

United States, with rank from December 20, 1944.

Henry Harley Arnold to be General of the Army in the Regular Army of the United States, with rank from December 21, 1944.

TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

Martin Conrad Shallenberger to be a brigadier general.

## HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 10, 1946

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

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

O Master, the world's Saviour, Thou who remainest the same today and forever, we rejoice that Thy mercy never faileth. We pray Thee to cleanse our thoughts and purposes by the inspiration of Thy spirit, that we who take counsel for our Nation shall give the true perspective of our times. O keep us from running in self-chosen and self-pleasing ways and thus we shall maintain our rich estate—the mastery of life. We praise Thee for the heart-winning words of our Saviour, which would teach us the virtue of humility, the real nature and value of wealth, and the capacity to serve in public and in private life. Grant us the spirit of good will, devotion to the truth, the strength to do our work, and the courage to turn our words into deeds. In our labors dispel every shadow of self-seeking, that our hope in Thee may be free from the mark of distrust and the fear that dishonors Thee. We pray that Thy guiding radiance above us shall be a beacon to God, to love, and loyalty. Amen.

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

### BOARD OF VISITORS—UNITED STATES MILITARY ACADEMY

The SPEAKER laid before the House the following communication:

APRIL 8, 1946.

Hon. SAM RAYBURN,  
The Speaker,  
House of Representatives,  
Washington, D. C.

MY DEAR MR. SPEAKER: Under date of January 6, 1945, I notified you, pursuant to the provisions of the act approved May 17, 1928 (10 U. S. C. 1052a), of the names of the members of this committee I had designated as members of the Board of Visitors to the United States Military Academy for the Seventy-ninth Congress.

This is to advise that I have designated Hon. W. F. NORRELL, of Arkansas, to fill the vacancy resulting from the death of Hon. J. Buell Snyder.

Sincerely yours,

CLARENCE CANNON,  
Chairman.

### EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a short address he made at a reception tendered to the French consul at Chelsea, Mass.

### SPECIAL ORDER GRANTED

Mr. MADDEN. Mr. Speaker, I ask unanimous consent that today, after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered, I may address the House for 30 minutes.

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

There was no objection.

### EXTENSION OF REMARKS

Mr. OUTLAND (at the request of Mr. SAVAGE) was given permission to extend his remarks in the Appendix of the RECORD and include a statement from the National Planning Association entitled "America's Stake in the British Loan."

Mr. ELLIS asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

### PERMISSION TO ADDRESS THE HOUSE

Mr. ELLIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a magazine article.

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

There was no objection.

[Mr. ELLIS addressed the House. His remarks appear in the Appendix.]

### EXTENSION OF REMARKS

Mr. FARRINGTON asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from the United Press about Daniel Webster and Hawaii.

### MORE BUNGLING

Mr. STIGLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. STIGLER. Mr. Speaker, upon receiving information on March 1 that the Office of War Mobilization and Reconstruction had allocated 10,000 tractors to UNRRA, I immediately dispatched a telegram to the Director protesting such action, and asking him to please advise if this information were true. Not having received an answer to my telegram, I dispatched another on March 18 reasserting my protest, and again called on him to advise me if such action had been taken.

On March 27 I received a very short letter in answer to my telegram of the 18th—nothing was said about the one on March 1—advising me that members of his staff were going into the matter and they would communicate with me in regard to it in the near future.

A few days thereafter I received a letter a little more in detail, advising me that—I quote:

The availability of tractors in the war-torn areas abroad will be an important factor in determining the amount of food which these areas can produce, and thus in lessening the danger of mass starvation overseas.

The quote is somewhat vague, but I assume the tractors were sold or given to UNRRA.

What about the farmers of America? And particularly the veteran? Here we are being called upon to feed the world and our veterans are clamoring for farm machinery and cannot get it. And yet, the over-generosity of some of our officials sanctions the sending of 10,000 tractors overseas.

Mr. Speaker, I know it has been estimated that there are 500,000,000 people in war-torn Europe and elsewhere on starvation. As one, I am willing to miss a meal each day so they may have food, but I was burned up when I read about a war veteran in the State of Washington offering to trade his Distinguished Service Cross for a priority on a tractor and cannot get one.

Think of it—all these tractors being sent to Europe and elsewhere, and our veterans going without.

I call this to the attention of the House in the hope that our Committee on Expenditures in the Executive Departments will correct this situation before it happens again.

### EXTENSION OF REMARKS

Mr. RICH asked and was given permission to extend his remarks in the RECORD and insert an editorial from the Williamsport Gazette and Bulletin, entitled "The Land of the Free."

Mr. McCORMACK asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Boston Post of April 8, entitled "Truman's First Year."

Mr. RANKIN. Mr. Speaker, yesterday I secured unanimous consent to correct the RECORD to insert some material that was inadvertently left out of a speech which is printed in the RECORD of April 5 on the Tennessee-Tombigbee inland waterway. Since those items are rather lengthy, I ask unanimous consent to have the speech reprinted in the Appendix with those corrections.

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

There was no objection.

### PHILIPPINE REHABILITATION ACT, 1946

Mr. BELL. Mr. Speaker, pursuant to the order made yesterday, I call up for immediate consideration the bill (S. 1610) to provide for the rehabilitation of the Philippine Islands, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Under the order made, the gentleman from Missouri is recognized for 30 minutes, and the gentleman from California [Mr. WELCH] is recognized for 30 minutes.

Mr. BELL. Mr. Speaker, I yield 5 minutes to the Commissioner from the Philippine Islands, General ROMULO.

Mr. ROMULO. Mr. Speaker, I want to express the gratitude of the people of the Philippines to the people of the United States for the legislation which is now before the House. This legislation, providing for the rehabilitation of

the Philippines, passed the Senate a few weeks ago. It is the product of the observations and thinking of some of the best minds in America, with the cooperation of President Osmeña and other Filipino representatives. But it is more than that. It is the product of the many years of collaboration between the American and Filipino peoples—of the common ordeal through which we have passed—and, most of all, of the undying friendship between us.

I do not presume to appeal to you now for passage of the bill. Rather, I take it for granted that you are going to help us rebuild our shattered land, and I stand before you as the spokesman of 19,000,000 Filipinos who want me to tell you of their appreciation and to give you some of the background information on Philippine rehabilitation.

My homeland, Mr. Speaker, is in ruins. Its proud capital is no more. Its industries are silent, for few wheels turn. Its fields too often lie untended, for there is no means of transporting their produce to market. Its trade and commerce languish. The people hunger.

This is the price we paid for our loyalty to the United States. The Japanese attacked us while our soil was still protected by the American flag, and the tens of thousands of Filipinos who died during the war years were American nationals. We do not regret our stand. We are proud of it. And today, in our pride, we look only for the help that will permit us to get back on our feet and pick up once again the tools of progress.

In his report to the Senate when the Philippine rehabilitation bill was submitted to that body, Senator Tydings declared:

Prior to the Japanese invasion the Filipinos were carrying on virtually their entire government and doing it successfully. Had there been no war with Japan the problem of transition from their existing status to complete independence would have been relatively simple. The ravages of war with Japan have completely altered this happy prospect. When the Philippines do become independent next July, they will start on the road to independence with a country whose commerce, trade, and political institutions have been very, very seriously damaged. Years of rebuilding are necessary before the former physical condition of the islands can be restored. Factories, homes, government and commercial buildings, roads, bridges, docks, harbors, and the like are in need of complete reconstruction or widespread repairs. It will be quite some while before the Philippines can produce sufficient food with which to sustain themselves.

The internal revenues of the country have been greatly diminished by war. Much of the assessable property basis has been destroyed. Foreign trade has vanished. Internal commerce is but a fraction of what it used to be. Machinery, farming implements, ships, bus and truck lines, interisland transportation and communications have been wrecked.

This report, which received the unanimous vote of the Senate Committee on Territories and Insular Affairs, cites figure after figure in the statistical analysis of destruction in the Philippines. Statistics may have no heart, and they may paint no graphic picture of handsome buildings now gutted, of human

beings massacred with cold steel, of homeless children clad in rags. But, by their very impersonality, they tell an impressive story. Let us look at some of these statistics, gathered, not from Filipino sources but from American sources.

I pick these figures at random from the report. The value of the public property in the possession of the national government alone was \$116,186,825. Of this amount, exactly \$99,561,425 has been lost in the war. Communications and electric plant, including cable lines, was valued at \$2,764,875. The loss was \$2,764,875—exactly 100 percent. Machinery, tools, and furniture of the national government alone was valued at \$15,287,700. The loss was \$15,287,700—exactly 100 percent.

Private property was hit equally hard. I quote a single paragraph from the Senate report:

There is some damage in all districts in Manila, but the most valuable sections have been practically destroyed. The port area and the Santa Cruz district have suffered a 90 percent loss; Malate and Intramuros, 93 percent; Paco, Ermita, and Binondo, from 68 to 85 percent. Most of the damage occurred when the Japanese were driven from the city in December 1944 and January 1945. As the Japs withdrew they deliberately set fire to most of the buildings in the financial, retail, and high-class apartment and residential districts.

Do you want to know what Manila looks like today? Imagine Washington in ruins. All Government buildings are tumbled to the ground, excepting only the White House. This very building in which we sit now leaning crazily on its side, the walls caved in, and the world-famed cupola lying shattered in the Capitol subway. The busiest intersection in Washington—Fourteenth and F Streets, for example—no more than a crossroads in the midst of ruins neatly cleared away to allow the jeeps and trucks and wayfarers to find their way about. All of the great department stores gone. They are at best empty shells with glassless windows yawning an invitation to the winds and rain. The residential districts from here to Chevy Chase are flattened, and the fine embassies along Massachusetts Avenue but a memory. This Congress would be meeting, perhaps, in what is left of the high school in the Georgetown district, and the Members would walk many miles each day to get there from the impromptu dwellings they had fixed up for themselves in rat-infested cellars. For months all of Washington must go without electricity and running water, and, because of the shortage of essential supplies, prices are sky high. Along business streets, like Connecticut Avenue, merchants have erected makeshift stalls to carry on their pathetic trade. And everywhere there is wreckage, misery, ruin.

If Washington had undergone Manila's Calvary, that is what this capital city would be like today. And remember, Mr. Speaker, that the destruction in the Philippines was not limited to Manila. It reached out into the smaller cities—Cebu, almost totally destroyed, for example—and to the tiniest villages from northern Luzon to Mindanao.

Any person who has visited the Philippines since liberation knows that our country could not possibly revive, restore, rebuild, and rehabilitate, without help from you. Our islands are rich with natural resources. Our people are anxious to work their way back to a high standard of living. Our businessmen stand ready to reestablish the commercial relations which, in the past, have contributed so much to the United States as well as to the Philippines. But we cannot begin this work without money and materials.

The whole future of the Philippines depends upon the help we get from you. Next July, at the latest, we embark upon a new chapter in our Nation's history. At that time, we shall achieve the independence we have earned so painfully. But independence without rehabilitation would be a mockery of the sacrifices of the men who fought and died for freedom—freedom from want as well as the other three great freedoms.

That is why I speak in the name of all my countrymen in telling you of our heartfelt gratitude for the action you will soon take in passing the Philippine rehabilitation bill. This bill is part of a five-way program of assistance which the United States is undertaking in the Philippines.

First of all, it provides for compensation of war damages, to the amount of \$400,000,000. These damages occurred as a result of enemy attack, action taken by the enemy, action by or at the request of the United States armed forces in prosecuting the war, or looting, pillage, and disorder. At the time the damages occurred, the Philippines was under the sovereignty of the United States of America. Though we fought back because we were Filipinos, and Filipinos will always fight for freedom, we were also fighting as American nationals in defense of the American flag. This compensation, therefore, is no more than a matter of simple justice on the part of the American people.

As the bill stands, there is provision for the payments ultimately to be made by the very people who were the cause of all the destruction in the Philippines: the Japanese. Any sums received from Japan by way of reparations or indemnity will be covered into the Treasury of the United States until they are equal to the amounts paid out for Philippine war damage compensation. Once this amount has been reached, any further reparations payments from Japan will be used to satisfy claims still unpaid or not fully paid.

This war damage compensation will benefit, not only the wealthy, but also the little fellow whose hundred-dollar losses are as important to him as the hundred-thousand-dollar loss is to the rich man. And it is our expectation that all sums received as compensation for war damage will be used solely for useful, productive purposes in the Philippines.

The second point in the rehabilitation program, also covered by this bill, is the transfer of surplus property to the Philippine Government, to the amount of \$100,000,000. This surplus property,



I am informed, will include practically all of the materials no longer needed by the armed forces in the Philippines, excepting, of course, military weapons, munitions, and toxic gas. It will include building and construction equipment and materials, vehicles, and other necessary items. This surplus property is already in the Philippines. We need it badly. If we do not get it, the property would have to be shipped back to the United States, at great cost to the Government and at a time when all shipping space should be used to bring high-point troops home for discharge or to carry food to the starving people of Asia and Europe.

We can use this surplus property to repair and replace Government buildings, equipment, and other property; to restore and provide essential public buildings, services, works, and utilities, including hospitals, schools, and other health and welfare institutions; and to rehabilitate our economy and encourage private enterprise in the Philippines.

The third point in the rehabilitation program, which is covered by this bill, is the restoration and improvement of public property and essential public services. For this purpose, the bill appropriates \$120,000,000. This money will be used to put our roads, streets, and bridges back into commission. The communications system in the Philippines has virtually collapsed because of the war. Except for highways maintained for military purposes, our roads are in disrepair, and we have hardly a permanent bridge left in the entire country. Out of these funds, too, it will be possible for the Corps of Engineers to rebuild the port and harbor facilities destroyed by the war. Assistance is also provided in the fields of public property, public health, inter-island commerce, weather information, fisheries, and coast and geodetic surveys.

These are the essentials to a restoration of normal economic life in the Philippines. We cannot survive unless we receive this help.

The fourth point in the rehabilitation program, which is partially covered by this bill, is the technical assistance we shall receive from the United States. While, from the point of view of the money required, this does not compare with the other aspects of rehabilitation, we consider it one of the most important of all. For we know very well that no nation can take its permanent place in the family of sovereign states unless it has competent technicians to handle its essential services.

Because of the war, we have lost many of the most highly trained and most experienced of our Filipino technicians. We must replace them, quickly. This bill provides for a thorough training program—10 Filipino engineers to be trained in the maintenance and operation of highway transport facilities; 10 Filipino engineers to be trained in the construction, improvement, and maintenance of port facilities and other river and harbor improvements; 100 Filipinos to be trained in public-health methods and administration; 50 Filipinos to be trained each year in the United States Merchant Marine Cadet Corps and at the United States Merchant Marine Acad-

emy; 50 Filipinos to be trained each year in air navigation and air traffic; 50 Filipinos to be trained the first year, and 25 Filipinos to be trained each succeeding year, in meteorology and weather service; 125 Filipinos to be trained in deep-sea fishing and other fishery techniques, with the establishment of fishery schools in the Philippines by the Fish and Wildlife Service; and 20 Filipinos to be trained each year in Coast and Geodetic Survey work.

In addition to the training provisions in this bill, certain agencies and departments of the United States Government are conducting programs of assistance to us in training Filipinos in other fields of governmental and economic service.

We need this help. We need the technical assistance, the advice, the experience, the know-how, of the most successful Nation on earth. And we are grateful to you because, in your wisdom, you are making it available to us.

The fifth point in the rehabilitation program is not covered by this bill. It is the entire matter of future trade relations between the United States and the Philippines. All of the other four points will depend, to a very great extent, on these trade relations. The House has already unanimously passed the Philippine trade bill, and it is our hope that the Senate will do the same thing within the next few days—or even hours.

I do not think it is necessary for me to go into greater length on the urgent need for the Philippine Rehabilitation Act in my homeland. But let me—as a Filipino born on the other side of the Pacific Ocean—remind you of America's direct self-interest in Philippine rehabilitation.

You made a commitment to the Filipino people before the war and during the war. Before the war, the United States committed itself to the recognition of our independence by July 4, 1946. You were keeping your promise when the Japanese attacked, and that was one of the chief reasons why we unhesitatingly stood by your side. During the war, the United States committed itself to the proposition that our independence would be maintained as well as established, and that the ravages of the war in the Philippines would be fully repaired. The people of the United States are in the habit of keeping their promises. That is reason No. 1 why we take it for granted that the bill will pass.

Reason No. 2 is American security. The United States will continue to maintain great bases in the Philippines for the defense of its own integrity, as well as for the peace of the world. No base can be truly safe unless it rests upon the foundation of a contented, law-abiding, prosperous civilian population. And no civilian population will be contented, law-abiding or prosperous if, after suffering the untold devastation of the war, it is not enabled to return to the ways of normal, progressive life.

The third reason is perhaps the most important of all: the prestige of the United States throughout the Far East. One billion human beings in the Orient are watching the noblest experiment ever conducted in the Eastern Hemisphere—

the ever-growing friendship and cooperation between a powerful western nation and a small eastern nation. So far this friendship has met the test of war. Now it faces the test of peace. If the United States provides the Philippines with the assistance it needs—as I know it will—American prestige will soar. If the United States were to ignore its responsibilities in the Philippines, American prestige would plummet to earth. Prestige, Mr. Speaker, may be an abstract idea. But wars are brewed in the cauldron of national reputations. I say to you now that the United States was attacked by Japan in 1941—in part, at least—because its prestige was low. The United States has now reached a new high throughout the Orient as an enlightened, disinterested champion of human freedom. It cannot afford to lose its moral strength in these trying days of peacetime maneuverings. This legislation is more than help for the Philippines. It is a rock of strength for American prestige in the Far East, and therefore it is a force for enduring peace throughout the world.

For our part, we of the Philippines want to thank you most sincerely for the understanding and sympathy and generosity with which you have tackled our mutual problems. We have been loyal to you because we believe with you in the basic ideals of free men—the ideal of democracy, and peace, and brotherhood, and understanding. Today, as you consider this legislation which translates into the brittle words of legal terminology the principles for which we both have fought and suffered, we assure you that we shall continue to stand by your side, in peace as in war, in victory as in defeat, in the future as in the past.

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

Mr. ROMULO. With pleasure.

Mr. RANKIN. I agree, of course, with what the gentleman is saying. I am gratified beyond expression that the Filipinos are now obtaining their independence. I wish for them unbounded peace, happiness, and prosperity.

Several days ago some very distinguished men from the Philippines came to me and asked that the Veterans' Administration facilities be left in the Philippines for a time at least after July 4, when their independence goes into effect. We could not do that, of course, unless it were satisfactory to the Philippine Republic. Does the gentleman know what the feeling is about it?

Mr. ROMULO. I thank the gentleman from Mississippi for the interest he has taken in this matter. I have spoken on the floor about it once, and I want to reiterate to him the desire of my people that our veterans be given the justice they deserve. We want the Veterans' Administration to continue in the Philippines, and I hope we can enlist his support to this end. The gentleman from Mississippi has always shown himself to be a true friend of the Philippines.

Mr. BELL. Mr. Speaker, I yield myself 5 minutes.

The SPEAKER. The gentleman from Missouri is recognized for 5 minutes.

Mr. BELL. Mr. Speaker, it has been less than half a century since the armed forces of America drove from the Philippine Islands the Spanish tyrants who had for centuries held the Philippine people in a state of serfdom. For the first time in the history of the long centuries that have gone before, a great power brought to a weaker and subject nation the open hand of friendship and the offer of nationhood and liberty. Gradually, the processes of free government were worked out. Step by step, the blessings of liberty were brought to the Philippines. Schools and roads, orderly processes of government, a higher standard of living became a recognized and a settled part of the policy of America toward the Philippines. When in 1941 the ruthless hordes of Japan swept across the Philippines like a devastating flood, the citizens of that island republic were first given the acid test. They were crushed but not conquered. In their wooded hills and among the underground places of their cities the fires of liberty and hope were kept burning and they never failed in their courage, their loyalty, and their devotion to the cause of liberty, and never once did they falter in their complete and magnificent loyalty to the people of the United States whom they believed to be their friends. They were weighed in the balance and they were not found wanting. You men of America today, when you vote upon this bill, will face a test. You will have your sincerity, your friendship, and your loyalty to those friends in that far-off island country tested in the crucible of action upon this bill. America is asked to give out of its great treasures in order that the farms and industries of the Philippines and the necessary functions of government may be restored and permitted once more to function. I know that this body will not fail to do its duty. This bill, however, is not entirely one-sided. The appropriations and expenditure of the moneys authorized in this bill will bring returns and prosperity in trade and in those intangible values which friendship in a troubled world must carry, many times overshadowing the actual cost in dollars and cents.

Gentlemen, you will recall that it has only been a few days since this House passed the Philippine trade bill, a bill which I filed in the House, setting up a liberal program of trade relations between the United States and the Philippines, a program frankly designed to bring prosperity through the expansion of private industry and the building of trade and commerce between the two countries. This bill furnishes the sinews whereby the trade bill can be made to function with effectiveness. This bill provides for the rehabilitation of harbors and port facilities; for transportation and communications systems in the Philippines; for rebuilding of warehouses and factories, manufacturing plants and utilities, and the rebuilding of government buildings so that there may be an orderly handling of the business of the nation. The public health service, of course, must be restored, for without this a stabilized business program in a tropical country would be impossible. Churches

and schools are to be rebuilt. Our own ancestors, when they first came to America, built churches and schools and it has been recognized by Americans ever since that without these things, there could be no ordered civilization. Without these things, the great program of trade and commerce visualized in the trade bill would not be able to function.

Mr. Speaker, this is one bill authorizing an appropriation which, I think, will return to the American people many times the amount authorized to be appropriated. The bill sets up the Philippine War Damage Commission, and authorizes the payment of certain sums to rehabilitate the economy of the Philippines. I do not need tell you, Mr. Speaker, that every city has been devastated, every industry has been devastated, even the farmers across those islands have been ruined, their carabao have been taken, their machinery has been destroyed. The Philippines without the assistance given in this bill will find it impossible to rehabilitate their economy. By doing the things that are authorized in this bill, we will rehabilitate the Philippines and we will recreate our sixth best customer in world commerce. Everybody in the South has an interest in this because it is the first market outside the United States for their cotton products. The people of New England have an interest in it because the first market outside of the United States for the products of the New England cotton mills is in the Philippines. The dairy farmers have an interest in it because the Philippines is the best market outside the United States for dairy products. The wheat growers in the Middle West have an interest in the passage of this bill because there is no other source outside the United States which furnishes as large a market for flour and the products of the farms of the Middle West as the Philippines. So while it is a thing that we owe the Filipinos because we promised it to them, it is also a moral obligation and it is a thing that we ought to do for our own selfish interest as well. If we do not pass this bill we will be depriving this country of vast amounts of trade. We will not only be failing in our duty to a gallant little country whose people fought with unflinching loyalty and courage in the recent conflict, but if you vote down this bill you will dry up a golden stream of commerce that will bring wealth and welfare to both countries.

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

Mr. BELL. I yield to the gentleman from Indiana.

Mr. SPRINGER. I have not had the opportunity of going through this report. May I ask, what is the total amount of the appropriations which this bill will carry?

Mr. BELL. Five hundred and twenty-five million dollars. There are \$400,000,000 for rehabilitation of the physical property of private concerns, farmers, and so forth; \$120,000,000 to rehabilitate and rebuild the buildings that are necessary for the operation of the government there; then \$5,000,000 which is necessary to rebuild our own buildings which we will

need for an embassy and for the numerous buildings to accommodate the necessary United States departments over there.

Mr. SPRINGER. I thank the gentleman.

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

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

Mr. COLE of New York. In addition to the sums which the gentleman has identified as being authorized, there is also a further authorization of surplus property to the extent of \$100,000,000.

Mr. BELL. The gentleman is correct.

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

Mr. BELL. I yield to the gentleman from Pennsylvania.

Mr. RICH. I note from the hearings that they figure the recapitulation of all losses in the Philippines amounts to \$818,000,000-plus. The gentleman says we are appropriating \$400,000,000; in other words, about half of the amount that will be required for complete rehabilitation?

Mr. BELL. If we give them that much help, private industry will be able to carry the balance of the load and we want to do it as cheaply as we can; therefore we are not appropriating enough to do the job entirely, but we do believe that with this help private industry over there can go ahead and carry the balance of the load and the Philippines will be rehabilitated.

Mr. RICH. That is the point I want to bring out. I think they ought to try to help themselves. We are going to give them their independence on the 4th of July. This bill continues for 5 years our aid. In what manner might we conflict by this appropriation with the government of the Philippines by continuation of this proposal as outlined in the bill when they gain their independence? They will set up their own government and they may not want our committee there to carry on the provisions of this bill.

Mr. BELL. There will be no conflict, because they will be an independent power and whatever is done will be done as a matter of mutual agreement between the two powers.

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

Mr. BELL. Mr. Speaker, I yield myself two additional minutes.

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

Mr. BELL. I yield to the gentleman from Mississippi.

Mr. RANKIN. In addition to what the gentleman from Missouri has said, the Philippine Islands will be extremely friendly to the United States and will be the outstanding Christian country in the Orient.

Mr. BELL. That is unquestionably true.

Mr. RANKIN. Those of us who have known the Filipinos all these years and have studied their history know that they will carry on the same kind of civilization that we are endeavoring to carry on here in America.



Mr. BELL. That fact alone would justify the appropriation if it did not have many other justifications.

Mr. RICH. May I ask a question for information? The gentleman has discussed this matter carefully and thoroughly with the Resident Commissioner from the Philippine Islands?

Mr. BELL. Many times. He has just made a speech a few moments ago urging the passage of this bill.

Mr. RICH. You have come to the conclusion that if we pass this bill it will be a sufficient contribution from the Federal Government of the United States with the passage of this bill so that when the Philippines become an independent nation they are not going to come back to us again for something that has been left out of this bill? This must be a termination of our promises both by legislation and by any promises made by any of our officials. In other words we want no implied obligations after this unless the Congress acts for that purpose.

It is a complete understanding between the Commissioner of the Philippines and this Government, so that when we carry out the provisions of this bill we have completed all the necessary arrangements for the complete rehabilitation of their Government so far as the obligations that are imposed on our Government are concerned.

Mr. BELL. I have not gone into the future with the Commissioner, but I do believe, and the committee believes, I am sure, that if this bill carries, it will go a long way toward the rehabilitation of the Philippines. We believe that it will rehabilitate their economy. We believe that if we do not pass this bill, it will not only be a great discredit to us, but we will lose a customer that is tremendously valuable.

Mr. RICH. I was trying to see if we could get a terminal agreement here of all promises legislated, spoken, or implied for the future.

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

Mr. WELCH. Mr. Speaker, I yield myself 5 minutes. Mr. Speaker, this bill, S. 1610, supplements H. R. 5856 which was passed by the House last week. The Committee on Insular Affairs has given very careful consideration to this legislation and without opposition has recommended its passage.

The bill simply provides for the partial restoration of war damages.

No other nation in the recent war suffered as relatively great war damage as did the Philippine Islands.

Their entire country was overrun.

Their social structure was destroyed.

Their economy was completely obliterated.

Their farms were ruined.

Their cities and buildings in their cities, particularly in the Pearl of the Orient—Manila, received far greater damage than any other large city in any country.

Their machinery was confiscated and taken from the country.

Their animals were killed and the entire country was devastated by the invaders.

Their interisland shipping, so important to intercommunication between the 7,000 islands of the Philippines, was wiped out.

We have attempted to reestablish a sound foundation to Philippine economy by passing the Philippine trade bill. The values of this bill, however, will not be felt for at least 3 years. Your Committee on Insular Affairs has been advised that at least 3 years will elapse before normal sugar operations will be effective. Sugar is the primary cash crop of the Philippines.

This War Damage Act will provide a means of assisting the Philippine people in the immediate future and for this reason I strongly favor its early passage.

Mr. BELL. Mr. Speaker, I yield such time as he may desire to the distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I want to compliment the chairman of the Committee on Insular Affairs and all the members for the manner in which they have devoted themselves to the consideration of this important piece of legislation and for the care that they have taken in considering and reporting the bill now before the House, representing the unanimous opinion of the committee. The work that they have done in this committee, when this bill is finally enacted into law, will be a heritage to each and every one of them for years to come, because the results that will flow from this bill will have a very far-reaching effect on world affairs, and especially to the national interest of our own country.

I also want to call attention to the able and distinguished service not only on the field of battle, but on the floor of this Chamber, rendered by our beloved colleague, who represents the people of the Philippines, General ROMULO. The position of General ROMULO in the hearts and minds of all of the Members is one of extreme closeness; we all have a very high regard for him, and the people of the Philippines are indeed fortunate in having such an outstanding gentleman representing them in this body.

Mr. Speaker, the people of the Philippines have emerged from war a stricken people inhabiting a country devastated by the ravages of the enemy. The war has ended—but the surrender of Japan has not rebuilt the homes nor ameliorated the living conditions of those brave Filipinos who nobly rallied to the cause of democracy and side by side with America endured bloody disaster for 3 years of martial holocaust and went on to suffer through the harsh occupation of the enemy in a manner more horrible than even imagination can picture. Hundreds of thousands of Filipinos were destroyed—not only the heroic defenders of Bataan, nor the 28,000 who lie at Capas where the March of Death came to an end, not only the defenders of Cebu, nor the guerrillas who made possible the survival of American fighting men through their valor and sacrifice, but also the countless thousands of civilians who were brutally murdered by the enemy or who died from lack of food

and medical supplies. The men and women of the Philippines suffered through years of privation, starvation, and humiliation, only in the end to have the Japanese wreak their hated vengeance upon the innocent. Cities were sacked, business centers razed, the entire country prostrated by the havoc of war. Today 18,000,000 Filipinos await the aid of the United States which is necessary for the rehabilitation of a people economically and physically desolated.

On January 6, 1942, within a month after Pearl Harbor, President Roosevelt stated:

It was bitter for us not to be able to land a million men and a thousand ships in the Philippine Islands. But this adds only to our determination to see to it that the Stars and Stripes will fly again over Wake and Guam, and that the brave people of the Philippines will be rid of Japanese imperialism and will live in freedom, security, and independence.

The Stars and Stripes fly over Wake and Guam. Japanese imperialism has been destroyed forever. The Filipinos live not under the threat of the sword but as the nation among the Allied nations of the world which perhaps suffered most in the cause of liberty and justice. They live, but they cannot continue to live in the promised freedom, security, and independence if they are to be the unaided victims of starvation and famine, without clothing, without homes, without marts, without the bare necessities of human existence. America, speaking through their President in the early days of the war, uttered no mere idle words. The help to be extended to the Filipinos to enable them to live in peace and independence was to be real, not imaginary, actual not theoretical. America has never broken bond. America will not fail in the matter of Philippine rehabilitation.

The history of the relationship between America and the people of the Philippines relates the proud story of two peoples and two nations keeping faith with each other. Each, confident in the other, through cooperative leadership, counted the other a friend. The United States and the leaders of the Filipino people for many long years provided facilities in the islands for education, health, and the common weal of the Filipino, with the definite thought that after a period of local autonomy under a commonwealth form of government with its own constitution, complete independence of the Philippines would be consummated. Then came the day of infamy and the treachery of Japan.

Throughout the ordeal of fire and war, the brave people of the Philippines stood shoulder to shoulder with America in every battle. Who is there with memory so short that he forgets Bataan and Corregidor? There a handful of American combat troops, Filipino scouts, and Filipino reserves in heroic battle fought the enemy of mankind until weapons fell from hands made impotent through fatigue and these valiant men and women—the bravest of the brave—gave way before the foe—not in defeat, but in despair that the flag of America could not continue in glorious permanence over the

land for which this Nation gave of its fortune and its blood. No. The bravery and sacrifice of the Filipinos in the cause of free mankind helped keep alive the fires of freedom the world over. Their cross shall not have been borne in vain. America will not forget the courage and devotion of the Filipino whose example established for his country a place among the free nations of the world. Let us not forget that they with us were glorious in an army which won the commendation, "No army has ever done so much with so little."

The Filipinos have been assured by our Government that their freedom will be redeemed and their independence established and protected. We have pledged the entire resources of the United States to their redemption.

President Truman has on different occasions paid tribute to the gallantry and courage of the Filipinos. On February 20, 1945, in commenting upon the status of Philippine Army veterans, he stated:

I consider it a moral obligation of the United States to look after the welfare of the Philippine Army veterans.

Again on March 16, 1946, he stated:

The Philippines are scheduled to become an independent republic on July 4 of this year. I am certain that the Philippine people are fully capable of assuming all the duties and obligations of self-government. I believe that these heroic people, out of their own devotion to democratic ideals, will eliminate from their material and political life all those of questionable allegiance to those democratic ideals.

These words of our President, as those of other great Americans uttered in the past, have inspired courage and confidence in the people of the Philippines and given them the moral aid to carry on their fight for rehabilitation. These men and women have suffered in their loyal devotion to the United States. We send foreign countries food, clothing, money for rehabilitation, rebuilding, and repair. We will not allow the factories, farms, and homes of the Philippines to remain in ruins. We will not stand idly by while the men and women of that country, so long nourished, guarded, and protected by our Government, suffer the confusion attendant upon frustration, uncertainty, and despair. Their national economy has been shattered. The Commonwealth government is helpless without our aid to move toward rehabilitation. We have for years promised. They have believed in our promises. We are obliged to fulfill our obligations. We must and we will help the Filipinos regain their economy so that they may, in justice, take their place as a healthy, strong, free, and liberty-loving democracy in accordance with the principles we have taught for 50 years.

This is our solemn duty. Therein we must not, we shall not, fail.

The bill under consideration is a step in America's keeping faith with the people of the Philippines, who, during the years they have been under the jurisdiction of our country, and especially in view of the relationship that existed during the war, for all practical purposes have been just as much Americans as those of us who are actually citizens of the United States.

Mr. BELL. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, with the enactment of this bill, S. 1610, the United States will have redeemed its pledge to the people of the Philippines. We told them that their sacrifices were our sacrifices and that we would stand by them in the troublous postwar years.

The lesser nations are watching what we do here today. Their eyes are on us. With the passage of this bill our prestige will rise with those nations throughout the world.

The destiny of this country is in the Pacific Basin. It is to the West that we must look for trade and inspiration. By our actions today we weld another bond of mutual respect and understanding that ties us the tighter to the great Christian nation of the East—the Commonwealth of the Philippines.

Trade is the lifeblood of nations. We need the goods of the Philippines and they need the goods we manufacture. The good will engendered by this legislation gives us a favorable position in trade with the East. All the nations of Asia applaud and approve our action.

This bill will assist in rehabilitating the economy of the Philippines. It makes no gifts or provides no funds for those things that are not directly connected with that economy. It is not an act to indemnify those who lost property in the Philippines as the result of the war. It only offers the hand of assistance to reestablish those businesses and institutions fundamentally necessary to carry on that economy on a self-sustaining basis.

What is the cost of this bill? It is \$500,000,000, one hundred million of which is in surplus property already in the islands—property it would hardly pay us to reship to this country. Five hundred million, or to be exact, four hundred million in cash and a hundred million in kind is a lot of money.

The money we are giving the Philippines would have run the war for less than 30 hours. Measure the cost in this term. Thirty hours of all-out war.

The Philippine people by their heroic resistance and glorious sacrifices shortened the war in the Pacific by many months. Had they bowed to their Japanese oppressors and accepted their overlordship as certain nations in Europe did in that theater, we would still be fighting from island to island at a cost of a hundred times that which we seek to appropriate.

We on the Pacific coast now know that Bataan and the resistance movement on the Philippine Islands made us safe. We can look across the western sea to the suffering and destruction in the Philippines and say with the philosopher, "There but for the grace of God go I."

We salute our valiant brothers in arms, the Commonwealth of the Philippines, and offer them this small token to help bind up the wounds they received in fighting our common enemy.

Mr. BELL. Mr. Speaker, I yield such time as he may desire to the distinguished gentleman from Illinois [Mr. SABATH].

#### INDEPENDENCE FOR THE BRAVE FILIPINOS

Mr. SABATH. Mr. Speaker, the gentleman from Mississippi [Mr. RANKIN] already has stated that the Filipino people are entitled to all the aid and assistance provided in this bill, because they are the outstanding Christian nation in that part of the world.

Knowing, Mr. Speaker, that nearly all of these brave and gentle people had been converted to Catholicism some three or four centuries ago, it was for that reason I introduced in Congress, almost 20 years before the gentleman from Mississippi came to this House, a resolution providing for their independence and guaranteeing their neutrality against the threat of Japanese aggression, which I feared even then.

Consequently, I am immensely pleased that this great Nation of ours is according to the Filipinos the aid and assistance authorized in this bill, and that on this coming July 4 we shall finally grant to the new republic of the East that full independence for which they have been waiting, praying, working, and fighting for almost a half century, after long, long years of oppression by the Spanish conquerors, four decades of helpful government by the United States, and four frightful years of inhumane and barbarous treatment by the murderous, heartless Japs, which destroyed nearly all their belongings, their trade, their resources, and left them in deplorable and unfortunate circumstances.

The aid we are making available in this bill is absolutely necessary to assist them in the rehabilitation of their country and their economy. Ever since the Spanish-American War I have studied the history of the people of the Philippine Islands, and I have come to the conclusion, not only that they are good Christians, but that they practice the teachings of real Christianity. Unlike some who talk but unfortunately do not practice the teachings of Christ, they are charitable, honest, industrious, and that they have appreciated the aid we have given them in the past, and have proved themselves worthy and capable of self-government, is conceded by all.

We who have known their Resident Commissioners in Congress—courageous Manuel Quezon, who became President of the Commonwealth and gave his life to his country as surely as if he had fallen in battle; brave Joaquin Elizalde; and the present gallant Commissioner, General ROMULO—have recognized the true worth, the sincerity, and intrepid honesty, the intelligence and energy of the Filipino people, and have realized they are fully capable of independence and self-government, notwithstanding charges to the contrary. I am proud that I have been able to aid the independence of the Philippines, just as, after the First World War, I was able to aid the birth of small independent nations—Czechoslovakia, Poland, and others—in Europe.

I hope, Mr. Speaker, that other great nations may follow our example, and do what we have done in Cuba and in the Philippines, if the dependencies desire their freedom; or as I hope we shall do in the near future for Hawaii, for Alaska, for Puerto Rico, and grant the full statehood they are pleading for.



I am fervently hoping that the aid and assistance provided for in this bill will mitigate the suffering of the Filipino people, and I know that in the near future they will prove their appreciation and their satisfaction with the amount we are providing. The bread we cast, not upon the water, but across a great body of water, will return to us manifold.

Mr. WELCH. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. LEFEVRE].

Mr. LEFEVRE. Mr. Speaker, I very strongly favor this legislation. I do not believe it is necessary to again go into detail describing the plight of the Philippines as a result of the war. Every Member of the House heard the eloquent speech of General ROMULO and other Members of the House related the existing conditions when we had before us the Philippine trade-relations bill, only a few days back.

The Filipinos today are confused and puzzled. They look at their devastated lands, their ruined homes, and cannot understand what has paralyzed their national economy.

In the bill before us, we are providing ways and means to help rebuild the Philippines. For the hardships they have and still are suffering, and the loyalty shown throughout the war, they are entitled to our fullest support. The bill provides that a half-billion dollars of war-damage payments will be used to reconstruct and repair homes and buildings made useless by fire and shell during the war. All of the money appropriated must be reinvested in the Philippines to insure the replacement of the necessary facilities to carry out the purposes of the act.

This legislation is long overdue and I sincerely hope this measure is approved by our body today.

We must bear in mind that the eyes of the other great nations of the world are upon us. These Oriental people are our friends and will, without a doubt, be our best customers. The Filipinos held firmly to their faith in democracy throughout the war. They fought for it even through those blackest of days when the islands were dominated by the Japanese. We must, in every way, help this new democracy reach success.

Mr. WELCH. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. McDONOUGH].

Mr. McDONOUGH. Mr. Speaker, I am strongly in favor of the passage of S. 1610. The economy of the Philippines as well as the educational and spiritual institutions lay prostrate, ravaged and destroyed, as a result of the loyal support to the United States in our war with Japan. It should be the duty and obligation of the United States to assist in rehabilitating the Philippines. We recently passed a bill to provide proper trade relations between the Philippines and the United States. We should now pass this bill so that the economy, education, and cultural institutions may be reestablished. The Philippines will become a free and independent nation on July 4. We should help them take their place among the nations of the world. They have earned this support and our confidence.

Mr. WELCH. Mr. Speaker, I yield as much time as he may desire to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Speaker, it is a profound privilege and a very great pleasure for me to rise, today, and speak a few words in favor of the passage of this measure, S. 1610, which will aid in the rehabilitation of the Philippine Islands, and the good people who inhabit those islands. I have just listened to Delegate CARLOS ROMULO, who represents the Philippine Islands, who has presented the urge and great need for the passage of this measure in forcible fashion. He is one of the greatly loved persons in this lawmaking body. He has served his people and his country well in time of war, and in time of peace. I first became acquainted with the achievements of Delegate ROMULO through the agency of Rotary International, and I discovered that his activities in all worth-while civic matters have been outstanding. Since he came to this body, his activities have been such as to give to him a mark of distinction. He is honored and revered by every Member of this body—and I take great pleasure in extending to him, today, this well-earned tribute.

Mr. Speaker, this pending legislation should be passed by this body. While the Philippine Islands will soon be granted their independence, and, when that glad-some day arrives, I am confident the people of those far-flung islands will experience extreme happiness—and my wish to them is that they will make great progress in the days and years to come. My wish for them is that they will go forward, unhampered and untrammelled, throughout the years to come in an unbroken trend of progress toward the goal of perfection in human accomplishment.

This measure, Mr. Speaker, will lend aid in making possible that opportunity. It is a privilege for me to add my support to this legislation. The people of the Philippines have long been our friends, both in peace and in war. They have suffered untold misery and hardships in the late war, but they have ever gone forward with us, until ultimate victory was ours. Their people have been injured and killed in this war, and their houses and their homes have been destroyed; their businesses have suffered destruction, and their cities have been demolished; their possessions have been taken, and but little has been left to them save and except their grim determination to fight on for home and country and for the preservation of their native land. They have proven their valor and their fortitude, and they have never faltered in their march with us toward the ultimate victory that is ours. It is very little that we give to them in the face of that warm and sincere friendship that exists between us, when we seek to aid them in restoring and rehabilitating only in a small degree their country and their homes. I am confident, Mr. Speaker, that it is the wish and the will of every American that we do this. It would be unthinkable for our country to turn our backs upon our loyal and fast friends, and our Nation will never do that. We are ever agreeable to reward-

ing our friends, and especially those who need our help most. So this measure will accomplish this purpose in a small way, and I will give to it my warm and wholehearted support.

Mr. Speaker, as the years pass, and the centuries come, we will be looking forward toward the Philippines, and when those islands, now almost destroyed and their cities reduced to mere shambles, lift their heads as one of the progressive groups of the world, with freedom, liberty, and independence theirs, a touch of extreme happiness will certainly come to all Americans; that happiness which comes to those who have aided others in time of great need and distress. Ours will then be a happy day to all those who then remain, because we have been instrumental in a small way in aiding our friends, those in the far Pacific, who have been so loyal to us.

