaw Nahrski; to the Committee on Immigration and Naturalization.

By Mr. RAMEY:

H. R. 5954. A bill for the relief of George H. White Construction Co.; to the Committee on Claims.

By Mr. THOMAS of Texas:

H. R. 5955. A bill for the relief of Wladyslaw Grochowski; 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:

1743. By Mr. ANDREWS of New York: Resolution by the Assembly of the State of New York, urgently requesting the Congress of the United States to enact legislation, or in cooperation with the Secretary of Agriculture, take such other steps as may be necessary, for the purpose of continuing payment of subsidies, for a period of 1 year or until the end of such crises, to producers of dairy products in such manner and in such amounts necessary to insure fair cost thereof to consumers and fair prices therefor to producers; to the Committee on Banking and Currency.

1744. By Mr. GRAHAM: Petition of 60 residents of Beaver County, Pa., opposing socialized medicine; to the Committee on Interstate and Foreign Commerce.

1745. By Mr. LYNCH: Petition of the Presbytery of New York, urging removal of restrictions on the sending of mail and food to former enemy countries; to the Committee on Foreign Affairs.

1746. By Mr. VOORHIS of California: Petition of various students of Massachusetts State College, with reference to appropriations for UNRRA; to the Committee on Appropriations.

SENATE

MONDAY, APRIL 1, 1946

(Legislative day of Tuesday, March 5, 1946)

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:

Our Father God, for these blue days and fair and for eyes to see and for hearts to feel, we lift our morning hymn of praise. As winter graves change to springtime gardens all nature speaks to us of stirring life and of the earth reborn to haunting loveliness. Bushes afire with Thee seem to whisper secrets that our dull souls are too dense to comprehend. Deep within us replenish our spirits with new life. Breathe upon our deadness, O breath of God; fill us with fresh faith, a surer sense of Thy presence, a triumphant confidence in Thy final victory over the hearts of men. May we face these baffling days with the glad assurance that no weapon that has been formed can prevail against Thy eternal purpose. From the schemes of selfish and stubborn men we turn sure and content to a resistless force that will at last burn away every barrier to brotherhood, and to Thee, our God, who will not fail nor be discouraged until on a cross deep-rooted in Thine own heart Thou dost lift a lost world to the radiance of Thy love and light. Amen.

THE JOURNAL

On the request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, March 29, 1946, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination 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 passed a bill (H. R. 5856) to provide for trade relations between the United States and the Philippines, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 473) relating to pay and allowances of offices of the retired list of the Regular Navy and Coast Guard performing active duty in the

rank of rear admiral, and it was signed by the President pro tempore.

HOUSE BILL REFERRED

The PRESIDENT pro tempore. The House has passed the bill (H. R. 5856) to provide for trade relations between the United States and the Philippines, and for other purposes. The question arises as to which committee it should be referred in the Senate. The Chair is advised by the Parliamentarian, and concurs fully in his view of the matter, that, inasmuch as the bill deals with tariffs and trade relations, and inasmuch as it came from the Committee on Ways and Means of the House, which is similar to the Committee on Finance of the Senate, the bill should be referred to the Finance Committee. The bill is accordingly referred to the Finance Committee.

EXECUTIVE COMMUNICATIONS, ETC.

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

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF JUSTICE (S. Doc. No. 145)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Justice, amounting to \$125,000, fiscal year 1946, in the form of an amendment to House Document No. 441, Seventy-ninth Congress (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, THE JUDICIARY (S. Doc. No. 144)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the judiciary, amounting to \$4,100, fiscal year 1946, in the form of an amendment to House Document No. 482, Seventy-ninth Congress (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, LEGISLATIVE BRANCH (S. Doc. No. 147)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative branch, United States Senate, amounting to \$6,000, fiscal year 1946 (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, NATIONAL HOUSING AGENCY (S. Doc. No. 146)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the National Housing Agency, amounting to \$400,000, fiscal year 1946 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED PROVISION PERTAINING TO EXISTING APPROPRIATION FOR EXECUTIVE OFFICE OF PRESIDENT (S. Doc. No. 148)

A communication from the President of the United States, transmitting a proposed provision pertaining to an existing appropriation for the Executive Office of the President (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

AGRICULTURAL EXPERIMENT STATIONS

A letter from the Acting Secretary of Agriculture, transmitting a printed copy of the report on agricultural experiment stations, 1945, to be substituted for the typewritten