Mr. WELCH. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Speaker, the shooting part of World War II is over, but there is a fierce political and ideological war going on all over the world to determine who really won the shooting war. I think historians will eventually agree that more than anything else World War II all along was a war to determine who is going to control the development of Asia because the greatest undeveloped areas in the world are in Asia—manpower, resources, and markets. Hitler frankly admitted that. The Japanese admitted it. The Russians, by their actions, have proven they are fully aware of it. The British, Dutch, and French, by their vigorous attempts to restore their empires in Asia, have made clear they understand that World War II will have been won by the nation or nations whose ideas ultimately dominate in the reconstruction of Europe and the development of Asia. We should understand it, too.

There are about four possibilities. This bill can have a great deal to do with deciding which will prevail.

Will large sections of Asia be forced back into the colonial pattern under the old empires of Europe? If that happens, Asia will explode, and explode in our faces as much as in the faces of the British, Dutch, and French.

Second, will millions of people in Asia in despair be driven to accept the basic thesis that the Japanese propagandists proclaimed, namely, that the white man never has treated and never will treat decently the colored peoples on this earth and, that therefore, there was and is no hope for the peoples of Asia unless they unite against the white peoples. Japan failed in her original attempt to bring about this division of the world along racial lines. But her basic idea has not been defeated. It took root in fertile soil in Asia, and other parts of the world, too. It can spring up again if there is not vigorous, positive, and effective leadership in other directions.

The third possibility is that Asiatics will be intrigued or beguiled into accepting totalitarianism of the communistic pattern. If they do, they will find themselves not "liberated" from the old imperialism, but merely put under the

new imperialism which Russia is imposing on her neighbors—as cruel and ruthless an imperialism as any ever established by the old empires of Europe. Such a course would not be good ultimately for Russia, nor for Asia, nor for us, nor for world peace.

Or, will the peoples of Asia be given the chance to develop more nearly along the truly democratic pattern worked out and established in the Philippines through the joint efforts of Filipinos and Americans over this 50-year period of friendly relationship? It began as overlordship, moved rapidly to trusteeship, and on July 4 will become full-fledged partnership. All Asia watches eagerly this transition, unprecedented in all of human history. There is no question but that it is the general pattern which other Asiatics want, too.

In dealing with this legislation today, we ought to keep clearly in view above the trees of its immediate provisions, the whole forest—the long-term implications for all of Asia and for the world. This experiment in helping establish on its own feet one of the so-called dependent peoples is one of the most significant occurrences in the history of the human race on this planet. That is the larger significance of the legislation before us.

The transition to full independence would have been difficult enough under the best circumstances. How much harder now, when the Philippines are prostrate because of the terrible destruction and dislocations of war. An almost impossible burden has been placed upon them, and it was made heavier because of their unswerving loyalty to us.

I need not discuss the bill in great detail. First, it authorizes up to \$400,000,000 for war damage, with payments only to those who will use the money or materials to restore or rehabilitate their property or industry or education or other useful activities in the Philippines. As you will remember, we ourselves committed most of the physical destruction in the process of driving the Japanese out. It was necessary. Nobody holds it against us. Nevertheless, it was American guns and planes rather than Japanese which did most of the damage.

Second, it provides for use of much of our surplus property in the Philippines to help in rehabilitation. Up to \$100,000,000 worth of it can be transferred without reimbursement to the Philippine government and to the provincial and municipal governments to rebuild their public buildings and property, their streets and bridges, their utilities, their water, and gas and sewage systems that have been destroyed in the war. Also, other surplus property there can be disposed of under the terms of the Surplus Property Act, just as it is disposed of here, with certain special provisions to deal with the special situations there.

In addition, we authorize up to \$120,000,000 to help restore and reestablish the essential public services in the Philippines, including roads, harbor facilities, public health, interisland commerce, fisheries, coast and geodetic surveys, weather bureau, and so forth.

The SPEAKER. The time of the gentleman from Minnesota [Mr. Judd] has expired.

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

Mr. JUDD. I believe it is good sense to pass this bill for the economic reasons, which have been reviewed by the able chairman of our committee the gentleman from Missouri [Mr. BELL]. The Philippines can be again a market of great importance for ourselves. We need them as well as they need us.

It is also good sense for political reasons, from the standpoint of our national security. In the years ahead we are going to need friends in this world, and the Filipinos are the only so-called colonial or dependent people—although that is not an accurate description of the relationship which prevailed—who fought loyally by the side of those who had originally been their masters. There is no better way to retain our friends in Asia and gain others than to show in peace as well as in war that we are worthy of the Filipinos' friendship.

But beyond these economic and political reasons there is a higher reason, a moral reason. We have a sacred obligation to those who have been our wards in a very special sense. Even if it were against our immediate economic interests I would still say we should pass this act. Fortunately in this instance, the thing we ought to do for political and economic reasons coincides with what we ought to do for moral reasons.

I doubt that \$400,000,000 will ultimately be enough and I want the RECORD to show that fact. We in the committee recognize that we may have to increase the amount somewhat. We were conservative in our estimate. We said, let us authorize this amount now until we see how things go. If another hundred million or even two hundred million is eventually needed to put the Philippines back on a sound basis, I am sure we will do it, because it is good business, it is good protection for the United States and for world peace, and it will help determine which way a billion people in Asia are to go, whether back into the old colonial pattern which they do not want; or driven into the racial pattern which they do not want; or persuaded by force to take communism which they do not want; or whether they will have a chance at genuine democracy, more nearly after the pattern that we and the Filipinos have succeeded in establishing during these 50 years of our mutually beneficial friendship—which is what the people of Asia do want, overwhelmingly.

The SPEAKER. The time of the gentleman from Minnesota has again expired.

Mr. WELCH. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. LECOMPTE].

Mr. LECOMPTE. Mr. Speaker, this bill has had careful consideration by the Committee on Insular Affairs for several weeks. As everyone knows, this bill does not in itself grant independence to the Philippine Islands. It is only part of the program of independence. We passed an election bill some time ago. Last week we passed the trade relations bill. This bill, now under consideration, known as S. 1610, passed by the Senate last December and recently before the Insular Affairs Committee, undertakes to restore,

rehabilitate, and reconstruct the economy and industry of the Philippine Islands.

As the gentleman from Minnesota [Mr. Judd] said, \$400,000,000 probably will not do the entire job. I wish to say a word of commendation for the work of the chairman of the committee the gentleman from Missouri [Mr. BELL], who has done a splendid job in holding the hearings and considering the problems of the Philippines. He has had the assistance of the gentleman from California the ranking member of the committee [Mr. WELCH] and the very valuable assistance of our colleague from the Philippines [Mr. ROMULO], and also that of the gentleman from Minnesota [Mr. Judd], and other members of the committee. Mr. Paul McNutt, High Commissioner of the Philippines, was present at the hearings before the committee, not once but a number of times, and gave us valuable assistance.

The Philippine Islands, I believe, is the only place under the American flag that suffered devastation by reason of enemy invasion. Of course, there was the one treacherous attack at Pearl Harbor on December 7, 1941, but the enemy actually came into the Philippine Islands, occupied the islands, devastated the country, and destroyed property and lives.

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

Mr. LECOMPTE. I yield.

Mr. COLE of New York. It is not important, but I should like the gentleman not to overlook the damage that was done to Guam.

Mr. LECOMPTE. That is true, but I think the gentleman will agree that the damage there was not comparable in amount to that suffered in the Philippine Islands. Probably the same could be said of Wake and Midway.

It is correct and proper that we undertake to restore the economy of the islands as we grant them independence.

Mr. Speaker, I am not in full accord with some of the provisions of the bill. I myself think it is a mistake to fix the salary of the Commissioners at \$12,000 a year, more than Members of Congress receive, more than Senators receive, and write into the bill a provision allowing them to fix their own per diem expenses without any limitation whatever. They could put in a bill for \$50 a day for expenses continuously if they wanted to do that. I realize that the High Commissioner, Mr. McNutt, said that he felt the unlimited expense account is necessary in order to get the right kind of men, and under conditions of inflation as they exist in the islands today, it is possible that a stipulated per diem might not be as exact as one could wish, but to me it does not seem justifiable to place in the bill this language:

Members of the Commission shall receive their necessary traveling and other expenses incurred in connection with their duties as such members or a per diem allowance in lieu thereof to be fixed by the Commission without regard to the limitations prescribed in any existing law.

That is a pretty liberal expense account. Further, we also permit the Commission to appoint and fix the compensation and allowances of attorneys, officers,



employees, and so forth, without any reference to the civil-service laws or Classification Act.

On the whole, however, Mr. Speaker, I believe this is a fine bill, and I believe it is going to be helpful in the years to come in our happy relations with the Orient.

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

Mr. WELCH. Mr. Speaker, I yield such time as he may desire to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Speaker, I wish to join the majority floor leader and other Members of the House in paying tribute to Gen. CARLOS P. ROMULO, a hero of Bataan, the Resident Commissioner of the Philippine Islands, who came to this Chamber today from his sick bed to help passage of this legislation. His eloquence in explaining the needs of the Philippines has won much help in passage of this kind of legislation.

Mr. Speaker, the passage of this legislation, when the news reaches the Philippine Archipelago, will bring a real ray of sunshine to the stricken Philippine people. This news to the Philippines will make possible on the next Fourth of July one of the greatest Independence Day celebrations in history.

Mr. WELCH. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, I am very much interested in this bill and I am also interested in the Philippine Islands and its people. I am desirous that we start those people on the road to rehabilitation and I want to help them as well as people all over the world. However, I am also desirous of looking after the welfare of our own country; of keeping our Nation solvent.

On page 12 of the bill the first amount considered was \$330,000,000, which was increased to \$400,000,000. The expense of the Commission was estimated to be one and a half million dollars, which was later changed to \$4,000,000. They have increased this a considerable amount over what they evidently thought was necessary when the hearings were concluded. Just the disposition to be generous with the other fellow's money, the taxpayer's money.

We want to help those people until they get their independence on July 4 and for the 5 years thereafter during which time this bill will be in effect, but, Mr. Speaker, the Congress of the United States must remember that every time it appropriates \$400,000,000 it has got to find \$400,000,000 in the way of taxation. We should not, therefore, give the Philippine people the idea that after this bill is passed they can expect we are going to furnish everything that is necessary from that time on. There must be a terminating date as the conclusion of our responsibilities implied by any legislation we pass or statement made by any Government official.

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

Mr. RICH. I yield to the gentleman from Minnesota.

Mr. JUDD. Does not the gentleman know that a termination date is set for

claims to be paid by the War Damage Commission, which represents the largest amount under the bill, \$400,000,000? Its work is to be concluded within 5 years. May I also add: The gentleman will agree the Philippines by their loyalty to us saved our country \$4,000,000,000 in the war, if not forty billion.

Mr. RICH. Well, I do not know how the gentleman arrives at that figure.

Mr. JUDD. To say nothing of American lives saved by their loyalty.

Mr. RICH. When we come to figuring good will and Christian brotherhood, of course, we have our responsibilities to the Philippines and to all nations of the world and to our own people in America.

Mr. JUDD. I am speaking not about good will in the future but about performances in the past.

Mr. RICH. Well, we have been very good godfathers to the Filipinos in the past.

Mr. JUDD. And they have been mighty good brothers in arms to us.

Mr. RICH. The gentleman is quite correct, but, perhaps there is something else involved. We were all fighting for a common cause. I hear many statements made about the great help and assistance that other countries gave the United States, but I am constrained to believe, while appreciating their great assistance, that they were also fighting for their own preservation. Perhaps it could be argued with force that the United States and its people rendered these countries assistance in that regard.

But, be that as it may, Mr. Speaker, may I call attention to the fact that the United States is now in debt to the extent of \$274 386,382,040.14 as of April 5. You may chide me for bringing that up at this time, but this deficit is such a serious matter that I cannot help but bring it up, a bankrupt nation cannot help anybody financially, and in this connection I want to quote what the chairman of the House Judiciary Committee—and he is a Democrat—said on this floor a few days ago:

By concentration of governmental power and drafts upon the Federal Treasury, we have now a financially busted, great piled-up mass of governmental confusion beyond human comprehension, impossible of democratic control, extravagant, wasteful, inefficient, and by its nature the instrumentality of favoritism, tyranny, oppression, and corruption, and the destroyer of the self-reliance and self-respect and governmental capacity of the people, qualities without which no people can remain free.

That statement comes from a Democrat and a chairman of one of the powerful committees of this House.

The point I want to make, Mr. Speaker, is that while we owe an obligation, not only to the Philippines and to all the governments of the world, we owe a greater obligation to ourselves. These countries are going to come in here with the big tin cup, as was suggested a few days ago by the gentleman from Illinois [Mr. DIRKSEN], asking for \$3,000,000,000, \$400,000,000, or \$500,000,000. If we are not going to become a "financially busted" country, it is your responsibility and my responsibility to see that America remains strong so that we may continue to aid and assist other countries. A busted

nation can help no one. Let us be cautious, be careful, and be wise.

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

Mr. BELL. Mr. Speaker, I yield such time as he may desire to the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Speaker, this is a bill for rehabilitation of the Filipino people, who are familiarly known to us as our wards. They are rightfully called the gem of the Orient. Their recent suffering entitles them to our utmost consideration and such minor expression of appreciation for their loyalty and efforts as are reflected in this bill. It was General MacArthur who said "I will return," and this is the return of the American people to their friends in the far-off Pacific. This action of ours will bring forcibly to the minds of these people so far removed from us the love and devotion of this country, and I am happy to be able to say a word at this time in reference to this measure.

The SPEAKER. The Clerk will read the bill and the committee amendments.

The Clerk read as follows:

*Be it enacted, etc., That this act may be cited as the "Philippine Rehabilitation Act of 1945."*

#### TITLE I—COMPENSATION FOR WAR DAMAGE

Sec. 101. (a) There is hereby established a Philippine War Damage Commission (in this title referred to as the "Commission"). The Commission shall consist of three members, to be appointed by the President of the United States. One of the members of the Commission shall be a Filipino. The members of the Commission shall receive compensation at the rate of \$10,000 a year. The terms of office of the members of the Commission shall expire at the time fixed in subsection (d) for winding up the affairs of the Commission. A vacancy in the membership of the Commission shall not impair the authority of the remaining two members of the Commission to exercise all of its functions. Vacancies occurring in the membership of the Commission shall be filled in the same manner as in the case of the original selection. Members of the Commission shall receive their necessary traveling and other expenses incurred in connection with their duties as such members, or a per diem allowance in lieu thereof.

(b) The Commission may, without regard to the civil-service laws or the Classification Act of 1923, as amended, appoint and fix the compensation of such officers and employees, and may make such expenditures, as may be necessary to carry out its functions. Officers and employees of any other department or agency of the Government may with the consent of the head of such department or agency, be assigned to assist the Commission in carrying out its functions. The Commission may, with the consent of the head of any other department or agency of the Government, utilize the facilities and services of such department or agency in carrying out the functions of the Commission.

(c) The Commission may prescribe such rules and regulations as are necessary for carrying out its functions, and may delegate functions to any member, officer, or employee of the Commission or of any other department or agency of the United States or of the Commonwealth of the Philippines.

(d) The Commission shall, so far as practicable, give consideration to, but need not await, or be bound by, the recommendations of the Filipino Rehabilitation Commission (created by the act approved June 29, 1944) with respect to Philippine war damage. The Commission shall wind up its affairs not

later than 2 years after the expiration of the time for filing claims under this title.

SEC. 102. (a) The Commission is hereby authorized to make compensation to the extent hereinafter provided on account of physical loss of or damage to property in the Philippine Islands occurring after December 7, 1941 (Philippine time), and before October 1, 1945, as a result of one or more of the following perils: (1) Enemy attack (including action taken by or at the request of the military, naval, or air forces of the United States in resisting enemy attack); (2) action taken by enemy representatives, civil or military, or by the representatives of any government cooperating with the enemy; (3) action by the armed forces of the United States or other forces cooperating with the armed forces of the United States in expelling the enemy from the Philippine Islands; (4) looting, pillage, or other lawlessness or disorder accompanying the collapse of civil authority or incidental to control by enemy forces: *Provided*, That such compensation shall be payable only to qualified persons having, on December 7, 1941 (Philippine time), and continuously to and including the time of loss or damage, an insurable interest as owner, mortgagee, lien holder, or pledgee in such property so lost or damaged: *Provided further*, That any qualified person who acquired any deceased person's interest in any property either (1) as heir, devisee, legatee, or distributee, or (2) as executor or administrator of the estate of any such deceased person for the benefit of one or more heirs, devisees, legatees, or distributees, all of whom are qualified persons, shall be deemed to have had the same interest in such property during such deceased person's lifetime that such deceased person had: *Provided further*, That no payment or payments shall be made in an aggregate amount which exceeds whichever of the following amounts, as determined by the Commission, is less: (a) The actual cash value, at the time of loss, of property lost or destroyed and the amount of the actual damage to other property of the claimant which was damaged as a direct result of the causes enumerated in this section; (b) the cost of repairing or rebuilding such lost or damaged property, or replacing the same with other property of like or similar quality: *Provided further*, That in case the aggregate amount of the claims which would be payable to any one claimant under the foregoing provisions exceeds \$500, the aggregate amount of the claims payable to such claimant shall be reduced by 25 percent of the excess over \$500.

(b) When used in this section, the term "qualified person" means—

(1) any individual, who on December 7, 1941 (Philippine time), and continuously to the time of filing claim pursuant to this title, was a citizen of the United States or of the Philippine Commonwealth or of the Philippine Republic;

(2) any individual, who at any time subsequent to September 16, 1940, and prior to August 14, 1945, served honorably in the armed forces of the United States or of the Philippine Commonwealth, or honorably performed "service in the merchant marine" (as defined in the first section of the act entitled "An act to provide reemployment rights for persons who leave their positions to serve in the merchant marine, and for other purposes", approved June 23, 1943);

(3) any church or other religious organization; and

(4) any corporation (or, upon dissolution, its successor if it satisfies the requirements of this paragraph (4)) organized pursuant to the laws of any of the several States or of the United States or of any Territory or possession thereof (including any corporation, or sociedad anonima organized pursuant to the laws in effect in the Philippine Islands at the time of its organization), but excluding

any corporation wholly owned by the Commonwealth of the Philippines (or the Philippine Republic).

SEC. 103. The Commission shall make no payment under the provisions of this title—

(a) to any enemy alien;

(b) to any person who, by a civil or military court having jurisdiction, has been found guilty of collaborating with the enemy, or of any act involving disloyalty to the United States or the Philippine Commonwealth;

(c) to any corporation, or sociedad anonima owned or controlled by any of the persons specified in clauses (a) and (b) of this section;

(d) to compensate for any loss of or damage to property which, at the time of loss or damage, was insured against any one or more of the perils specified in section 102 hereof, except to the extent that the loss or damage exceeds the amount of such insurance, whether or not collectible;

(e) to compensate for any loss or damage—

(1) for which the War Department or the Navy Department is authorized to make payment, or

(2) for which compensation or indemnity is otherwise payable, or has been paid, or is authorized to be paid, by the Philippine Government, or by the United States Government or by their respective departments, establishments, or agencies,

unless the Government, department, establishment, or agency concerned has declined to pay compensation or indemnity for such loss or damage;

(f) unless the claimant shall file with the Commission, within 9 months after the enactment hereof, a claim in reasonable conformity with the requirements of this title and such reasonable regulations as shall be established by the Commission.

SEC. 104. (a) No claim shall be paid unless approved by the Commission or its authorized representatives, and on account of each claim so approved the Commission may make immediate payment of (1) so much of the approved amount of the claim as does not exceed \$500 or 1,000 Philippine pesos, plus (2) 80 percent of the remainder of the approved amount of the claim. After the time for filing claims has expired, the Commission shall determine the amount of money available for the further payment of claims. Such funds shall be applied pro rata toward the payment of the unpaid balances of the amounts authorized to be paid pursuant to section 102 of this title.

(b) Of the funds appropriated for the purpose of paying compensation under this title, \$5,000,000, \$10,000,000 shall be set aside for the payment of claims filed by churches and other religious organizations on account of loss of or damage to property consisting of churches, parish houses, and other property devoted to religious purposes (excluding schools, hospitals, and other charitable institutions). Subsection (a) of this section shall not be applicable with respect to claims filed by churches and other religious organizations with respect to such property; but, after the time for filing claims has expired, the funds set aside pursuant to this subsection shall be applied pro rata toward paying such amounts as are authorized to be paid pursuant to section 102 with respect to claims filed by churches and other religious organizations with respect to such property, and shall be applied without discrimination to the proportional payment of all allowable claims filed by churches and other religious organizations with respect to such property. No payments with respect to such claims shall be made except from the funds set aside pursuant to this subsection.

(c) The Commission may, at its option, make payment, in whole or in part, of the amount payable in the case of any claim authorized to be paid under this title by

rebuilding or repairing lost or damaged property, or replacing it with other property of like or similar kind. The amount expended for such purpose in any case, including the fair value of property transferred to the claimant, shall be deemed to have been paid to the claimant on account of his claim, and such amount shall in no case exceed the amount authorized to be paid under this title on account of such claim. The Commission is authorized to acquire such property, to have such work done, to make such contracts, and to take such other action as may be necessary for the purposes of this subsection.

(d) All of the provisions of this title shall be subject to the requirement that, to the fullest extent practicable, the Commission shall require that the lost or damaged property be rebuilt, replaced, or repaired before payments of money are actually made to claimants under this title.

SEC. 105. Not later than 6 months after its organization, and every 6 months thereafter, the Commission shall make a report to the Congress concerning operations under this title.

SEC. 106. (a) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amount of \$330,000,000 for the purposes of paying compensation to the extent authorized by this title, and of such sum, not to exceed \$1,500,000 shall be available to pay the expenses of the Commission.

(b) Any sums received by the United States from the Japanese Government or the Japanese people by way of reparations or indemnity on account of the war—

(1) shall be covered into the Treasury of the United States until the sums so covered into the Treasury are equal to the sum of the amounts appropriated for the payment of compensation under this title and the amounts appropriated for carrying out the purposes of title II of this act;

(2) when the amounts covered into the Treasury under clause (1) are equal to the amounts so appropriated, one-half of any further sums so received by the United States from the Japanese shall be covered into the Treasury of the United States and the other one-half shall be paid to the government of the Commonwealth of the Philippines (or the Philippine Republic) until the amount so paid to such government plus the amounts appropriated for the payment of compensation under this title and the amount appropriated for carrying out the purposes of title III are equal to the amount estimated by the Commission to represent the total loss of and damage to real and tangible personal property in the Philippine Islands from the causes enumerated in section 102 (a); and

(3) thereafter shall be covered into the Treasury of the United States.

SEC. 107. Whoever, in the Philippine Islands or elsewhere, makes any statement or representation knowing it to be false or whoever willfully overvalues loss of or damage to property, for the purpose of obtaining for himself or for any claimant any compensation pursuant to this title, or for the purpose of influencing in any way the action of the Commission with respect to any claim for compensation pursuant to this title, or for the purpose of obtaining money, property, or anything of value under this title, shall, upon conviction, be punished by a fine of not more than \$5,000 or by imprisonment for not more than 2 years, or both.

SEC. 108. No remuneration on account of services rendered or to be rendered or on behalf of any claimant in connection with any claim for compensation pursuant to this title shall exceed 5 percent of the compensation paid by the Commission on account of such claim. Any agreement to the contrary shall be unlawful and void. Whoever, in the Philippine Islands or elsewhere, receives on account of services rendered or to be rendered in connection with any claims



for compensation hereunder, any remuneration in excess of the maximum permitted by this section shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than \$1,000 or imprisoned for not more than 6 months, or both.

SEC. 109. Except as lawfully provided in policies of insurance heretofore or hereafter issued by the War Damage Corporation pursuant to subsection (a) of section 5g of the Reconstruction Finance Corporation Act, as amended, the authority herein granted to the Philippine War Damage Commission shall be in lieu of and shall supersede all authority previously conferred on the War Damage Corporation to furnish protection or pay compensation with respect to property situated, at the time of loss or damage, in the Philippine Islands, and the protection authorized to be extended and the compensation authorized to be paid by the Philippine War Damage Commission shall be in lieu of all protection heretofore extended or authorized to be extended by the War Damage Corporation with respect to property situated, at the time of loss or damage, in the Philippine Islands, except to the extent provided in policies of insurance heretofore or hereafter issued by the War Damage Corporation. The War Damage Corporation is hereby prohibited from providing for or paying compensation for war damage in the Philippine Islands except to the extent provided in its policies of insurance heretofore or hereafter issued in consideration of a premium paid therefor.

SEC. 110. The classes of property enumerated in this section, whether situated in the Philippine Islands or elsewhere, are hereby excluded from protection, compensation, or consideration under this title, and the Commission shall not make any payment, directly or indirectly, on account of loss of or damage to such classes of property:

(1) Accounts, bills, records, films, plans, drawings, formulas, currency, deeds, evidences of debt, securities, money, bullion, furs, jewelry, stamps, precious and semiprecious stones, works of art, antiques, stamp and coin collections, manuscripts, books and printed publications more than 50 years old, models, curiosities, objects of historical or scientific interest, and pleasure aircraft;

(2) Vessels and watercraft, their cargoes and equipment, except (a) vessels used or intended to be used exclusively for storage, housing, manufacturing, or generating power, (b) vessels while under construction until delivery by the builder, or sailing on delivery or trial trip, whichever shall first occur, and (c) vessels propelled by sail;

(3) Real property (other than standing timber, growing crops, and orchards) not a part of a building or structure;

(4) Intangible property;

(5) Passenger-carrying motor vehicles except those used principally for commercial purposes;

(6) Property diverted to the Philippines, by authority of the United States Government or otherwise, as a result of war conditions; and

(7) Property in transit (a) which at the time of loss or damage was insured against war perils, or (b) with respect to which insurance against such perils was available, at the time of loss or damage either at reasonable commercial rates or from the United States Maritime Commission.

SEC. 111. All departments, commissions, offices, agencies, and instrumentalities of the United States Government, upon the written request of the Commission, are authorized to make delivery and conveyance to designated claimants, or to the Commission, of any surplus property of the United States in the Philippine Islands deemed by the Commission to be similar to that for which compensation is requested, or to be suitable for the rebuilding or repair of the property damaged

aged or destroyed. The transfer of such property to such claimants shall be at the fair value of the property as fixed by the disposal agency. The Commission shall pay such fair value to the disposal agency.

SEC. 112. The War Damage Corporation is authorized and directed to consult with, and in every manner possible to assist and cooperate with, the Commission, to aid the Commission in its performance of duties hereunder, and to make available to or deliver to the Commission all records, claims, files, and other documents in its possession pertaining to Philippine claims. The Commission is authorized to give such weight as it may deem proper to any reports, certificates, or recommendations of the War Damage Corporation, or its adjusters or claims service offices.

SEC. 113. The Commission shall notify all claimants of the approval or denial of their claims, and, if approved, shall notify such claimants of the amount for which such claims are approved. Any claimant whose claim is denied, or is approved for less than the full allowable amount of said claim, shall be entitled, under such regulations as the Commission may prescribe, to a hearing before the Commission or its representatives with respect to such claim. Upon such hearing, the Commission may affirm, modify, or reverse its former action with respect to such claim, including a denial or reduction in the amount of a claim theretofore approved. All findings of the Commission concerning the amount of loss or damage sustained, the cause of such loss or damage, the persons to whom compensation pursuant to this title is payable, and the value of the property lost or damaged, shall be conclusive and shall not be reviewable by any court.

#### TITLE II—DISPOSAL OF SURPLUS PROPERTY

SEC. 201. In order to expedite the disposition of surplus property of the United States in the Philippine Islands and to aid in—

(1) repairing and replacing buildings, equipment, and other property of the Commonwealth of the Philippines and other governmental units in the Philippines, in cases where such buildings, equipment, or other property have been damaged, lost, or destroyed in the war, and otherwise restoring and facilitating the normal operations of governmental units in the Philippines;

(2) restoring and providing essential public buildings, services, works, and utilities, including hospitals, schools, and other institutions furnishing essential health and welfare services, in the Philippines; and

(3) rehabilitating the economy of the Philippines and aiding and encouraging private enterprise in such economy;

The Department of State, the disposal agency for the Philippines designated under the Surplus Property Act of 1944, acting through the Foreign Liquidation Commissioner (hereinafter referred to as the "Commissioner"), is hereby authorized, notwithstanding any other provision of law, to transfer to the Commonwealth of the Philippines, without reimbursement, property of the United States now or hereafter located in the Philippine Islands and declared surplus under the Surplus Property Act of 1944, upon such terms and conditions, including the use or disposition of such property by the Commonwealth of the Philippines, as the Commissioner may deem appropriate to carry out the purposes of this title.

SEC. 202. At the time any such property is so transferred to the Commonwealth of the Philippines, the Commissioner shall make a record of (1) the items transferred, (2) the condition of such items, and (3) his estimate of the fair value of such items. The Department of State shall furnish a copy of such record to the Surplus Property Administrator, and shall also make quarterly reports to the President and the Congress concerning the administration of this title.

SEC. 203. Any surplus property now or hereafter located in the Philippines which is not transferred to the Commonwealth of the Philippines, under section 201, may be disposed of by the Commissioner by sale, upon such terms and conditions as the Commissioner determines to be best suited for achieving the purposes stated in section 201, and without regard to other provisions of law relating to the sale or disposition of property of the United States. Any such sale may be made for a consideration greater or less than the fair value of the property concerned. In making such sale, the Commissioner may accept pesos as consideration. Any such surplus property which has not been disposed of by the Commissioner may be requisitioned by any other department or agency of the United States for its own use; and, upon the receipt of any such requisition, the Commissioner shall transfer such property to the requisitioning department or agency upon reimbursement of the fair value thereof. The proceeds derived from any disposal of surplus property by the Commissioner under this title shall be covered into the Treasury of the United States. If the consideration upon any disposal of property by the Commissioner be other property, such other property may be disposed of by the Commissioner in the same manner as surplus property located in the Philippines.

SEC. 204. No military weapons, munitions, or toxic gas shall be transferred or otherwise disposed of under this title.

SEC. 205. The Commissioner is authorized to appoint an advisory committee to advise him upon the action to be taken by him under this title.

SEC. 206. The fair value of the property transferred to the Commonwealth of the Philippines under this title, as estimated by the Commissioner, shall not exceed \$30,000,000 in the aggregate.

SEC. 207. The Commissioner may prescribe such rules and regulations as may be necessary for the performance of his functions under this title, and may delegate and authorize successive redelegations of any authority conferred upon him by this title to any officer or employee of his agency or of any other department or agency of the United States or of the Commonwealth of the Philippines.

#### TITLE III—RESTORATION AND IMPROVEMENT OF PUBLIC PROPERTY AND ESSENTIAL PUBLIC SERVICES

SEC. 301. As a manifestation of good will to the Filipino people, there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, (1) the sum of \$120,000,000, to be allocated from time to time by the President of the United States among the various programs set forth in sections 302, 303, 304, and 305, and (2) such additional sums as may be necessary to carry out the purposes of sections 306 to 311, inclusive.

##### Public roads

SEC. 302. (a) As recommended in a report based upon an investigation made in the Philippine Islands by the Public Roads Administration of the Federal Works Agency and to the extent that the findings in such report are approved by the President, the Public Roads Administration is authorized to plan, design, restore, and build, in accordance with its usual contract procedures, such roads, essential streets, and bridges as may be necessary from the standpoint of the national defense and economic rehabilitation and development of the Philippine Islands.

(b) The Commissioner of Public Roads is authorized, under such regulations as he may adopt, to provide training for not to exceed 10 Filipino engineers, to be designated by the President of the Philippine Islands from the regularly employed staff of the Philippine Public Works Department subject to

the provisions of section 311 (c), in the construction, maintenance, and highway traffic engineering and control necessary for the continued maintenance and for the efficient and safe operation of highway transport facilities.

#### *Port and harbor facilities*

SEC. 303. (a) As recommended in a report based upon an investigation made in the Philippine Islands by the Corps of Engineers of the United States Army and to the extent that the findings in such report are approved by the President, the Corps of Engineers is authorized to carry out a program for the rehabilitation, improvement, and construction of port and harbor facilities in the Philippine Islands, such work to be done by contract, insofar as practicable, under the direction of the Secretary of War and the supervision of the Chief of Engineers, and in accordance with established procedures applicable to river and harbor projects.

(b) The Chief of Engineers of the Army is authorized, under such regulations as he may adopt, to provide training for not to exceed 10 Filipino engineers, to be designated by the President of the Philippine Islands from among the engineer officers of the Philippine Army and the regularly employed staff of the Philippine Public Works Department subject to the provisions of section 311 (c), in the construction, improvement, and maintenance of port facilities and other works of improvements on rivers and harbors.

#### *Public property*

SEC. 304. The Philippine War Damage Commission, within the limits of the appropriations allocated to it for carrying out the provisions of this section, is authorized to compensate the Commonwealth of the Philippines (or the Philippine Republic), the provincial governments, chartered cities, municipalities, and corporations wholly owned by the Commonwealth of the Philippines (or the Philippine Republic), in the Philippine Islands, for physical loss of or damage to public property in the Philippine Islands occurring after December 7, 1941 (Philippine time), and before October 1, 1945, as a result of the perils listed in section 102 (a) hereof, in any case in which compensation for such losses or the rebuilding, repair, or replacement of the lost or damaged property is not provided for by the transfer of surplus property under section 201 hereof, or provided for under the provisions of this title other than this section or otherwise provided for by the United States Government or any department or agency thereof. To the fullest extent practicable, the Commission shall require that any lost or damaged property for which it decides to award compensation under this section shall be rebuilt, replaced, or repaired before payments of money are actually made to claimants under this section. The Commission in its discretion may request the Federal Works Agency or the Corps of Engineers of the United States Army to undertake the rebuilding, repair, or replacement of property for which the Commission awards compensation under this section, and, from the funds available for carrying out the provisions of this section, may transfer to such Agency or Corps of Engineers the funds necessary to pay for the work requested. The Federal Works Agency and the Corps of Engineers are authorized to rebuild, repair, or replace property in accordance with any such request of the Commission and to expend the funds so transferred to them for such purpose. The Commission shall have full power to select, and fix the priority of, cases in which compensation will be awarded or property rebuilt, repaired, or replaced under this section, and to determine the amount of such compensation and the extent to which such property will be rebuilt, repaired, or replaced, taking into account the relative importance of various projects to the recon-

struction and reconversion of the economy of the Philippine Islands and such other factors as the Commission deems relevant.

#### *Public health*

SEC. 305. (a) The Public Health Service of the Federal Security Agency is authorized to cooperate with the Government of the Philippine Islands, and with other appropriate agencies or organizations, in the rehabilitation and development of public health services and facilities throughout the Philippine Islands.

(b) To accomplish such purposes the Public Health Service shall at the earliest practicable time survey the health situation in the Philippine Islands, and is authorized to replace, expand, or install such health services and facilities in the Philippine Islands, as are deemed essential to preservation of health, and may assist in the rehabilitation and development of a Philippine quarantine service for prevention of introduction of disease from abroad or from one island to another. The Public Health Service may set up demonstrations and establish training centers in the Philippine Islands; may establish and maintain in the Philippine Islands a school or schools for the purpose of providing practical instruction in public health; and may, at any time prior to January 1, 1948, provide 1 year of training in appropriate schools or colleges in the United States to not more than 100 Filipinos, to be designated by the President of the Philippine Islands subject to the provisions of section 311 (c), in public-health methods and administration. It may replace equipment and supply reasonably necessary additional equipment, utilizing for this purpose, so far as possible, surplus property, and may recommend to the Commission the repair or construction under the provisions of section 304, at any time prior to July 1, 1950, of buildings deemed essential to the rehabilitation of public health and quarantine functions.

#### *Inter-island commerce*

SEC. 306. (a) In order to restore and improve inter-island commerce in the Philippine Islands the United States Maritime Commission is authorized to charter under such terms and conditions (including nominal rates of charter hire) vessels of less than 2,000 gross tons to individuals, corporations, or cooperatives or other forms of business organizations in the Philippine Islands if the Commission determines that they possess the ability, experience, financial resources, and other qualifications, necessary to enable them to operate and maintain the vessel in the inter-island commerce in the Philippine Islands: *Provided*, That any charter entered into under the authority of this section shall contain a provision requiring that the vessel shall be operated only in the inter-island commerce in the Philippine Islands.

(b) The Chairman, United States Maritime Commission, is hereby authorized to permit not exceeding 50 Filipinos each year, to be designated by the President of the Philippine Islands subject to the provisions of section 311 (c), to receive instruction in the United States Merchant Marine Cadet Corps and at the United States Merchant Marine Academy at Kings Point, N. Y. The persons receiving instruction under authority of this section shall receive the same pay, allowances, and emoluments, to be paid from the same appropriations, and subject to such exceptions as may be determined by the Chairman, United States Maritime Commission, shall be subject to the same rules and regulations governing admission, attendance, discipline, resignation, discharge, dismissal, and graduation, as cadet midshipmen at the Merchant Marine Academy appointed from the United States; but such persons shall not be entitled to appointment to any office or position in the United States merchant

marine by reason of their graduation from the Merchant Marine Academy.

SEC. 307. (a) The Administrator of Civil Aeronautics of the Department of Commerce is authorized to acquire, establish, operate, and to maintain a system of air-navigation facilities and associated airways communications services in the Philippine Islands for inter-island airways operation and to connect the Philippine airways with international and interoceanic routes.

(b) The Administrator of Civil Aeronautics is authorized, under such regulations as he may adopt, to train not exceeding 50 Filipinos each year, to be designated by the President of the Philippine Islands subject to the provisions of section 311 (c), in air-traffic control, aircraft communications, maintenance of air-navigation facilities, and such other airman functions as are deemed necessary for the maintenance and operation of aids to air navigation and other services essential to the orderly and safe operation of air traffic.

#### *Weather information*

SEC. 308. (a) The Chief of the Weather Bureau of the Department of Commerce is authorized to establish meteorological facilities in the Philippine Islands as may be required to provide weather information, warnings, and forecasts for general agricultural and commercial activities, including meteorological service for the air routes on which air-navigation facilities are operated by the Civil Aeronautics Administration, and to maintain such meteorological offices until the Philippine Weather Bureau is reestablished and in position to assume responsibility for the service.

(b) The Chief of the Weather Bureau of the Department of Commerce is authorized, under such regulations as he may adopt, to train not to exceed 50 Filipinos in the first year and not to exceed 25 Filipinos in each succeeding year, the trainees to be designated by the President of the Philippine Islands subject to the provisions of section 311 (c), and the training to include meteorological observations, analyses, forecasting, briefing of pilots, and such other meteorological duties as are deemed necessary in maintenance of general weather service, including weather information required for air navigation and the safe operation of air traffic. The training of these employees shall be in addition and not in lieu of Weather Bureau employees to be trained under current Weather Bureau appropriations.

#### *Philippine fisheries*

SEC. 309. (a) The Fish and Wildlife Service of the Department of the Interior is authorized to cooperate with the Government of the Philippine Islands, and with other appropriate agencies or organizations, in the rehabilitation and development of the fishing industry, and in the investigation and conservation of the fishery resources of the Philippine Islands and adjacent waters.

(b) To accomplish such purposes the Fish and Wildlife Service shall conduct oceanographic, biological, fish cultural, technological, engineering, statistical, economic, and market development studies and demonstrations, and fishery explorations, and in conjunction therewith may establish and maintain a vocational school or schools of fisheries in the Philippine Islands for the purpose of providing practical instruction and training in the fisheries; and may, at any time prior to July 1, 1950, provide 1 year of training to not more than 125 Filipinos, to be designated by the President of the Philippine Islands subject to the provisions of section 311 (c), in methods of deep-sea fishing and in other techniques necessary to the development of fisheries.

(c) The Fish and Wildlife Service is authorized to acquire, construct, maintain, equip, and operate such research and experi-



mental stations, schools, research and exploratory fishing vessels, or any other facilities in the Philippine Islands that may be necessary to carry out the purposes of this section.

(d) The United States Maritime Commission is authorized, upon recommendation of the Fish and Wildlife Service of the Department of the Interior, to make arrangements for the transfer by sale or charter of small vessels, considered by the United States Maritime Commission to be satisfactory for the purpose, to be used in the establishment and continuance of a fishing industry to be operated in or near the Philippine Islands. Such transfers may be made on such terms and conditions, including transfer for a nominal consideration, as the United States Maritime Commission may approve, but only if, in the opinion of the Fish and Wildlife Service, such small vessels so to be used for Philippine Island fishing are not needed by the fishing industry of the United States, its Territories, and possessions.

#### Coast and Geodetic surveys

SEC. 310. The Coast and Geodetic Survey of the Department of Commerce is authorized to continue, until June 30, 1950, the survey work which was being conducted by it in the Philippine Islands prior to December 7, 1941. The Director of the Coast and Geodetic Survey is authorized to train not exceeding 20 Filipinos each year, to be designated by the President of the Philippine Islands subject to the provisions of section 311 (c), in order that they may become qualified to take over and continue such survey work on and after July 1, 1950, and to pay all expenses incident to their temporary employment and training.

#### General provisions

SEC. 311. (a) The Government of the Philippine Islands shall provide all lands, easements, and rights-of-way necessary for the execution of the projects herein authorized.

(b) The several bureaus and agencies of the Government authorized by this title to undertake projects in the Philippine Islands are hereby authorized, in the prosecution of such projects, to cooperate with the Government of the Philippine Commonwealth (or the Philippine Republic), and to accept contributions of labor, materials, and money from such Government and its political subdivisions and to utilize such labor, materials, and money in the prosecution of such projects.

(c) Wherever in this title the training of Filipinos at the expense of the United States Government is authorized, the head of the bureau or agency under whose supervision or control the training is given may establish minimum requirements as to education and experience, provide for competitive examinations, or establish such other standards for qualification for such training as in his judgment may seem necessary and advisable, and under such regulations as may be adopted from time to time may provide for the payment of all expenses incidental to such training, including, but not limited to, actual transportation expenses to and from and in the United States, allowances for tuition, educational fees, and subsistence.

(d) Any Filipino who is designated for training or instruction as provided in this act may be admitted to the United States for such training or instruction upon certification to the Immigration and Naturalization Service by the head of the bureau or agency under whose supervision the training or instruction is to be given that such entry is necessary in connection with the training or instruction, notwithstanding the provisions of section 8 of the act of March 24, 1934 (48 Stat. 462; 48 U. S. C. 1238), and notwithstanding any provision of the laws of the United States relating to the immigration, exclusion, expulsion, or registration of aliens: *Provided*, That such admissions shall

be deemed pursuant to section 3 (2) of the Immigration Act of 1924 (43 Stat. 154; 47 Stat. 607; 54 Stat. 711; 8 U. S. C. 203): *Provided further*, That the privilege of entering or remaining in the United States for such purposes shall end within a reasonable time, to be fixed by regulation of the Commissioner of Immigration and Naturalization with the approval of the Attorney General, after termination of the training or instruction: *Provided further*, That the head of the bureau or agency concerned may at any time terminate the training or instruction of any person under this act if in his judgment the best interests of either the United States or the Philippine Government makes such action advisable, and his decision shall be final and conclusive: *Provided further*, That any such Filipino who shall fail to depart from the United States within the reasonable time fixed by regulation, as herein prescribed, shall be subject to being taken into custody and deported, as provided by section 14 of the Immigration Act of 1924 (43 Stat. 162; 8 U. S. C. 214).

(e) Unless otherwise provided by law this title shall expire on June 30, 1950.

#### TITLE IV—THE UNITED STATES HIGH COMMISSIONER

SEC. 401. Until the Philippine Islands attain their independence, the functions, powers, and duties exercised in the Philippine Islands by any officer, employee, department, or agency of the United States in carrying out the provisions of this act shall be exercised under the general supervision of the United States High Commissioner to the Philippine Islands, and the officers, employees, offices, missions, and other agencies exercising such functions, powers, and duties shall be deemed to be attached to the office of the High Commissioner.

With the following committee amendments:

Page 1, line 4, delete "1945" and insert in lieu thereof "1946."

Page 1, line 10, delete the period after "States", insert in lieu thereof a comma, and insert "by and with the advice and consent of the Senate."

Page 2, line 1, delete "\$10,000" and insert in lieu thereof "\$12,000."

Page 2, line 12, delete the period after "thereof", insert in lieu thereof a comma, and insert "to be fixed by the Commission without regard to the limitation prescribed in any existing law."

Page 2, line 15, after "compensation" insert "and allowances."

Page 2, line 15, insert a comma after "officers" and insert "attorneys."

Page 3, line 5, delete the period after "Philippines" and insert "and shall give public notice of the time when, and the limit of the time within which, claims may be filed, which notice shall be given in such manner as the Commission shall prescribe."

Page 3, line 12, delete the period after "title" and insert "if possible but, in no event later than 5 years from the enactment of this act."

Page 3, line 15, after "loss" insert "or destruction."

Page 3, line 16, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 3, line 18, after "attack" delete "including action taken by or at the request of the military, naval, or air forces of the United States in resisting enemy attack"; and insert in lieu thereof "(2) action taken by or at the request of the military, naval, or air forces of the United States to prevent such property from coming into the possession of the enemy;"

Page 3, line 21, delete "(2)" and insert in lieu thereof "(3)."

Page 3, line 23, delete "(3)" and insert in lieu thereof "(4)."

Page 3, line 25, after "in" insert "opposing, resisting or."

Page 4, line 1, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 4, line 1, delete "(4)" and insert in lieu thereof "(5)."

Page 4, line 3, after "authority" delete "or incidental to control by enemy forces;" and insert "determined by the Commission to have resulted from any of the other perils enumerated in this section or from control by enemy forces."

Page 4, line 17, after "no" delete "payment or payments shall be made" and insert "claim shall be approved."

Page 5, line 4, after "claims" delete "payable to" and insert "approved in favor of."

Page 5, line 11, delete "Philippine Commonwealth" and insert in lieu thereof "Commonwealth of the Philippines."

Page 5, line 12, delete "Philippine Republic;" and insert in lieu thereof "Republic of the Philippines or who, being a citizen of a nation not an enemy of the United States, which nation grants reciprocal war damage payments to American citizens resident in such countries, was, for 5 years prior to December 7, 1941, a resident of the Philippines;"

Page 5, line 16, delete "Philippine Commonwealth" and insert in lieu thereof "Commonwealth of the Philippines."

Page 5, line 24, after "any", insert "unincorporated association, trust, or."

Page 5, line 25, after "successor", delete "if it satisfies the requirements of this paragraph (4)."

Page 6, line 3, after "any", insert "other unincorporated association, trust."

Page 6, line 5, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 6, line 8, delete "Philippine Republic" and insert in lieu thereof "Republic of the Philippines."

Page 6, line 15, delete "Philippine Commonwealth" and insert in lieu thereof "Commonwealth of the Philippines."

Page 6, line 16, after "any", insert "unincorporated association, trust."

Page 7, line 7, delete "Philippine Government" and insert in lieu thereof "Government of the Commonwealth of the Philippines (Republic of the Philippines)."

Page 7, line 10, after "the", delete "Government," and insert "War Department, Navy Department, respective."

Page 7, line 14, after "within", delete "nine months after the enactment hereof" and insert "twelve months after the date on which public notice is given as prescribed in section 101 (c) of this title."

Page 7, line 23, after "(2)", delete "80 percent of the remainder of the approved amount of the claim," and insert "such percentage, not in excess of 80 percent of the remainder of the approved amount of the claim as the Commission shall take applicable to all approved claims, due consideration having been given to the total funds available for distribution."

Page 8, delete lines 6 to 25, inclusive.

Page 9, line 1, delete "(c)" and insert in lieu thereof "(b)."

Page 9, line 4, delete "rebuilding or repairing lost or damaged property, or."

Page 9 line 5 after "placing", delete "it" and insert "lost, damaged, or destroyed property."

Page 9, line 14, at the end of the line add a new sentence: "To accomplish the purposes of this section such surplus property of the United States, wherever located, as the President of the United States by Executive order shall direct, shall be transferred to the Commission. The Commission shall pay to the disposal agency the fair value of the property as agreed to by the Commission and the disposal agency."

Page 9, line 15, delete "(d)" and insert in lieu thereof "(c)."

Page 9, line 19, delete the period and insert in lieu thereof a colon, and insert "Provided, That if the Commission determines it is impossible for any reason beyond the control

of the claimant, or is impractical to rebuild, replace, or repair the lost or damaged property, the Commission may make payment to the claimant without making said requirement: *Provided, however*, That, as a condition to the making of such payment, the Commission shall require that the whole of such payment shall be reinvested in such manner as will further the rehabilitation or economic development of the Philippines: *And provided further*, That nothing in this subsection shall preclude the partial payment of claims as the rebuilding, replacing, or repairing of the property progresses."

Page 10, line 2, delete "330,000,000" and insert in lieu thereof "400,000,000."

Page 10, line 4, delete "1,500,000" and insert in lieu thereof "4,000,000."

Page 10, line 6, after "Any" delete "sums" and insert "money or bullion."

Page 10, line 8, after "of" delete "the."

Page 10, line 8, delete the dash after "war" and insert "losses in the Philippines—."

Page 10, line 10, after "the" delete "sums" and insert "value of said money or bullion."

Page 10, line 11, delete "are" and insert in lieu thereof "is."

Page 10, delete all of lines 15 to 25, inclusive, and

Page 11, delete all of lines 1 to 6, inclusive, and insert in lieu thereof the following:

"(2) when the amounts covered into the Treasury under clause (1) are equal to the amounts so appropriated, the excess over the amounts so appropriated shall be used, first, to satisfy in full the balance unpaid of any approved claims under this title; second, toward the payment of any amount by which any claim was reduced under section 102 (a) hereof; third, toward the satisfaction of any approved claim of the Government of the Commonwealth of the Philippines (or the Republic of the Philippines), its provinces, cities, municipalities, and instrumentalities, not compensated under this act; and

"(3) the balance shall be covered into the Treasury of the United States.

"(c) Notwithstanding any other provision of law, any other property received by the United States from the Japanese Government or the Japanese people, whether by way of reparations or restitution on account of war losses in the Philippines, may be transferred, by Executive order of the President of the United States, to the Commission, to be applied in kind, under such regulations as may be adopted by it, to the payment of losses or damages covered by this act, or in such other manner as the Commission may determine to be necessary to carry out the purposes and policy of this act.

"(d) Nothing in this act shall prejudice the right of any claimant not covered by this act to recover damages from the Japanese Government or the Japanese people, by way of reparations or indemnity on account of the war, for losses not, or not fully, compensated for hereunder."

Page 11, line 7, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 11, line 9, delete the comma after "false."

Page 11, line 9, after "willfully", insert "and fraudulently."

Page 11, line 10, insert a comma after "property."

Page 11, line 17, after "both" delete the period and insert a comma, and insert "and shall not receive any payments or other benefits under this title and, if any payment or benefit shall have been made or granted, the Commission shall take such action as may be necessary to recover the same."

Page 11, line 23, delete "Whoever, in" and all of lines 24 and 25, and on page 12, delete all of lines 1 to 5, inclusive, and insert in lieu thereof the following:

"Whoever, in the Philippines or elsewhere, pays or offers to pay, or promises to pay, or receives, on account of services rendered or

to be rendered in connection with any claim for compensation hereunder, any remuneration in excess of the maximum permitted by this section, shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than \$5,000, or imprisoned for not more than 12 months or both, and, if any such payment or benefit shall have been made or granted, the Commission shall take such action as may be necessary to recover the same, and, in addition thereto, any such claimant shall forfeit all rights under this title."

Page 12, line 15, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 12, lines 20 and 21, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 13, line 2, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 13, line 6, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 13, line 17, insert after the word "pleasure" and before the word "aircraft", the words "watercraft and pleasure."

Page 13, line 17, after the word "aircraft" delete the semicolon and insert in lieu thereof a colon, and insert "Provided, however, That such protection, compensation, or consideration shall extend to such of the foregoing items as may have constituted inventories, supplies, or equipment for carrying on a trade or business within the Philippines."

Page 13, line 23, after "occur," delete "and."

Page 13, line 23, after "(c)" delete "vessels propelled by sail;" and insert the following: "watercraft and commercial vessels of Philippine registry and watercraft of Philippine or American ownership, in harbors and territorial and inland waters of the Philippines, and (d) cargoes and equipment on vessels and watercraft described in (a), (b), and (c) above; except as modified by and subject to clauses (1) and (5) of this section"

Page 14, line 1, and line 2, delete.

Page 14, line 3, delete "(4)" and insert in lieu thereof "(3)."

Page 14, line 4 and line 5, delete.

Page 14, line 6, delete "(6)" and insert in lieu thereof "(4)."

Page 14, line 6, add "s" to "Philippine" and delete "Islands."

Page 14, line 9, delete "(7)" and insert in lieu thereof "(5)."

Page 14, line 19, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 14, line 24, delete "fixed" and insert in lieu thereof "agreed."

Page 14, line 24, insert after "by" the words "the Commission and."

Page 16, line 5, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 16, delete all on lines 6 to 20, inclusive, and insert the following: "and to aid in repairing and replacing buildings (including hospitals, educational and charitable institutions furnishing essential health, educational, and welfare services), works, utilities, equipment or other property, owned by the Commonwealth of the Philippines, provincial governments, chartered cities or municipalities, or other governmental units in the Philippines, in cases where such government-owned buildings, works, utilities, equipment, or other property have been damaged, lost, or destroyed in the war, and otherwise to aid in facilitating the normal operations of existing governmental units in the Philippines."

Page 16, line 25, delete the comma before "notwithstanding."

Page 16, line 25, delete "notwithstanding any other provision of law."

Page 17, line 1, after "Philippines," insert "provincial governments, chartered cities or municipalities."

Page 17, line 3, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 17, line 9, after "Philippines" insert "(Republic of the Philippines)."

Page 17, line 12, after "The", beginning a new sentence, delete "Department of State shall furnish a copy of such record to the Surplus Property Administrator, and shall also make" and insert the following: "Commissioner shall make."

Page 17, delete all of lines 17 to 24, inclusive; and on

Page 18, delete all of lines 1 to 16, inclusive, and insert in lieu thereof the following:

"Sec. 203. Surplus property now or hereafter located in the Philippines shall be disposed of only in accordance with the provisions of this act and the Surplus Property Act of 1944 as heretofore or hereafter amended. Such disposals shall not be subject to the provisions of any law inconsistent herewith. The Commission shall, so far as practicable, dispose of surplus property in the Philippines in such a manner and in such quantities, within the provisions of the Surplus Property Act, as will prevent unnecessary distribution costs and excessive profits."

Page 18, line 18, delete "this."

Page 18, line 19, delete "title" and insert "section 201."

Page 18, delete all of lines 20 to 22, inclusive.

Page 18, line 23, delete "206" and insert in lieu thereof "205."

Page 18, line 24, after "Philippines", delete "under this title," and insert "(Republic of the Philippines), provincial governments, chartered cities or municipalities under section 201."

Page 19, line 1, delete "\$30,000,000" and insert in lieu thereof "\$100,000,000."

Page 19, line 3, delete "207" and insert in lieu thereof "206."

Page 19, line 9, after "Philippines", insert "(Republic of the Philippines)."

Page 19, line 23, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 20, line 3, after "authorized", insert a comma and the words "after consultation with the Philippine Government,".

Page 20, line 7, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 20, line 11, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 20, line 20, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 20, line 23, after "authorized", insert a comma and the words "after consultation with the Philippine Government,".

Page 20, line 25, delete "Philippine" and insert in lieu thereof "Philippines."

Page 21, line 1, delete "Islands."

Page 21, line 9, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 21, line 20, delete "Philippine Republic" and insert in lieu thereof "Republic of the Philippines)."

Page 21, line 22, delete "Philippine Republic" and insert in lieu thereof "Republic of the Philippines)."

Page 21, line 23, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 21, line 24, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 22, line 15, after "undertake", insert a comma and the words "after consultation with the Philippine Government,".

Page 23, line 6, after "and", at the beginning of the line, delete "reconversion" and insert in lieu thereof "rehabilitation."

Page 23, line 6, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 23, line 11, delete "Philippine Islands" and insert in lieu thereof "Philippines (Republic of the Philippines)."

Page 23, line 14, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 23, line 17, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 23, line 19, delete "Philippine Islands" and insert in lieu thereof "Philippines."



Page 23, line 24, delete "Philip-"  
 Page 23, line 25, delete "pine Islands" and insert in lieu thereof "Philippines."

Page 23, line 25, add "s" to "Philippine."

Page 24, line 1, delete "Islands."

Page 24, line 6, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 24, line 17, delete "Philippine Islands" and insert "Philippines, notwithstanding the provisions of any existing law."

Page 24, line 20, after "vessels" delete "of less than 2,000 gross tons" and insert "suitable for operation in the interisland commerce of the Philippines."

Page 24, line 22, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 25, line 1, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 25, line 5, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 25, line 9, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 25, line 11, after "at" delete "the" and insert in lieu thereof "a."

Page 25, line 12, after "Academy" insert a period and delete "at Kings Point, New York."

Page 26, line 6, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 26, line 12, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 26, line 22, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 26, line 11, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 27, line 18, after "addition" insert "to."

Page 27, line 23, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 28, line 3, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 28, line 10, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 28, line 14, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 28, line 22, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 29, line 8, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 29, line 19, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 29, line 22, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 30, line 5, add "s" to "Philippine."

Page 30, line 6, delete "Islands."

Page 30, line 10, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 30, line 12, delete "Philippine Commonwealth (or the Philippine Republic)," and insert in lieu thereof "Philippines."

Page 31, line 16, after "exclusion", insert "or."

Page 31, line 16, delete the word "or" at the end of the line.

Page 31, line 17, delete "registration of aliens:" and insert "except registration and fingerprinting as provided in the Alien Registration Act of 1940 (8 U. S. C. 451, et seq.):".

Page 32, line 5, delete "Philippine Government" and insert in lieu thereof "Philippines."

Page 32, line 13, after "title" insert a comma and the words "except the last proviso to subsection (d) of this section."

Page 32, line 17, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 32, line 19, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 32, line 22, add an "s" to "Philippine."

Page 32, line 23, delete "Islands."

Page 33, after line 3, insert the following:

"Sec. 402. On and after the date upon which the Philippines attain their independence the power, authority, duties, and functions authorized under this act to be exercised by the High Commissioner to the Philippines shall vest in and be exercised by such representative or representatives of the

United States as shall be appointed for that purpose by the President of the United States. Insert a new title, as follows:

**"TITLE V—RESTORATION AND IMPROVEMENT OF THE PROPERTY OF THE UNITED STATES"**

"Sec. 501. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000,000 for the restoration, repair of damage to and improvement of lands and buildings referred to in paragraph (3) of subsection (c) of section 3 of Public Law No. 300, Seventy-sixth Congress, first session (53 Stat. 1226), and for the acquisition or construction of additional buildings to house the civil agencies, including the diplomatic and consular establishments of the United States operating in the Philippine Islands."

Insert a new title, as follows:

**"TITLE VI—GENERAL PROVISIONS"**

"Sec. 601. No payments under title I of this act in excess of \$500 shall be made until an executive agreement shall have been entered into between the President of the United States and the President of the Philippines, and such agreements shall have become effective according to its terms, providing for trade relations between the United States and the Philippines, and which agreement shall also provide for the same offenses, and penalties upon conviction thereof, as are set forth in section 107 and section 108 of title I of this act."

"Sec. 602. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby."

The committee amendments were agreed to.

Mr. COLE of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: Page 25, line 2, after the word "time", insert a comma and the following: "but not later than the fiscal year 1950."

Mr. COLE of New York. Mr. Speaker, under title III the amount of \$120,000,000 is authorized to be appropriated, which will be allocated by the President from time to time for the purpose of permitting certain Federal agencies to cooperate with the Philippine Government and officials in rebuilding their public and civilian economy, such as public roads, harbor facilities, hospitals, fisheries, and so forth. It permits certain selected Filipino individuals to be trained in some of our academies, such as the Merchant Marine Academy. Some of the sections are limited in the time that the funds can be used, and others are not limited. The purpose of the amendment which I have offered is to make certain that the expenditure of this \$120,000,000 shall not carry on beyond the fiscal year 1950.

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

Mr. COLE of New York. I yield to the gentleman from Pennsylvania.

Mr. RICH. Is this \$120,000,000 in addition to the \$400,000,000?

Mr. COLE of New York. It is in addition to the \$400,000,000.

Mr. RICH. So that it is \$520,000,000?

Mr. COLE of New York. Well, it is more than that, it is \$620,000,000.

Mr. RICH. That is what I wanted to find out. I have been trying to find out

what the total sum of the bill entails. It is \$620,000,000?

Mr. COLE of New York. Four hundred million dollars is authorized to pay damage claims and \$100,000,000 worth of surplus property is authorized to be used in rebuilding Filipino public property. In addition to that \$120,000,000 is authorized for continued Federal assistance under title III. That is the authorization to which I am making reference now.

Mr. RICH. I hope that the House in handling these bills in the future, when we try to find out what a bill entails, will give a complete and concise statement of just the amount that is involved in each one of these bills.

Mr. COLE of New York. I am quite certain that the report contains all of these figures.

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

Mr. COLE of New York. I yield to the gentleman from Iowa.

Mr. LECOMPTE. The \$100,000,000 worth of property is property that is already in the Philippine Islands, and does not entail any additional cost, and would cost considerable to bring back to this country, is that not correct?

Mr. COLE of New York. The gentleman is correct.

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

Mr. COLE of New York. I yield to the gentleman from Illinois.

Mr. CHURCH. With reference to surplus property, the \$100,000,000, is that based on original cost of the surplus property, or is it based on some other valuation?

Mr. JUDD. It is based on a fair valuation to be determined by the Foreign Liquidation Commissioner.

Mr. CHURCH. Is not that very indefinite?

Mr. COLE of New York. Can the gentleman suggest to us any better way of measuring the value of the surplus property to be made available?

Mr. CHURCH. Not at the moment.

Mr. COLE of New York. I am sure the committee is receptive to any constructive suggestions.

Mr. CHURCH. The gentleman from Minnesota, Dr. JUDD, is on the Committee on Expenditures in the Executive Departments, and perhaps his judgment should be followed.

Mr. MILLER of California. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from California.

Mr. MILLER of California. I subscribe to the theory that the gentleman advances in putting a limitation on this, but I wonder if 1950 is not a little too close. For instance, the boys that go to those academies and train for officers in the future Filipino merchant marine can hardly complete courses within that time. You will not have them here for another year or two, then you top the thing off by 1950. I wonder if the gentleman has given thought to that sort of thing.

Mr. COLE of New York. The reason I selected the year 1950 is that some of

the programs were limited to that period of time.

Mr. MILLER of California. That is right; I appreciate that.

Mr. COLE of New York. I can appreciate the complications such as the gentleman has suggested, and am sure that if this amendment is adopted those will be considered when the bill goes to conference, and it will be worked out satisfactorily.

Mr. MILLER of California. I just wanted to make sure of that.

Mr. BELL. I see no objection to the amendment offered by the gentleman from New York, Mr. Speaker.

The SPEAKER. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

Mr. JUDD. Mr. Speaker, I offer an amendment, the first of a series of amendments I intend to offer.

The Clerk read as follows:

Amendment offered by Mr. JUDD: On page 31, line 1, after "year" and preceding the comma, insert the words "prior to July 1, 1950."

Mr. JUDD. Mr. Speaker, each of these four amendments supplements the amendment that has just been adopted, but I think they should be adopted to make sure there are definite limits to the program for training Filipinos in merchant marine, fisheries, weather bureau, and so forth. If the Members will look on page 31 of the bill, line 6, and read with me that sentence, you will see that it authorizes Filipino midshipmen to be trained under other authorizations than those carried in this act. It says beginning in line 6 on page 31:

The persons receiving instruction under authority of this section shall receive the same pay, allowances, and emoluments, to be paid from the same appropriations, and, subject to such exceptions as may be determined by the Chairman, United States Maritime Commission as cadet midshipmen at the Merchant Marine Academy.

They are to be trained under other funds than the funds authorized under this act and are not covered by the limitation of the amendment by the gentlemen from New York. Therefore, I think we ought to put in line 1 the amendment that has just been read, so that the subsection will start:

The Chairman, United States Maritime Commission, is hereby authorized to permit not exceeding 50 Filipinos each year prior to July 1, 1950, to be designated by the President of the Philippines—

And so on. Then it will be clear that we are not authorizing appointments to be made after that date, although after being appointed I think they ought to be allowed to complete their training. I hope that this amendment will be accepted. If when July 1, 1950, comes there is evidence more Filipinos should be trained, we can extend the date. Without this amendment it appears men could be appointed each year indefinitely. If then one day we would have to cut them off, it might look as if we were short-changing them or going back on a promise. I hope the chairman will accept the amendment.

Mr. BELL. I see no objection to the amendment, Mr. Speaker.

The SPEAKER. The question is on the amendment offered by the gentleman from Minnesota.

The amendment was agreed to.

Mr. JUDD. Mr. Speaker, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. JUDD: On page 32, line 2, after "year" insert "prior to July 1, 1950."

Mr. JUDD. Mr. Speaker, this is exactly the same thing.

The SPEAKER. The question is on the amendment offered by the gentleman from Minnesota.

The amendment was agreed to.

Mr. JUDD. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JUDD: On page 32, line 25, after "year" insert "prior to July 1, 1950."

The amendment was agreed to.

Mr. JUDD. Mr. Speaker, I offer an amendment.

Amendment offered by Mr. JUDD: On page 35, line 10, after "year", insert "prior to July 1, 1950."

The amendment was agreed to.

Mr. COLE of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: On page 6, line 24, after "corporation" insert "(composed of individuals otherwise qualified)."

Mr. COLE of New York. Mr. Speaker, my attention has just been called to a situation which was not considered by the committee at the time the bill was under deliberation.

The House will note that an individual claimant for reimbursement of property damaged by reason of the war must be a citizen of the United States or of the Philippine Islands, or if not a citizen of either of those two nations, then he must be a resident of the Philippines for a period of 5 years, providing he is a citizen of a nation which grants reciprocal benefits to American citizens damaged in those foreign countries by the war. In addition to those individuals who can qualify as claimants, subparagraph 4 further provides that any unincorporated association, trust, or corporation can qualify as a claimant. Therefore, it is entirely possible that an unincorporated association consisting entirely of Japanese nationals living in the Philippine Islands or nationals of any country other than the United States or the Philippines could come in and qualify under the provisions of this bill. The amendment which I have offered is drawn rather hastily and perhaps does not correctly cover the situation, but in order that something may be contained in the bill that the conferees can consider when they meet to iron out these differences between the two measures, I suggest the favorable consideration of this amendment.

Mr. BELL. Mr. Speaker, there is no objection to the amendment.

The SPEAKER. The question is on the amendment offered by the gentleman from New York [Mr. COLE].

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be 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.

#### GENERAL LEAVE TO EXTEND REMARKS

Mr. BELL. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the bill just passed.

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

There was no objection.

#### COMMITTEE ON MILITARY AFFAIRS

Mr. MAY. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs may have permission to sit today during general debate.

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

There was no objection.

#### PAN AMERICAN DAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the proceedings whereby House Resolution 522 was agreed to on February 13, 1946, be vacated, and I ask for its present consideration for the purpose of offering an amendment thereto.

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

There was no objection.

The Clerk read the resolution, as follows:

Resolved, That the House of Representatives hereby designates Monday, April 15, 1946, for the celebration of Pan America Day during which no business or remarks except appropriate to such an occasion may occur.

Mr. McCORMACK. Mr. Speaker, I offer an amendment:

Amendment offered by Mr. McCORMACK: On page 1, lines 3 and 4, after the word "Day", strike out the words "during which no business or remarks except appropriate to such occasion may occur", and insert "on which day remarks appropriate to such occasion may occur."

The amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### DEPARTMENTS OF STATE, JUSTICE, COMMERCE, AND JUDICIARY APPROPRIATION ACT, 1947

Mr. RABAUT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6056) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1947, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate continue during the remainder of the day, the time to be equally divided between the gentleman from Nebraska [Mr. STEFAN], the ranking minority member, and myself; and that the first paragraph of the bill



be read for amendment at the conclusion of general debate.

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

Mr. STEFAN. Mr. Speaker, reserving the right to object, and I am not going to object, do I correctly understand that the request of the gentleman is that debate go on throughout the day and that no time limit is being set for general debate?

Mr. RABAUT. That is correct.

Mr. STEFAN. The first paragraph of the bill will be read after general debate has been concluded?

Mr. RABAUT. That is correct.

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

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan [Mr. RABAUT].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of H. R. 6056, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. RABAUT. Mr. Chairman, I yield myself such time as I may desire.

Mr. Chairman, your committee has labored long on this bill. We started immediately upon our return from the Christmas holidays, and we have been in session almost daily ever since.

I want to pay tribute to my colleagues on the committee on both sides of the aisle.

I should like to open discussion on this bill with a thought which I and the committee generally have had for curtailing expenditures in the legislative establishments.

The change from war to peace and the further increased Federal indebtedness gives added reason for the reduction of Federal activities by the elimination of many desirable and well-meaning functions and the retention only of those functions which are necessary to the proper administration of Government and the maintenance of the national economy and the national welfare. Increases have been allowed in a number of projects which seem to the committee to be necessary to reestablish our peacetime economy but the committee wishes to state at this time that as reconversion progresses it will become increasingly more determined to limit appropriations, not only to the extent of eliminating increases but even reducing the base on which those increases are established. There seems to have developed during the war years what some have termed a "spending psychology" and the committee is fearful that this spending psychology has become somewhat too deeply entrenched in the minds of the officials responsible for the operation of our Federal establishments. It must be eliminated.

There can, of course, be no such thing as a return to conditions which existed prior to the war years. Responsibilities

of Government have increased through the enactment of additional legislation, wages are on a higher level, certain war-created activities must be continued for some time, and problems attendant to the reestablishment of our national economy have arisen. All call for increased activity on the part of the Federal Government. Nevertheless, a concerted effort must be made by all concerned to reduce the cost and limit the size of our Government. It would seem to the committee to be more logical for the departmental officials who are more familiar with their activities to initiate reductions in expenditures, rather than to have them reduced by the committee, pursuing, perforce at times, an arbitrary course.

We of the committee are also becoming increasingly cognizant of the apparent lack of alertness on the part of the agencies and departments of the Government embraced by the bill with respect to keeping alive and current the legislative mandates under which they operate. The activities of many bureaus and other subdivisions are based on statutes enacted 50 or 100 years ago. While this legislation may have served a purpose at the time of its enactment, or even for many years after its enactment, much of it is outmoded and does not serve the present needs of the Nation. The departments and agencies whose activities are based on such antiquated legislation should make it their business to suggest from time to time revisions in order that we may more clearly define the functions of government as between the various units of organization. On the other hand, there are agencies operating on enabling legislation that was drawn on such broad terms as to enable them to justify almost any conceivable activity thereunder.

I want to take this opportunity to suggest that the Bureau of the Budget devote more time to the over-all coordination of the functions and activities of the various departments and agencies of government generally and less to the issuance of directives governing details of administrative management and planning. There is too much duplication of effort in the Government, and the Bureau of the Budget, as the central coordinating agency of all functions of the executive establishment, is the logical and only organization to undertake this reform.

It has come to the attention of the committee that many inequities have been permitted to creep into the Federal salary structure with respect to the classification of positions in the executive department. It was generally admitted, for instance, that positions established in the war agencies were rated higher in salary than positions in the old-line agencies, the reason given being that the Government had to recruit a high grade of personnel in a short period of time and also that the employees engaged were entitled to somewhat more consideration because of the fact that their positions were of a temporary nature.

It has now developed, however, that many of these employees have been transferred to the old-line agencies of

the Government at the same salary rates, the only changes effected being in the names of the agencies at the head of their job-description sheets. This has had a very detrimental effect on the morale of the older employees, who have served in these agencies for many years prior to the war and who stayed at their posts during the war.

It is my personal belief that the magnitude and responsibilities of our Federal Government demand the retention of the highest-type employees that can be secured. It is realized that the Federal establishments cannot under all circumstances compete with the salary structure obtained in private enterprise. However, it would seem that there is too much at stake in the control and direction of our national economy to permit the employment of any other but the highest type of individual.

I am for adequate salaries. It does seem to me that the present system with respect to employment and retention of these more qualified employees could be considerably improved upon, and I strongly urge that the Civil Service Commission take such steps as may be required to eliminate the inequalities that have come to light during the hearings on the pending bill.

I am aware of the fact that a number of the Members of the House have attempted to reduce the activities of some of the agencies to a prewar level. I also, would like to see this accomplished. However, it appears to me that the facts are such as to make this objective impossible of accomplishment, and I am speaking only for the four activities encompassed in this bill. Cost of government has grown, not so much because of increased salaries, increased costs necessitated by the 40-hour workweek, the Ramspeck Act, and other uncontrollable items, but primarily because of the fact that the steady enactment of additional legislation imposes additional responsibilities on the executive departments.

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

Mr. RABAUT. I yield.

Mr. NORRELL. I wish to concur with what the gentleman has said. He is a great member of this committee. I should like to ask the gentleman this question: What percentage of the appropriation being made available in this bill are fixed by statutory authorization? It must be tremendous, something that the Appropriations Committee cannot do anything about.

Mr. RABAUT. The gentleman is absolutely right.

Mr. NORRELL. Can the gentleman venture a statement as to the percent?

Mr. RABAUT. I cannot say offhand, but it is substantial.

Mr. NORRELL. Would the gentleman say that 75 or 80 percent is covered by statute?

Mr. RABAUT. Much more than that.

Insofar as the bill before you is concerned, we must add the problems which have arisen as a result of the war and the projects within some of the departments which would have been carried on had it not been for the war and for the

resumption of which some provision is made in the bill.

The total of the Budget estimates for the four departments is something over \$415,000,000. The reduction effected by the committee totals a little over \$56,000,000, or something over 13.5 percent.

DEPARTMENT OF STATE

The amount of \$104,700,000 is being recommended for this Department. This is an increase of some \$11,000,000 over the current year's requirements and a reduction of a little over \$23,000,000 in the budget estimates. I do not subscribe fully to the saying that diplomacy is cheap and war is expensive—they are both expensive—however, a comparison of these costs have certainly brought me to the realization that we cannot afford in the future to be too parsimonious with that Department of our Government created to maintain the peace. By that I do not mean that the Department should proceed on a continuing and indiscriminate expansion of its activities. I personally am not satisfied with the present organizational structure of this Department and have so expressed myself during the hearings and in the report on the bill now before you. However, I do not feel that this is the time for a too radical reduction. The world is still in a turmoil and this Nation must continue to keep its eyes and ears open as to the political and economic developments throughout the rest of the world. The rapid methods of transportation and communication have brought the individual nations of this world much closer together and has made each realize that the problems of one nation, no matter how small, are increasingly becoming the problems of all nations. No matter how hard we may try, we cannot, in my opinion, at least, revert to the isolationism of the prewar years.

Considering on an over-all basis the amount of \$11,300,000, representing the increase over the current year, the figure would not seem large in view of the fact that there is included in the bill four new items, namely, \$10,000,000 for the information and cultural program; approximately \$8,000,000 for the beginning of construction of a dam on the Rio Grande in conformity with a treaty between this country and Mexico; the amount of \$6,300,000 for United States participation in the United Nations; and the amount of \$700,000 for the foreign economic liquidation program.

I want to say a word about the informational and cultural relations program. Personally, I do not think that there has been in the past enough interchange of information among the nations of the world. Without being a student of the causes of war, one cannot help but feel that even this last war might have been averted had we had greater understanding between the peoples of the world. Perhaps history some day will prove or disprove this thought. Furthermore, I do not think that this country can afford at this time to sit idly by while our motives and intentions are being misrepresented by one or two nations to the rest of the peoples of the world. I feel very strongly that something must be

done to protect our interests in this regard.

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

Mr. RABAUT. I yield to the gentleman from Minnesota.

Mr. JUDD. Am I correct in inferring from the gentleman's remarks that if this congressional committee had not gone and checked up on the situation this exchange of surplus property for buildings for our foreign service would not have been effected?

Mr. RABAUT. I am very certain that the gentleman is correct. The thought was born in the minds of this committee, and the committee was so interested in it that they appointed a subcommittee of two, when we were in Paris, to fly to London to confer and to present our views to the Secretary of State who was there at that time.

Mr. JUDD. I want to congratulate the committee and at the same time express my chagrin as well as shame that the executive agencies of the Government would not be on the alert constantly to protect every interest of the country along that line.

Mr. RABAUT. I will say further to the gentleman that it results in a tremendous saving, because these surplus properties are distributed all over the world. We make them available to the country where they are located, and in exchange we take real estate which will be used to house our foreign service all over the world.

Mr. JUDD. Obviously it is a very good proposition. I am only overwhelmed with surprise that we had to get members of a legislative body to see the necessity of it and push it through. That is what surprises me.

Mr. RABAUT. As you have already seen in the papers, the amount of something over \$4,150,000 requested for the intelligence program has been eliminated. It was felt that the program would merely create another superstructure within the Department and that little or nothing additional to what the Department is already doing would be accomplished.

I would like to advise the membership that the report of the Appropriations Subcommittee, having jurisdiction over the Department of State, has included in the hearings under the caption "Foreign service" its report of the recent trip to Europe.

A number of unsatisfactory conditions with respect to the operation of our foreign service establishments were disclosed and appropriate recommendations were made for the correction or elimination of these conditions.

I am also happy to inform the membership that the committee had considerable success with respect to the acquisition of properties abroad through surplus material disposals and lend-lease settlements.

Briefly I want to report that agreements concerning the acquisition of properties concluded or awaiting signatures total \$66,222,000. Of this amount, \$38,272,000 have been concluded and are now in effect. In addition to this there are pending agreements in the amount

of \$35,000,000. These agreements have been concluded or are presently being negotiated with 20 different countries.

DEPARTMENT OF JUSTICE

The bill includes something over \$95,000,000 for this Department, a reduction of about \$10,500,000 under the current year's requirements and \$1,600,000 under the Budget estimates. I might also add that the 1946, or current, appropriation is approximately \$11,000,000 under the appropriations for the fiscal year 1945. This Department is primarily a service department, the extent of whose activities depend on the criminal and civil statutes in force. The activity within this Department calling for the largest appropriation continues to be the Federal Bureau of Investigation, for which the amount of \$28,700,000 is recommended. This is a decrease of more than \$8,000,000 under the current year's requirements. This bureau is still burdened with work as a result of the war, such as war frauds work, apprehension of escaped prisoners of war, war-risk insurance work, and others. Director Hoover was also very apprehensive as to the sufficiency of funds for this next year because of the possibility of a crime wave which, experience shows, seems to follow every war. I personally feel that we must be prepared to cope with such a condition should it arise.

Some aspects of the crime wave, particularly with respect to youth in crime, are discussed in the following testimony of Director Hoover, which I quote:

"The matter of youth in crime is one of our greatest problems today. We in law enforcement—local, State, and Federal—view this increase in crime with great concern. I have always said that much of this type of crime is due to parental laxity. You cannot have teen-age hoodlumism unless there is parental laxity—and it is always present—in the home from which the hoodlum comes. The outdoor haunts, the dives, the street corner that he hangs out on, and the crowd he goes with—all point to the lack of parental discipline. This is the problem which I think the adults of this country must recognize and take steps to cope with it.

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

Mr. RABAUT. I yield to the gentleman from Minnesota.

Mr. PITTINGER. Is the gentleman reading from Mr. Hoover's testimony?

Mr. RABAUT. I am reading from Mr. Hoover's statement.

Mr. PITTINGER. I suppose at some appropriate time the gentleman will tell us how much money he wants to spend in peacetime more than he did during the war. I understand the bill generally increases expenditures.

Mr. RABAUT. Our bill carries a reduction of \$8,000,000 for Mr. Hoover.

Mr. PITTINGER. I was told by one of the committee members, not with reference to Mr. Hoover, but generally speaking, that the sum total of the appropriations for these departments is over \$40,000,000 more than it was last year. I wonder if that is true.

Mr. RABAUT. I just finished telling the committee the whole story. I do not know whether or not the gentleman was here.



Mr. PITTENGER. I was here.

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

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

Mr. HOFFMAN. How much does the bill carry?

Mr. RABAUT. I will come to that in a minute. I want to finish this statement first.

I am quoting from Mr. Hoover's testimony:

For instance, 21 percent of the arrests today involve youngsters under 21 years of age. There are more arrests at the age of 17—

Mind you, 17. Take that home to your district when you return, and make a statement about it. We should be interested in the youth of this country.

There are more arrests at the age of 17 than at any other age, and thereafter there is a decrease in the arrests under 21.

It will be observed that in connection with the arrests of youths from the ages of 16 to 24, the age of 17 is high and from that time it goes on down. The arrests under 21 for the first 9 months of this year showed that 15 percent of all murders in this country are committed by persons under 21 years, 36 percent of all robberies are committed by persons under 21, 51 percent of all burglaries are committed by persons under 21, 34 percent of all thefts are committed by persons under 21, 26 percent of all crimes of arson are committed by persons under 21, 30 percent of all rapes are committed by persons under 21, and 62 percent of all car thefts are committed by persons under 21. These are figures that come in from all parts of the country.

What I want to bring out is that the age of 17 is an age closely allied with the graduation age of high-school students. There must be something wrong some place in the homes and in the schools of this Nation that brings about a report such as I am making here today.

It is high time that those in charge of educational facilities in this Nation use the slogan of the railroads. "Stop, look, and listen." Over and above that, they should act, act in devotion to America—act in devotion to its homes—act—for heaven's sake, act.

The amount of \$24,500,000 included for the Immigration and Naturalization Service is a reduction both under the current years requirements and under the Budget estimates. There is no doubt but what, as transportation facilities become increasingly available, responsibilities of this Service will increase proportionately. The Commissioner told the subcommittee that a rather serious situation prevails along the Mexican border and that his border patrol is inadequately staffed to guard this area of our country properly. However, it is doubted that this border could be guarded effectively even if the personnel on the border patrol was quadrupled, and the subcommittee suggested to the Service that a more effective liaison be developed and maintained between the Service and the authorities of the States and municipalities along the border.

The operating costs for the Federal Prison System are mostly a matter of calculation. The estimates of the prison population, on which requests for funds have been based, have been surprisingly

accurate for the past several years. For example, the estimate for this year were based on the population of 19,000 prisoners. As of the date of the hearings, there was a total of 18,669 prisoners. The estimates for next year is based on a total of 21,000 prisoners, the increase being attributable in large measure to the court-martial prisoners taken over from the Army.

#### DEPARTMENT OF COMMERCE

The amount included in the bill for this Department is \$143,000,000, an increase of nearly \$40,000,000 over the current year's requirements and a decrease of approximately \$31,000,000 under the Budget estimates. The largest items of increase allowed are as follows: Approximately \$3,500,000 for the office of the Secretary, which amount, however, includes an increase of \$3,100,000 for technical and scientific services. This activity is the outgrowth of the old National Inventors Council and still does a small portion of its previous work in the interest of national security. The group of 19 eminent American scientists and industrialists are still serving this activity on a nonsalaried basis. The major portion of the work in this unit, however, is that of analyzing, translating, and distributing scientific and technical data captured in Germany, and to some extent in Japan. It was testified that the classification of these data for the use of American business is perhaps the only reparation this country will receive from this war, and this is probably true.

The bill contains the amount of a little over \$28,000,000 for the Bureau of the Census, an increase of nearly \$19,500,000 over the current year's appropriation and a decrease of \$5,350,000 under the Budget estimates. In the amount recommended are included \$10,000,000 for the census of business and \$5,000,000 for census of manufactures, which are new items, not provided for in the current year's appropriation. The subcommittee had considerable discussion concerning these two items, both during the hearings and in executive session, and it was finally concluded by the majority of the subcommittee that these functions should be started at this time. The dislocations caused by the war and the fact that such censuses could not be taken during the war make these two activities necessary at this time. The country must have bench-mark data on which the development and progress of our economy are to be based. While the census of religious bodies is not specifically mentioned in the bill, as are not the other censuses taken under this item, it was the committee's intent that the census of religious bodies be taken, and it was thus provided.

For the Civil Aeronautics Administration, the bill contains the amount of \$63,450,000, an increase of something over \$7,000,000 over the current year's requirements and a decrease of nearly \$11,000,000 under the Budget estimates. The renewed activity in the domestic and foreign aviation, making necessary additions to our Federal airways, as well as the modernization of our airways, and the additional cost in maintaining

these airways is the major cause of the increase. In addition to that, the great number of airplanes that are expected to be in production and in the air during the next year will cause additional responsibilities in the Safety Regulation Division.

Mr. HOFFMAN. Mr. Chairman, a point of order. This bill carries something like \$400,000,000. I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

#### [Roll No. 80]

Allen, Ill.	Fallon	O'Brien, Ill.
Anderson, Calif.	Feighan	O'Neal
Auchincloss	Fellows	Patrick
Baldwin, Md.	Fisher	Peterson, Fla.
Baldwin, N. Y.	Fogarty	Pfeifer
Beall	Fuller	Pooser
Bender	Gary	Plumley
Bishop	Gifford	Powell
Bland	Goodwin	Price, Fla.
Boykin	Gorski	Price, Ill.
Bradley, Mich.	Granger	Quinn, N. Y.
Bradley, Pa.	Griffiths	Rains
Brumbaugh	Gross	Randolph
Buckley	Hall	Rayfield
Bunker	Leonard W.	Reece, Tenn.
Burgin	Hancock	Roe, Md.
Butler	Harless, Ariz.	Rogers, N. Y.
Byrne, N. Y.	Hébert	Shafer
Canfield	Heffernan	Sharp
Cannon, Fla.	Hendricks	Sikes
Celler	Herter	Smith, Va.
Chipperfield	Holmes, Mass.	Stewart
Clippinger	Hook	Sumner, Ill.
Cochran	Howell	Taylor
Colmer	Jarman	Thom
Courtney	Kefauver	Thomas, Tex.
Crawford	Kelly, Ill.	Tolan
Curley	Knutson	Wasielewski
Curtis	Kopplemann	Weaver
Dawson	LaFollette	West
Delaney,	Latham	White
James, J.	Link	Wolcott
Delaney,	Luce	Wolfenden, Pa.
John J.	McKenzie	Wood
Dingell	McMillen, Ill.	Woodhouse
Dirksen	Miller, Nebr.	
Dworshak	Norton	

Accordingly the Committee rose; and the Speaker pro tempore, Mr. SPARKMAN, having assumed the chair, Mr. MILLS, 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. 6056) and finding itself without a quorum, he had directed the roll to be called, when 318 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER pro tempore. The Committee will resume its sitting.

Mr. RABAUT. Mr. Chairman, at the time the point of order of no quorum was made I was talking about the Civil Aeronautics Administration.

The bill also includes the amount of \$1,500,000 for what has since become a controversial item, that is, the maintenance and operation of aircraft. The Administration now has 231 airplanes required for use in checking the equipment on Federal airways, transportation purposes in Alaska, and safety-regulation work. The Administration now has approximately a 5-year supply of parts for these airplanes, and it is strongly recommended that the program as developed by Mr. Wright, the Administrator, be put into effect. I am sure that

it will result in considerable savings to the taxpayer.

There has come to the attention of the committee an apparent weakness in air-safety regulations insofar as the human element is involved. A mishap occurs, an investigation is made, and there the matter ends. The responsibility for each accident, no matter how minor, should be determined, and if the human factor is involved the person or persons responsible should be grounded or relieved of their duties without pay for a specified period of time. The committee also feels that too much laxity exists with respect to drinking by pilots, not at times of take-off, but the night before. Any pilot who has been drinking the night before is just not in condition to assume responsibility for a load of passengers the next morning. Public safety must be protected vigilantly and at all costs. It is strongly urged that regulations be drafted to require airline companies to give spot and surprise tests to determine the physical fitness of a pilot just before a take-off. It is understood that such tests could be completed within a few minutes, and would have no effect on operating schedules.

The entire increase of \$923,000 over the current year's appropriation for the Coast and Geodetic Survey is due to the necessity for resuming the coastal survey work which was suspended during the war. This service is now having returned to it, from the Navy, three coastal survey vessels which must be manned and maintained. It is likewise behind in its chart production work and in the maintenance of revisions on the charts which are currently required for nautical and aeronautical purposes.

As for the Bureau of Foreign and Domestic Commerce, the bill includes \$7,100,000, an increase of about \$4,250,000 over the current year, but a decrease of \$5,800,000 under the estimates. This activity is the heart of the department and there is no question but what the services of this bureau will be vitally needed in the development of the economy of our Nation during the next few years. Certainly it would seem that the development of positive aids to business and assistance to the exporters and importers of this country will result in a greatly increased national income. In line with this theory, the department proposed to establish 75 field offices throughout the Nation, at a total cost of \$6,500,000. This estimate was reduced by \$4,000,000, allowing only \$2,500,000 with which to set up a greater number of offices but not to be staffed to the extent originally planned in the estimates.

There is very little to say concerning the Patent Office, for which the Budget estimates of \$6,027,000 were approved. They are so far behind in the examination of patent applications, it is doubted that they will be able to keep their heads above water even with this amount.

The National Bureau of Standards shows an increase of something over \$2,250,000 over the current year's requirements. Approximately \$1,000,000 of the increase is for specialized equipment required in the study of X and beta radiation and \$600,000 is for the improve-

ment of buildings and facilities which were neglected during the war.

The bill contains the amount of \$16,300,000 for the Weather Bureau, a reduction of something over \$2,800,000 in their regular activities. The Budget estimates called for approximately \$9,000,000 to be expended for aviation weather service. It was the thought of the subcommittee that this Bureau is going to the extremes in furnishing weather service to the air-line industries and also that perhaps the air-line industries might be requested to share a portion of this cost since they are the beneficiaries of this specialized service.

In addition to the above Weather Bureau reduction, the subcommittee eliminated the amount of \$1,750,000 for the completion of the Weather Bureau Building, on the premise that what building materials are available could be used to better advantage for general housing purposes.

#### THE JUDICIARY

The appropriation of \$15,850,000 is included in the bill for this activity, an increase of \$118,000 over the current year and a decrease of \$734,000 under the Budget estimates. The major increases, offset by decreases in other items, are for salaries and expenses in the Court of Claims, necessitated by the increased activity of the court under the Contract Settlement Act, and an increase of \$265,000 for miscellaneous salaries. This last increase is more apparent than real, by virtue of the fact that there was absorbed during the current year in this item, for requirements under the Pay Act, approximately the same amount. There is \$100,000 additional for the salaries of court reporters to provide court reporters for the courts that could not be provided for under the reduced expenditures for the current year.

I now yield to the gentleman from Michigan [Mr. HOFFMAN] for a question.

Mr. HOFFMAN. You were speaking a while ago about delinquency among children. Does that not grow out of the fact that the children are not being trained at home as they were in years gone by—not supervised at home? We have been looking to the Federal Government altogether too much?

Mr. RABAUT. I have not implied that the Federal Government was responsible for the delinquency of children.

Mr. HOFFMAN. I did not say you; I said the people generally.

Mr. RABAUT. I said there were three agencies that should have a deep interest in the children, and I put them in an order. First, the home; second, the school; and, third, the church.

I said, however, there is a very close proximity to the high-school graduating age, which is usually 18, and the 17-year age which is the top age in crime today. So there must be something wrong somewhere, and I am just calling it to the attention of the educational people of this Nation. Does the gentleman disagree with me?

Mr. HOFFMAN. As I understood the gentleman's reference, he was calling attention to the lack of training or something that was wrong because so many of the younger people are being arrested

for criminal action; and my thought was that part of that condition was due to the fact that we are not taking care of our own children in our own homes as we should, but are relying altogether too much upon Federal agencies. The Federal Government is sticking its fingers into everything, into the schools, into the homes, to such an extent that there is no home training in some localities as there was in days gone by.

Mr. RABAUT. I do not think the Federal Government is doing anything about it inasmuch as the gentleman has asserted the viewpoint he has. I hope the gentleman is not trying to lecture me because I have nine children and feel I have been successful with them.

Mr. HOFFMAN. I am not lecturing the gentleman; I would not be so presumptuous. I do not even know what the gentleman's conclusions were as to the remedy. As I understand, the gentleman is just complaining because the children of today are not all they should be.

Mr. RABAUT. I am complaining of a condition that the gentleman from Michigan and every other Member of this body can take home to his own district and shout it from the curbstones of every corner. It is something that demands correction. The crime wave in this country is a thing that has astounded every decent person. I hope the gentleman does not disagree with that.

Mr. HOFFMAN. I do not disagree with that.

Mr. RABAUT. It is apparent any place one looks; and the top age of those who commit these crimes is 17 years.

Mr. HOFFMAN. No; the gentleman will not find any such condition as he has been pointing out in the rural districts; he will not find it in the Fourth District of Michigan. He might find it in Detroit but not on the western side of the State.

Mr. RABAUT. If the gentleman will listen a moment, Mr. J. Edgar Hoover said this report comes from every section of the country, and that includes the gentleman's district. They have gone all over the country.

Mr. HOFFMAN. That statement is not in accord with the facts; that is all. It does not exist in rural western Michigan.

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

Mr. RABAUT. I yield.

Mr. DOYLE. I think it is proper at this time in view of the distinguished gentleman's remarks about the problem of juvenile delinquency to call the attention of the House to the fact that 2 weeks ago, before I went home just for a moment on account of critical illness, I filed House Resolution 595 which calls for a Nation-wide study and survey and report back on this very problem of juvenile delinquency as it relates to the whole Nation. It does not sponsor any bill or any particular theory but is just intended to get at the facts, whatever they may be.

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

Mr. RABAUT. I yield.

Mr. CELLER. I believe the gentleman in my absence made a statement about a census of religious bodies.



Mr. RABAUT. I did.

Mr. CELLER. As I understand it, and after conversation had with Dr. Eckler of the Census Bureau the language on page 52 of the bill is not sufficiently broad to require the Director of the Census to make that census of religious bodies which is asked for by the Federal Council of Churches of Christ in America, various Catholic societies, and Jewish societies. Will the gentleman explain about that census a little further?

Mr. RABAUT. I included in my remarks this morning with a moral persuasion to the Department and by direction of the committee, as far as this census is concerned, what we desire and what we say must be done.

Mr. CELLER. Would the mere statement of the committee be a directive to the Director of the Census? As I understand, back in 1902 the Census Act gave permission to the Director of the Census to make a census of religious bodies. That act was amended in 1906 again authorizing but not expressly directing the Director of the Census to make such a census. The language still remains permissive and the general appropriation is \$13,000,000. If perchance the \$13,000,000 is exhausted by the other enumerations that the Director makes there would not be any money left to make the permissive census of the religious bodies.

Mr. RABAUT. I understand the gentleman's inquiry, and I want to quote my remarks made this morning:

While the census of religious bodies is not specifically mentioned in the bill as are not the other censuses taken under this item, it was the committee's intent that the census of religious bodies be taken and it was thus provided.

That will take care of the religious census.

Mr. CELLER. I thank the gentleman for his observation. Would there be any objection to mentioning on page 52 that the amount usually appropriated of \$250,000 shall be used for that purpose? What objection would there be to that?

Mr. RABAUT. The bill will be read for amendment on tomorrow, and it can be taken up at that time.

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

Mr. RABAUT. I yield to the gentleman from Massachusetts.

Mr. PHILBIN. Is there any provision in this measure for increasing the salaries of the regular district Federal court judges?

Mr. RABAUT. There is not. That is not done in this bill.

Mr. PHILBIN. There is a provision in this bill for increasing the salaries of the judges of the Court of Claims?

Mr. RABAUT. No; not any increases in salaries.

Mr. PHILBIN. There is no provision for salary increases of any Federal judges?

Mr. RABAUT. No.

Mr. PHILBIN. I thank the gentleman.

Mr. STEFAN. Mr. Chairman, I yield myself such time as I may desire.

Mr. Chairman, the bill we present today carries appropriations for the Departments of State, Justice, Commerce, and the Judiciary for the fiscal year 1947.

As the ranking minority member of your subcommittee, I wish to pay a tribute to the chairman and other members of the committee who have been working on this bill diligently for many days. I want to especially commend the committee clerk, Mr. Corhal D. Orescan, for his valuable and efficient assistance to the committee and especially for his unusual ability in getting the bill in shape after many perplexing changes have been made.

Mr. Chairman, we have lost two valuable members of this committee, the gentleman from North Carolina, the Honorable JOHN KERR, a great statesman, a man who has been my friend and adviser through 12 years of my service here. He has now assumed the chairmanship of another very important subcommittee; and the gentleman from Illinois, Hon. TOM O'BRIEN, who has become a member of the Ways and Means Committee. We have added to our committee the gentleman from New York [Mr. ROONEY] and the gentleman from Virginia [Mr. GARY], who are very able, and we welcome them to membership on this committee which deals with problems that are so important that I hope many Members will remain on the floor during the reading of the bill because there are many controversial items in it. We also have as members of that committee the gentleman from South Carolina [Mr. HARE], the gentleman from Ohio [Mr. JONES], and the gentleman from Colorado [Mr. GILLESPIE].

The bill was especially hard to draw up due to the fact that two of the Departments, namely Department of State and the Department of Commerce are being reorganized and expanded. In my opinion, this is one of the most important bills ever brought before this House.

It contains many increases in the total amounts, in the number of employees and in the functions of the various departments as compared with the bill we presented to you last year. While your committee made many decreases in the bill as compared to the amounts of money originally requested, additional decreases may be suggested in committee as the bill is being read for amendments.

The grand total of this bill \$358,825,758, as compared with \$318,314,999 during the fiscal year 1946. These totals include the increases in salaries called for in Public Law No. 106. This shows an increase in this bill of \$40,510,759 as compared with the 1946 figure. The three departments, originally asked for \$415,017,688. The gigantic increase in this bill even though the war is over is accounted for by the proposed great expansions in the Departments of Commerce and State. Two new items in Commerce include the business and manufacturers census which accounts for \$15,000,000 of the increase. The reclassification of positions and the transferring into the regular services of various war agencies represents much of this huge increase. In the Department of Commerce the increases are greatest and are explained by the fact that Commerce has been more or less dormant during the war and is now in need of some expansion.

The greatest increase in the number of employees is found in the Commerce and State Departments. In 1946 Commerce had 21,870 man-years. This Department originally requested 38,670 man-years for 1947, and the committee cuts should decrease this request to approximately 30,000 man-years, which still represents a large increase of man-years for this department. The Department of State, which had 13,165 man-years in 1946 requested 20,185 man-years for 1947. Your committee made cuts in this request which would trim its figure down to around 17,000 man-years for 1947 for the Department of State, which would still show a large increase in the number of employees for this ever-expanding department.

A number of requests for new divisions in the Department of State were rather confusing due to the fact that these divisions were not broken down in the committee print in such a way that members of the committee could readily determine the break-down in number of employees and functions. These new divisions cannot be found in the bill which is now in your possession, and Members wishing to learn about same will have to get their information from the reading of the report and the reading of the hearings.

Many details of this bill have been already explained, and although I expect to discuss some other matters more generally when we start reading the bill for amendments, at this time I wish to confine myself to two of the important items, namely, the Informational Service in the State Department and the Federal Bureau of Investigation in the Department of Justice.

#### AN INTERNATIONAL INFORMATION PROGRAM

Mr. Chairman, these are the days in which all of us are taking inventory. The Members of the House of Representatives are—or they ought to be—deeply concerned with the balancing of the Nation's Budget. Throughout this Republic, families are engaged in a like task, trying to make their income a little more than their expenditure so that the resultant saving will be at the same time a bulwark against possible emergencies and a stake for future progress. That is why it is so important right now, at this very moment, to act to eliminate waste in Government and to make those Federal agencies which survive our careful examination earn every cent of their keep.

It is equally important, however, that, in our patriotic zeal to economize, we do not amputate useful arms of the executive branch and paralyze, either partially or totally, still other useful arms. If we helped to bring about this condition, we should be as deserving of censure as if we permitted reckless expenditure of the American taxpayers' money. We must watch with equal vigilance against the harmful effects of unchecked spending and the harmful effects of hamstringing governmental efficiency. That, under the Constitution, is the double responsibility of this body.

It has been brought forcibly to my attention—as I know it has been brought to your attention—that in this first year of

peace some Federal agencies have submitted requests for funds from 50 to 300 percent in excess of like requests for like agencies at any other time in their history. In meeting this challenge, I shall go along with any reasonable paring down of these blueprints for operation during the fiscal year beginning July 1, 1946.

Within the next few minutes, I intend to examine with you specifically the problem of our underwriting the International Information Program of the Department of State for the coming fiscal year. I have a twofold interest in this particular problem. First, I am interested in it because what action we take in regard to it will set a precedent in regard to our other actions to be taken concerning other phases of government of similar size and requiring similar amounts to keep in operation. Second, I am vitally interested in any organization which has for its job the telling of the American story and the telling of that story everywhere and now.

When the matter of providing appropriations for the Office of International Information and Cultural Affairs under Assistant Secretary of State Benton first came before our committee I had formed no set opinion about continuing it. I wondered—I very naturally wondered—whether or not the OIC would be established as a purely propaganda organization; and if it was created for such a purpose, whether or not such propaganda issuing from governmental sources would be necessary or even advisable under the changing condition of foreign affairs. Throughout the time I have been considering possible appropriations for OIC, I have tried to suggest savings wherever those savings could be brought about without destroying the effectiveness of the task to be accomplished. The recommendations of the Subcommittee on State Department Appropriations of the Committee on Appropriations and the recommendations of the entire committee still guide my ultimate decision regarding the OIC. Nevertheless, after a careful, objective study of what the OIC intends to do and what money it needs to do its job, I have come to the conclusion that there is justification for a well-planned, well-supervised, modest program of international information and cultural affairs.

I am not one of those timid souls who cringe at the very word "propaganda." The newspaper who comments editorially on a news story on its front page is carrying on propaganda. I certainly would not advocate the abolishing of the editorial writer who expresses the policy of his paper or support any measure which would infringe in any way upon the absolute freedom of the press. Every commercial you hear over the radio is a form of propaganda. Yet, it would be unfortunate, indeed, if commercials—yes, propaganda commercials—were excluded from the air, for then radio would have to depend upon Government support for its existence and Government-supported radio would be the first step toward the socialization of all our information and communications industries.

Propaganda, as such, is not necessarily evil—and it can be an instrument for good. But, it is the duty of Congress to be on the alert where propaganda is used. We must not be complacent. A good thing may be used for evil purposes. A kitchen knife, made for slicing bread, could be used to kill.

Even under these circumstances, I still believe a modest, purely factual international information program would be a good thing. I base my conclusions on hard facts gained from our experience in the late war.

The Office of War Information was set up as a psychological warfare weapon. In spite of the widespread criticism of OWI—part of which was justified—it helped to shorten the shooting war and thus to save American lives. It did this through a consistent policy of telling the truth about what America was thinking and doing to the brave resistance groups in enemy-occupied countries, to neutral nations, to our allies and to our enemies. Congress itself contributed in no small degree to the success of this psychological warfare. I am reliably informed that 111 Members of Congress took part in preparing material for broadcasts, statements which were published in the newspapers of neutral nations for infiltration into enemy and enemy-controlled areas, pamphlets which were dropped by our planes over contested regions, and articles for underground newspapers and magazines, as well as regular commentaries for particular areas.

I am convinced that those of us who worked with the OWI in this endeavor told the truth as we saw it. For my own part, I have seen psychological warfare in action especially in the Philippines. In the crucial Philippines, our words of encouragement, counsel and advice reached the fierce-fighting Filipino guerrillas, counteracted their almost daily dosage of Japanese propaganda and helped to mold them into one of the most efficient guerrilla fighting forces anywhere on record.

We are not at war today. We do not need the tremendous overseas informational machine which was necessary during the war. We can get along with one only a third as large. But, we do need to give truth to foreign peoples. We do need to tell the American story. We do need—and I coin a word—"psychological peace-fare".

Today, we are faced with the ominous certainty of communism spreading over vast regions of Europe and Asia. They, these hungry, desperate people, are the "rice Christians" of our generations. They do not think things through. They only act for survival. They are ready to accept that ideology which feeds them, which promises to feed them or which consistently takes the credit for feeding them. They are ready to follow anybody or any way of life which provides a measure of security and something to eat. Foreign governments, especially that of the Soviet Union, have embarked on a program of claiming credit for all attempts to bring relief to these suffering, bewildered peoples. They have been deluged with waves of misinformation

about the United States and the intentions of the American people to the extent that within 8 months after the end of the war in Europe a wall has grown up between us and many of those captive nations, a wall which Soviet propaganda is building higher and higher.

This very day, Britain is broadcasting to the hunger areas and, as reported in the New York Times of March 19, they have even instituted Russian-language broadcasts to the Soviet people whom Ambassador Harriman recently said possessed "60,000 to 70,000 short-wave receiving sets capable of hearing American broadcasts." Without some sort of an international information program, we could never expect to surmount the wall of censorship which intervenes between the American people and those peoples living in the realm of hunger; nor could we expect to reach even a few of the Russian people who have short-wave receiving sets.

It is not a matter of keeping up with the Joneses. We do not anticipate competing with the vast propaganda machines of Britain and Russia. But, we do need—and that need is an urgent, pressing need—a modest, effective oral and visual information program to get the message to the starvation areas of Europe and Asia that our great Nation is united in its desire to be of real help to men and women the world over, to give food for their bodies and hopes of freedom and self-government for their immortal souls. We must give those who hunger after food and hope a true picture of what the United States is and the principles and ideals for which the United States stands.

This can only be done through an international information program—yes, perhaps, small—but efficiently organized, efficiently staffed and efficiently directed. That is the kind of a program which is absolutely necessary to the conduct of our foreign affairs. That is the kind of an international information program which I can support, which I do support, and which I will support.

#### FBI APPROPRIATION

Mr. Hoover, the Director of the Federal Bureau of Investigation, realizing fully the necessity for continued economy in Government expenditures, requested of the Bureau of the Budget for the fiscal year 1947 an amount of \$31,605,310. This amount reflected a voluntary reduction on the part of Mr. Hoover in his appropriation request of more than \$4,000,000.

It has been heartening to the members of your committee to note that Mr. Hoover has continuously effected reductions in his appropriation requests for the FBI. The peak year of the FBI, insofar as expenditures are concerned, was 1944, when an amount of \$45,235,679 was expended. The number of persons employed by the FBI was 12,432. Through careful administration, Mr. Hoover has been able to report savings in his appropriations. For the fiscal year 1943, approximately \$1,000,000 was returned by him to the Treasury as savings. During the fiscal year 1944, \$1,500,000 was saved and in the fiscal year 1945, an amount of



\$6,810,458 was voluntarily returned by the FBI to the Treasury.

The requests for personnel for the operations of the Bureau have likewise showed a continual decrease. For the fiscal year 1947, Mr. Hoover requested 8,223 employees, of which number 3,000 would be special agents assigned to field investigative work. At the time Mr. Hoover appeared before our committee, he advised that there were actively employed by the FBI, 8,758 persons. His request therefore reflected an actual decrease in persons employed of more than 500. The Bureau of the Budget materially reduced Mr. Hoover's request, allowing only 7,000 employees for the fiscal year 1947, with a total Budget estimate of \$28,700,000.

In the amount approved by the Bureau of the Budget, provision was made for the field staff as was originally requested by the FBI. However, a drastic cut was made in the staff at the seat of government. This cut totaled 1,223 persons and as a result it would be necessary for Mr. Hoover to materially curtail the activities of the Fingerprint Division and other divisions of the FBI at the seat of government.

I feel that we can be assured in the future, as we have in the past, that through efficient management, the expenditures of the FBI will be maintained at an absolute minimum.

Mr. Hoover, in his testimony before our committee, advised us that the work of the FBI continues to be extremely heavy. He furnished alarming statistics concerning the crime trends in the country. I feel that the Members of this body should know of the rapid increase in crime which is spreading throughout our country today.

At the present time, the FBI has pending more than 58,000 investigative matters which must receive attention. A great many of these matters do not pertain to internal security matters. We have been advised that crimes such as kidnaping, bank robbery, extortion, prison escapes, thefts of Government property and other such matters are continuing to show an alarming increase. Due to the tremendous bulk of work being referred to the FBI for attention, there are more than 19,000 delinquent investigative matters at present. This delinquency in the handling of work is approximately 38 percent, and when compared with the percentage delinquency of investigative work reported to Congress last year of 33 percent, an increase is reflected.

Last year when I spoke to you concerning the work of the FBI, each field special agent was carrying an average case load of 18.36 cases; today each agent is carrying approximately 20 cases and even though the workweek has been reduced, the staff of the FBI must continue to perform duties greatly in excess of a 40-hour workweek without additional compensation. Crimes of violence, such as kidnaping and bank robbery, cannot be investigated on a time schedule. It is necessary for the agent personnel of the FBI to many times work around the clock in order to bring to successful conclusions many such cases.

During the fiscal year 1945, the FBI secured 13,813 convictions with sentences totaling approximately 32,000 years and with recoveries, fines, and savings totaling \$16,500,000. Through the efforts of its investigative staff, 8,955 fugitives, who were wanted for violations of the Federal statutes, were located by the Bureau.

In addition to the criminal work which must be handled by the FBI, there is a great bulk of work, the result of the recent war, which has been referred to the FBI for handling. At the present time there are thousands of Selective Service Act cases pending attention. These cases are those of individuals who have willfully violated the Selective Training and Service Act laws and who will be apprehended and prosecuted or inducted into the military service. A great many war fraud cases are being referred to the FBI for attention, and through the work of this agency millions of dollars will be saved to the Government. I earnestly suggest that the Members of this body review the hearings on this appropriation so that they will have in their possession detailed information concerning the work and accomplishments of this activity.

The Identification Division work continues in much greater volume than before the war period. The Identification Division of the FBI is receiving in excess of 20,000 sets of fingerprint records daily. These are the records of not only criminals apprehended by police throughout our country but fingerprint records of individuals seeking employment on the most confidential Government projects; of civil-service employees applying for appointment in the Government service; of individuals being inducted, enlisting, or being commissioned in the military or naval service; and of citizens of the country, recognizing the worth of this particular fingerprint record, filing their fingerprint records for personal reasons and for their future protection.

I feel very keenly that this work must continue. There are more than 100,500,000 sets of fingerprint records on file in this repository at this time. Through the cooperation of the Identification Division of the FBI, local law-enforcement officers throughout not only our country but throughout the world receive information of previous police records of individuals taken into custody by those particular agencies. Through the efforts of this particular division, many individuals, who were applying for positions of trust in the Federal Government service and in national-defense industry during the war period, have been stopped from securing such employment.

At the present time it is particularly important that we have assurance that only those having the highest degree of loyalty be employed by our Government.

I fear that if the operating staff of this particular division is drastically curtailed the country as a whole will suffer due to the FBI not being able to promptly advise local law enforcement officers and Government employment agencies of derogatory criminal information it possesses in its files. I feel that an ounce of prevention is worth a pound of cure

and since this service has proven itself so admirably during the most critical period in our history we should not at this time, particularly in view of the increasing crime trends in the country, become overconfident and feel that we no longer need the protective service which has been previously rendered by this agency.

Last year when I appeared before you in connection with this particular appropriation, I reported that many thinking citizens felt that it was possible that we might experience a serious postwar crime wave. At that time I stated that the belief was based upon several premises, one of which was the startling increase in juvenile delinquency which had occurred during the war period. Those fears have been realized. A serious crime wave is upon us. From a survey of records received by the FBI from police agencies throughout the country during 1945, a continued increase in major crime was reflected. From the reports it is estimated that a total of 1,565,541 major crimes were committed in 1945, an increase of 171,886 such crimes over the calendar year 1944. Also several million lesser offenses were committed. A great number of these crimes are being committed by youngsters. A survey of more than 500,000 arrest records showed that 21 percent of all arrests were of juveniles under 21 years of age. More persons aged 17 were arrested than in any other age group.

A survey of 2,000 cities, having an aggregate population of more than 65,000,000, reported an increase of more than 12 percent in crime for 1945 when compared with 1944. There was an increase in robbery of 23.6 percent; automobile theft, 18.7 percent; burglary, 17 percent; negligent manslaughter, 16.2 percent; murder, 10.1 percent; aggravated assault, 8.7 percent; larceny, 8.6 percent; rape, 5.7 percent.

These figures reflect that we must at this time maintain our law enforcement agencies at a safe and sane operating level. I know that no Member of this body is desirous of in any way handicapping any of our country's law enforcement agencies when it is so essential that every effort be bent toward controlling and subduing those elements which began during the war period and are continuing the present crime wave.

This deplorable condition can be traced to the increase in juvenile delinquency throughout our country. Now is the time for all of the thinking citizens of the country to band together to rout out at its source the evils which have made juvenile delinquency the problem it is today and through continued controls reduce to a minimum the waywardness of our young people who tomorrow will have to assume the burdens of our country. It is our responsibility to do this. We can do it by maintaining law enforcement at a high level.

We have found through the years that Mr. Hoover, in his administration of the FBI, has continued to perform his duties in an economical manner. Through his efforts law enforcement has been banded into a countrywide, harmonious, cooperative unit without any stigmatism of

a national police. Through his national academy, through his understanding of local law-enforcement problems, through his cooperation with law enforcement generally we now know that our country successfully came through one of its most perilous periods on the home front without suffering any of the disasters which were experienced by our country in World War I. I feel that if the appropriation recommended by your committee for the activities of the FBI for the fiscal year 1947 is approved, the Bureau will continue to function economically for the good of all of us and no funds not absolutely needed for the performance of its duties will be expended.

#### SUMMARY OF OTHER APPROPRIATIONS

Airport control towers, in my opinion, should be operated by trained employees of the Civilian Aeronautics Administration, for the sake of safety in air navigation and safety on the airports with the increasing load of traffic. It will be dangerous to eliminate that item, in my opinion.

That information regarding these airport control towers, regarding which you will hear from home, will be found on page 24 of the committee report under the head of "Maintenance and operation of air-navigation facilities." The amount of \$32,000,000 is approved for this item, a reduction of \$4,004,000 under the budget estimates. Included in this reduction is the amount of \$3,060,582 estimated as the cost of operating 110 airport traffic-control towers. The committee wrote in the report that it recommends that the States and the municipalities pay for the operation of these towers, but that they must employ CAA-trained employees and reimburse the CAA for the operation of the tower. It is going to represent a hodge-podge navigation control, for the reason that there is no municipality in my particular part of the country that will stay by the rules that this committee writes in a report. They will hire whomever they please and pay whomever they please to operate their control towers, and you will have a terrible situation insofar as the conditions that will exist on some of these airports are concerned.

I want to speak of one more item which is in controversy and about which you have been hearing from home, too, and that refers to an item of repair under the CAA. The Army is turning over to the CAA a large number of airplanes. The Army is turning over, too, \$5,000,000 worth of airplane parts. The CAA has requested of this committee an amount of money sufficient to repair its own airplanes and establish a storage house and a repair shop in an Oklahoma locality.

In justice to private industry, I wish to inform the committee that private industry is intensely worried that perhaps the CAA is going into private industry by repairing airplanes. The Administration has 231 of these airplanes. In my opinion, the committee did well in allowing a modest amount of money in the bill to permit this agency to store its valuable airplane surplus parts. An amendment will be offered to strike the entire amount with the exception of the storage plant and a modest repair item, in order to

satisfy the demands of private industry, which fears that the CAA is going into competition with private industry.

The department assured us that there is no intention on the part of the department to compete with private industry. But for the sake of saving us five or six million dollars' worth of airplane parts and in order to facilitate more rapidly the repair of their own planes, they want to continue this program for 5 years. The majority of the committee felt that what money is left in the bill would allow them to do that. You will find private industry is very much opposed to the entire program.

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

Mr. STEFAN. I am very happy to yield to the gentleman from California.

Mr. HINSHAW. Mr. Chairman, I would like to return for a moment to the item which the gentleman referred to a moment ago. Some \$3,000,000 for the manning of air traffic control towers has been stricken from the bill. May I recall to the Members of the House that five Members were appointed in 1940 to a committee known as the select committee of the House of Representatives to investigate air accidents. One of the first decisions the committee made was that unquestionably air traffic control towers at the principal airports in the United States where the traffic is the heaviest should be manned by the Civil Aeronautics Administration personnel and should be under the complete control of that personnel and that the Civil Aeronautics Administration should have every jurisdiction over air traffic control even to the landing and taking off of aircraft. They came to that conclusion for the purpose of saving the lives of the people of the United States. We found that many accidents resulted from the improper handling of air traffic control towers at airports and we were insistent that that be done. Ultimately, the Civil Aeronautics Administration did man those towers and as a result the number of accidents that have taken place in and around airports has materially decreased since that time.

Mr. STEFAN. I deeply appreciate the gentleman's contribution and I agree with every word he says. Your committee, headed by our late colleague, Hon. Jack Nichols, did a splendid job. The results of your investigation, in my opinion, brought about many changes in air regulations which proved of inestimable value in saving the lives of people in the air transport field. I am glad that the gentleman who has had this experience agrees with me that an amendment should be offered to replace this item which was approved by the Budget. The President's Budget approved this item and apparently agrees with the gentleman from California and myself. I hope the gentleman is prepared to offer that amendment because if he does not, I will be happy to offer such an amendment myself. If the gentleman offers it, I will support the amendment.

Mr. HINSHAW. If nobody offers the amendment, I will offer it because that is money that will save the lives not only of passengers on commercial aircraft but

the lives of thousands and thousands of private flyers and of our servicemen who fly the Army and Navy planes who usually use these airports. The gentleman knows very well that the great bulk of the use of airports and air traffic control towers and landing facilities is by private flyers and by the Army and Navy and not by the commercial air lines.

Mr. STEFAN. Of course, the gentleman realizes I agree with him, and between the gentleman from California and myself, we will see that an amendment is offered.

Mr. HINSHAW. I trust it will be adopted.

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

Mr. STEFAN. I yield.

Mr. PRIEST. May I say to the distinguished gentleman that if he or the gentleman from California does not offer such an amendment that an amendment will be offered. I am having an amendment written at the present time. I will offer an amendment myself or support such an amendment offered by any other Member to restore this money in this bill. I think the elimination of this money from the bill is the biggest blow to air safety at this time.

Mr. STEFAN. I thank the gentleman very much for his assistance.

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

Mr. STEFAN. I yield to the gentleman.

Mr. MASON. I would like to refer to the information and cultural program which is supposed to be set up under the State Department and for which the committee has allowed a request of \$10,000,000. That is this Office of Peace Information which is to take the place of the Office of War Information, as I understand it. It is a proposal that the Associated Press and the United Press state they would not furnish information for, because we have had a horrible example of what a Government-subsidized propaganda machine can do and has done in the Hitler propaganda machine, in the present Stalin propaganda machine. I doubt that we want to aid those two in this Office of Peace Information that the State Department wants to set up.

Mr. STEFAN. Did the gentleman rise to ask me a question or to make a speech?

Mr. MASON. Yes. I want to know why the committee allowed \$10,000,000 for that purpose.

Mr. STEFAN. In explanation, the Department of State requested \$19,000,000-plus for this new item, which has not been authorized by law. In addition to that they requested \$6,000,000-plus to continue the cultural-relations program in Latin America, China, and the Near East, which is authorized by law. The committee cut down the first item \$19,000,000-plus to \$10,000,000, for the item which is not authorized by law, and allowed a total of \$5,000,000 to continue the cultural-relations program in Central and South America.

Further in reply to the gentleman's question, I feel that cut of nearly \$9,000,000 was substantial, because I know per-



sonally, on account of my knowledge of conditions which exist in Europe and all over the world, and because of my knowledge of what is going on in Russia in the way of transmitting misinformation throughout the world regarding the United States of America, we should have a modest informational service from the United States to inform the world the truth about America.

Mr. MASON. Mr. Chairman, will the gentleman yield further?

Mr. STEFAN. I yield.

Mr. MASON. Does not the gentleman think that this information to the world about America could be and would be carried on much more clearly and much more efficiently through the regular news agencies than through a subsidized Government propaganda machine to color the news and to delete the facts and the truth and present only half truths?

Mr. STEFAN. Of course, I believe in the conservative truth of the Associated Press, the United Press, and the other free press services of the United States. I want to protect these American news agencies. I know what the gentleman has reference to—the controversy between the news-gathering agencies and the Department of State—we don't want to get into that controversy. Your committee, in allowing this modest sum, felt that in no way will the news be colored, nor will there be misinformation, because it will be well supervised under the direction of a man in whom I have complete faith, Mr. William Benton.

Mr. MASON. I would like to pursue this a little further, if the gentleman will yield.

Mr. STEFAN. I am going to speak on the subject further, if the gentleman will allow me to yield to others at this time.

Mr. MASON. I spoke on this subject on the floor of this House quite thoroughly and completely as against this item.

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

Mr. STEFAN. Yes; I yield to my colleague on the committee.

Mr. HARE. I am sure the inquiry could not have been made of any member of the committee better qualified to answer my good friend from Illinois [Mr. Mason]. But the gentleman from Nebraska merely stated that the difference between the news carried by the press may be that in one it carries with it the seal of the Government of the United States, and in the other it is carried "It is reported" or "It is said" or "Somebody said so and so." This is an opinion as outlined by some other agency or some other activity; this is the information we have, the only information as I understand that will be carried by this agency and that it will be furnished by the State Department. It is a guaranty that carries with it the seal of the Government of the United States.

Mr. STEFAN. My colleague is right, and I thank him for his contribution.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. VORYS of Ohio. This controversy, with which the gentleman is

familiar, between the two great press associations and the State Department, involves a very fundamental element in preserving a free press and in determining what sort of Government propaganda we shall have. I wonder if the gentleman's subcommittee heard from any representatives of the press or either of these news services on this matter?

Mr. STEFAN. Not in the hearings. I will answer the gentleman. In our hearings we heard nothing officially from any of the press organizations, in whom all members of the committee have great faith. We did not want to inject ourselves into any controversy like that.

Mr. HARE. Mr. Chairman, if the gentleman will yield further—

Mr. STEFAN. I yield.

Mr. HARE. The question raised was not discussed in the committee as to whether it would be furnished or carried by this particular news agency or that particular news agency; in other words, we did not know what vehicle the State Department would use. The chances are it will use these press agencies for carrying the information, but the point this committee was emphasizing was that the information carried, regardless of truth, will be information obtained directly from the State Department and carry with it the seal of the Government.

The committee did not undertake to enter into the discussion as to what vehicle or agency would be used in carrying this information to other countries.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. If the gentleman would like to have some time to present his views I shall be glad to yield him some, but I should like to continue for I have prepared some remarks on this subject and would like to proceed.

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

Mr. STEFAN. I yield to the gentleman from Georgia.

Mr. COX. The accuracy of the gentleman's statement as to the benefits that would inure from an activity of this character depends, of course, upon the type of people selected to do the job. I believe the whole proposition is worthy of the careful and serious consideration of the membership of the Congress. The proposal is obliged to be considered in the light of the provisions of the so-called Bloom bill. It is known by many that the purpose of that bill was to revitalize, to reactivate, to rejuvenate the old OWI, which did a scandalous job in misrepresenting America. The idea has been that those of the OWI not already covered into the State Department would stand by until the Bloom bill could be passed, when there would be a renewal of the work they were doing as the OWI, that it would start all over again carried on by the same organization that misrepresented this country and did it an incalculable injury in all the other parts of the world.

I say that this whole proposal—and it may be said that I am responsible in a way for the rule waiving points of order on the bill because I can see there is justification and maybe need for doing a work of this kind.

Mr. STEFAN. I know what the gentleman is referring to, and if the gentleman had listened to what I said in my opening statement, the gentleman would have heard me tell the membership of this Committee that it was impossible because of buried items which were not provided for by law in the bill in such way that the membership of the committee could get no information without reading very minutely the information that came to them from copies of justifications from the agencies.

Nothing in legislation should be hidden. If it is good or bad, I want it out here on the floor of the House and have it considered on its merits. I am very happy to know that we still have a Congress where we can at least control some of these agencies through controlling appropriations. We cut this item 50 percent, believing that we can inaugurate a modest informational service which will not do the things that the gentleman says have been done in the past. Personally I favor a modest information service should be continued because of the dangers that are existent in the world today.

Mr. COX. Mr. Chairman, will the gentleman permit me one more statement?

Mr. STEFAN. Yes.

Mr. COX. I was largely influenced in favoring the waiver of points of order on this bill because of certain language used by the gentleman's committee in the making of its report, which language condemned much of what I object to.

Mr. STEFAN. The gentleman knows that we see eye to eye on many subjects.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Ohio.

Mrs. BOLTON. I have two questions. First, in reference to the \$10,000,000, how did you arrive at that figure?

Mr. STEFAN. In what item?

Mrs. BOLTON. How did you arrive at this cut from \$19,000,000 to \$10,000,000? What do you leave to be done by that? Do you stipulate what they can do?

Mr. STEFAN. No. We make no policy. The committee felt that with \$10,000,000 plus added to \$5,000,000 which they already have, making a total of \$15,000,000 plus, there would be left sufficient funds in the bill to disseminate an informational cultural program which would be modest and in line with the thought of the American people.

Mrs. BOLTON. In considering this item in the bill, the gentleman has announced that it is without proper legislative authority.

Mr. STEFAN. There is no legislation for it.

Mrs. BOLTON. Why does the Appropriations Committee consider it and put any of it in the bill at all until it has come through with the proper legislative background?

Mr. STEFAN. I may answer the gentleman in another way. Why does an agency offer an appropriation bill, and why does the Budget bring in an appropriation bill, without authority of law?

Mrs. BOLTON. But how easily the Appropriations Committee could stop that by refusing to consider those items.

Mr. STEFAN. The gentlewoman can do that. If the gentlewoman wishes to offer an amendment I can suggest to her a way whereby she can eliminate the entire item in spite of the fact that you will get a rule here tomorrow, a gag rule, waiving all points of order. If the gentlewoman wishes to eliminate this item she can write an amendment reading as follows: "No part of these funds shall be allowed to be spent for any item in this bill which is not authorized by law." That item will go out.

Mrs. BOLTON. I happen to feel that much of the work included in the State Department bill is exceedingly important both to the United States and to the whole program of international relations. For this reason I particularly regret that adequate authority does not accompany the request for funds.

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

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

Mr. HOFFMAN. Is it correct to assume from the gentleman's statement that the original request was for \$19,000,000 and that the committee cut that to \$10,000,000, but there is no authorization for the appropriation of any sum?

Mr. STEFAN. Yes; there is an authorization for \$6,000,000 which was requested of the committee and the committee allowed \$5,000,000. That is for a program which is already in existence and in operation in Latin America, China, and the Near East.

Mr. HOFFMAN. Is there any authorization for the expenditure of any money for the dissemination of information?

Mr. STEFAN. Yes; and the gentleman perhaps voted for that at one time.

Mr. HOFFMAN. Not for the \$10,000,000.

Mr. STEFAN. No.

Mr. HOFFMAN. How much does this bill carry for entertainment and liquor?

Mr. STEFAN. That is not in this information item we are discussing.

Mr. HOFFMAN. No; not in this item, but is there not an appropriation in there for that?

Mr. STEFAN. The gentleman is referring to the representation allowance for the Department of State. They requested, as I recall it, \$900,000, and we cut that \$100,000, making a total of \$800,000.

Mr. HOFFMAN. Then, there are \$800,000 for liquor?

Mr. STEFAN. No.

Mr. HOFFMAN. For what?

Mr. STEFAN. For representation.

Mr. HOFFMAN. Consisting of what?

Mr. STEFAN. Public and official functions.

Mr. HOFFMAN. But, when you have entertainment you have shows, for example.

Mr. STEFAN. It has been carried in this bill for many years.

Mr. HOFFMAN. No; the point is this—

Mr. STEFAN. Is the gentleman trying to put words in my mouth about whisky, and so forth?

Mr. HOFFMAN. No; I am trying to get information. Due to my own lack of intelligence, perhaps, I did not catch it, but the President said that we must con-

serve our wheat—I think there was something in the paper here that we must convert that into flour. Is this entertainment to consist of the using of things that are transformed from wheat into some liquid form? Is that what the \$800,000 is for?

Mr. STEFAN. No; the representation allowance item to which the gentleman refers has been carried in appropriation bills for the Department of State for many years.

Mr. HOFFMAN. Not this \$800,000.

Mr. STEFAN. No; not \$800,000, the amount has grown and grown in the years. I have continually tried to hold this fund to modest proportions.

Mr. HOFFMAN. Does the gentleman mean we have been more accustomed to drinking, or something?

Mr. STEFAN. The gentleman is still trying to put words into my mouth about drinking whisky.

Mr. HOFFMAN. Oh, no.

Mr. STEFAN. I am telling the gentleman that the representation allowance money is for the purpose of official contact with foreign representatives by our representatives, no matter where they may be in foreign countries. It is a custom followed by all governments and diplomats in the world. The United States requests very little this way as compared to other governments.

Mr. HOFFMAN. But it is not for transportation, we know that, because there is another item in the bill for that.

Mr. STEFAN. The gentleman may be satisfied with the answer that it is representation allowance, and that there is some entertainment in connection with the same. May I say further to the gentleman that if he will look in the hearings he will have full information about it.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield further?

Mr. STEFAN. I have no further time to yield now.

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

Mr. STEFAN. I yield to the gentleman from Illinois.

Mr. MASON. The gentleman says we need to tell the truth.

Mr. STEFAN. Yes.

Mr. MASON. How can the State Department tell the truth to Poland and tell the truth to Czechoslovakia after all the agreements they have entered into and become a party to during the war, with our allies?

Mr. STEFAN. That is a very embarrassing question.

Mr. MASON. There is no one knows better than the gentleman.

Mr. STEFAN. The truth has not been told to Poland, it has not been told to Czechoslovakia, it has not been told to Estonia, Lithuania, Latvia, and others, because those who are controlling those people will not allow the truth to come in. An effort now is being made through this modest program in some way, perhaps, to bring the light and really tell the truth to those suffering people who are still slaves.

Mr. MASON. The State Department that was a party to those agreements will never be able to tell the truth about those agreements to those nations that were raped.

Mr. STEFAN. I thank the gentleman for his contribution.

Mr. ROONEY. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. Celler].

Mr. Celler. Mr. Chairman, I desire to call attention to a very strange performance on the part of the French Government. At the present time there is held in custody by the French the so-called Grand Mufti of Jerusalem Haj Amin el Husseini. He was a Hitler stooge and is a nefarious war criminal and should be treated and tried as such. After the revolt in Iraq which the British put down, a revolt which he instigated, he fled to Germany, where the carpets were rolled out for him by Hitler and his cohorts. He lived in grand style in Berlin and nightly appeared on the radio, broadcasting in Arabic to the Arab world, urging the Arabs and all Moslems to rise against the United Nations, including the United States, Great Britain, Russia, and France. He organized in that manner the Arab Legion which fought American soldiers and British soldiers. Significantly, some 2,000 of those members of the Arab Legion are now held in custody as prisoners of war at Camp Opelika in Alabama. Despite the machinations of this Grand Mufti, despite his war crimes, and despite the fact that the government of Yugoslavia has demanded that he be held as a war criminal, the French Government, be it known to their shame, refuses to yield him and holds him in what is called residential surveillance where he is free to go and come at will and to hobnob with socialites in Paris. Now the report comes to us that over and above that, the French Government is about to release him completely to allow him to go back to the Levant and there to continue his shenanigans. He was guilty back in 1929 to 1936 by way of instigating the Arabs in staging pogroms against the innocent inhabitants of Palestine. He should be brought to book, and he is no different than Hitler, Goering, or Goebbels. He is just as guilty of the destruction of countless thousands of lives of the people of the United Nations. It is incredible that Britain asked for the heads of Joyce and Amery because they broadcasted for Hitler and Mussolini, and that the French have executed traitors for their enemy broadcasts. We have punished Americans who broadcasted for Hirohito. But the Mufti is spared and is treated like a petty prince and a holy man. He still continues furious propaganda against Jews.

Leon Blum, former Premier of France, was in this country recently. He is now in Canada and is about to return. He is a very distinguished gentleman. I hope he will read these words. I implore him, as I do the French Ambassador to this country, Mr. Bonnet, another very distinguished gentleman, to take heed of what I say, because if this Grand Mufti goes back to Palestine to continue his raids, his plunders, and pogroms of countless innocent people again, the blood of those innocent victims, those martyrs, will be on the hands of those in authority today in France. I ask, nay I demand, that these gentlemen intervene with the Quai d'Orsay to the end that the Mufti



will be continued in custody and branded and tried as a war criminal.

If this infamous character is allowed to escape punishment and to return to Arab countries he will constitute a menace to the peace in the Near and Middle East. He would cause the extermination of thousands of Jews in Arab and Moslem lands.

I say to France, the world watches what you do with the Grand Mufti, the greatest of religious fakers. We shall watch carefully the action or non-action of France. She is on trial—in a way. She needs friends in America. She can afford not a single enemy, not one iota of ill will. She needs economic support badly. America will help—but only if France abides by the rules of justice. Those rules demand the punishment of the Mufti.

Mr. ROONEY. I commend the gentleman on his statement, and appreciate the timeliness of it.

The CHAIRMAN. The time of the gentleman from New York [Mr. Celler] has expired.

Mr. STEFAN. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. Jones].

Mr. JONES. Mr. Chairman, this bill is about the best bill that this subcommittee has ever reported, so far as relation to the Budget estimates for the fiscal year for which it is reported are concerned. From that standpoint it is a step forward over the previous years. I suspect that before this supply bill becomes law, regardless of what amount the House passes, we shall have a real job trying to keep down the amount of increases that will be made at the other end of the Capitol. I shall save the major portion of my speech until that time when the bill comes back on a conference report. If we follow the usual procedure writing appropriation bills in conference that we have in the past, there will be a fight to hold the line at the smaller amount that was passed by the House. Any amount of cuts that we may make during the course of the reading of this bill will be empty and meaningless, unless we can hold the House line when the conference report on the differences between the House and Senate versions of the bill come before the House for consideration and adoption.

There are some portions of the bill to which I am certainly opposed. I refer to the information program, for which there is a Budget request of \$19,284,778.

I had a chance to observe the information program of the State Department in Europe last August and September. About the only thing I can say for it, at best, is that the OWI creates an appetite and desire on the part of poor unfortunate people in war-torn areas to come to the United States, the land of promise, the land of borrowed money, and the land where, they think, their burdens might be lightened. But 140,000,000 people in America cannot provide a haven of rest or a land of working opportunity, if we try to take on the whole population that would come to America. We have not solved the job on our hands to take care of our own nationals.

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

Mr. JONES. I yield.

Mr. MASON. Would the gentleman say it is absolutely foolish to work up an appetite for something that cannot be satisfied?

Mr. JONES. I think it definitely is foolish. The proponents of the information program and the cultural relations program observe that there were many people in Greece and in Italy trekking to the libraries of information provided by the OWI while our committee was there. I can see in that argument only a hopeless, pitiful situation. The Greeks and Italians were seeking relief, relief from the oppressing conditions accompanying a terrible war. The OWI, which I observed in Europe, could only create in them a great desire to get away from what they all cannot escape and which we could not relieve. And how foolish it is to work up their desire to come to America when we know we cannot satisfy it.

Mr. HOFFMAN. Can the gentleman tell me how many are coming into this country each year, each 6 months, or each month who are not entitled to admission under our laws?

Mr. JONES. At this point I shall refer to an article that appeared in the Washington Post on the 16th day of March under the byline of Mr. Dillard Stokes. Mr. Dillard Stokes points out—and I quote portions of his article:

#### ALIENS IN THE UNITED STATES

You may wonder what aliens are getting into your country but the Immigration Service—which lets them in—won't tell you.

For the Service is run in totalitarian secrecy. Who gets into America, and who is kept out, and why, is kept from the public.

The secrecy of the Immigration Service was not set up by Congress, by law, but by one man, by order as far-reaching and harsh as anything ever dreamed of by the Gestapo. This is Order 3229 of the Department of Justice, issued May 2, 1939, by Attorney General Frank Murphy, who now is a Supreme Court Justice.

And here it is:

"Pursuant to authority vested in me by R. S. 161 (U. S. Code, title 5, sec. 22) it is hereby ordered:

"All official files, documents, records, and information in the offices of the Department of Justice, including the several offices of the United States attorneys, Federal Bureau of Investigation, United States marshals and Federal penal and correctional institutions, or in the control of any officer or employee of the Department of Justice, are to be regarded as confidential. No officer or employee may permit the disclosure or use for any purpose other than for the performance of his official duties, except in the discretion of the Attorney General, the assistant to the Attorney General, or an Assistant Attorney General acting for him."

The order goes on to say that even the courts cannot have any papers or information and that if they send a summons for them somebody is to go to court and respectfully decline to produce the records, information, and so forth.

The law given as authority doesn't sound like Congress had blanket secrecy in mind at all, and whether it authorized Order 3229 might be something for lawyers to argue about. Here's what the law says:

The head of each department is authorized to prescribe regulations . . . for the

government of his department . . . and the custody, use, and preparation of the records, papers, and property appertaining to it."

Order 3229 makes even its own words "confidential" and an Immigration Service official refused to tell what the order said. Another refused to say what his job was. That, he said, was "information" and was confidential.

The article then goes on to say that "both were within the rules," but "this did not appear until the Post got a copy of Order 3229 from Assistant Attorney General James P. McGranery, one of the only two men who have the right in their discretion to tell a citizen what the rules of the Department of Justice are."

Writer Stokes then goes on to point out that, while Mr. McGranery might have refused, he did not do so, and quoted that official as saying the order was never "meant to turn the Department of Justice into a supersecret bureau," but was designed to protect FBI reports, testimony of Government witnesses, letters from informers, and the like. The article went on:

But Order 3229 does not stop with such things. It makes "all information" confidential.

The story concludes on the theme that several Department officials "said they never heard of Order 3229 and would pay no attention to it if they had," and:

Even the Immigration Service—which claims Order 3229 as authority for not telling what aliens have applied to enter the country—was courteous and cheerful about violating the same order in answering questions about particular persons.

On November 26, 1943, Mr. Breckenridge Long, of the State Department, testified at an executive session of the House Committee on Foreign Affairs concerning the admission of aliens, on House Resolution 350 and House Resolution 352:

Resolutions providing for the establishment by the Executive of a commission to effectuate the rescue of the people of Europe.

The committee later released excerpts from Mr. Long's testimony, with an accompanying notice that it was not considered necessary longer to keep it secret.

In the excerpts, Mr. Long stated, in substance, that an agency for the rescue of Europeans had been in operation for 5 years or more.

At page 19 of the excerpts it appears that the refugees were admitted to this country on visitors' visas; and Mr. Long said, in part:

We found ourselves in a situation that the quotas were exhausted in the territories from where the people originated, and under our law, a man who is born in Germany comes under the German quota irrespective of where the man finds himself. If he is born in Germany he is under the German quota and the countries from which these refugees originated—Germany, Czechoslovakia, Holland, Belgium, northern France, Austria, and so on, have relatively small quotas. The total quota for that area is about 57,000. Well, 57,000 visas were just insufficient to express the humane desire of the American Government and the American people to try to save these persons. During

the 12 months which ended in June 1941, enough visas were granted to physically save 135,000 of these people, and in the period from 1938 to 1942 a total of over 307,000 visas of all kinds were granted to persons coming from enemy or enemy-occupied territory.

My conclusion is that we have a housing shortage in this country that works to the particular detriment of the veteran because he has had to come back to America and find a home for himself and family. All of the foreigners that have been allowed to come in above the quota are living in space that might be used by the veteran. Granted that we should have humane desires to favor the preservation of the people of other countries, but I feel in the first place it was definitely wrong for the State Department and the Immigration Service of the Justice Department to keep these figures secret until the housing shortage for the veterans is critical. We do not know now how many veterans are displaced by foreigners secretly allowed to come in by the State Department above the quotas, and had the people an opportunity to decide as between humane desires for our veterans and humane desires for foreigners, I think they would choose our veterans.

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

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

Mr. HOFFMAN. What it adds up to is this: No matter how much nor how great our desire may be to provide homes for our veterans, we do not know and cannot know how many homes are needed until we learn how many have come in from abroad?

Mr. JONES. That is right.

Mr. HOFFMAN. We do not know how many people have come in, we do not know how many are occupying homes that should be available to our returning veterans.

Mr. JONES. May I answer that a recent inquiry by telephone of the Bureau of Immigration and Naturalization, Department of Justice, elicited the following information: That as of December 20, 1940, it was estimated there were 4,889,000 aliens in this country other than those who came in under the immigration quota. It was stressed that due to deaths, departures, and so forth, the number as of July 1, 1945, is estimated at 3,350,000.

It certainly seems there must be and are more aliens than represented. It is not believed that the figures are anywhere near accurate, as near as I can get at the picture. It seems to me that we ought to have a full investigation of this matter. Last year I remember distinctly the gentleman from Nebraska [Mr. STEFAN] and I both asked about the over-all, comprehensive admission of aliens into this country for any and all purposes and any and all pretexts, and we were not given any figures to compare with this analysis that has recently come to light in Breckenridge Long's testimony.

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

Mr. JONES. I yield to the gentleman from Illinois.

Mr. MASON. May I say that those who have been coming in have not come in under our laws but in violation of our laws to a very large extent.

Mr. JONES. I hope that the gentleman, being a member of the Committee on Immigration and Naturalization, will look into these figures and cover them with a fine tooth comb.

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

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

Mr. LESINSKI. I believe that the quotas the gentleman is referring to are all the aliens that have been registered in this country. Some of them have been here 20 or 30 years and legally. That is the over-all amount of aliens in this country. Now there are visitors coming here who have to go back; they go to and fro, but when it comes to the amount of aliens in this country there are about 4,000,000, and that is all.

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

Mr. JONES. I yield to the gentleman from Illinois.

Mr. VURSELL. Is it not a fact that people living in a foreign country, say one of the countries of Europe, can come in on a visitor's visa and then go over into Canada and come back and then are able to stay here and seek American citizenship? Is that not being worked all the time?

Mr. LESINSKI. Mr. Chairman, if the gentleman will yield, may I answer that?

Mr. JONES. Yes.

Mr. LESINSKI. There is a certain amount of that.

Mr. VURSELL. And that also applies to Mexico?

Mr. LESINSKI. Those people are charged to the actual quota of the particular country they come from; in other words, if they stay here, no one else from another country can come in under the quota.

Mr. JONES. There is one other factor that has not been brought out, and that is once one member of an alien family comes in under the quota, under the immigration law provision of uniting families they can bring in several more members of the family. It all adds up to aliens, admitted during the war, getting the houses the veterans need now. Let me apply this material to the information program of the State Department. Power of suppression of information was practiced by the Department of Justice to hide information so that Congress does not have the full and complete facts—and I do not think we do. I point out the further fact that an information service on behalf of the State Department to cover our relationships spreading information to the other countries of the world about America is just as dangerous, because the State Department will tend to point out the things that gild the lily of their decisions. I think we are in much safer hands if all of the information in regard to our relationships with other countries would be brought down upon the anvil of good reporting in private enterprise, and then you would find the selfish interests of these reporting associations, like Inter-

national News, AP, UP, and other services, checkmating each other on the ground of good reporting and good journalism.

It is my observation that the Department of State gives too much emphasis to the value of the information program. Taking the long view of our relationships with our neighbors, it is claimed that Russia is spending considerable funds for information service to put us in a bad light, comparatively speaking, so that she can extend her influence in eastern and southern Europe and the Far East. Britain, on the other hand, is represented to be spending more money in the Embassy at Washington, D. C., than we spend in the entire world for representation allowance. Both of these countries are asking America for substantial loans—\$4,200,000,000 in one case and \$6,000,000,000 in the other. I say to you that rather than loan them this money so that they can release more of their own funds to carry on a propaganda campaign against us in international trade and international relationship, we had better hold the money here in our own pockets and let them find a way to get the propaganda money that we have to appropriate and compensate for Uncle Sam. This \$20,000,000 is just a starter for a program that cannot do anything else but grow and grow and grow as the exigencies of the case demand, and as the complexion of the world picture gets more complicated, then they are going to come in and ask for more money for newspapers and magazines, the dissemination of radio news, for the training of actors, for high price photographic tabloids like Look, Life, and Pic, to glamorize American nationals in office. The gentleman from Michigan [Mr. HOFFMAN] recently put a script in the RECORD of one of these proposed information programs glamorizing Henry J. Kaiser.

I have great respect for the ability of Mr. Kaiser as a great producer, both in the war effort and before the war effort, in the construction game, but there are many American people in business who probably do not have the favor that Mr. Kaiser enjoys with the present administration, who never got a cent of money from the Government to put into their investments with which to produce goods for the American and world economy.

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

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

Mr. HOFFMAN. In March of this year one-third of the total amount outstanding and owing to the Reconstruction Finance Corporation was owed by Kaiser. Of course, if you can get Government money and Government plants and Government preferences, you can do business. If you look at the daily press of yesterday, some of the Chicago papers, you will see an outline there written by a gentleman just returned from abroad, Mr. Fisher, setting forth some of Kaiser's activities which show conclusively that he has been operating all the time on Government money and at Government expense.

Mr. JONES. I point out further in line with what the gentleman has just said



that the administration may be Republican or Democratic, if there would be an attempt to set up an information program to explain our country to the rest of the world, based purely and solely upon glamorizing the administration in power and, if necessary, to cover up its mistakes. Such an information program will be selfish in its point of view and deliver probably a distorted picture of many of the things that made America great.

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

Mr. STEFAN. Mr. Chairman, I yield five additional minutes to the gentleman from Ohio.

Mr. PITTINGER. If the gentleman will yield before he leaves that subject, how much money is in this bill for Kaiser? He seems to have taken over the Government.

Mr. JONES. Of course, there is no money in here directly for Mr. Kaiser. He got his long before this bill came to the floor.

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

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

Mr. VOORHIS of California. May I point out that Mr. Kaiser is, I think, at least to be commended for the terrific job of production he did during the war, and, furthermore, that as far as I am aware, Mr. Kaiser is the only industrialist who has offered to repay the Government the entire amount of the so-called war costs of the plants he used.

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

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

Mr. HOFFMAN. I call the attention of the gentleman from California [Mr. VOORHIS] to this. Let him go out here and read the paper, and I will show him.

Mr. VOORHIS of California. I am glad the gentleman will call my attention to something.

Mr. HOFFMAN. I will call the gentleman's attention to something. Kaiser today is asking for a cut-down or a cut-back on the cost of these plants. The gentleman will find out that the only thing he has not cut down on is his profits.

Mr. VOORHIS of California. The fact of the matter is that Mr. Kaiser's proposition—

Mr. JONES. I refuse to yield further. The gentlemen can get time in general debate themselves. I have only 5 minutes.

Mr. VOORHIS of California. Does not the gentleman want to yield to me to answer the gentleman from Michigan?

Mr. JONES. You have both had your time.

Mr. VOORHIS of California. The trouble is, I had mine first.

Mr. HOFFMAN. The gentleman wants it first and last, both.

Mr. JONES. Mr. Chairman, I refuse to yield further.

Turning now to the Commerce Department, a year ago when the State, Justice, and Commerce appropriation bill came before the House it was accompanied by a report of this committee that

more of the appropriations for the Civil Aeronautics Administration and the Civil Aeronautics Board and the Weather Bureau should be paid by the commercial air lines, because the commercial air lines are making a profit from the expenditures of the United States Government in those functions, to keep their airplanes aloft, and provide safety for the public. That question came up again this year. The hearings will show that the Secretary of Commerce was asked about it, and Mr. Burden, the Assistant Secretary of Commerce, was asked about it. One year has elapsed, and not one recommendation has been made tending to make the commercial air lines defray the expenses of this enormous annual fixed cost the Government is paying. I think the time has come, with enormous appropriations being made in order to keep the air lines afloat—carrying passengers at a profit—when the commercial air lines must pay a portion of this expense. It is a definite fixed charge on their operation, of a type which other transportation companies must pay. I think the time to do it is now.

I regret very sincerely that the Secretary of Commerce takes the attitude that the members of the committee who are trying to collect from the air lines the weighted cost or a fair cost for this service are representing the point of view of the railroads or some other competitive form of transportation. I regret that he has cast aspersions upon the views of the Republican and Democratic members of the committee who have come to this conclusion after examining these requests for appropriations and have seen them grow year by year until they are enormous. We do not think it is fair for the public to have to carry this financial burden so that officials of commercial air line companies can make their enormous salaries, their enormous expense accounts, but because they got into the game early get priorities for increases in stock at less than market value as their companies expand their capital structure. I have looked over some of the brochures put out when these air lines attempt to sell another block of stock or when they attempt to sell an issue of bonds. I also have looked over the beautiful advertisements that appear in the national magazines circulated throughout the country. I know you cannot pay for those magazine ads with hay. Then they come to Uncle Sam and want us to pay a part of their operation expenses. I have looked over several commercial air line brochures and find these blocks of stock have been given to the air-line officials who got into the game in the early days and are now entrenched. The value of those stocks is enormous and they have made enormous profits. So I resent it, as an American taxpayer. I resent Secretary Wallace casting aspersions upon me as a member of the committee and as a Member of Congress as well as a taxpayer, and I call this to his attention.

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

Mr. STEFAN. Mr. Chairman, I yield two additional minutes to the gentleman.

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

Mr. JONES. I yield.

Mr. HOFFMAN. The gentleman from California was talking about Mr. Kaiser. Here is an article from the Chicago Tribune dated April 8 which is written by one John Fisher, a young man who has just returned from the service. He knows what he is talking about. He knew what he was talking about before he went to war. He knew what he was talking about when he wrote in those days and he knows since he came back what he is writing about now. It is a factual account. It is headed "Kaiser obtains steel mill and United States foots the bills." Now, if the gentleman from California will read and learn, he will learn what Kaiser has been doing.

This is the way it reads:

KAISER OBTAINS STEEL MILL AND UNITED STATES FOOTS BILLS—PLANT LOSES ELEVEN MILLIONS ON WAR OPERATIONS

(By John Fisher)

WASHINGTON, D. C., April 8—Early in 1941, Henry J. Kaiser, the big man from California, had lunch with President Roosevelt and discussed the feasibility of establishing some steel plants on the Pacific coast. Within a year Kaiser was granted a Government loan of \$111,805,000 to build such a plant in southern California.

The Government is still paying money on that plant, which lost approximately \$11,000,000 in its wartime operation.

The loan was granted by the Reconstruction Finance Corporation upon orders from the War Production Board, which was armed with such authority in an Executive order from the President. The loan was upon the usual terms of Kaiser loans, 4 percent interest annually and secured by a mortgage on the property and assignment of profits from shipbuilding under Maritime Commission contracts.

#### GOT SHIPYARD FEES

Kaiser Co., Inc., wholly owned by Henry J. Kaiser, built the mill at Fontana, Calif., and turned over the fees from three shipyards which it operated, one at Richmond, Calif., and two at Portland, Ore. Last fall Kaiser estimated the profits from these yards at about \$44,000,000.

The Maritime Commission paid Kaiser Co. fixed fees for the building of ships and the company was granted a certificate of necessity for the steel mill. This allowed the company to retain ship fees against 20 percent allowed amortization annually for the plant, and saved them from paying income taxes on this amount.

In 5 years the plant would have been paid off for Kaiser in ship fees from the Maritime Commission. Except for the certificate of necessity Kaiser would have had to pay 72½ percent of the total ship fees in income taxes.

#### DEBT STILL ON BOOKS

As the war ended last August with the surrender of Japan, the plant was not completely written off, and as of June 30, 1945, the debt to the RFC on the plant had been reduced only to \$102,828,000, including \$92,510,000 in plant investment and \$10,318,000 in working capital which had been advanced by the RFC.

Kaiser asked for a downward adjustment of the debt to the Government, claiming that he was placed in an unfair position against other steel competitors and should not be saddled with such a big debt arising from war operations. The RFC was equally interested in placing the loan on a more businesslike basis, since ship profits would cease with the ending of the war.

The RFC requested Arthur G. McKee & Co., steel industrial engineers of Cleveland, Ohio, to make a detailed survey and appraisal of the plant on behalf of RFC. They found that the contemporary reproduction value of the plant, less all war costs and errors in construction, was only \$63,500,000 and that depreciation further reduced its value to \$58,000,000.

#### REDUCE THE MORTGAGE

Therefore, on August 20, 1945, the RFC agreed to adjust the indebtedness of Kaiser Co., Inc. It reduced the first mortgage from \$102,828,000 to \$68,318,000, representing the present-day value of the plant, plus the \$10,318,000 of operating capital in the business.

In addition, the RFC had to agree to lend the company an additional \$11,500,000 in new money for improvements and additions so that it might be converted to profitable peacetime operations. This brought the new first mortgage to \$79,828,000, due in 15 years. Kaiser estimated that it would require 2 years to convert the plant to civilian production so interest of 4 percent was waived for the first 2 years, unless earned.

#### AMORTIZATION IS DELAYED

It was also agreed that there should be no amortization for the first 2 years. After 2 years the interest rate is to be 4 percent on the loan and amortization for the next 3 years is to be \$1,596,000 annually. For the last 10 years the amortization is to be \$2,192,000 annually.

For the remaining \$34,510,380 of the loan the Kaiser Co. gave the RFC a second mortgage, maturing in 25 years and carrying no interest. The only payments that the RFC required from earnings are that after deducting interest and principal payments on the first mortgage from net earnings, 25 percent of this figure is to be applied to the second mortgage.

The RFC also required that the 7½ percent of ship fees which Kaiser would otherwise have been compelled to pay as income taxes must be applied to liquidation of the second mortgage debt, and the other 27½ percent of such fees must be used in clearing up the first mortgage debt.

#### TWENTY-FIVE MILLIONS IN FEES

The shipbuilding division of Kaiser Co., Inc., holds approximately \$25,000,000 in fees which are assigned to the steel mill debt but which are being used as operating capital for the shipyards.

The original agreement also provided that the company should issue to the RFC \$10,318,000 in 4-percent preferred stock to cover the working capital contributed by the RFC, but Kaiser lawyers objected vigorously to this provision last fall, contending that the dividends on such preferred stock would not be tax-exempt and that there were other objectionable features to such stock under the State laws of incorporation. The RFC did not press the point and agreed to knock out the preferred-stock provision.

#### KAISER WANTS NEW CUT

Although the new terms reduced the interest bearing debt to the Government substantially and gave the company a breathing spell of two years in which to catch up with competition, Kaiser is still said to be dissatisfied and wants further action in writing down his obligation to the Government.

Moreover, there is no telling how much more Government money might be necessary to put the plant on a profitable basis, so that original Government money can be paid back. He has put the Government into the steel business.

How Kaiser, even with Government backing, can face private competition in the steel industry, considering the location and structural handicaps of the plant, remains

to be seen. The private engineering report on the Kaiser plant sheds further light on this and will be discussed next.

Mr. RABAUT. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, the truth of the matter is that the Kaiser plant at Fontana, which furnished much of the steel that was used on the west coast for the war, was a plant built at Mr. Kaiser's own risk on money that he borrowed and paid interest on. That is a striking contrast to what was done by some of the companies which some of the other gentlemen on the other side of the aisle are so enamored of who simply got the United States Government to put up all the money and pay all the costs of the plant and who now in many instances are buying these plants with all the so-called war costs deducted from the price. In Mr. Kaiser's case, I note that nobody seems to have complained about Mr. Kaiser as long as the war was in progress because, after all, they, like every other American, were dependent in part upon the production of ships and other things that he was responsible for. It seems to me rather significant that they should come in now and quote from the Chicago Tribune and other sources against one who, in my mind, is one of the great industrial leaders in the United States. The trouble with Mr. Kaiser, of course, is that he is in essence an independent American businessman. He is the kind of producer who likes, if he can, to produce something at a cheaper cost to the consumers of the country. He likes to produce as much as possible. At the moment the reason Mr. Kaiser has asked for a reasonable computation of the war costs of his plant, and the reason he is asking for a fairer and more just deal with the Reconstruction Finance Corporation is precisely because he wants to run the steel plants on the west coast in such a way that he can break down the Pittsburgh-plus method of pricing steel on the west coast. For my part, I am for him. I think we ought to be able to have steel on the west coast for what it costs to produce that steel on the west coast. That is the whole objective of this proposition. Mr. Kaiser has offered to pay the entire amount of the war costs back to the Government. So far as I am aware, his is the only proposal of that sort which has yet been made. I believe that, far from attacking him, he is to be commended. In many, many instances in the past Mr. Kaiser has made himself unpopular with certain great industrial corporations because he did attempt to sell his products at a fair margin of profit and because he did not always accord with monopolistic-rigged pricing. I remember the time when these same charges were made against Henry Ford because he did precisely the same sort of thing. The American economy needs a few people like this to be the leaven in the loaf, and, for my part, I say Mr. Kaiser has rendered this Nation great service during the war, and that he will in the future render great service.

I do not believe his detractors have very much of a leg to stand on.

The CHAIRMAN. The time of the gentleman from California [Mr. VOORHIS] has expired.

Mr. RABAUT. Mr. Chairman, I yield the gentleman two additional minutes in order to supplement his remarks. Some years ago the common council of the city of Detroit gave permission to Henry Ford to run his car on the streets at night, but he had to have it off the streets before the milk wagons and horses were on the streets in the morning. "Just let the poor nut run this thing and get it out of the way." He revolutionized the world, and today the world rides on the product of Michigan. Today, thanks to the ingenuity of Henry Ford, the world rides. He has a grandson, Henry Ford 2d, who is following in his footsteps.

Mr. VOORHIS of California. I appreciate the gentleman's contribution, and I would like to make again the point I made in my speech, and the point which is implied in the gentleman's remarks, namely, that here is an example of a great American industrialist who operated independently and did not take dictation from either Wall Street or other sources that have attempted to dictate too often the price at which American people would get the goods that were produced.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield there?

Mr. VOORHIS of California. I yield.

Mr. HOFFMAN. And Henry Ford did it all without a dollar from the Federal Government.

Mr. VOORHIS of California. Mr. Ford has had his full share of profits during the war.

Mr. HOFFMAN. He turned back all his profits. He turned back every cent of profit he made.

Mr. VOORHIS of California. Mr. Kaiser has been taxed the same as Mr. Ford has. When the gentleman talks about earnings in the Kaiser shipyards, I call attention to the fact that all earnings from the Kaiser shipyards were put up as security for the repayment of the loan for the Fontana steel plant, in order to pay the debt that Mr. Kaiser owed the United States on that plant.

The CHAIRMAN. The time of the gentleman from California has again expired.

#### JUVENILE DELINQUENCY—A NATIONAL STUDY AND REPORT IS SOUND AND APPROPRIATE NOW

Mr. RABAUT. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. DOYLE].

Mr. DOYLE. Mr. Chairman, it seems very appropriate to me that at this time, when we are chiefly considering the matter of profits, money, and the property element in connection with this bill, that we also call attention to the fact that there are some human values and assets which must be discussed and taken into account by this great body in connection with this H. R. 5606. I therefore say that I was very happy to have my attention called to the very timely remarks of the distinguished gentleman from Michigan [Mr. RABAUT], on the sub-



ject of juvenile delinquency. It should be significant that the distinguished gentleman from Michigan felt it of such national concern that he took the time of the valuable Appropriations Committee, a few minutes ago, to dwell upon it. Also, I call your attention to page 15 of the committee report commending the United States Attorney General for his recent emphasis on this particular and vital field. It would appear that the attention of the Nation's Attorney General to it as a problem, establishes a national concern, and that while the local level is where the effort must be placed, national interest and concern is most appropriate and constructive.

For instance, I call your attention to the statement by J. Edgar Hoover made recently, February 2, 1946, in which he relates the result of a study of some 11 of the most important and largest cities of the United States for the first 10 months of the year 1945. All of those 11 cities reported an increase in murders ranging as high as 115 percent, and each of these 11 cities reported increases in robberies ranging as high as 161 percent. Metropolitan cities reported increase in assaults up to 94 percent. Ten of these metropolitan cities reported increase in burglaries as high as 74 percent, and all of these 11 cities reported increase in larcenies and auto thefts ranging as high as 20 percent and 54 percent, respectively. Mr. Hoover's word is ample proof of reason for national concern and study.

In other words, we are reaping the harvest that we had a right to expect, as a result of the World War, to say nothing of conditions that were growing rapidly in our Nation before that war came and which could hardly result in less than an increase in juvenile delinquency. Recently, too, J. Edgar Hoover reported that there had been an increase in crime in our Nation since 1939 of 198 percent; also in arrests of girls 18 years of age and under. Think of it. Girls 18 years of age and under. Boys and girls under 21 are now responsible for 15 percent of the murders, 36 percent of the robberies, and 51 percent of the burglaries.

I thank the committee for granting me these few minutes, because I want to urge respectfully to the attention of the House very sincerely and emphatically, the contents of a resolution I filed the other day, House Resolution 575, in which the introductory paragraph states:

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 the future of the United States of America rests upon the shoulders of those children and that they are at one and the same time its greatest resource and greatest responsibility—

I will not read the rest of the text, but simply state that I filed it because you will all agree with me, that it is not less important that the Nation know what the facts are with reference to this juvenile problem, than it is important that the Nation also know how much money it has and what its Budget is.

The children of our Nation, after all, are the greatest resources we have. Our national defense depends upon their character, their sinews, and patriotism. My resolution is not directed to any particular theory or any particular fancy or the support of any particular measure in Congress, either now or in the future. It is directed to a Nation-wide survey that this Congress may ascertain and know the facts; whatever they are. Only by so learning the truth can we intelligently assume or discharge our duty to our children, who will soon be our national leaders.

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

Mr. DOYLE. I yield to the distinguished gentleman from Missouri who established himself in the forefront of school circles of his State before he came here.

Mr. CARNAHAN. I wish to compliment the gentleman from California for having introduced this resolution; and I may say that when we think of juvenile delinquency we immediately think of our schools and our churches, the American home, and public entertainment, and all of the agencies that are concerned with the training of children. Sometimes we are prone to criticize these organizations and perhaps attribute delinquency to failure on the part of these organizations. I hardly go along with that theory.

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

Mr. RABAUT. Mr. Chairman, I yield one additional minute to the gentleman from California.

Mr. CARNAHAN. I hardly go along with that philosophy and I will say I think all these agencies will welcome the investigation suggested by the gentleman's resolution.

Mr. DOYLE. I thank the gentleman for his very valuable contribution to our thinking.

Now, with reference to my own State of California, for instance, the California Youth Authority states that 40 percent of the serious public offenses in my own native State were committed by persons between the ages of 15 and 21, and that these young people between these ages constitute but 13 percent of the total population. You will see, therefore, how out of proportion the very serious problem is, and California is no exception. The problem of juvenile crimes is not a new one by any means, but all conditions of our Nation at large seem to call for a study and survey of it, Nation-wide.

My resolution calls for a congressional committee of seven members to be named by the Speaker to report their study and findings back to Congress. I did not propose this resolution to support any pet theory or bill proposal either I or anyone else has in hand, as far as I know. But I do know that it is imperative that the Federal Government have its full knowledge of what the juvenile-delinquency problem in the Nation is. This study will get the volunteer benefit of help from all States, courts, schools, churches, agencies, cities, veterans' organizations, parent-teacher associations,

welfare groups, sectarian and nonsectarian groups, police officials, employers' associations—all are equally concerned. It is the Nation's business to know about the children it must depend upon for national security in event of war and for leadership in time of peace.

What are the facts about the extent of juvenile delinquency?

What are the basic causes of juvenile delinquency?

What are sound and reasonable steps to be taken by those units of Government, by parents, by schools, by churches, by individuals, by all concerned, to deter or prevent juvenile delinquency?

I will recognize that what might be termed "individual factors" materially enter into our thought, such as physical and biological conditions, physical or mental handicap, physical disorders, lack of religious instruction, instability of the individual, emotional instabilities, acquired habits, wrong companions, lack of discipline in home life, community conditions, broken homes, effects of war, the adult attitude of the community, and so forth.

These items mentioned by me are, of course, not intended by me to be either inclusive or exclusive. Nor, do I intend to indicate by my naming them as I have extemporaneously that they are in any order of importance or strength or weakness in my own thinking about this vital matter. No doubt each of you will immediately mentally add several I have not mentioned.

Since filing my resolution, H. R. 575, I have already received a goodly number of requests therefor from various sections of the country. This shows immediate concern of the problem. I have no preconceived notions about what this survey will show as to cause and effect. I do know it should result in a further awakening and an enlivened consciousness of the tragic results of not coordinating information and approach resulting from real facts and knowledge in the field.

Several Members have asked me as to my deep concern in this field of human endeavor and relationships. So all my colleagues may know it is a very real and practical thing with me. I respectfully relate that I was formerly probation officer of the juvenile court of Los Angeles County under Hon. Curtis D. Wilbur, the very human and distinguished juvenile judge on the west coast at the time Judge Lindsey was in Denver juvenile court. Then for 3 years I was boy counselor and instructor in government at the California Junior Republic, a 24-hour-a-day private school for boys. Then, during the last 15 years of my law practice at home I was president of the recreation commission and served a short time on the California State Board of Education.

I bespeak your kindly and emphatic support of this resolution in the interest of the youth of our present generation and for the domestic stability and national security of our beloved land.

Mr. STEFAN. Mr. Chairman, I yield 20 minutes to the gentleman from Colorado [Mr. GILLESPIE].

Mr. GILLESPIE. Mr. Chairman, I think the Chairman of our Subcommittee handling this bill, the gentleman from Michigan [Mr. RABAUT], deserves a great deal of credit. He was present all the time, worked very hard, and, while we did not all agree on everything, we did agree on most of the major items.

Mr. Chairman, we all tried to effect economies wherever possible. We all realized that even under our crushing tax burdens of today, the income of the Government is limited; therefore, the expenditures of the Government must also be limited. It seems that recently there has been an idea in Government agencies that, when they come in for money, it is not entirely a question of how much money they need to do a job, it is a question of how much money they can get out of the Appropriations Committee. There is no such thing as a Government agency coming in and asking for less, or even the same amount as they had the previous year. They always ask for much more than they had in the past year, notwithstanding the fact that we are struggling under the heaviest debt load in our history.

Men have honest differences of opinion as to what is, or is not, economy. I might think something is extravagant; some one else on the committee might think my idea is false economy and that it would be penny-wise and pound-foolish. In a few cases I thought some money ought to be spent that even our chairman did not think should be spent. So, we were in agreement most of the time, although we did disagree occasionally.

One of the best compliments I have ever heard paid to a committee of this House was the compliment paid last night by Fulton Lewis, Jr. Every member of the committee ought to be proud of what that great commentator had to say.

I do not want to go into too much detail with reference to the work we did because it has been pretty well covered and will be fully covered later on. The time has come in America, Mr. Chairman, when we will have to start economizing in earnest. We cannot continue spending more than we take in. We know that our Budget requirements are great and that we cannot balance the Budget while continuing to overspend our income.

Mr. Chairman, today the tax burden of every breadwinner in America is approximately \$60 a month, or \$720 a year, which is more than the average earning of working people in most countries of the world. In other words, our tax bill is more than their total earnings. The tax bill of America today is greater than that of any other country on earth and the percentage of taxes to the earnings of American workers is far greater than in any other country on earth. This has to some extent been covered up by withholding, so that a person making so much a month is not too conscious of what his tax bill is. In speaking to people I learned a rather amazing thing. If their check is for \$200 a month, they say, "I am only making \$2,400 a year." They do not count the money they pay out in

taxes. I sometimes wonder, in order to make people tax conscious, if it would not be a good thing to have them paid the money, then require them to pay it out in taxes after they have received it.

I wish to say that the members of this committee did try to do a good job on this bill in cutting it over \$56,000,000, and it is my opinion that we should cut these appropriations still further. I am still of the opinion that further savings can be made. Fully realizing that anyone who tries to save money in business or government is always unpopular, I want to say that we are soon going to find that the people of America expect us to effect necessary economies.

Mr. STEFAN. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, this noon I went over the figures as they appear in the Treasury statement for the latest day available and I got this very definite idea out of the statement: That probably the expenditures for the current fiscal year, 1946, will be right around \$65,000,000,000; that the receipts from every source will be about \$42,000,000,000, leaving a deficit for the year of approximately \$23,000,000,000.

I got to figuring a little bit on what they might do next year. Of course, you cannot tell very well at this stage of the proceedings, but if you listen to the Army and the Navy and to the State Department and to these agencies that want gratuities out of the Federal Treasury, you can spread the range of what the expenditures might be over quite a territory. The lowest anybody could guess, in my opinion, from what I have been able to gather, would be \$34,000,000,000; it might run up as high as \$42,000,000,000 if we have the British loan and the French loan, and a very large increase in appropriations and allotments for foreign relief.

The rates for next year, unless there are some very substantial cuts in the taxes which would affect next year's receipts, will probably run in the neighborhood of \$35,000,000,000. That may be reduced by tax cuts or anything of that kind that might happen, or by other things like a slack in our employment, which does not seem to be in sight, or a curtailment of inflation which the OPA has been promoting, which does not seem to be in sight, although some of us would like to see that stopped.

This bill represents a cut below the Budget estimate of approximately \$56,000,000 out of a total estimate of \$415,000,000 or a cut of about 13, 14, perhaps 15 percent.

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

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

Mr. STEFAN. It should be noted, though, that it is an increase of over \$40,000,000 above the fiscal year.

Mr. TABER. It is \$40,000,000 above the present fiscal year. I intend, as I go along, to analyze that \$40,000,000 because I believe that is the place where we might contribute a little toward doing our duty by the Federal Treasury.

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

Mr. TABER. I yield to the gentleman from Ohio.

Mr. JONES. \$20,000,000 could be accounted for in two items in the bill: One, the information program in the State Department of \$10,000,000, which does not have any basic legislation and, second, the \$10,000,000 for the business census, which does not have authorizing legislation. Those two items are not authorized by law, and by not adopting the rule tomorrow those amounts could be stricken from the bill.

Mr. TABER. And they could also be stricken by amendment adopted in the committee, even if the rule should be adopted.

Mr. JONES. That is right.

Mr. TABER. I am in hopes that the Congress may have a sense of responsibility and a little interest in the taxpayers when it comes to those items.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. How does this appropriation compare with the prewar appropriations, in millions?

Mr. TABER. I do not have the exact figures here, but the figures for the Department of Justice are a little bit higher than they were in the prewar days. Those for the Judiciary are a little higher, perhaps 25 percent. The increase in both these figures is due largely to the inflationary trend that is under way.

The appropriations for the State Department, I think, are at least three times what they were in 1939. I refer to the figure the committee has recommended, not the Budget estimate. This is partly due to the inflationary trend; perhaps 25 percent of the total is due to inflation. This means in the State Department appropriation about \$26,000,000 or \$27,000,000 out of the \$104,000,000. The rest of it is due to increased activities of one kind or another.

As to the appropriation for the Department of Commerce, the amount carried here being \$143,000,000, I would guess that you could put down 25 percent as due to inflation, maybe more, perhaps 35 percent, because that involves a lot of part-time jobs in connection with the proposed Census operations. You could figure that the inflation of those things would run 35 or 40 percent. The other operations there would be up 25 percent due to the inflation, and they are probably at least double after you have subtracted the inflation. There is probably a \$50,000,000 increase in the Department of Commerce activities outside of these inflationary items.

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

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

Mr. GILLESPIE. There is an item here regarding field offices. Last year they had \$445,000. They asked for \$6,500,000. We gave them \$2,500,000, which is over \$2,000,000 above what they had last year.

Mr. TABER. Yes.



Mr. GILLESPIE. This is more or less a new activity, giving the merchants more to do in the way of forms to be filled out, and so forth. I do not think it has any merit at all. I think that \$2,000,000 can be saved there. What does the gentleman think about it?

Mr. TABER. I would be inclined to think that the gentleman from Colorado is correct.

One item in here that appears to be fairly well based that is an increase is the item for going over the German scientific discoveries, patents, and ways of doing business, and making them available to the people of the United States. If that is done, and well done, I would expect that that expenditure would be pretty fairly well justified.

There are items here for the so-called information service in the State Department providing for \$10,000,000, to which the gentleman from Ohio [Mr. JONES] called attention. I would like to ask the Members this question: How would you like to be an Ambassador to some foreign country and have some fellow from outside broadcasting into that country, perhaps in English, so that a translation could be very badly garbled or even in the language of that particular country at the same time that you were trying to represent the United States? Now, do you see what that results in? It results in almost impossible confusion. It destroys the effectiveness of our representation. I do not know how it is going to work out, but I would like very much to have this situation cleaned up. I would like to see the whole picture straightened out. I want to read you something on page 19 of the hearings on the State Department, which I think the Congress ought to have in mind as it approaches this problem. Secretary Byrnes was testifying. He said:

I talked last night to Mr. Benton—

Mr. Benton is the Assistant Secretary of State who has direct supervision over this particular picture—

and he told me that in the Information Service, they had reduced the number of employees from 11,000 to 3,000. Is that right, Mr. Benton?

Mr. BENTON. It will be 3,000 very shortly. Radio broadcasting is a perfect example of something that is now in the Department that, by the end of the fiscal year—Secretary Byrnes has decided this and I am fully in agreement with him—we should get out of the Department. It is a function, like Surplus Property, that was inherited by the Department. It should be set up and handled by a separate organization. This is as good an illustration, I suppose, as you could pick, Mr. Secretary.

Why do we provide for this thing and why do we have such a thing as this after that statement?

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

Mr. TABER. I yield.

Mr. RABAUT. With reference to the opening remark that the employees were reduced from 11,000 to 3,000, that reduction to 3,000 was under the expectation of a \$19,000,000 appropriation. That has been cut in half by the committee.

Mr. TABER. I appreciate that, and I would want everyone to understand that.

Mr. RABAUT. It will correspondingly affect the employees.

Mr. TABER. I appreciate that. It will cut them in half, at least. But that would not affect the principle of this activity which it seems to me is bound to get us into trouble.

I would like to call attention to page 7 of the committee's report, beginning in the middle of the page. I would hope you would read what the committee says there. I had a telephone call this morning from Mr. Benton. I had previously given him some information about some parties connected with that organization who I felt were not the sort who had their first loyalty to the United States. He had sent four or five men around to me to try to explain that they were all right. I knew better. I was told this morning he had found out that I was right.

Now, that is indicative that maybe they are beginning to wake up over there. That is what the committee says is a good sign. I want to compliment the committee right now while I am speaking, on the fact that they have decided to cut out this so-called McCormack set-up in the State Department. I have with me the records of some of the folks who are involved in that set-up. Frankly, I do not believe they should be in our State Department. I am not going to read their names here. I am not going to get into that question today. On the other hand, it is a situation that calls for a house cleaning. These people are presently on the roll and they ought not be on the roll. If we are going to have a State Department and it is going to look after the interest of the United States, we must follow down the line what this committee in its report on page 7 has said. We must clean house and keep only those people whose first loyalty is to the United States of America. I do not think this can be repeated too often.

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

Mr. TABER. I yield.

Mr. RABAUT. Can I believe my ears? Is the gentleman praising the committee?

Mr. TABER. Well, you know when the committee does something that it really ought to do, the next thing is to make the State Department do what the committee has said it ought to do. I do not think the gentleman would find any more loyal supporter than myself in the efforts that he might make to try to make the State Department do what it ought to do.

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

Mr. STEFAN. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. CLEVELAND].

Mr. CLEVELAND. Mr. Chairman, from Virginia and Missouri—far apart geographically, but united in desire to maintain Government solvency—has come vigorous opposition to Federal grants-in-aid to the States, which it is contended, are subversive of State sov-

ereignty and put a heavy drain on the Federal Treasury.

In Virginia the opposition was expressed by Gov. William M. Tuck in his recent inaugural address. In Missouri it was in a resolution introduced in the State house of representatives proposing that Missouri—

give notice to the Congress of the United States that Missouri now takes the lead among the States in helping solve the Federal debt crisis and that we will refrain and forbear from demanding further grants from Congress.

Grants-in-aid not only are destructive of State sovereignty, Governor Tuck contended, but they also result in far less return than when the States raise and spend the same sum directly.

Money paid by the taxpayer to the Federal Government and then returned by it to the States is burdened with the collection and handling charges incurred by that Government.

He said:

It is also burdened with the operating costs of the headquarters of the bureau in Washington which passes upon the grant and regulates its expenditures. Finally, it is burdened with the salaries and expenses of the Federal agents who are sent into the States to personally regulate the State agencies in their spending of what is left of the money received from the taxpayer. The amount left is about half.

Governor Tuck declared that the proposed program of Federal aid to education will eventually result in control of schools from Washington. If taxpayers do not want this, he said, they must see to it that States give adequate financial support to their public-school systems, and urged increased expenditures for this purpose by the Virginia State government.

Our debt, funded and other, stands at approximately \$300,000,000, almost exactly twice the total of property assessed for taxes in the 48 States.

The dread four horsemen of the New Deal—Debt, Deficit, Delirium, and Despair—are riding headlong.

The 1947 peacetime, ordinary Budget of \$36,000,000,000 is equivalent to \$720, or \$60 per month, for each of 50,000,000 of gainfully employed. On top of that we propose billions more of deductions for various social welfare schemes—medical, hospital, and old-age deductions, until verily many an American thinks "the deducts have got him." Dozens of direct taxes hit him and his employer, dozens and dozens of hidden excise taxes are wrapped up in all he buys and must have, millions of Government employees harass him, and devour his substance.

A crushing interest burden on debt, the ever-recurring deficits in income, the delirium of emergencies ever-justifying all these extraordinary actions, and the crushing despair of the toiling millions of ever regaining their liberties, their political and financial security, their control of this governmental juggernaut, this New Deal Frankenstein, are destroying the American Republic and the American way of life.

Added to all these problems which bedevil the people of America—and they are personal bedevils of each citizen—the dark and menacing shadow of ruinous inflation hangs over this Nation to add to the despair.

It seems incredible, and yet it seems to be true, that we talk as much as we do about inflation and do nothing about it except to keep pouring more gasoline on to the fires of inflation. Before the war ended we could clearly foresee a dangerous inflationary pressure which inevitably would arise from the accumulated purchasing power of the people pressing against the reduced and limited supply of consumer goods—necessities which men, women, and children sorely need.

We know that every additional dollar that is expended by the Government, unless it represents goods or services produced, will add to the inflation. We know that inflation ruins first the wage earners of this Nation and the farmers of this Nation. We know that the economic fallacy of increased wages without adequate, necessary increase in prices, if added to a multiplicity of stifling and strangling governmental regulations and red tape, are carried to the point where they are allowed to stop reconversion and production, inevitably will produce a condition of inflation that will completely ruin the workingman and the farmer as well as the rest of us. If industry is to be prevented by those who are playing politics with price control from producing jobs and goods and services, then we can expect black markets and inflation to thrive and to eat into the vitals of our economy like a canker.

Those in control of the Government know what sound economics are, but the temptation to yield to political expediency seems to be too strong for the common sense of good government to prevail. Inflation, if it is not checked, will ruin us all. Those who talk about the danger of inflation occurring in this country are like a man pitted from head to foot with smallpox talking about the danger of his sometime getting smallpox. The plague of epidemic inflation is on this country now. We are in the middle of it. It is growing worse. If those in charge of the Government do not move to eliminate the causes and check the contributory conditions to inflation, we will lose the peace and this country will go down in confusion and economic chaos. That would spell utter ruin.

How did we get that way? Now let us consider two great Americans, two Texans—one who rose to preside in turn over each of the great legislative branches of our Government and who retired to his native State disillusioned and saddened by the result of his party's part in the rape of America and American institutions. Not so many years ago he said, "Every time a damyankee gets a hambone, I aim to get a hog." And then the scheme of matching funds with the States was born and it continues in full flower. It has turned from a "do-good-

ing" program into one of distributing the wealth. Six great Northern States will pay 51.95 percent of this latest matching game. They will match 42 States putting up 48.05 percent of the money. To get some of this money the States have parted with their sovereignty, their States' rights. They have sold their birthrights for a mess of socialistic-fascistic pottage. More patriotic Texans give up their seats in Congress. The venerable and able chairman of the Judiciary Committee, Hon. HATTON SUMNERS, makes this statement from the sadness of his heart:

By ignoring principles and the lessons of history, and accepting the theories of men and political expedience for our guidance, we have made vassals of our States and dependents of our people. By concentration of governmental power and drafts upon the Federal Treasury, we have now a financially "busted" great piled-up mass of governmental confusion beyond human comprehension, impossible of democratic control, extravagant, wasteful, inefficient, and by its nature the instrumentality of favoritism, tyranny, oppression, and corruption, and the destroyer of the self-reliance and self-respect and governmental capacity of the people, qualities without which no people can remain free. The people are coming to realize what has happened, Republicans and Democrats; people of all stations and political faiths. But they are yet too much depending upon the Congress.

The powers of the Congress are not what they used to be. Largely because of this concentration, even the policy-fixing and legislative power, the most basic of the essential powers of the Congress, have largely been shifted to the executive agencies and organized minorities.

The time of the Congressman is now taken up largely as go-between for his constituents, and these agencies, writing innumerable letters about their matters, with little time left for attending to even the most important leg-

islative matters, and almost no time for the duties of statesmanship at a time when our circumstances require of us the highest type of statesmanship ever required, perhaps of any people.

There is practically no opportunity for the Member of Congress to be home and explain legislation and defend his position. Clearly this is the people's job.

This matching of funds for a multitude of purposes—highways, rivers, and harbors, airfields, agricultural extension work—all of them of laudable purpose, is affording a wonderful opportunity for those of our electorate who would destroy our free economy to join forces with the radicals as well as the charitable. To combine with the political demagogue, the professional uplifter and do-gooder who just loves to give away things, other people's things. The demagogue can spout about what he gets for his State or district. The Red can help take America nearer the inevitable collapse, and the do-gooder can get a warm glow distributing the fruits of other people's labor. The four horsemen gallop thundering along the road to national bankruptcy, confusion, anarchy, and despair. I have prepared some figures that should prove interesting. They are taken from Treasury statement for 1944, and report accompanying H. R. 3370, the Federal school-lunch bill. Six Northern States—New York, Pennsylvania, Massachusetts, Illinois, Michigan, and Ohio—are broken down, showing they contain 36.65 percent of the population—1940—pay 51.95 percent of all Federal revenue—1944. Of the \$50,000,000 for school lunches, they would furnish \$25,841,000 and would receive from the \$50,000,000, \$8,642,000 and be required to match it with another \$8,642,000.

	Percentage population, 1940	All taxes, percent tax, 1944	States tax share of \$50,000,000	H. R. 3370. States matching required	H. R. 3370. States allotment under plan
New York.....	10.20	18.47	\$9,235,000	\$1,907,000	\$1,907,000
Pennsylvania.....	7.49	8.42	4,210,000	2,277,000	2,277,000
Ohio.....	5.23	7.35	3,675,000	1,276,000	1,276,000
Michigan.....	3.98	5.91	2,955,000	1,050,000	1,050,000
Illinois.....	5.98	8.12	4,031,660	1,357,000	1,357,000
Massachusetts.....	3.27	3.74	1,735,000	775,000	775,000
Total.....	36.65	51.95	25,841,660	8,642,000	8,642,000
Alabama.....	2.14	.62	310,000	609,400	1,441,700
Arkansas.....	1.48	.23	115,000	548,300	1,103,300
Mississippi.....	1.65	.22	110,000	661,000	1,410,000
Georgia.....	2.36	.96	480,000	858,900	1,367,700
Tennessee.....	2.21	.76	380,000	800,400	1,272,500
South Carolina.....	1.44	.43	215,000	593,100	1,061,000
Total.....	11.28	3.22	1,610,000	4,071,100	7,656,200

Now, let us take six Southern States, Alabama, Arkansas, Mississippi, Georgia, Tennessee, and South Carolina. These States contain 11.28 percent of the population, pay 3.22 percent of the taxes. They would furnish \$1,610,000 of the \$50,000,000. They would receive \$7,656,200 and match with \$4,071,100. These matchings may be services, and so forth, in lieu of cash. What an attractive scheme to trade States' rights and sovereignty for a political tie-up with northern cities to perpetuate the New Deal.

Is it any wonder that labor unrest and strikes are rife in these six milch-cow States? And they stand meekly for the milking. There are as many more where the ratio is almost as great. Consider little Delaware by herself; to this \$50,000,000 subsidy, she contributes \$520,000 for her school lunches; she is allotted \$43,200. Is not that a trade to make Delaware proud of the political bondage in which she finds herself rated? But she and the other States must help free themselves. Only the brave deserve to be free.



TABLE 3.—Summary of internal revenue collections, year ended June 30, 1944, by States and Territories

States and Territories	Population as of Apr. 1, 1940 (Bureau of the Census estimate)	Percent of total population	Income (including excess profits) tax collections	Percent of income-tax payments	Miscellaneous internal-revenue collections	Percent of miscellaneous internal-revenue payments	Employment taxes, including carriers' taxes	Percent of payroll tax payments	Total internal-revenue collections	Percent of total internal-revenue payments
Alabama	2,833,000	2.14	\$217,005,458.00	0.66	\$15,101,459.48	0.28	\$15,262,426.29	0.88	\$247,969,343.77	0.62
Alaska	61,500	.05	16,893,775.08	.05	1,380,658.24	.03	531,512.62	.03	18,805,945.94	.05
Arizona	499,000	.38	61,363,254.51	.19	5,176,296.82	.10	2,458,077.03	.14	68,997,628.36	.17
Arkansas	1,949,000	1.48	79,914,481.44	.24	8,336,484.07	.16	4,044,572.37	.23	92,295,537.88	.23
California	6,907,000	5.23	2,865,182,503.96	8.67	361,768,620.84	6.76	144,746,837.16	8.33	3,371,697,961.96	8.40
Colorado	1,123,000	.85	169,285,341.16	.51	36,172,288.83	.68	9,119,558.21	.52	214,577,188.20	.53
Connecticut	1,709,000	1.29	801,719,397.42	2.43	63,298,057.48	1.18	39,582,951.87	2.28	904,600,406.77	2.25
Delaware	266,000	.20	390,229,182.10	1.18	13,383,937.64	.25	14,070,237.70	.81	417,683,357.44	1.04
District of Columbia	663,000	.50	378,780,522.16	1.15	27,428,480.53	.51	\$13,539,637.14	.78	419,748,639.83	1.05
Florida	1,897,000	1.44	289,102,389.79	.88	42,307,785.91	.79	12,532,860.80	.72	343,943,036.50	.86
Georgia	3,124,000	2.36	326,576,557.82	.99	42,537,300.10	.79	17,004,509.23	.96	386,118,367.95	.96
Hawaii	425,900	.32	133,139,930.52	.40	14,357,015.11	.27	3,284,363.91	.19	150,781,309.54	.37
Idaho	525,000	.40	51,613,854.32	.16	4,611,035.70	.09	2,537,721.16	.15	58,762,651.18	.15
Illinois	7,897,000	5.98	2,682,008,659.04	8.12	394,792,820.08	7.37	155,046,483.04	8.92	3,231,847,963.06	8.06
Indiana	3,427,000	2.59	632,428,410.83	1.91	171,791,247.97	3.21	27,295,215.34	1.57	831,514,874.14	2.07
Iowa	2,538,000	1.92	262,261,786.04	.79	20,485,644.74	.38	10,494,453.65	.60	293,241,884.43	.73
Kansas	1,801,000	1.36	313,380,073.16	.95	24,850,869.63	.46	17,577,926.11	1.01	355,808,868.90	.89
Kentucky	2,845,000	2.15	264,131,634.75	.80	273,309,168.33	5.10	14,814,776.84	.85	552,255,579.92	1.38
Louisiana	2,364,000	1.79	243,183,030.41	.74	52,596,279.79	.99	13,206,878.82	.76	309,386,189.02	.77
Maine	847,000	.64	130,899,533.35	.40	8,872,758.00	.17	8,039,246.87	.46	147,911,537.72	.37
Maryland	2,101,000	1.58	518,249,999.91	1.57	160,801,916.57	3.00	31,320,214.21	1.80	710,372,130.69	1.77
Massachusetts	4,516,000	3.37	1,292,919,080.75	3.91	145,928,236.10	2.72	60,328,326.17	3.47	1,499,175,643.02	3.74
Michigan	5,236,000	3.98	2,110,238,060.58	6.39	144,524,268.17	2.70	115,883,099.77	6.67	2,370,646,238.52	5.91
Minnesota	2,792,000	2.11	467,739,739.73	1.42	75,940,710.11	1.42	32,892,064.38	1.89	576,572,514.22	1.44
Mississippi	2,183,000	1.65	78,121,984.79	.24	6,349,455.76	.12	3,694,966.83	.21	88,166,556.88	.22
Missouri	3,784,000	2.86	780,938,370.32	2.36	141,337,605.00	2.64	48,645,702.75	2.80	970,921,587.67	2.42
Montana	559,000	.42	48,296,611.14	.15	6,756,788.84	.13	1,781,070.49	.10	56,834,470.47	.14
Nebraska	1,816,000	1.00	173,176,031.11	.52	32,240,213.21	.60	18,137,821.00	1.04	223,554,065.32	.56
Nevada	110,000	.08	32,078,078.02	.10	2,751,459.91	.05	872,038.06	.05	35,701,575.99	.09
New Hampshire	491,000	.37	63,681,636.74	.19	7,097,919.80	.13	3,356,117.66	.19	74,135,674.20	.18
New Jersey	4,160,000	3.15	1,119,789,916.05	3.39	214,796,080.06	4.01	58,050,474.72	3.34	1,392,637,070.83	3.47
New Mexico	532,000	.40	32,988,619.25	.10	3,139,047.40	.06	1,103,844.20	.05	37,231,510.85	.09
New York	13,479,000	10.20	6,332,491,637.76	19.16	755,989,200.20	14.11	320,987,452.43	18.47	7,409,468,290.49	18.47
North Carolina	3,571,000	2.70	374,442,607.96	1.13	495,880,728.82	9.26	21,982,030.91	1.27	892,305,362.69	2.22
North Dakota	642,000	.49	31,129,645.88	.10	2,617,188.74	.05	859,686.73	.06	34,606,521.35	.09
Ohio	6,907,000	5.23	2,542,608,729.67	7.69	293,450,218.19	5.48	114,420,813.48	6.58	2,950,479,761.34	7.35
Oklahoma	2,336,000	1.77	207,132,843.86	.63	53,293,788.90	.99	10,775,567.63	.62	271,202,197.39	.67
Oregon	1,089,000	.82	282,334,562.48	.86	18,415,965.17	.34	15,105,272.00	.87	315,855,799.65	.79
Pennsylvania	9,900,000	7.49	2,742,916,456.62	8.30	452,145,427.40	8.44	181,797,794.84	10.46	3,376,859,678.26	8.42
Rhode Island	713,000	.54	224,949,778.54	.68	21,606,709.61	.40	10,308,746.14	.59	256,865,234.29	.64
South Carolina	1,600,000	1.44	158,238,443.43	.48	8,747,302.16	.16	6,872,481.68	.40	173,858,227.57	.43
South Dakota	643,000	.49	32,692,202.11	.10	3,571,923.44	.07	1,105,704.69	.06	37,369,830.24	.09
Tennessee	2,916,000	2.21	262,275,898.97	.79	26,858,979.71	.50	14,553,861.31	.84	303,688,739.99	.76
Texas	6,415,000	4.85	855,317,095.70	2.59	137,932,963.10	2.57	44,141,628.29	2.54	1,037,391,687.09	2.59
Utah	550,000	.42	72,280,309.14	.22	9,945,263.54	.19	3,694,049.68	.21	85,919,652.36	.21
Vermont	359,000	.27	45,879,949.41	.14	3,787,239.65	.07	2,535,593.23	.15	52,202,782.29	.13
Virginia	2,678,000	2.03	429,022,717.70	1.30	378,434,057.26	7.07	23,091,450.63	1.33	830,548,224.99	2.07
Washington	1,736,000	1.31	540,532,316.47	1.64	39,944,285.81	.75	24,997,720.82	1.44	605,474,423.10	1.51
West Virginia	1,902,000	1.44	151,580,943.61	.46	17,546,100.89	.33	10,137,799.02	.58	179,265,033.52	.45
Wisconsin	3,137,000	2.37	688,814,069.94	2.09	104,551,832.79	1.95	28,794,717.63	1.66	822,160,650.36	2.05
Wyoming	251,000	.19	24,783,186.71	.08	3,209,621.33	.06	953,268.75	.05	28,945,976.79	.07
Puerto Rico			26,835.60		3,368,212.24	.06			3,395,047.84	.01
Total	132,145,400	100.00	33,027,368,164.21	100.00	5,356,019,632.67	100.00	1,738,372,435.89	100.00	40,121,760,232.77	100.00

**EXHIBIT B.—War Food Administration Commodity Credit Corporation, Office of Supply**  
ALLOCATION OF SCHOOL LUNCH FUNDS WITH APPOINTMENT BASED ON FORMULA IN PROPOSED SCHOOL LUNCH BILL

Region and State	Proposed apportionment <sup>1</sup>	Amount matching required <sup>2</sup>
Northeast	\$7,769,200	\$7,453,900
Connecticut	243,200	243,200
Delaware	42,300	42,300
District of Columbia	91,700	91,700
Maine	204,500	204,500
Maryland	370,100	370,100
Massachusetts	775,500	775,500
New Hampshire	134,000	107,500
New Jersey	683,900	683,900
New York	1,907,000	1,907,000
Pennsylvania	2,277,100	2,277,100
Rhode Island	116,300	116,300
Vermont	95,200	82,300
West Virginia	828,400	552,500

<sup>1</sup> Basis of apportionment is on number of children, 5 to 17 years, inclusive, and relation of the per capita income in the United States to the per capita income in the State.

<sup>2</sup> Each dollar of Federal payments must be matched by \$1 from sources within the State except in the case of any State whose per capita income is less than the per capita income of the United States, the matching required shall be decreased by the percentage which the State per capita income is below the per capita income of the United States.

**EXHIBIT B.—War Food Administration Commodity Credit Corporation, Office of Supply—Continued**

Region and State	Proposed apportionment	Amount matching required
Southern	\$11,082,300	\$9,535,200
Alabama	1,441,700	609,400
Florida	553,400	469,500
Georgia	1,367,700	838,900
Kentucky	1,321,800	781,200
Mississippi	1,410,000	661,300
North Carolina	1,787,100	1,072,300
South Carolina	1,061,000	593,100
Tennessee	1,272,500	800,400
Virginia	867,100	689,300
Midwest	8,209,900	7,875,500
Illinois	1,357,100	1,357,100
Indiana	754,400	754,400
Iowa	602,800	574,500
Michigan	1,050,500	1,050,500
Minnesota	726,200	644,900
Missouri	980,900	851,600
Nebraska	331,400	301,200
North Dakota	183,300	172,700
Ohio	1,276,000	1,276,000
South Dakota	197,400	162,100
Wisconsin	750,800	730,500
Southwest	6,003,100	4,342,200
Arkansas	1,103,300	548,300
Colorado	285,500	262,900

**EXHIBIT B.—War Food Administration Commodity Credit Corporation, Office of Supply—Continued**

Region and State	Proposed apportionment	Amount matching required
Southwest—Continued		
Kansas	\$430,100	\$418,500
Louisiana	923,000	640,100
New Mexico	233,800	161,400
Oklahoma	853,100	603,100
Texas	2,153,700	1,707,900
Western	2,185,500	2,124,200
Arizona	186,800	145,900
California	997,500	997,500
Idaho	141,000	130,600
Montana	21,200	21,200
Nevada	186,800	186,800
Oregon	162,200	158,800
Utah	289,100	289,100
Washington	70,500	64,200
Wyoming		
Total	\$35,250,000	\$28,331,000

<sup>1</sup> \$1,000,000 of \$50,000,000 appropriation withheld for nonprofit child care centers. 3 percent set aside for administrative costs and 22 percent for direct purchase of commodities. \$1,500,000 set aside to be apportioned among Alaska, Territory of Hawaii, Puerto Rico, and the Virgin Islands.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CLEVINGER. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. I just want to take this opportunity to compliment the gentleman from Ohio. I have served on a committee with him for several years, and I know that he is sincere and honest, and that there is not a better businessman in the House than is the gentleman from Ohio. I have not agreed with him on all occasions, but I just want to take this opportunity to say that it has not been that I did not have the highest regard for the gentleman.

Mr. CLEVINGER. I thank the gentleman for those kind words.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. CLEVINGER. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. I take this opportunity to pay tribute to the gentleman from Ohio. He is one of the few men who votes exactly the way he talks, and that is very admirable in this day and age.

Mr. CLEVINGER. That is very touching, coming from the lady the bravest in the land.

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

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

Mr. TABER. Does the gentleman think that these people who wrote in here to their Congressmen realize what kind of a thing they were saddling onto the country when they promoted the school-lunch program?

Mr. CLEVINGER. Sometimes I am afraid they do not. Even in my State, which pays from \$3 to \$4 for every one they get back, minus the cost of Federal operation, I have people who instead of appealing to our State treasury which has a surplus of \$100,000,000, write letters asking me to be untrue to my faith and to my conviction and promise to my district and vote the money here.

Mr. STEFAN. Mr. Chairman, I yield 10 minutes to the gentlewoman from Illinois [Miss SUMNER].

Miss SUMNER of Illinois. Mr. Chairman, the OPA produces a sinister growing Nation-wide racket which, unlike blackmarkets, operates within the law. It consists of buying up choice properties owned by citizens who are prevented from operating by OPA. A typical example in the hearings was an Illinois work-glove manufacturer. He was sued by OPA for three-fifths the value of his property. Two respectable Federal courts held he had not violated OPA's regulation, only to be overruled by a United States Supreme Court decision. In no time some harpie was dickering for his factory.

Similarly OPA has made it possible for financiers to "muscle in" on packing plants, textile mills, and other businesses forced into the red by OPA. As one disgusted witness told us, "The woods are full of them. If Congress wants to investigate, all you have to do is look up the statistics showing the mergers which have taken place the past year." Maybe the person who gets the business you spent years building up will be only a

friend innocently trying to save you from bankruptcy. More likely he will be one of the Government enriched "carpetbaggers" with enough influence to secure from OPA the higher price ceiling or favorable ruling you have sweated and pleaded in vain to obtain. Often the new master benevolently lets you stay on and work in return for a small interest in the business which, except for OPA, would still be wholly and indisputably yours.

This muscling in is not done with machine guns. It is a thoroughly legal by-product of price control, and nothing short of liquidating OPA will stop it. Of course, OPA should have been liquidated a year ago. Instead it was extended to cover war industries trying to reconvert, and that is why reconversion is suffering from infantile paralysis. The OPA officials now promising to ease up restrictions and even liquidate OPA within a year promised to ease restrictions last year when the OPA bill came up before Congress. But as soon as Congress passed the bill, OPA started driving the housing industry, the household-appliance industry, and other businesses out of production. The bureaucrats know, of course, that what they decontrol today they can recontrol tomorrow—when foreign governments start the increased buying which will cause inflation the same way foreign lending caused inflation in 1919.

The President's "economic advisers" now predict that OPA is vital to the heading off of an inflation otherwise due within 12 months. But they are the same soothsayers who admitted in the hearings that they went wild on their corn-crop predictions last year—Mr. Anderson, of the Agriculture Department—and also on their prediction—by Mr. Bowles—of mass unemployment last fall at the time the bureaucracy was propagandizing for unemployment laws and appropriations. The argument that price control is necessary to prevent inflation is the same argument—word for word—which Goebbels used to enslave German industry. Someday, perhaps too late, Americans now doped with propaganda will wake up and realize what Rip van Winkles they have been.

OPA is a racket by which darlings of the politicians in power are able to get something for nothing. OPA, to be sure, is not the only racket serving that purpose. There are also the materials priority racket, the rapid tax amortization racket, the excessive estate and super-income-tax racket and others including the treasonable Bretton Woods, lend-lease, and UNRRA rackets which enable foreign governments to get American goods for nothing.

There is some creative business enterprise today because businessmen, even when Government prevents their getting a profit, hope to hang on to their capital investment, believing the blithe bureaucratic promises that the totalitarian controls are only temporary emergency measures. But like flies struggling to stay alive after they are caught on fly paper, they cease to struggle as soon as they realize how hopelessly they are stuck.

Mr. TABER. Mr. Chairman, will the gentlewoman yield?

Miss SUMNER of Illinois. I yield.

Mr. TABER. Is it not true that production is the only way to throttle inflation?

Miss SUMNER of Illinois. There are two ways to throttle inflation; one, permit production to go into volume; and, two, stop Government spending. Both are necessary.

Mr. TABER. Is it not true that the OPA has been throttling production all the way through this last year and that they have been responsible for most of the inflation we have been up against?

Miss SUMNER of Illinois. The OPA has throttled production long before this last year. The reason it has been so much more obvious this past year is because the OPA, immediately after the cut-back began, was extended to cover all the war industries so that it was more noticeable than it was before when the OPA only covered a few industries. During the war the OPA did not cover the manufacture of airplanes and other types of war production.

Mr. TABER. Of course, the things that the War Department contracted for or the Navy Department or some other Government department were not governed by the OPA, and the manufacturers with 10 percent or 15 percent of their production allocated to civilian goods could take a loss on that without losing any money because it would figure out against their whole expense.

Miss SUMNER of Illinois. The gentleman is correct.

Mr. TABER. And when the war was over and the Government ceased to be a purchaser, they were up against the proposition where they were stopped from producing as a result of OPA's operations. They could not produce without a loss. They could not take a loss without going into bankruptcy.

Miss SUMNER of Illinois. Precisely. Do not forget it is not the fault of the OPA that the OPA did not cover war production. Leon Henderson and his henchmen fought a great fight and struggled to get their clammy hands on war production, but the War Department, led by Mr. Patterson, steadfastly and successfully resisted the efforts of the OPA.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentlewoman yield?

Miss SUMNER of Illinois. I yield.

Mr. MURRAY of Wisconsin. May I say first that I regret very much the distinguished lady is not going to be here very much longer.

Miss SUMNER of Illinois. I thank the gentleman.

Mr. MURRAY of Wisconsin. There is one thing that confuses me. I do not know just who is being deceived, but I just want to be sure that I am not the one. From reading the hearings before your committee, I noticed the great contribution by the mayor of the great city of New York. He wants to be sure to keep the price of food down. That is the way it looks now. They are going to get Paul Porter's foot off of everybody's neck except the farmers.

Miss SUMNER of Illinois. Do not worry. There is nothing to prevent putting their foot right back on after they



get the bill passed. That is the way they always work it.

Mr. MURRAY of Wisconsin. I hope not. I hope they do not get the farmers in a class all by themselves. I would like to have the distinguished gentlewoman from Illinois explain this situation. She has been on the Banking and Currency Committee all this time. From one side of her mouth, they tell us that the cost of living has gone up. Yesterday, the Washington Star published a table. They had a chart with the table. You do not have to read the table. They want to picture it for you so that you can see it in the form of a chart. They show that the prices have not gone up on food and all these other things all during this time to any appreciable extent. Now, I do not want to get in wrong with the housewives of this Nation, but the chart shows that round steak is 11 percent less on February 1, 1946, than it was in 1943. It shows pork chops are 10 percent less.

Miss SUMNER of Illinois. Try and get them.

Mr. MURRAY of Wisconsin. It shows potatoes are 23 percent less. In other words, they are selling one group of people, a certain bunch of consumers, on what a wonderful job they have done. Then, on the other hand, they say they have to have more money because prices have not been held down.

Miss SUMNER of Illinois. About all you can say about these statistics and charts of the OPA is that you can prove anything by statistics.

The CHAIRMAN. The time of the gentlewoman from Illinois has expired.

Mr. STEFAN. Mr. Chairman, I yield the gentlewoman 2 additional minutes.

Mr. MURRAY of Wisconsin. Will the gentlewoman yield further?

Miss SUMNER of Illinois. I yield.

Mr. MURRAY of Wisconsin. That is a real answer, but this is a serious matter. The chairman of the Committee on Agriculture, the gentleman from Virginia [Mr. FLANNAGAN], had an article in the Sunday paper saying we should take the ceiling off of meat. It seems to me that sometime somebody has to think more than 15 minutes ahead of time. I would like to know how this administration or their spokesman can say that they want to take the ceiling off of something and at the same time they support a program that keeps it on. In other words, if you take the ceiling off of meat, anyone who has gone to school a few rainy Saturdays knows that you cannot take it off of one thing without taking the ceiling off of associated things without getting in trouble. You know what will happen if you take the ceiling off of meat.

Miss SUMNER of Illinois. You will get more meat.

Mr. MURRAY of Wisconsin. How about taking it off of meat and not taking it off of dairy products?

Miss SUMNER of Illinois. You are not quarreling with me. I voted against the OPA last year.

The CHAIRMAN. The time of the gentlewoman has again expired.

Mr. RABAUT. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, inasmuch as this OPA question has come up this afternoon, I would like to say a word about it.

In the first place, we hear the term "bankruptcy." What is the percentage of bankruptcy in this country compared to ordinary times? Does anybody want to say it is bad? No one will rise to talk about it, but they use the term "bankruptcy."

What about the volume of business in the department stores of this Nation today? Does anyone want to say anything about it? Not a word, because you cannot. There are men in this room as old as I am. Every one of you who has age upon his brow knows what the absence of OPA did to us after World War I, when things went to that pyramided height for a great number of months, and then took a toboggan and in 13 months hit the bottom and wrecked everybody with whom it came in contact. Those are the facts. It is bad enough to be in error once, but to be in error twice, when it has made such a significant impression upon your brow, is something that is beyond the thoughts of a thinking man. Yes. We can thank God today for the OPA. Somebody across this aisle just said something about looking 15 minutes ahead. I am telling you to look 15 minutes ahead before you go back to your constituencies which know the value of OPA, know what it has done for the little fellow down at the bottom, know what it has done for the homes of America, know what it has done for the U. S. A. If I had my way about it, the name of Chester Bowles would be written in neon lights in every town of America. He bared his breast alone—alone—to selfish interests, who would tear asunder, and forget human rights and stand for property proposals.

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

Mr. RABAUT. Yes; I yield to my distinguished colleague, a member of the committee, whom I greatly respect.

Mr. GILLESPIE. Do you not think that property rights are human rights?

Mr. RABAUT. I do not.

Mr. GILLESPIE. What is the difference, if a man works hard and gains a little property? Suppose a man goes into the woods, as my grandfather did, and hews out a farm and builds a house out of logs; was that a human right for him to occupy it? I think property rights and human rights are inseparable.

Mr. RABAUT. I distinguish between human rights and property rights in saying to my friend that the ax preceded the bank into the community, but after the bank came, in some instances it took over the community, for we had an obsequious feeling in this country for many years about the banker, forgetting that it took 21 years to form a man.

During the war we cried for men, "Give us men!" We did not shout "Give us banks." We did not cry: "Give us this business, give us that business, give us the other business." No. We cried: "Give us men and we will make the wheels of industry turn"—and we did it.

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

Mr. RABAUT. I yield.

Mr. GILLESPIE. Speaking about the banks, when we gave the bankers of the country their own choice of loans I think the banks did a good job. They certainly did a big job in winning the West; but the Government now has taken the banks over and supervises every move they make. You now find that in the question of loans a man's honesty has nothing to do with it; if he has enough collateral he can get it whether he has an honest name or not.

Mr. RABAUT. Do you remember the economy of this Nation when the banks were running on the old system? You had a \$38,000,000,000 economy for every transaction from the smallest loan to the largest business transaction that took place in the whole Nation on an annual basis. Last year we had a \$41,000,000,000 tax bill and took it off the top without affecting the business structure. Compare that with the economy you had before Roosevelt came on the scene.

Mr. GILLESPIE. Yes; under a war economy, of course.

Mr. STEFAN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. VORYS].

#### THE STATE DEPARTMENT AND PROPAGANDA

Mr. VORYS of Ohio. Mr. Chairman, I wish to go over the situation once more with reference to the State Department's information program. There is one thing that is more powerful in this world than the atomic bomb, for good or for evil, and that is propaganda. If peace propaganda is strong enough the atomic bomb will never be used. If the propaganda for sharing the atomic bomb is strong enough, we will furnish atomic information to would-be enemies, and then if war propaganda becomes strong enough, all of us will start blowing each other up. In each case, propaganda controls the atomic bomb.

We all know what we mean by propaganda; we all dislike to use the word when applied to our side in a controversy. One of the rules of propaganda is never to call it propaganda.

Assistant Secretary of State William Benton is a great master of propaganda. His firm of Benton & Bowles made a fortune out of propaganda in its commercialized form, advertising. Mr. Benton says that the best propaganda is truth. I believe him, and I agree with him. If we can tell enough of the truth about America to the world, we will never need the atomic bomb. The issue on Mr. Benton's information program is this: Who is to pick out what part of the truth about America to tell to the world?

Mr. Benton, speaking on March 31 to newspaperwomen, said:

Now, I have not come here tonight to tell you that the Associated Press and the United Press and International News Service have the responsibility to provide a comprehensive program of information abroad, knowledge and cultural interchange for the rest of the world. The American people have that responsibility themselves through their Government.

Thus, Mr. Benton feels that the Government should decide what truth about America to tell the world, and under

this bill Mr. Benton, himself, is the person who will make these decisions for the Government. I believe he is intelligent, patriotic, and high minded. I will go further: I believe that he is surpassingly brilliant in his ability to select and disseminate information about America. To use the unmentionable word, he is a great propagandist. The question still remains, whether we should turn over the power and money in this appropriation bill to one man, even though he be such a paragon, or whether the Congress, itself, should not put limits upon his power, so as to insure and encourage the free selection and dissemination of truth through a free press.

A bill, H. R. 4368, to authorize Mr. Benton's program was brought to the Foreign Affairs Committee last October, in a form that was utterly unacceptable to the committee. It provided, for instance, that the Secretary of State could make practically unlimited grants of money, services, or property. Another bill, H. R. 4982, was written, and the Foreign Affairs Committee recommended that bill for passage in December. After that, the Associated Press and the United Press withdrew their services from the Government newscasting program. I want to read quotations from these statements of the Associated Press and the United Press.

On January 15th the Associated Press released the following statement explaining its decision:

The Associated Press stands committed to the principle of freedom of access to the news and to the free flow of news throughout the world.

It holds that news thus disseminated by nongovernmental news agencies is essential to the highest development of mankind and to the perpetuation of peace between nations. It recognizes the possibility of useful purpose served by governments in the maintenance throughout the world of official libraries of information. It applauds the vigorous manner in which the present national administration has advanced in the doctrine of news freedom. It holds, however, that government cannot engage in newscasting without creating the fear of propaganda which necessarily would reflect upon the objectivity of the news services from which such newscasts are prepared.

On January 27 the United Press withdrew its services from the State Department for these newscasts, and I quote the explanation given by Hugh Baillie, president of the United Press:

We have seen it demonstrated that no government, no matter how scrupulously careful it may be, can distribute news and not be suspected of spreading propaganda.

The great strength of the American press associations always has been that they were not identified, even indirectly, with government propaganda. Thus the American press associations have developed into vital national assets.

If the State Department wants to open an official American agency to distribute news abroad, that will be the concern of the Congress and the American people. But our participation in any such program would be a historic step backward.

We do not agree that out of a news distribution contest among governments can come better international understanding and amity.

After these statements and other public statements by distinguished men, a

number of members of the Foreign Affairs Committee, realizing that we had not heard this point of view, urged further consideration of H. R. 4982. On February 13 I wrote our chairman, Mr. BLOOM, asking for further hearings on our bill. Meantime, we urged the Rules Committee not to bring up the bill, and the Rules Committee did not bring that bill to the floor. Last Friday, the Foreign Affairs Committee voted unanimously to consider further the subject matter of H. R. 4982, the information program to hear witnesses and consider amendments.

On last Monday, a so-called point of order bill from the State Department, H. R. 5949, was brought into our committee. It had been filed on March 29. No action has been taken by our committee on either of these measures, but we now find that a rule is proposed to the State Department appropriation bill which would bring this controversial information program to this floor without any committee of Congress having an opportunity to consider the views of the Associated Press, the United Press, and Mr. Benton and permit them to discuss their views before a committee.

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

Mr. STEFAN. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. VORYS of Ohio. Mr. Chairman, there has been no opportunity for a committee of Congress to go into this vitally important matter of whether the Government broadcasting of news would interfere with the free press the world over as has been charged and not retracted by these two great press services.

On January 16, Assistant Secretary of State Benton wrote to the AP suggesting an investigation of the State Department propaganda, saying:

I would like to suggest that such an investigation be put in the hands of Mr. Wilbur Forrest, assistant editor of the New York Herald Tribune, Mr. Ralph McGill, editor of the Atlanta Constitution, and Mr. Carl Ackerman, Dean of the School of Journalism of Columbia University. These three men traveled around the world last year as the "World Freedom of Information Committee" officially representing the American Society of Newspaper Editors.

He suggested these three men as men who would be competent to investigate this since they officially had represented the American Society of Newspaper Editors.

I have here in my possession on the floor word from two of these gentlemen, Dean Ackerman of Columbia University and Mr. Wilbur Forrest, of the New York Herald Tribune, that they are ready to appear before a House committee to explain their views and, at least in one case, attempt to work out a compromise in this legislation which would avoid Government competition and insure a free press. I have been unable to get any hearings on this.

In his March 31 speech Mr. Benton accused the AP and UP of three secret motives, unacknowledged reasons, for refusing to furnish their service for his shortwave voice broadcasting, in addition to the reasons they proclaimed.

These three unacknowledged reasons are, he said:

First. "Plain dislike of Government and attitude of 'If it's the Government I'm against it.'"

Second. "Fear of competition, fearing that the Government was going to operate a rival wire service; a second kind of competition which they feared is that old bogey, voice broadcasting of news."

Third. "The rivalry between the wire services themselves."

These are serious charges. The charges AP and UP have made against Mr. Benton's program are serious.

Remember, these charges are not just part of a general discussion about things in general. These charges and countercharges involve the very appropriations that are proposed in this bill which are brought here without authority in law. This bill deals with a question which is very perplexing but very important. How can a republic, committed to free speech and a free press, disseminate cultural propaganda in competition with Government-controlled propaganda of more totalitarian states? We do not solve this dilemma by giving the State Department complete discretion as in the present bill, or by forbidding them to act at all. Something in between is needed, and the intelligent American way to determine this is to hear the opposing viewpoints before a legislative committee. The views of the AP and UP have never been heard before the Foreign Affairs Committee, or the Rules Committee, or the Appropriations Committee. We should at least consider these views in some committees. We should not merely beg the question by giving complete discretion to Mr. Benton, as the present bill provides.

Mr. Chairman, what impresses me about this matter is the lack of teamwork between the State Department and the House. If our Department of State's conduct of its affairs with other countries is typified by its conduct of its affairs with the House of Representatives, then it is easy to see why we are in diplomatic difficulties all over the world. The post of Assistant Secretary of State for Congressional Relations is now vacant. Perhaps this job should be filled. Warned nearly a year ago that they should seek legislative authority before coming here with an appropriation bill, they came into the committee with a part of this last fall, and since these objections to their information program have come up, we have had no hearings. They come in with the rest of the program on March 29, then before it can be considered by a legislative committee we have a rule obtained waiving points of order and going ahead on this vitally important matter without any legislation at all.

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

Mr. VORYS of Ohio. I yield to the gentleman from Michigan.

Mr. MICHENER. Whose fault is it? The gentleman is a member of the Committee on Foreign Affairs. The Bloom bill was before the committee for a long time. The Bloom bill was reported authorizing a program that might amount



to \$25,000,000. The gentleman's committee has refused to hear the very people he has made reference to.

Mr. VORYS of Ohio. The gentleman is in error. Our committee voted unanimously last Friday to hear witnesses on this matter. I think the delay is unconscionable and urged this 2 months ago, as I have said, but the fact is that our committee has finally agreed to go into this.

Mr. MICHENER. Well, better late than never. After this bill is out, the gentleman's committee finally concedes that it will hold hearings. I do not like waiving points of order. I expressed myself before the Committee on Rules a number of times regarding this matter. I have not voted to waive points of order, but if a legislative committee will stall week after week, and month after month, and year after year, and do nothing about it, something must be done. I would like to see the gentleman's suggestion followed and hope that he can wake up his committee and have them take some action and hear these men.

Mr. VORYS of Ohio. I hope that this matter which, it seems to me, is of vital importance, does not get off into a mere quarrel as to jurisdiction and activity between three House committees. Every one of these committees involved, the Committee on Rules, the Committee on Foreign Affairs, and the Committee on Appropriations, is controlled, and properly so, by the party in power, the administration which also controls the State Department. My concern is that the Department of State, with that possibility for liaison with the legislative body, has not been able, along with the leadership of our House, to bring this up to us so as to secure legislative authority for this program before they seek appropriations for an unauthorized program never attempted before in peacetime by this country.

Mr. MICHENER. I think the House and everybody else will take judicial notice of that fact.

Mr. VORYS of Ohio. The remedy for this will lie on a vote on the rule tomorrow.

Mr. RABAUT. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, I have noticed in the newspapers a report on the current labor dispute between the Atlantic coast sugar refineries and the unions representing their workers.

There is a very important angle connected with this dispute. We are all aware that in most of the major industries in this country, certain patterns of wage increases for this postwar period have been established. Steel has given its employees 18½ cents; electrical manufacturers have done the same, automobile manufacturers have done approximately the same. The meat-packing workers have received 16 cents.

Yet at the present time it appears that these sugar refining companies are refusing to come up even to the lowest of these patterns of wage increases. When an agreement could not be reached on the wage issue the unions, which incidentally

are made up of both A. F. of L. and CIO locals acting in cooperation, offered to accept any reasonable means of deciding the issue. They offered to arbitrate. They offered to accept the findings of a fact-finding board.

The companies, however, have flatly refused to accept any means of settling the dispute. They will not arbitrate. They will not agree to submit to and accept recommendation of a fact-finding panel. They will not agree to conform to any of the established wage-increase patterns.

The American public should recognize that these sugar-refining companies on the Atlantic coast have especially weak justification for assuming so arbitrary a position. These sugar refineries have been the subject of some very exceptional favors and protections under the laws of the United States. This Congress in years past has established by law certain quotas—very fixed limits—on the amount of sugar which may be brought into the United States, not merely from foreign countries but from areas which are part of United States territory, namely, Puerto Rico, Hawaii, and the Virgin Islands. These refineries have been given by law protection against competition. That law is still on the books of the Nation and will come up for renewal in December of this year.

The theory of this special protection has been that it preserves good jobs for American workers in these Atlantic coast refineries. Yet, now we find that when those workers try to secure from these companies some assurance that those jobs will be kept up to American standards and that wage levels will be adjusted as they have been in all other American industries, they meet with rejection by the companies.

Moreover, at a time when the sugar situation is most critical these companies refuse to accept any peaceful method of resolving the conflict by arbitration or by agreeing to accept the recommendations of a fact-finding board. Instead, the companies insist on provoking a stoppage of production.

It is certainly to be hoped that these companies will yield to the public interest and agree to conform to the reasonable suggestions made by their employees.

Mr. STEFAN. Mr. Chairman, I yield 10 minutes to the gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON. Mr. Chairman, this appropriation bill is peculiarly interesting to me as a member of the Committee on Foreign Affairs of this House, because it contains items which have been under discussion in our committee for some weeks, but for which authorization is still lacking. Under the usual rule these items would have been subject to points of order on this appropriation bill. We learned earlier today from the mouth of the eminent gentleman from Georgia that he feels himself largely responsible for the rule under which the bill will be considered. In view of his distaste for certain activities covered in the bill, I confess to considerable confusion of mind. Had the usual order obtained,

these items could have been readily deleted from the bill by points of order, giving opportunity to the Committee on Foreign Affairs to develop proper authority for such programs. The present situation is becoming confusion worse confounded.

At the moment I shall not discuss the State Department appropriation as a whole, nor what I consider an unfortunate procedure. I shall confine myself to considering one particular activity which this bill eliminates entirely, that is, the magazine we print in the United States for distribution and sale in the U. S. S. R. called *Amerika*. Granted that 15,000 copies for a population of roughly 190,000,000 is absurdly small; granted that many copies go to those who are opposed to every effort we attempt to use to spread information of our way of life among the vast hordes of the country we are still inclined to call Russia.

The fact remains that we have retained a toehold. To me, and I spent about 2 weeks in the Union of Soviet Socialist Republics last fall, this toehold is of great importance not only to us as a nation but to the whole international picture. The Russian people, the great mass of more than 180,000,000, are wanting to know more of us. It is true that barely a handful of these have any idea that such a magazine even exists, but those few are a leaven in the long-range process we must bring to fruition if the world is going to understand Russia (the Union of Soviet Socialist Republics), and the Union of Soviet Socialist Republics is going to understand the world.

I cannot believe this toehold is so unimportant that it can be thrown out in this fashion and at this moment without dire or at least unfortunate results. Until we have a better way through this iron wall of prejudice and intolerance and ignorance that the small minority of the Kremlin have built around the very wonderful people of that country, we shall be very unwise to destroy the one instrument we have made acceptable to Moscow. Particularly is this true when this annihilation is brought about by a wholly wrong method of approach, from my point of view, to the Congress by the State Department.

That the Committee on Appropriations has seen fit to increase the amount designated for our foreign service personnel and other such items is very heartening. We can no longer function on a prewar scale. Our responsibility to the world and in the world is far too great. We absolutely must increase our whole structure in the foreign field if we are to carry the responsibility that is ours. I feel certain I am not overstating when I suggest that the members of the Appropriations Committee who were overseas last fall are deeply aware of the needs and anxious to see adequate funds voted by the Congress.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read the bill down to and including page 1, line 6.

Mr. RABAUT. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, 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. 6056) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1947, and for other purposes, had come to no resolution thereon.

#### COMMITTEE ON MILITARY AFFAIRS

Mr. RABAUT. Mr. Speaker, at the request of the majority leader, the distinguished gentleman from Massachusetts, I ask unanimous consent that the Committee on Military Affairs may have until midnight tonight to file a report on the so-called selective service bill.

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

There was no objection.

#### HOOR OF MEETING TOMORROW

Mr. RABAUT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourns to meet at 11 o'clock tomorrow morning.

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

There was no objection.

#### EXTENSION OF REMARKS

Mr. O'KONSKI asked and was given permission to extend his remarks in the RECORD in three instances.

Mrs. DOUGLAS of Illinois (at the request of Mr. CARNAHAN) was given permission to extend her remarks in the RECORD.

Mr. TABER asked and was given permission to revise and extend the remarks he made this afternoon in the Committee of the Whole and include short quotations from the committee report.

Mr. JENSEN asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter from H. R. Conklin of Griswold, Iowa.

Mr. CLEVENGER asked and was given permission to revise and extend the remarks he made in Committee of the Whole today and include a table from the Treasury Department.

Mr. JONES asked and was given permission to revise and extend the remarks he made in Committee of the Whole today and include certain extraneous matter.

Mr. VORYS of Ohio asked and was given permission to revise and extend his remarks made in Committee of the Whole and include certain quotations.

Mr. BIEMILLER (at the request of Mr. SAVAGE) was given permission to extend his remarks in the RECORD.

The SPEAKER. Under previous order of the House, the gentleman from Washington [Mr. SAVAGE] is recognized for 30 minutes.

#### PRIVATE POWER LOBBY

Mr. SAVAGE. Mr. Speaker, the Electrical World in its news issue of March 23, 1946, referred to a speech I delivered on this floor on February 27, 1946. In evaluating any news item from

this high-class publication, it must be realized that a substantial part of the circulation of this paper covers the operators, employees, and friends of the private power companies. Naturally this publication would be irked, and I consider that their remarks about my efforts is the best compliment I have received. On page 1 of this news issue, the reporter admits that the recent resolution asking for a lobby probe was conceded to have excellent chances of passage. Consequently, their reference is an admission that I have gotten under their hide.

No attempt was made to answer any of the factual information I submitted. Since that time developments have caused me to continue the research job applying to this subject. I am today reporting on further findings, and in so doing, I want to stress the fact that I have used extreme care to preserve the accuracy of the record. In my conclusion I will document sources where confirming information and facts can be found to back up every statement I will make. I have used this extreme care in order to give those who are on the other side of this issue an opportunity to dig deeply before attempting to challenge any of this information.

#### PATTERN OF PROPAGANDA OPERATIONS

It is now nearly 14 years since the late President Roosevelt threw out his power challenge in a speech delivered in Portland, Oreg., in September 1932. The series of events following the Portland speech are being forgotten and are being drowned out by the loud protests of the private power lobbies. Reading the recent testimony before congressional committees convinces me that this lobby feels that the events which led up to the Holding Company Act did not occur, and this act was a great mistake. All of these recent activities definitely indicate that the private utilities have not altered their ways as promised or improved upon their former tactical pattern for misleading the American people.

The recent record forcibly indicates that the same old technique of misrepresentation and evasion still prevails. In my speech of February 27, last, I pointed out their stooge connections and the avenues used to secure congressional presentation. The visible and invisible approaches are now plainly evident. In support of these statements I will now couple past history with present performance.

#### PAST HISTORY—NATIONAL CAMPAIGN FROM 1919 TO 1932

The national propaganda campaigns during these 13 years have been previously investigated and have been recorded in public records following Senate Resolution 83 of the first session of the Seventieth Congress, and the Walsh resolution. Resolution 83 directed the Federal Power Commission to inquire into and report on the extent of private power propaganda and the use of money to control the avenues of publicity as well as efforts to influence or control public opinion. This same ground was covered in the Federal Trade Commission investigations.

The record made in the cited Federal Commission investigations establishes be-

yond doubt that the electric and gas utilities of the Nation from 1919 to 1932 carried on an aggressive national propaganda campaign. In this campaign every available facility was used, but in addition the power industry enlisted the help of outside organizations, some openly, some secretly. In this campaign all forms of publicity were used as well as all types of effort to block free expression on the issues.

The record shows that these propaganda activities were carried on through the old National Electric Light Association. This association comprised a membership of over 90 percent of the private electrical industry. In this propaganda effort, the NELA was assisted by the American Gas Association which is also a national association of the gas industries, comprising over 90 percent of this industry. The National Electric Light Association for purposes of administration divided the country into 12 geographical divisions. In addition, the NELA also maintained State associations. The geographical divisions and the State associations were organized and operated under similar rules. The functions of these suborganizations were to carry to the grass roots the national program planned by the NELA.

Power propaganda had its origin in the Insull Illinois campaign of 1919. The record shows that the NELA adopted the pattern of the "Illinois plan" and used this as a model for all propaganda activities. Early in this campaign the director of the NELA boasted that "the public will pay for all expenses of this campaign." Evidently he was referring to use of funds collected by the operating company through their billing charges to consumers. The Federal Power Commission investigation uncovered a memorandum written by the assistant director of the Illinois committee advising his agents not to attempt to meet the arguments of public interest but to pin the red or communistic label on the proponents of the rights of the people. Those speakers who took the public side of the discussion were labeled Bolsheviks, Communists, reds, or parlor pinks. The same technique is still being used, and in this connection I wish to call attention to a speech made by Mr. Kinsey M. Robinson, president of the Washington Water Power Co., as reported in the Spokane (Wash.) Spokesman Review of November 18, 1943.

The record of these investigations shows further that measured by quantity, coverage, and cost, that this was the greatest peacetime propaganda campaign ever conducted in the history of this country. The record shows that this activity was carefully considered and exclusively planned by the responsible heads of the private power industry. This campaign was built upon the theory that the two greatest public-opinion-forming agencies, present and future, were the press and the schools. In selecting personnel the greatest consideration was given to those who had the connections and the ability to contact and exploit these two public-opinion sources. So-called institutional advertising was used to the maximum extent. School people were obtained and influ-



enced by many methods. This was initiated by inviting such personnel to address utility meetings.

Others engaged in school work were employed during the vacation period. Furthermore, committees were set up to plan courses for utility studies, and members of educational and publicity staffs were invited to participate. Payments for special studies or written articles were numerous and large. Many of our higher class educational institutions were not omitted from such endeavors. Text-book surveys were made and pressure instituted to eliminate subject matter which might be detrimental to their campaign. Proof was obtained during these investigations that pressure was first applied on large publishers for the secondary effect on smaller news outlets. During this whole period the investigation brought out that these methods were fully known to the regulatory commissions and only in a few instances were efforts made to stop the use of consumers' fund in this effort. The member companies widely publicized the complete effectiveness of their campaign as a prevention of further Federal or local regulation. The investigations further brought out that in many States the power companies engaged in direct political activities against many public projects and in favor of men and measures agreeable to those who controlled the program.

One of the destructive features of this campaign was the attempt to create public acceptance of manipulated values behind private power security issues. During the years 1928 and 1929 no other American industry put out such a quantity and variety of security issues as did the holding companies and their allies. Following up this campaign, superholding companies were created and organized which issued limitless securities with little attention being paid to underlying values or the soundness of such securities. These worthless services were in many cases given the stamp of regulatory approval.

Those who wish to refresh their memories should review the operations of the Insull Utilities Investment, Inc., and the Corporation Securities Co. of Chicago; also the Hopson group which controlled the Associated Gas & Electric, also the Tri-Utilities, the Standard Gas & Electric, the Central Public Service Co.—the Pierce group which operated in Portland and Seattle—and the Cities Service Co.'s. All of these organizations adopted door-to-door-selling campaigns using the employees of the subsidiary operating companies. High-pressure sales campaigns and methods were planned and used, such as following up death notices and siphoning off insurance payment from widows and orphans.

The investigation established the fact that it was impossible to fully measure the losses inflicted upon the innocent investing public and not including the losses by speculators. The selling prices varied so greatly that it was found impossible to assemble all the data. However, this pyramiding resulted in the collapse of 1929. These investigations established the conclusion "that it would probably not be overstating to say that

the losses to investors in utilities securities attributable to utilities campaigns ran into billions of dollars." The effect of this campaign on price trends unquestionably resulted in the collapse of 1929. Companies like the Electric Bond & Share, for example, following the collapse, wrote off \$600,000,000 in one step, at the expense of innocent investors. By 1932 public opinion was so incensed that the NELA was forced out of business. Following this action, the private power industry formed the Edison Electric Institute and promised the American people that the industry would desist from antisocial activities.

In my former presentation I outlined activities since 1932 showing that this promise has not been kept. Today I am outlining further evidence bearing on this same subject.

#### INFLATED SECURITY VALUES

To determine the resulting inflation in utility balance sheet values is a task of large proportions, however, to provide a ready index I have analyzed the write-off reports covering seven private power companies which directly or indirectly operate in the Pacific Northwest—California-Oregon Power Co., Eastern Oregon Light & Power Co., Mountain States Power Co., Northwestern Electric, Pacific Power & Light Co., Portland General Electric, and Washington Water Power Co. The data available for such analysis covered the period from 1941 to 1943 which comparatively is not a long stretch. In analyzing the official write-off records I find that the combined book value of these seven properties totaled in round numbers \$234,000,000. The write-down legally ordered or pending during these 2 years as applied to these companies total \$46,613,000. This comparison shows that in 2 years' time 19.9 percent fake values were revealed in the balance sheets of these companies. One of these seven companies, the Eastern Oregon Light & Power Co., had a balance sheet that contained over 45 percent of unreal values. These cited write-downs, which resulted from the investigations of the Federal Power Commission and the Washington and Oregon Regulatory Commissions, represent recent actions. Data on these cases are readily available, as public documents, in the files of the Power Commission.

When the Walsh resolution was before a Senate committee in the winter of 1927 and 1928 lobby representatives of the power companies advised the Senate that such an investigation was wholly unnecessary as regulatory practices were so secure that no abuse could possibly be found. Nevertheless, the Senate adopted the Walsh resolution and the Federal Trade Commission commenced its investigation in March 1928. In October 1929, the stock-market crash occurred. The Federal Trade Commission investigation continued until 1935 with the record of over 85 large printed volumes of testimony.

This record contains voluminous evidence of highly improper use of propaganda, money, and influence.

Between 1929 and 1935 many private power holding companies collapsed financially. From September 1929 to April

1935 53 holding companies, with outstanding securities amounting to over one and two-thirds billion dollars, went into receivership or made application under section 79b of the National Bankruptcy Act. In this same period 36 operating companies representing \$345,000,000 of securities followed the same course. In addition during this same period 39 companies representing \$690,000,000 in securities were either in default or offering adjustment or extension plans. In 1936 Judge Healy, who conducted the Federal Trade Commission investigation and was later a member of the Securities and Exchange Commission, made an analysis of power-company security inflation. From this analysis it is evident that the record I am citing did not by any means cover the entire field.

These established facts clearly show the great damage resulting from the propaganda campaign of 1919-32 and how wrong were the congressional representations of the power lobby. This record furnishes outstanding proof that such lobby presentations cannot be used as given, and by no means should legislation be based on such evidence.

#### PROPAGANDA CAMPAIGNS IN THE PACIFIC NORTHWEST

I have briefly covered the expenditure side of this recent propaganda effort in my discussion of February 27. Time does not permit giving all the details developed from the recent investigation of the Federal Power Commission. Anyone who wants to find out how over \$1,000,000 was spent in a few years to defeat the passing of benefits to electric consumers can find a full record in the Federal Power Commission's docket, File No. I. T. 5647. This recent record gives names, circumstances, and amounts of private power company money disbursements made solely for the purpose of controlling public opinion. The large extent and the nature of these recent propaganda activities were concealed until this investigation brought them to light. These companies had previously reported to the public that these citations were activities of disinterested organizations and citizens working for the common good. The excess of \$1,000,000 found on the books of these five private companies show how the activities originated, who were the stooges, and how the money was spent. The alleged disinterested organizations in the States of Washington and Oregon were found to have been financed by these companies. Such organizations as the Washington State Taxpayers Association, the People's Voting League, the Washington Bureau of Governmental Research, the Washington Business and Investors, Spokane Taxpayers Economy League, Oregon Business and Tax Research, Oregon Tax Facts, Inc., Oregon Tax Review Publishing Co., and many fake citizen committees and local groups had their origin with the power companies. All were financed by power-company funds. The account-book examination also brought out that half of these political expenditures were charged directly to the rate payer. These facts demonstrate that the public was paying for a campaign whose end result was to keep the benefits

of low-cost power from being passed to the consumers. This record outlines the propaganda work of the various front organizations, which were provided with power-company funds. The record further shows that the power companies conducted systematic house-to-house campaigns by using employees who had been schooled for this purpose.

In the Spokane election the Washington Water Power Co. used approximately one-eighth of its entire organization in full-time doorbell-ringing campaigns. The same procedure was followed in the attempted passage of initiative 139 and the more recent defeat of referendum 25. The record shows that the Washington Water Power Co. spent over \$173,000 in 3 years on such campaigns. A good deal of the expense could not be uncovered, but the large amount uncovered indicates the extent of political expenditures which were used to keep low-cost power from the people.

Along this line I should like to point out a situation in my own district in the State of Washington.

In the city of Vancouver, Wash., located in Clark County, two private power companies, the Portland General Electric and the Northwestern Electric, have been serving that area until recently when the Clark County Public Utility District, established by a vote of the people, purchased properties of the Portland General Electric. The Northwestern Electric Co. has refused to sell its properties to the people at a reasonable price so it is faced with a condemnation suit coming up in November, at which time the PUD is almost sure to purchase its properties.

The Northwestern Electric Co., a subsidiary of the Electric Bond & Share Co., now has approximately 30 employees going from door to door conducting a smear campaign against the people's power district. The immediate purpose of this campaign of falsehoods is to get customers that the PUD has already purchased from the PGE to disconnect from the PUD and connect with the Northwestern so they can again collect for the business of those customers next November. This will force the people of Clark County to pay the private power companies twice for the same customers.

As a part of their campaign they have twice reduced their rates in recent months, in spite of the fact that they held up their rates for years when they had no competition. They are now flooding the newspapers of the area with propaganda telling of their low rates and the amount of money they pay in to the county for taxes, despite the fact that the PUD's pay more taxes in the State of Washington than did their private predecessors.

At this point, Mr. Speaker, I should like to refer to a portion of a speech delivered by Mr. Heye Meyer, Clark County Public Utility District commissioner, to members of the Clark County Pomona Grange on March 13.

Mr. Meyer is a respected and well-known member of the Washington State Grange. At the present time he is a State deputy and a member of the State executive committee of the Grange. His

statements cannot be challenged. They bear out my remarks in detail. I quote:

I have been asked to make a short report to you on your PUD since it acquired the Portland General Electric Co. properties in the county last January.

So far as the operation of the physical plant is concerned, we have nothing but praise for the capable manner in which our staff has taken hold of their duties. We want to take this opportunity to express our gratitude publicly. We also appreciate the fact that most of the staff of the private company has remained with us, and are among our most loyal employees. This has made our task much easier.

But unfortunately, if I am to be honest with you, I shall be obliged to tell you some unpleasant things. Unpleasant from the standpoint of the unfair, unbelievable tactics now being used against us by the enemies of public power in an attempt to embarrass and discredit your PUD.

These enemies of ours apparently haven't the slightest regard for ethics, for fair play, or even for the truth. They are now engaged in a smear campaign that reminds us of their ruthless tactics of a number of years ago when the people of this State voted for public ownership. Somehow we had hoped that the power trust had had a change of heart—had been converted, let me put it, to a behavior at least on a little higher plane than in those rough-and-tumble days when they had things all their own way. But they haven't changed a bit. If anything, their tactics are more brazen, more insulting to the common people than before.

The immediate program of these enemies of ours is to take business away from your PUD by telling untruths. By so doing they hope to force the people of Clark County to pay twice for these customers.

As you know, when we took over PGE the court set a fair value on the property, a value based on the physical property and the amount of business the company had. Now the Northwestern Electric Co. has taken a good many customers from us, and by misrepresentation hopes to take away more, so that when we acquire their holdings next fall, we will have to pay a higher price. It's just another neat little trick to milk the people of Clark County for extra thousands of dollars.

Here are some of the stories these folks are telling in an attempt to injure your PUD:

They have told a number of apartment house and building owners that delinquent PUD bills are liens against their property. This is absolutely false.

They have told a number of uninformed persons that our source of electric power is unreliable, because of the storms in the Columbia Gorge. This is perhaps the most ridiculous statement ever made. As you know, we buy our power from the Bonneville Administration, which wholesales the power generated at Bonneville and Coulee. This source of power has been called the most reliable in the world. The Pacific Northwest power pool was set up to meet wartime emergencies, even enemy attack, and now, in peacetime, we continue to get the benefits of this great system. Bonneville and Coulee generate 51 percent of all power used in Washington, Oregon, Utah, Idaho, and Montana, and the private company that spreads this story buys a majority of its own requirements from this same source.

In November the PGE company read meters for an average of only 27 days, and the bills their customers received in December were consequently about 10 percent lower. Then, in December, just before we acquired the properties, the PGE read the meters for an average of 33 days, so that bills received in January were for 5 to 6 days more than the previous bill. We purchased these accounts and sent out the bills.

Immediately, when the bills started going out, doorbell ringers from the private company made a house-to-house canvass of our customers and inferred that PUD rates were now higher than PGE's. For proof, they referred them to their last two bills. They neglected to explain that these bills were for power supplied by the private company before we took over, and for a period of 33 days.

Now Northwestern is writing to our customers urging them to forsake their own public power system for one owned and controlled by Wall Street (but of course, they don't mention Wall Street).

Nor do they let these people know that when they change over from the PUD they are taking tax revenues away from their schools, their roads, their county and city government. As you know, your PUD pays a 2-percent gross revenue tax in place of a property tax, and the more business we have, the more taxes we pay.

Now we have the spectacle of the private company asking the city commissioners of Vancouver to take away part of our city business, so they can further embarrass and discredit public power. However, such a spontaneous reaction of public opinion resulted that I doubt if the city will take such action. Meanwhile, we have offered the city a new contract, providing a \$10,000 annual saving. In other words, a saving to the city amounting to \$1,000 more than the total 1946 property taxes paid in all of Clark County by the PGE company.

I don't think the city fathers of Vancouver want to become part of any conspiracy to injure the people's own power system.

And here's another one. The port of Vancouver, operating another big public utility, namely, public-port docks and warehouses, has switched from PUD to the private company. Here is a public body that asks you and me for tax support and votes, joining in a conspiracy to discredit the PUD and make the people of Clark County pay twice for the customers they buy when they take over Northwestern next fall.

#### TAXES

In my previous discussion of lobbying activities I outlined the part presently being played by Kinsey M. Robinson, president of the Washington Water Power Co., of Spokane. This is the same Mr. Robinson who was associated with the Gadsden efforts from 1936 to 1940.

Last November the same Mr. Robinson testified before one of the subcommittees of this House. On his return to Spokane this testimony was covered in the Spokane Spokesman Review of November 25, 1945. According to this account Mr. Robinson testified before the House committee on tax inequalities and told the Spokane newspaper that the committee "was visibly stirred by his testimony." Such account naturally aroused my curiosity and I secured a mimeographed copy of his presentation. If the committee "was stirred" by such an endeavor it certainly did not see through his testimony. A casual reading discloses that this testimony contains outstanding jokers. It is a clear cut case of a deliberate attempt to mislead Congress. In his testimony Mr. Robinson made much of the taxes paid by the Northwest private utilities compared with the reported revenue figures of the Federal Power system in that region. The jokers arise from the neglect of Mr. Robinson to point out that he used 22 private companies as the basis for his statistics without noting that these 22 companies serve a vastly greater area than covered by the Federal system. His



exhibit fails to stress or cite that these companies are largely in the retail business whereas the Columbia power is only sold at wholesale. The Robinson tax figures submitted to the committee also included taxes on nonoperating and non-electric properties, and about 50 percent of the taxation cited was for Federal income and excess profit taxes. His statement shows how excess profits were derived from the resale of power purchased from the Federal Government. The cited companies elected to keep rates elevated and pay excess profits taxes rather than to pass the benefits on to the people as they are supposed to do, according to law.

Mr. Robinson's presentation before this Committee also failed to bring out that his company purchased nearly one-third of its power requirements from the Federal plants. It is interesting to note from his exhibit that the northwestern power company paying the largest excess profits tax in 1944 was the Portland Co., which purchased about 65 percent of its requirements from the Federal Columbia River plants. His exhibit instead of bringing out his generalized points furnishes conclusive evidence that the companies are not fully passing along the benefits derived from low cost Federal power. Mr. Robinson cited average tax bills expressed in mills per kilowatt hour. He failed to note that they included nonelectric properties; therefore, such unit costs have no place in such a comparison. These cited jokers show that if Mr. Robinson really stirred this group then their sights need to be reoriented. Such testimony also furnishes conclusive proof that the private power lobby has not changed its tactics or has lived up to the promises made to the people during the depths of the last depression. The same old technique is still being worked. Instead of presenting factual material, the lobby reverts to misrepresentation and raises the cry of socialism and communism. Such a false allegation never seems to be worn out by use.

It is not necessary to go very far in any research to find substantial indication that such lobbies are no more to be trusted today than when they appeared before the Senate Committee and urged that the Walsh Resolution was unnecessary. Such deliberate misrepresentations of facts, and their self-serving disregard for public interest certainly demands full exposure.

#### CONCLUSION

I wish the time were available to cite a great many further instances, from the CONGRESSIONAL RECORD, official documents, and from national publications showing the propaganda efforts of the private power lobby.

The facts that I have cited can be verified from the recent sources indicated throughout my remarks and from the record of investigations growing out of Senate Resolution 83, Seventieth Congress, first session. Release No. 244 of the Federal Power Commission dated December 11, 1934, and the voluminous record of the Federal Trade Commission from 1928 to 1935 will confirm the historical facts I have given. Docket IT-

5647 of the Federal Power Commission is full of later confirming evidence. Further evidence can be found in the House hearings on H. R. 7642, Seventy-fifth Congress, first session, the CONGRESSIONAL RECORD of March 4, May 12, 1937, and March 10, 1939. All the hearings and floor debates in both Houses on the various Interior supply bills from 1939 to date can also be used to confirm the material I have presented. Further detailed confirming evidence will be found in the article by F. J. Chamberlain, in the Washington State Grange News of June 10, 1939.

The address of Mr. Bernard F. Weadock, vice president and managing director of the Edison Electric Institute, which appeared in the April 1939 issue of the Edison Electric Institute Bulletin furnishes further factual information. Those who want to go further might properly read the statement of Mr. C. W. Kellogg, president of this institute made at the seventh annual convention of the institute and quoted in the June 1939 bulletin. The Edison Institute bulletin of April 1939 also contains similar information.

A reading of these latter citations and a factual comparison of the war contributions of the State of Washington, will show how wrong the private power propaganda was in the period immediately preceding Pearl Harbor. Through 25-year record I have traced misleading information which has been supplied to the Congress by the succeeding private power lobbies. Certainly on the basis of such a record it is time to stop, look, listen, and investigate. The public interest demands that the sources of this misleading information be exposed, and the adverse effect on public welfare matters be eliminated.

(Mr. SAVAGE asked and was given permission to revise and extend his remarks in the RECORD and include portions of a speech delivered by Mr. Heye Meyer, Clark County public utility district commissioner, to members of the Clark County Pomona Grange on March 13.)

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. STEVENSON] is recognized for 30 minutes.

#### I WONDER WHAT'S BECOME OF BUTTER?

Mr. STEVENSON. Mr. Speaker, one startling item in the Washington newspapers this week was the report of the death of a housewife who had been compelled to stand in line for a long time waiting her turn to buy a few ounces of butter from one of the local grocery stores.

Who would have ventured the prophecy a few years ago that our good people in the leading dairy Nation of the world would have to stand in line to buy butter for the family table? But such is true in the United States National Capital today. Butter is now a luxury, it appears, and very difficult to get in our large cities. I do not intend to take the time of the House in this address to repeat what has been said so many times in this body outlining the large percentage of dairy herds offered for sale at public auction every day in our daily and

weekly newspapers throughout the land, and the countless herds that have been offered for sale the past several years, as more and more farmers are compelled to give up their dairy herds and quit the dairy business.

We have also read for months of the butter factories throughout the country that have closed their doors for want of cream to produce butter on the one hand, and for the want of a market for the sale of butter on the other. It is only an economic consequence then that with no cream being delivered at the butter factories to be made into butter, and with butter factories closing down for lack of a butter market, less and less butter is being manufactured in this country. If this continues, there will come a time when butter will be practically unavailable for the ordinary household.

People are gradually being compelled to develop a habit of eating substitutes for butter. Here in Washington for many months leading hotels and restaurants have not served butter. They say they cannot get it. So they serve the public substitutes for butter—the most healthful spread for bread ever conceived by man from ancient times to the present day. Butter-making was the principal industry in the Euphrates Valley thousands of years before the coming of Christ. In the excavations and in the ruins of the ancient city of Ur, scientists found temples erected and dedicated to the dairy cow. On the frieze of the temples erected more than 3,000 years before Christ scenes are depicted showing how the people of 60 centuries ago milked their cows, and churned their butter from the cream skimmed from cow's milk. The butter industry since ancient times was the foundation of the health and prosperity of the peoples of each succeeding generation from the time of Abraham.

Let us see what the Bible has to say about butter.

The only time angels are portrayed as eating food, is referred to in the Book of Genesis—18: 8—where the incident is mentioned that three angels visited Abraham at his tent on the plains of Mamre:

And he took butter and milk—and set it before them; and he stood by them under the tree, and they did eat.

In the Book of Job we find this reference:

The wicked and the hypocrite shall not see—the brooks of honey and butter. (Job 20: 17.)

And in Isaiah—7: 15—it is said:

Butter and honey shall he eat that he may know to refuse the evil, and choose the good.

In Judges—5: 25—according to the song of Deborah and Barak:

She brot forth butter in a lordly dish.

So, Mr. Speaker, you see butter was a food for kings.

But now we are about to see the butter industry of this country wiped out because of certain rules laid down by Washington agencies and the OPA. A Nation-wide propaganda against the butter industry began in the summer of

1941, when the Consumers' Counsel Division of the United States Department of Agriculture was given the privilege of conducting a national radio broadcast over the facilities of NBC on July 5, 1941.

To take the stigma off the real name of oleomargarine, the broadcast opened with the statement that there would follow a little family discussion about margarine. Sounds nicer than "oleo" does it not? Little Barbara, her mother, Mrs. Miles, and a young man named Carl took part in the skit. As I describe the little propaganda skit that went over the air into millions of homes in the United States and elsewhere, I want you to take particular note of the artful method used to break down the universal good-will of the public toward butter. Barbara started by asking her mother what she was mixing up in the bowl she had.

"Looks sorta like butter to me."

Mrs. Miles replied: "It's something we're going to use, instead of butter for awhile." Barbara is apparently surprised: "Instead of butter? Why, what's the matter with butter?" Notice how slyly they put the idea in the minds of the listening public that something was the matter with butter. Then Mrs. Miles gave our good nourishing butter the first jolt when she said: "It costs a lot of money for people like us who have to watch our pennies." "I'm just mixing in the color. You can have uncolored margarine much cheaper, and color it yourself. That's probably a new idea for lots of people, isn't it, Carl?" Carl agreed it was. Mrs. Miles clinched her argument with the remark: "That's mighty important right now, with the price of butter what it is."

Let me ask every housewife and every worker who has been in the habit of eating butter since childhood, if they think the cost of butter—if we could only get some—is too high or unreasonable. But this propaganda skit gave the world the impression that butter is unreasonably high, and that people cannot afford to buy it.

The propaganda continued, and Carl went on with the most falacious argument of the entire broadcast, as follows:

"Of course you know both butter and margarine are chiefly fat. By law or Government rules both margarine and butter must be at least 80 percent fat. Butter is made of butterfat, the fat from cream. And margarine can be made from animal fat or oil, or vegetable fat or oil, or a combination of the two." Then to complete the picture, Mrs. Miles said:

"So the biggest part of both butter and margarine is just fat." And so the people listening in on that broadcast were led to believe that butter and margarine are alike and the same—because it was said they are both mostly fats.

The closing hoax was offered the public by the young man, Carl, who then remarked: "Fats are important in your food because of the large number of calories—you know, for fuel and energy." He was asked, "Is there any difference between fat in butter and fat in margarine?" But instead of giving the real, true, and correct answer to that \$64 question, he asked another question and parried the \$64 question like this: "How

do you mean, difference? You mean, is one fat more digestible than the other?" Then he answered his own easy question by saying: "There's very little to choose on that score between the various kinds of pure fats; they are all more or less equally digestible and equally rich in fuel value." According to this we might better eat tallow candles to get the fuel and energy contained in candles. In fact the Eskimo prefers to eat tallow candles for heat and energy. He prefers tallow to oleomargarine in his diet. But that is no reason why we should eat "oleo" instead of butter.

Then they brought up the subject that finished off the butter industry. Answering the question, "Is there a difference in other food values between butter and margarine," the character Carl said: "That depends. You know, butter has vitamin A in it. Over the year a pound of butter will average about 9,000 USP units of vitamin A. But under the new law and new standards, if manufacturers add vitamin A to margarine, they must add 9,000 USP units to make it about the same as the average pound of butter." He continued: "The labels on the margarine package will tell you lots of things—what margarine was made from, whether a preservative was used, and what it was; whether vitamin A was added, and whether it was artificially flavored or colored."

They concluded this propaganda skit with the remark: "We can find out prac-

tically all we need to know about margarine just by reading the labels." Just to prove to you how misleading that artful statement was, I have here a carton cover of a pound of oleo sold in Washington. Listen to what the label says, and then tell me if you think the label has told you "practically all you need to know about oleo just by reading the label."

The new Creamo vegetable oleomargarine contains 5 percent cream. Vitamin A added—Sodium benzoate added as a preservative—Artificially flavored—2 ounces supply 28 percent minimum adult daily requirement of vitamin A.

If this margarine called Creamo contains only 5 percent cream, that means every pound of it contains less than one ounce of cream. To be exact, only four-fifths of an ounce of cream per pound. According to the Federal law cream must contain 18 percent butterfat. So this margarine sold under the name "Creamo" contains less than one-seventh of an ounce of butterfat per pound. A pound of butter contains 12.9 ounces of butterfat. Some difference! Ninety and one-third times as much butterfat in a pound of butter as in a pound of oleo.

From a recent bulletin issued by the Department of Agriculture, bulletin No. 571, table No. 2, shows the vitamin A potency of creamery butter produced in winter and summer in the 14 dairy States. I include this table at this point of my remarks.

TABLE 2.—Vitamin A potency of creamery butter produced during the winter and summer months in 14 States

Region, and participating State	Average yearly butter production			Average vitamin A potency per pound		
	Total	Winter months	Summer months	Winter butter	Summer butter	Annual
North Central:	Million pounds	Percent	Percent	International units	International units	International units
Minnesota.....	304.4	43.3	56.7	10,808	17,946	14,855
Wisconsin.....	151.2	34.6	65.4	10,693	18,884	16,039
Ohio.....	69.5	31.4	68.6	9,698	15,459	13,550
Iowa.....	241.0	37.4	62.6	10,946	17,434	15,010
Nebraska.....	93.3	36.5	63.5	11,287	20,667	17,030
Kansas.....	74.7	37.8	62.2	11,606	15,030	13,768
Total or average.....	934.1	38.3	61.7	10,863±267	17,810±870	15,150±535
South Atlantic and South Central:						
North Carolina.....	1.8	29.5	70.5	9,674	16,253	14,312
Louisiana.....	.8	29.2	70.8	12,283	18,068	16,379
Mississippi.....	4.0	22.8	77.2	12,014	17,868	16,533
Total or average.....	6.6	25.4	74.6	11,301	17,471	15,903
Rocky Mountain and Pacific coast:						
Washington.....	32.0	17.8	82.2	12,162	19,827	18,467
Oregon.....	28.2	34.7	65.3	12,899	18,464	16,535
California.....	43.2	19.0	81.0	15,140	18,968	18,241
Idaho.....	37.1	37.1	62.9	13,312	18,197	16,384
Montana.....	12.7	29.7	70.3	18,636	22,018	21,014
Total or average.....	153.2	26.9	73.1	13,931	19,170	17,754
Grand total or average.....	1,093.9	35.7	64.3	11,160	17,955	15,529

This table shows the average vitamin A potency during the winter months averaged for all the dairy States, 11,160 USP units and for summer months, 17,955 units. The average for all the dairy States for both summer and winter is 15,529 USP units. From the table you will also note that certain dairy States produce creamery butter averaging 17,754 USP units for both winter and summer; and that one State averages over 21,000 USP units per pound.

Thus you behold the misleading and untrue representations of the Consumers Council of the Department of Agriculture when they broadcast to the world the fallacy that by adding 9,000 units of vitamin A to margarine, it is about the same as the average pound of butter.

The oleo interests have been misleading the public for years. This type of radio propaganda is only one of the many examples. The vitamin A gag is the more apparent when we realize that no oleo



manufacturer is compelled to inject vitamin A into his product.

Let me ask you a few questions that answer themselves:

"If oleo is more nourishing than butter why did the Russian Government refuse to accept our lend-lease shipments of oleo to Russia and insist that butter be substituted instead!"

"If oleo is more healthful than butter why did our own Army and Navy doctors insist on having wounded soldiers and sailors placed on a butter diet instead of oleo!" The proof is that wounded and sick soldiers and sailors failed to gain in health on a diet of oleomargarine, but showed rapid gains after being put on a butter diet.

"Why did our Air Forces refuse to have oleo in their rations; but insisted on good pure creamery butter instead?"

Where do these facts leave the oleo promoters? These self-styled good health boys—the oleo nutritionists.

Regardless of the fact that butterfat in a pound of creamery butter is 90½ times greater than in a pound of oleo, the OPA has set a ceiling price of 55 cents a pound for butter and a sliding scale of ceiling prices for a pound of oleomargarine, running from 27 cents a pound down to 17 cents. Thus you will note how the OPA gives the oleo boys a lot of money for what they give the unsuspecting public. Those who buy oleo get one-seventh of a pound of butterfat in a pound of oleo at the OPA price of 27 cents if they give it a shot of vitamin A. But for 55 cents you get over 90½ times as much butterfat in a pound of butter, and from 1½ to 2½ times as much vitamin A as you get in oleo.

And if the OPA allows some manufacturers of oleo to sell their product for 17 cents a pound and others for 27 cents a pound—somebody somewhere is getting "gypped" and somebody is making exorbitant profits at the expense of the gullible public who have been misled by the misrepresentations of the oleo interests in this country. The OPA has set a ceiling price on butter at 55 cents a pound. This ceiling price of 55 cents per pound for butter reflects a return to the farmer of about 55 cents a pound for butterfat. However, butterfat has no OPA ceiling price, and there is a market for Wisconsin cream in some southern States where it is sold for more than 55 cents a pound—in some instances Wisconsin cream is bought for 75 cents and more per pound and used in the process of making "blended" milk. The cream or butterfat is blended with skim-milk powder and water, bottled and sold as "blended" milk for 20 cents and more per quart. Thus butterfat, or cream, that sells for as high as 75 cents per pound, is shipped to southern markets, where it is mixed with skim-milk powder, and lots of water, and resold by large corporate dealers for five times what the cream cost in Wisconsin.

That, Mr. Speaker, is what has become of butter. Our farmers can get more for fluid milk and cream than they can get for butter under OPA ceiling prices, so the farmer does not sell his milk or cream as butter, but as fluid milk and cream where he can get a price for his

milk and cream that pays him the cost of production.

The OPA has set a ceiling price of 13½ cents for cottonseed oil and other vegetable oils used in the manufacture of oleomargarine. After the cottonseed oil has been processed into oleomargarine the OPA gives it a ceiling price of 27 cents per pound. Just add to cottonseed oil some diacetyl acid to make the oleo taste like butter, wash it with skim milk to make it smell like butter, then adulterate it with benzoate of soda to keep it from going rancid and developing an odor that will drive you out of the house; then put it in a pretty box, decorated with pretty pictures, give it a pretty name, add a fancy price, and you have oleomargarine—the substitute that is driving good, pure, unadulterated, healthful, and nourishing dairy butter off the legitimate market. But disguise it as you will, it is still "oleo."

It is high time Congress brought pressure to bear on the agencies in and out of Washington to let them know in no uncertain terms that while we are appropriating millions of dollars annually for such agencies to advance agriculture and agricultural industries in this country, including the butter industry, these departments and agencies of our Federal Government must stop all further use of such appropriations to fool the public. They must not mislead our people into the false assumption that oleomargarine is anywhere near as nutritious or as healthful as creamery butter. They must not aid the oleo interests to supplant the creamery butter industry in this country with such a poor butter substitute as oleomargarine.

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

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

Mr. RABAUT. The substitute the gentleman referred to is really in the form of a jelly; it is not anything else. I never receive a substitute other than jelly served in any hotel in Washington.

Mr. STEVENSON. I agree with the gentleman from Michigan.

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

Mr. STEVENSON. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. Does the gentleman have an extra copy of the Bible he could send to OPA?

Mr. STEVENSON. I have a copy in my office which I think would be good for them to see.

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

Mr. STEVENSON. I yield to the gentleman from Minnesota.

Mr. PITTENGER. As I understand, that was a radio broadcast by the Consumers Counsel Division of the Department of Agriculture.

Mr. STEVENSON. That is right.

Mr. PITTENGER. Is not that the same kind of broadcast the Department of Agriculture has been putting out in past years at the expense of the taxpayers as against the interests of the farmers?

Mr. STEVENSON. I would not be surprised.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. During our hearings before the Subcommittee on Appropriations for the Department of Agriculture I asked Dr. Stiebeling, the head of the Bureau of Home Economics, whether or not her division had made any study into the comparative value of butter and oleo. The lady was very reluctant to admit anything in her reply and did not even go so far as to say that there was any difference. In fact, from her testimony, I was led to believe that she, the head of a great division in our own Department of Agriculture, was in favor of promoting oleo. I told her at the time that in my opinion she was not working for the good of the farmers of the United States by refusing to hold up the superiority of butter over oleo and expressed my personal opinion in addition that, in spite of her good work in other lines, she knew very little about the comparative values of these products. I hate to see people in our great Department of Agriculture unwilling to come out and defend the dairy cow.

Mr. STEVENSON. I am glad to have that reference by the gentleman from Minnesota.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. I yield to my distinguished colleague from Wisconsin.

Mr. MURRAY of Wisconsin. I think, in fairness to Dr. Stiebeling, it should be said that her department has not carried on enough experiments to be able to answer the gentleman from Minnesota. She does not have sufficient experimental information to draw too many conclusions as to the merits of oleo and butter. It was her co-workers last year who first found out that butter even had vitamin A in it. Up to a year ago they did not seem to know. They had not run the experiments to find out. The oleo people for all these years had been getting away with their advertising of the 9,000 international units. The dairy interests evidently had not even bothered to find out if there was any vitamin A in it or how many international units of vitamin A the butter had in it.

The dairy department, and I can verify that by the gentleman from Minnesota [Mr. H. CARL ANDERSEN], explained the situation to us one day at Beltsville and showed us the tables in circular 571. Is not that right?

Mr. H. CARL ANDERSEN. That is right, as to the tables.

Mr. MURRAY of Wisconsin. Until that time the dairymen did not have this information. Dr. Stiebeling therefore is in no position to know too much about it because there had not been enough experimenting done on this part of dairy science.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. I yield.

Mr. H. CARL ANDERSEN. In my opinion, Dr. Stiebeling knows full well but she fears that perhaps if she does say that butter is better than oleo, some of these southern gentlemen in the House

of Representatives might take exception to it because of their natural interest in cottonseed oil.

Mr. STEVENSON. It is a fact that we feed our infants on butter, not on oleomargarine, to make them healthy.

Mr. O'KONSKI. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. I yield to my colleague from Wisconsin.

Mr. O'KONSKI. Does the gentleman know what oleo sold for in 1941? What percentage of price increase has been allowed in the last 5 years?

Mr. STEVENSON. I cannot answer that in exact figures; but there has been some increase in the price of oleomargarine on the market.

Mr. O'KONSKI. I believe the gentleman will find that OPA has allowed substantial increases for oleo but has denied any to butter. It looks to me like a conspiracy on the part of OPA to wipe out the dairy industry of the United States of America. That is the way it appears to me.

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

Mr. STEVENSON. I yield to my friend from Michigan.

Mr. RABAUT. There is just one thing I cannot understand about the dairy industry, and that is this: It was very unkind during the whole of the war period when butter could not be had, when the housewives of the Nation were forced to mix a pound of oleo every day that they might feed their children some sort of fat, when there was a great shortage of labor they still forced this waste of time. That does not seem right to me; it resembled gross indifference. Then, too, they wanted to stop the oleo people from putting the very coloring matter into oleo that the dairy people themselves put into butter. They use coloring matter in butter and still they will not permit coloring matter to be used in oleo.

I am favorable to butter, as favorable to butter as anybody else, but when the dairy interests cannot supply the demand, and they were unable to, they should not try to stop the sale of oleo. Right downstairs here in our restaurant day after day we have not been able to get butter. Some day I hope somebody in this House will be big enough to say: "Put the sign up on the mirror: 'Oleo is served here.'"

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

Mr. STEVENSON. I yield to my friend the gentleman from Washington.

Mr. HORAN. I am very much sold on butter after listening to the gentleman from Wisconsin. I wonder where I can buy some?

Mr. STEVENSON. That is what a lot of us want to know. I wonder what has become of butter?

Mr. HORAN. Mr. Speaker, will the gentleman yield further?

Mr. STEVENSON. I yield.

Mr. HORAN. What will be necessary in order to get dairy production up that we may have some butter? I understand the production of dairy products has dropped? Is that so?

Mr. STEVENSON. That is correct.

Mr. HORAN. What will be necessary in order to get greater production of butter so we can all have some?

Mr. STEVENSON. Perhaps the gentleman from Minnesota can answer that.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. I yield.

Mr. H. CARL ANDERSEN. May I say to the gentleman from Michigan that if he would use his great influence in trying to persuade OPA to do right by the butter producers he would not have to shed tears here on the floor for the oleo people and we would have plenty of butter for the children of America.

Mr. RABAUT. At what price?

Mr. H. CARL ANDERSEN. At a price which would assure production.

Mr. RABAUT. What is the price? You name it.

Mr. H. CARL ANDERSEN. It might require an additional 10 cents a pound for real honest-to-God manufactured butter instead of requiring the housewives of America to go into the black market to buy cream.

Mr. RABAUT. Let us keep out of the black market.

Mr. H. CARL ANDERSEN. And produce butter for about \$1.10 per pound.

Mr. RABAUT. I am asking the gentleman what a legitimate price for butter should be, a price in keeping with the ability of the ordinary people of the country to pay.

Mr. H. CARL ANDERSEN. If the OPA would wake up and permit an increase of about 10 cents or 15 cents, we would have all the production of butter we need in this great Nation in very short order, provided cream itself did not also advance to offset this raise in butter price.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. May I say this to the gentleman from Michigan [Mr. RABAUT]. The dairy farmers of the Nation last year received between 40 and 50 cents an hour for their labor. Now, if the gentleman wants to have plenty of butter I am sure if he would provide the dairy farmers of this country half as much per hour for their labor as the automobile workers in Detroit get for making automobiles he would get all the butter he wants. They do not get enough money from their labor to produce it in sufficient amounts for the gentleman from Michigan.

Mr. RABAUT. The gentleman has never heard the gentleman from Michigan in his life try to hold down anybody's wages in this country. I have never said one word against wages on the farm or anywhere else. I have supported many farm bills. I want to know how we can do away with this dog-in-the-manger attitude, how we can stop the dairy interest from making every housewife in America stand over a churn with a spoon, as my wife has had to do, and as the wives of many Members of the House have had to do every day.

Mr. GWYNNE of Iowa. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. I yield to the gentleman from Iowa.

Mr. GWYNNE of Iowa. Further answering the question raised by the gentleman, I would like to submit one sentence from a letter I have received from the Governor of Iowa and the secretary of agriculture of Iowa. This letter states:

OPA must be forced at once to right this situation of price inequalities in the dairy business or Iowa creameries will cease to manufacture butter and many farmers will be forced out of the dairy business.

That comes from the governor and the secretary of agriculture of one of the great dairy States of the Union.

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

Mr. STEVENSON. I yield to my colleague, the gentleman from Wisconsin.

Mr. KEEFE. It seems to me this RECORD should not be left in the shape it is in due to the interjection of the distinguished gentleman from Michigan. Anyone who knows anything about the dairy business knows that the farmers have produced in this country the most unheard-of production of milk, which is the foundation of all the dairy business. A gradual reduction is taking place in the production of milk itself all over the United States due to the inability, first, of the farmers to get high-protein feed to put into those cows in order to produce milk; second, their inability to secure the labor that is necessary on a dairy farm to produce milk. The production is going down.

What has happened to your butter is a very simple thing. The OPA puts a ceiling price on butter; it puts no ceiling price on cream, which is a constituent part of butter. What happens?

Here is a creamery making butter for which there is a ceiling of about 55 cents a pound. Other fabricators of dairy products come into that same area and offer the farmer 85 and 90 cents a pound for his cream, his butterfat, and, as a result, the manufacturer of butter simply cannot compete. He cannot get the cream to start with into his creamery. It is a perfectly reasonable thing for a farmer to take 90 cents a pound for his butterfat instead of 57 cents a pound for it or 60 cents, if he can get it, the latter figure being the maximum amount he can get if it is fabricated into butter.

Now, your sweet-cream market is absorbing the butter due to OPA's inability to understand what is taking place in the dairy market. We see the thing happening that the big operators are buying sweet cream, condensing or powdering the skimmed milk, shipping the sweet cream into places where they can get a big fluid milk price for it, shipping the condensed or powdered into the same place, reconstituting it by adding water, and getting two or two and a half dollars a pound for their butterfat. That is what is happening, and that is where your butter is going, and you will never have any butter so long as that situation is allowed to prevail. The only thing that will bring butter back on the market is to give to the producer of milk and cream which is put into butter a price that will enable him to compete with the other fabricated



items in the dairy business. There is nothing else that will solve the problem.

I want the gentleman from Detroit to understand this, that there has been no effort on the part of the farmers of this country to deny to the little children and to the housewives the benefit of decent, nourishing butter, but they have been put in this unfortunate situation due to the machinations of the great dairy monopoly that exists in this country that is able to take these dairy products and transform them into the things that will make the most money for them. That is the situation. OPA does not seem to understand that, and as a result you do not get butter, and you cannot get oleomargarine because they have limited the amount of fat and oil that goes into oleo. You cannot buy oleo so easily as the gentleman from Michigan would seem to indicate.

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

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

Mr. RABAUT. Nobody has been a greater contributor to the dairy interests than the gentleman from Michigan. I have only raised nine children, and they had all the butter and all the milk they wanted, and from world travel I am very pleased to note the dairy industry of this Nation is as good as it is. But my criticism is regarding the control by the dairy industry over the processors of oleomargarine with a type of legislation that makes every housewife in America stir away and mix a pound of oleo, together with some coloring matter added to feed her children, when the butter makers do the same thing themselves by machinery.

Mr. STEVENSON. I presume the gentleman from Michigan did not feed any of those beautiful children of his oleomargarine in their infancy, because they are too good singers at the present time to have been raised on oleo.

To conclude my remarks, Mr. Speaker, I was going to mention the fact that the blended-milk industry has made serious inroads in the production of butter, to answer the question asked by the gentleman from Washington [Mr. HORAN], "Why has butter gone off the market?" We do have a blended-milk industry. It was referred to incidentally by the gentleman from Wisconsin [Mr. KEEFE]. For instance, a few weeks ago the secretary of the Goat Owners Association of Florida wrote me, and the last thing he said was, "Keep your Wisconsin milk out of Florida." I wrote back and told him in words to the effect that if Wisconsin milk was going to Florida it probably was going there because the Florida people were demanding it.

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

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

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

There was no objection.

Mr. STEVENSON. I understand that in the Southern States especially, they will buy cream or butterfat, at whatever

price they can get it, good Wisconsin butterfat. There is no ceiling on that. They will pay, as was mentioned here, 75 or 85 cents a pound for it. This butterfat is then shipped to these particular States where blended milk is consumed, mixed with a little skim milk powder, and watered from the good fountains of Florida as well as other Southern States. That is what they call blended milk, which they charge as much as 20 cents a quart for.

They can buy the butterfat that goes into a pint of blended milk for 3 cents. They sell the pint of milk for 10 cents, so you see they are making a pretty good profit, and the OPA does not stop them. That is where a lot of the good cream of Wisconsin goes, and why it does not go into butter that has a ceiling price of 55 cents.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. I feel that the gentleman from Wisconsin is to be congratulated upon his protecting the interests of the dairy industry, because after all the dairy industry of America is the backbone of agriculture. In my opinion, the gentleman from Wisconsin [Mr. STEVENSON] has always tried to do his best for the farmer and, as a farmer myself, I want to thank him.

Mr. STEVENSON. I thank the gentleman from Minnesota very much.

The SPEAKER. Under previous order of the House, the gentleman from Indiana [Mr. MADDEN] is recognized for 30 minutes.

#### THE EIGHTIETH CONGRESS

Mr. MADDEN. Mr. Speaker, Congress is facing problems today which will decide the destiny of American economy and international peace for generations to come. The legislative branch of our Government needs the advice and counsel of the people back home more than any time in our history. It is unfortunate, during this war emergency, that Congress cannot recess more frequently, thus enabling its Members to return to their districts and consult with the people on these unprecedented problems. Our two-party system is the only successful method by which the people can register their approval or disapproval of the platforms and policies of the two major political parties. It is, therefore, highly important that our system must continue and the leaders of our two major parties present clear and concise programs to the people for their decision.

Reconversion after World War I was difficult, but problems today are far greater in comparison. After the armistice was signed in 1918 our war-tired citizens, weary of sacrifice and inconveniences caused by the world economic upheaval, were easily influenced by false propaganda, and in 1920 voted for a change in national administration regardless of issues and consequences.

When the great depression hit us in 1929 the thinking people of our country realized the great mistake which our

voters made in the 1920's by following false and impractical leadership.

The back-to-normalcy platform of the Republican Party in 1920 laid the foundation for inflation and the companion real-estate and stock-market booms which led us to almost economic ruin in 1929.

Whenever a great crisis arises, the American people call upon the Democratic Party to take the helm of government and lead us safely through the troubled waters. On March 4, 1933, labor groups, chambers of commerce, the American Manufacturers Association, big business, little business, and even Republican leaders came to Washington and asked a newly elected Democratic President to save the business structure of our country from complete ruin.

Tens of thousands of business institutions had already collapsed during the dark years from 1929 to 1933. Life savings were wiped out overnight by the failure of our banking system throughout the country. Millions of homes were being foreclosed; farms by the dozen were being sold under the hammer in every rural county seat in the Nation. Smoke had long since ceased pouring from the smoke stacks of our industries. In metropolitan centers millions of families were on relief, and men, women, and children were poorly clothed and undernourished. This condition in our country was brought about by 10 long years of Republican special privilege and misgovernment. The country called upon the Democratic Party to lead us back to the sunshine of prosperity and the fruits of a true American way of life. Our party accomplished this great task under the leadership of a great statesman and world leader, Franklin D. Roosevelt. No President in history shouldered greater problems than President Truman did 1 year ago this week. Against selfish opposition, he is masterfully guiding our Nation through the troubled waters of after-war reconversion.

#### COMMUNISM

In the last two campaigns we have heard a great deal from the opposition about communism. We remember in 1931 and 1932 when farmers of the Middle West gathered in groups with pitchforks and ropes going about the countryside on trucks threatening judges and lawyers against the epidemic of foreclosures and sheriff sales. We also remember the hunger marches to Washington. In those dark years before the voters repudiated the Republican leadership, America was in real danger of revolution and communism, and if it had not been for the Democratic Party, the so-called American way of life which the Republican leaders today enthusiastically embrace, would have been destroyed. Therefore, I claim that Republican national leadership with its old-time reactionary policies is the greatest indirect friend communism has in America today.

#### DEMOCRATIC LEADERSHIP

There must be some fundamental reason why the American people have kept the Democratic Party in power nationally on four successive Presidential elections. The end of 1948 will mark the

16th year of successive Democratic administration in our country. I attribute this unprecedented continuation of the Democratic Party in power to two major reasons: No. 1, our party has been constant and steadfast in fighting for the rights of the great masses whether it pertained to business, labor, or agriculture; secondly, the national Republican leadership has not given the American people a progressive program since the days of Theodore Roosevelt. Even Republican newspapers editorially comment with apologies that their leadership has again failed to offer a constructive forward-looking program.

A party devoted to the goddess of special privilege with no real sympathy for the oppressed will not be entrusted with the responsibilities of government for very long. The loyal opposition loves to exalt on rugged individualism but when they speak so lovingly of rugged individualism they do not mean that labor, farmer groups, the white collar workers, and small business should be considered in their way of government. "Rugged individualism" to them means an uncontrolled, unregulated profit system with all restrictions, restraints, and responsibilities removed; and they themselves want to run the system.

Doctrines and principles in pious platitudes are not enough for a party to set out in its platforms. These promises are not superpropelled. It takes capable, outstanding elected officials to carry out noble party aspirations—men who believe and practice their belief that public office is a public trust. The Democratic Party today has such leadership.

The Republican Party leaders are on dead center. They will not admit their past failures and they will not endorse the progressive policies of the Democratic Party because that admission will keep them away from power and victory; but we have their record of the past before us and that record is black with tragedy and disaster.

#### PERMANENT PEACE

On Pearl Harbor Day, December 7, 1941, the American people again realized the great mistake they made in 1920 when the enemies of Woodrow Wilson's great permanent peace program were elected and proceeded to sabotage the League of Nations. Thinking Americans today agree that all possibilities for future peace were ruined when we refused to accept our world responsibility after World War I, but instead followed the leadership of isolation. The United Nations Organization of today is a direct descendant of the Democratic Party's great peace program of 25 years ago under the leadership of Woodrow Wilson. Had we joined the League, its success would have saved millions of lives, billions of dollars, and prevented World War II. The political propaganda which caused the great mistake a quarter of a century ago is still active, and in the congressional elections of 1946, we must not allow history to repeat itself.

#### LABOR AND AGRICULTURE

Republican strategy in the last three elections was to drive a wedge between the rural voter and the industrial worker. Millions of dollars have been spent

through the newspapers, radios, and magazines to build up a spirit of resentment among the farmers against labor organizations. The Republican leaders have to a certain degree succeeded in their program to promote antipathy and bitterness between these greatest groups in our economy. I believe the Democratic leadership has been lax in neglecting to properly organize the rural communities so as to overcome this false propaganda and inform the farmer that his income rises and falls with the prosperity of the industrial worker. The interests and welfare of the American worker and farmer are interdependent—good wages for the worker means higher income to the farmer.

During the Republican days of the 1920's, before organized labor received its just recognition, the American farmer did not enjoy the prosperity that he has experienced in the last 10 years. Twenty years ago the Brookings Institute, one of our most conservative institutions, made a survey to determine the economic relationship between the worker and the farmer. The report stated that 70 percent of the industrial families of America made less than \$2,500 a year and further that if the income of this 70 percent of our population had been increased to an average of \$2,500 per year, the farmers' income per annum would have increased \$14,000,000,000.

#### VETERANS

Propaganda has already started in an effort to drive a wedge between other groups of our society in America. Tons of literature have been sent to ex-servicemen in an effort to poison their minds against organized labor in America. The same interests that are financing this propaganda during the last 10 years also financed "special-privilege" lobbies in Washington to combat every progressive piece of legislation which has been enacted for the interests of the common people. Within the last 3 weeks, the greatest special-interest lobby in history came into Washington in opposition to President Truman's veterans' housing bill. This lobby succeeded on the House floor by defeating two of the most important provisions of this legislation.

As a veteran of World War I, I have personally experienced the difficulties and hardships involved when a returned serviceman starts to reestablish himself in civilian life. This Congress must stress every effort to afford the veteran aid, financially and otherwise, to make this transition period as easy as possible.

#### PROFITEERS

The profiteer's lobby has been operating in Washington against price control and the OPA, not only since VE-day but during the great war emergency. I will admit there have been inequalities and in certain instances injustices exercised in the enforcement of OPA, but, nevertheless, the consumer, and especially the American housewife, realizes that the OPA has been their savior during this war emergency. During World War I and 2 years thereafter the cost of living increased 108.4 percent. Up until September 1 last year the cost of living in World War II increased on the average

30.7 percent. In other words, without OPA during World War I the cost of necessities of life were 78 percent higher than with OPA under World War II.

I believe every Member of Congress is anxious that the wartime powers and restrictions be removed as rapidly as possible. This Nation stands at the crossroads, one direction leads to economic disaster, the other to a future of long-range prosperity. We must deal with the present emergency in the same spirit and manner which we met a similar emergency during the war. We must not create a false sense of security by eliminating price control at this time. Every businessman should be given fair consideration so he can plan ahead with complete confidence and he must know that prices and costs will remain stable. The American people should feel secure in their ability to stave off a disastrous inflation during these critical months ahead and still create a flood of production that will in a short time wipe out the necessity for price control and the danger of runaway inflation.

Democratic leadership has submitted a concrete program to solve all these important after-war problems while the Republican leadership is without a constructive solution to these unprecedented difficulties and is confining its activities to criticism and obstruction.

#### THE ATOM AGE

We are today embarking upon a new period in modern civilization. Science has plunged us into the atomic age. We do not know what revelations the next few years may bring through the science of atomic production but we do realize the catastrophic results of another war through atomic destruction. From now on, wars may be a matter of days instead of years and the first casualty list may be the last. We must look forward to collective, instead of individual, security. The oceans will no longer protect us from future enemies. The heavens will be areas of potential death. One atomic bomb has the energy release equivalent to 20,000 tons of TNT and the power of uranium is 3,000,000 times that of TNT. This terrifying power of the atomic age is still in its infancy. We must successfully outlaw the use of the atom bomb for military purposes everywhere on earth. This can only be done through international cooperation and a successful United Nations Organization. If this fails, the peace-loving nations of the world will be victims of their own laxness.

The world knows through centuries of sad experience that science, progress, and the foresight of statesmen has failed to outlaw hatred and war. As a result, we have reaped the whirlwind of destruction and death. In the future we must have the active cooperation of all nations and the guidance of our Christian and spiritual leaders to help inculcate in the hearts of men and governments the doctrine of the fatherhood of God and the brotherhood of man. The United Nations Organization must teach the people of the world that there are greater glories than international combat and that the creations of science were intended for a society of men to live



ethically, morally, and at peace with each other. Understanding and tolerance must form the foundation for future world bargaining. Cooperation and compromise between nations are necessary for permanent peace.

#### EXTENSION OF REMARKS

Mr. HOFFMAN (at the request of Mr. MURRAY of Wisconsin) was given permission to extend his remarks in the Record and include a newspaper article.

Mr. HORAN asked and was given permission to extend his remarks in the Record and include an editorial from the Seattle Times.

#### MONOPOLY VERSUS THE PEOPLE OF CALIFORNIA—THE CENTRAL VALLEY WATER AND POWER PROJECT

Mr. PATTERSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

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

There was no objection.

Mr. PATTERSON. Mr. Speaker, I wish to speak regarding two appropriation items in H. R. 5400, namely \$1,000,000 for the construction of the Isabella Dam on the Kern River in California, and \$1,000,000 for construction of the Pine Flats Dam on the Kings River. In doing so, I intend to point out the serious significance of the methods used by the Corps of Engineers, United States Army, to promote the construction of these dams. The high-water level dams are desirable to develop power and multiple-purpose programs under the Reclamation Bureau and is necessary to carry out the full and proper development of the Central Valley water and power project.

California is one of the States in which for many years a conflict has been slowly increasing. On the one hand are the owners of factory farms, backed by California's banks and commercial interests, and closely allied with owners of huge tracts of undeveloped land. The latter stand to garner enormous speculative profits as a result of Federal appropriations for irrigation development.

On the other hand are the great mass of California farmers who own small but profitable tracts, with whom are allied the organized industrial workers of the State, and consumer groups. These people demand that the benefits of agricultural and industrial expansion be spread widely among the people of California, rather than to accrue chiefly to those who already are rich and powerful.

As I develop this picture you will realize that the Army Corps of Engineers is closely allied with the monopolistic interests, while the Bureau of Reclamation, which has offered a plan for coordinated development of the natural resources of the State, is defending the welfare of all of the people.

Here we have the spectacle of one agency of the Federal Government working in the interests of special privilege and another for the average citizen—a condition which I believe most of you will agree is prejudicial to the prestige of

your Government and provocative of disastrous social conflict.

Even the President of the United States is powerless to end this strife between two Government agencies, if you gentlemen wish to prolong it by providing the funds with which to feed class strife. You must act decisively; and when you see clearly what is involved I do not entertain the slightest doubt as to which side of this controversy most of you will take.

Some months before this country entered the war this situation was coming to a head. It was laid before the late President Roosevelt who recognized that the interests of the average citizen would not be served if the Corps of Engineers were to take over construction of proposed dams on the Kings and Kern Rivers. You may recall that President Roosevelt at that time—on May 5, 1941, to be specific—wrote to the Secretary of War reaffirming an earlier decision that the Kings River project should be constructed by the Bureau of Reclamation.

But the War Production Board suspended all operations upon these Central Valley projects, except those which would produce electrical energy required to activate the great munitions industries established in California. Shasta Dam, one of the key structures in the Central Valley project, was pushed to completion, and although the war was nearing a conclusion before it came into effective operation, it made a substantial contribution to our victory.

The monopolistic interests of California, however, never ceased their effort to have the Corps of Engineers build the dams on the Kings and Kern Rivers. Why were they so much interested? In the first place, the Pine Flats Dam on the Kings River will be capable of developing electrical energy. Administered by the Bureau of Reclamation, this power would help to break the power monopoly of the Pacific Gas & Electric Co. in central California. The irrigation group in the Kings River area, however, was convinced that if it permitted the P. G. & E. to develop the power possibilities of the project that it would acquire revenue from its operation. At that time it was also suffering from the illusion that Congress would permit the Corps of Engineers to charge off most of the expense of the dam to flood control, and that the cost of irrigation water would be lower under such procedure.

This situation appeared to offer to many water users in California a chance to get something for nothing. Having two rival agencies in the field, one could be played off against the other. The great danger to the taxpayers of the United States was that they would be in a position of subsidizing the farmers of California through gifts of public funds. Under the reclamation laws the water users repay the Government for the construction of these facilities, except for interest upon the principal invested for irrigation purposes. Upon the money spent for power development there is a return of 3 percent to the Government, which is collected in power revenues. The net result is that the Govern-

ment is reimbursed within a reasonable period for its entire expenditure on Reclamation projects. This is not the case in connection with Corps of Engineers projects.

When the Flood Control Act of 1944 was passed, after searching debate in Congress, an attempt was made to remedy this situation. While the Corps of Engineers was permitted to continue to make studies on the Kings and Kern Rivers projects, the Flood Control Act made it clear that all irrigation works were to come under the reclamation laws and were to be constructed and administered by the Bureau of Reclamation. All power developed at federally constructed dams was to be marketed by the Department of the Interior.

At that time President Roosevelt again took close cognizance of this situation, and when he signed the War Department's civil functions appropriation bill for fiscal 1946 he declared that he was reluctant to do so, because it contained appropriations to the Corps of Engineers to make further studies on the Kings and Kern Rivers. He added that in the near future he intended to submit to the Congress recommendations for legislation transferring jurisdiction over all of the Central Valley projects to the Bureau of Reclamation. In the near future he passed away, however, and such recommendation never was submitted.

President Truman, of course, was unable to escape this controversy, which to some appeared an ordinary struggle between the Corps of Engineers and the Bureau of Reclamation as to who would get the job of building these works. Had it been an ordinary fight for power between Federal agencies, it would have been settled long before this.

In truth it is a great struggle between the reactionary forces of California and the forces that stand for human progress which will determine eventually the pattern of modern civilization to this State. It is only incidental that the military arm of the Federal Government is aligned with the reactionary group and the Bureau of Reclamation with the liberals. The real battle is between the monopolistic interests of California and a majority of the people. The question before Congress is on which side Congress will align itself. I hope you will align yourselves on the side of the people and the Bureau of Reclamation.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted Mr. STIGLER, from April 10 to April 15, inclusive, on account of business in Oklahoma.

#### ENROLLED JOINT RESOLUTION AND BILLS SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 328. Joint resolution making an additional appropriation for veterans' housing and related expenses.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 565. An act to extend the privilege of retirement to the judges of the District Court for the District of Alaska, the District Court of the United States for Puerto Rico, the District Court of the Virgin Islands, and the United States District Court for the District of the Canal Zone;

S. 1298. An act to establish an office of Under Secretary of Labor, and three offices of Assistant Secretary of Labor, and to abolish the existing office of Assistant Secretary of Labor and the existing office of Second Assistant Secretary of Labor; and

S. 1841. An act to amend an act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the Superintendent of Weights, Measures, and Markets of the District of Columbia; and for other purposes" approved March 3, 1921, as amended.

#### JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval a joint resolution of the House of the following title:

H. J. Res. 328. Joint resolution making an additional appropriation for veterans' housing and related expenses.

#### ADJOURNMENT

Mr. RABAUT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 3 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, April 11, 1946, at 11 o'clock a. m.

#### COMMITTEE HEARINGS

##### COMMITTEE ON ROADS

The Committee on Roads will meet on Thursday, April 11, 1946, at 10 a. m., in room 1011, at which time a hearing will be had on H. R. 5088.

##### COMMITTEE ON FLOOD CONTROL

4. Thursday, April 11. Missouri River Basin, including additional authorization for the Corps of Engineers and the Bureau of Reclamation for the approved comprehensive plan:

Heart River, N. Dak.; South Platte River, Colo., Wyo., and Nebr.

5. Friday, April 12. The Great Lakes Basin and the Upper Mississippi River Basin, including additional authorization for the approved comprehensive plan:

Rock River, Wis. and Ill.; Mississippi River, local flood protection in Illinois; Clinton River, Mich.; Genesee River, N. Y.; Tonawanda Creek, N. Y.

6. Monday, April 15. Streams flowing into the Gulf of Mexico west of the Mississippi River, the Great Basin and the Pacific region, exclusive of California, including additional authorization for the approved comprehensive plan for the Willamette River:

Leon River, Tex.; Boise River, Idaho; Amazon Creek, Oreg.; Queen Creek, Ariz.; Gila River at Tucson, Ariz.; Spanish Fork River, Utah; Jordan River at Salt Lake City, Utah; and Little Valley Wash at Magna, Utah; Skagway River and Harbor, Alaska.

7. Tuesday, April 16. California streams, including additional authorization for the approved comprehensive plans for the Los Angeles River and the Sacramento-San Joaquin streams:

Salinas River, Calif.; Santa Clara River, Calif.

8. Wednesday, April 17. Lower Mississippi River Basin, including the Red River, and including additional authorization for the approved comprehensive plan for the White and Arkansas River Basin:

Red River below Denison Dam, Tex., Okla., Ark., and La.; Bayou Pierre, La.; La Fourche Bayou, La.; Pontchartrain Lake, La.; Mermentau River, La.; North Canadian River, Okla.; Polecat Creek, Okla.; Grand (Neosho) River, Kans., Mo., and Okla.; Arkansas River, Ponca City, Okla.; Mississippi River, West Tennessee tributaries; Boeuf and Tensas Rivers and Bayou Macon, Ark. and La.; Big Sunflower, Little Sunflower, Hushpuckena, and Quiver Rivers and their tributaries, and on Hull Brake, Mill Creek Canal, Bogue Phalia, Ditchlow Bayou, Deer Creek, and Steele Bayou, Miss.

9. Thursday, April 18. Lt. Gen. R. A. Wheeler, Chief of Engineers, and other representatives of the Corps of Engineers, and proponents and opponents of projects in other regions.

10. Friday, April 19. Senators and Representatives in Congress and Department of Agriculture, Weather Bureau, and other Government agencies.

##### COMMITTEE ON RIVERS AND HARBORS

Revised schedule of hearings on the omnibus river and harbor authorization bill to start Tuesday, April 9, 1946, at 10:30 a. m., is as follows:

(Thursday, April 11)

Sabine River, Adams Bayou, Tex.  
Sabine-Neches waterway, Texas.  
Trinity River below Liberty, Tex.  
Mill Creek, Tex.  
Aransas Pass, Intracoastal Waterway, Tex.

Brazos Island Harbor, Tex.

(Friday, April 12)

Schuylkill River, Pa.  
Middle and Dark Head Creeks, Md.  
Mattaponi River, Va.  
Newport News Creek, Va.  
Norfolk Harbor, Va.  
Savannah Harbor, Ga.  
St. Johns River, Fla., Jacksonville to Lake Harney.

Hollywood Harbor (Port Everglades), Fla.

Withlacoochee River, Fla.  
Cleveland Harbor, Ohio.  
Great Lakes connecting channels, Michigan.

(Monday, April 15)

Franklin Canal, La.  
Mermentau River, La.  
Lake Charles deep waterway, Louisiana.  
Plaquemine and Morgan City route, Louisiana.

Red River below Fulton, La.

(Tuesday, April 16)

Cumberland River, Tenn. and Ky.  
Big Sioux River, S. Dak.

Mississippi River seepage, Iowa Minnesota, and Wisconsin.

Mississippi River at Lansing, Iowa.

Mississippi River at Wabasha, Minn.

Mississippi River at Lake Pepin, Minn.

Mississippi River at Hastings, Minn.

(Wednesday, April 17)

Fairport Harbor, Ohio.

Calumet-Sag Channel, Ind. and Ill.

Chicago River, North Branch of Illinois.

Napa River, Calif.

Coos Bay, Oreg.

Columbia River at Astoria, Oreg.

Columbia River at The Dalles, Oreg.

Columbia River, Foster Creek Dam, Wash.

(Wednesday and Thursday, May 1 and 2)

Tombigbee-Tennessee Rivers.

(Friday, May 3)

Held open for description of projects favorably recommended by the Board of Engineers for Rivers and Harbors during its April meeting.

(Monday and Tuesday, May 6 and 7)

Big Sandy River, Tug and Levisa Forks, Va., W. Va., and Ky.

(Wednesday and Thursday, May 8 and 9)

Arkansas River, Ark. and Okla.

##### COMMITTEE ON THE POST OFFICE AND POST ROADS

The Post Office and Post Roads Committee will meet on Tuesday, April 16, 1946, at 10:30 a. m., at which time a hearing will be had on H. R. 5427, 5560, and 5942, bills relating to the rate of postage on air mail of the first class.

##### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1208. A letter from the Secretary of Agriculture, transmitting a draft of a proposed bill to amend section 17 (a) of the Soil Conservation and Domestic Allotment Act (49 Stat. 1151); to the Committee on Agriculture.

1209. A letter from the Secretary of the Interior, transmitting a draft of a proposed bill to provide for the disposal of materials or resources on the public lands of the United States which are under the exclusive jurisdiction of the Secretary of the Interior; to the Committee on the Public Lands.

##### 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. MAY: Committee on Military Affairs. H. R. 6064. A bill to extend the Selective Training and Service Act of 1940, as amended, and for other purposes; without amendment (Rept. No. 1923). 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. MAY:

H. R. 6064. A bill to extend the Selective Training and Service Act of 1940, as amended,



and for other purposes; to the Committee on Military Affairs.

By Mr. LAFOLLETTE:

H. R. 6065. A bill authorizing the Indiana State Toll Bridge Commission to construct, maintain, and operate a toll bridge or a free bridge across the Ohio River at or near Cannellton, Ind.; to the Committee on Interstate and Foreign Commerce.

By Mr. RANDOLPH:

H. R. 6066. A bill to promote the common defense by unifying the departments and agencies of the Government relating to the common defense; to the Committee on Expenditures in the Executive Departments.

By Mr. ALLEN of Louisiana:

H. R. 6067. A bill to increase the subsistence allowances to veterans receiving education or training pursuant to the Servicemen's Readjustment Act of 1944; to the Committee on World War Veterans' Legislation.

By Mr. ENGLE of California:

H. R. 6068. A bill to authorize the Secretary of Agriculture to permit the prospecting, development, and utilization of the mineral resources of national forest lands not subject to the operation of the general mining laws or the Mineral Leasing Act; to the Committee on Agriculture.

By Mr. RANKIN:

H. R. 6069. A bill to amend section 100 of the Servicemen's Readjustment Act of 1944; to the Committee on World War Veterans' Legislation.

By Mr. BEALL:

H. R. 6070. A bill to amend section 4 of the act of August 25, 1937, so as to provide a filing procedure in cases of adoption outside the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

H. R. 6071. A bill to provide for the extension of the time limitations under which patents were issued in the case of patents which have not been exploited during World War II on account of shortage of materials; to the Committee on Patents.

By Mr. BENNETT of Missouri:

H. R. 6072. A bill to amend the Adjusted Compensation Payment Act, 1936, so as to extend the time within which overseas veterans of World War II may apply to receive payment of adjusted service certificates; to the Committee on Ways and Means.

By Mr. SOMERS of New York:

H. R. 6073. A bill to provide for the establishment of a United States Military Medical School; to the Committee on Military Affairs.

H. R. 6074. A bill to provide for the establishment of a United States Naval Medical School; to the Committee on Naval Affairs.

By Mr. ZIMMERMAN:

H. R. 6075. A bill to establish a national memorial forest park in the State of Missouri as a memorial to World War II veterans; to the Committee on the Public Lands.

By Mr. SABATH:

H. J. Res. 338. Joint resolution to authorize the United States armed services to accept enlistments of former members of the Polish armed forces; to the Committee on Military Affairs.

#### MEMORIALS

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

By the SPEAKER: Memorial of the Legislature of the Commonwealth of Massachusetts, memorializing the President and the Congress of the United States to adopt an adequate anti-poll-tax bill; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of New York, memorializing the President and the Congress of the United States to amend and enact House bill 5059 and Sen-

ate bill 1715; to the Committee on the Post Office and Post Roads.

#### PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BEALL:

H. R. 6076. A bill to authorize the Secretary of the Interior to grant a private right-of-way to Roscoe L. Wood; to the Committee on the Public Lands.

H. R. 6077. A bill for the relief of Warren D. Fales, Jr.; to the Committee on Claims.

By Mr. ENGLE of California:

H. R. 6078. A bill to authorize the Secretary of Agriculture to convey certain land for a fair consideration; to the Committee on Agriculture.

By Mr. REED of New York:

H. R. 6079. A bill for the relief of Mrs. Margaret D. Surhan; to the Committee on Pensions.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1780. By Mr. CLASON: Memorial of the General Court of Massachusetts, urging the Congress of the United States to adopt an adequate anti-poll-tax law; to the Committee on the Judiciary.

1781. Also, memorial of the General Court of Massachusetts, urging the Congress of the United States to extend the benefits provided by the Servicemen's Readjustment Act of 1944 to persons who served in the merchant marine of the United States during World War II; to the Committee on the Merchant Marine and Fisheries.

1782. Also, memorial of the General Court of Massachusetts, urging the Congress of the United States to provide for the maintenance by the Federal Government of Camp Edwards in Massachusetts for the hospitalization of war veterans and as a place for their convalescence and recreation; to the Committee on World War Veterans' Legislation.

1783. By Mr. NORBLAD: Petition signed by Mrs. Jessie M. Isely and 19 other citizens of Marion County, Oreg., urging the United States Congress to defeat proposals for peacetime compulsory military training and seek instead an international agreement to abolish conscription everywhere; to the Committee on Military Affairs.

1784. By Mr. GAVIN: Petition of Mr. and Mrs. H. T. Wingard, Shippensburg, Pa., and other residents of Clarion County, protesting passage of House bill 4730; to the Committee on Interstate and Foreign Commerce.

1785. Also, petition of B. V. Cobler, Knox, Pa., and other residents of Knox, Pa., protesting passage of House bill 4730; to the Committee on Interstate and Foreign Commerce.

1786. Also, petition of J. W. Deitz and other residents of Clarion County, protesting passage of House bill 4730; to the Committee on Interstate and Foreign Commerce.

1787. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, urging adoption of an adequate anti-poll-tax bill; to the Committee on the Judiciary.

1788. Also, memorial of the General Court of Massachusetts, favoring extension of the so-called GI bill of rights to persons who served in the merchant marine during World War II; to the Committee on the Merchant Marine and Fisheries.

1789. Also, memorial of the General Court of Massachusetts, urging maintenance of Camp Edwards, Mass., as a veterans' hospital; to the Committee on World War Veterans' Legislation.

1790. By the SPEAKER: Petition of the chairman, disaster council, county of Hawaii, petitioning consideration of their resolution with reference to amendment of the Hawaiian relief bill; to the Committee on the Territories.

1791. Also, petition of New York League of Women Shoppers, petitioning consideration of their resolution with reference to endorsement of legislation renewing the powers of the OPA; to the Committee on Banking and Currency.

## SENATE

THURSDAY, APRIL 11, 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:

Almighty God, who desirest truth in the inward parts, we would come to Thee in that fear of the Lord which is the beginning of wisdom. Keep us, we beseech Thee, from the folly of attempting to deceive Thee, unto whom all hearts are open, all desires known. As those whose powers are dedicated to the Nation's weal, make us ever faithful to each challenging duty, loyal to every high claim, responsive to the human needs of this suffering earth. Setting a seal upon our lips so that no thoughtless words of ours shall sting or harm another, valiantly may we meet this day's waiting tasks with laughter and kindness and cheerful good will. In the dear Redeemer's name. Amen.

#### THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, April 10, 1946, was dispensed with, and the Journal was approved.

#### ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on April 10, 1946, he presented to the President of the United States the following enrolled bills:

S. 565. An act to extend the privilege of retirement to the judges of the District Court for the District of Alaska, the District Court of the United States for Puerto Rico, the District Court of the Virgin Islands, and the United States District Court for the District of the Canal Zone;

S. 1298. An act to establish an office of Under Secretary of Labor, and three offices of Assistant Secretary of Labor, and to abolish the existing office of Assistant Secretary of Labor and the existing office of Second Assistant Secretary of Labor; and

S. 1841. An act to amend an act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the Superintendent of Weights, Measures, and Markets of the District of Columbia; and for other purposes," approved March 3, 1921, as amended.

#### MESSAGES FROM THE PRESIDENT— APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced