

resignation of Chester Bowles from the office of Director of Stabilization; to the Committee on the Judiciary.

1805. By Mr. SMITH of Wisconsin: Petition of Carl A. Brugger, secretary, Brotherhood of Painters, Decorators, and Paperhangers of America, Lake Geneva, Wis., re: Extension of OPA; to the Committee on Banking and Currency.

1806. Petition of Hugh Reichard, director, UAW-CIO Education Council, 516 College Avenue, Racine, Wis., re: Statement on veterans' preference for new homes; to the Committee on World War Veterans' Legislation.

1807. Mr. VOORHIS of California: Petition of Henry I. Burr and 1,475 others, all students at Yale University, urging that adequate relief for the war devastated areas of the world is essential for world peace and security; endorsing the plan of UNRRA; expressing concern that Congress immediately make available any needed funds for relief purposes, and urging a great national effort, including rationing if necessary to enable needed allocations of food to actually go forward to needy areas; to the Committee on Foreign Affairs.

1808. By the SPEAKER: Petition of West Area Business and Professional Women's Club, petitioning consideration of their resolution with reference to endorsement of the Neely cancer bill, House bill 4502; to the Committee on Foreign Affairs.

1809. Also, petition of F. Anderson and others petitioning consideration of their resolution with reference to endorsement of legislation renewing the powers of OPA; to the Committee on Banking and Currency.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 16, 1946

The House met at 10 o'clock a. m.

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

Almighty God, before whose face earth's generations rise and fall, we pause in recognition of the kingship of our Lord and Saviour. His throne is forever and ever and the scepter of His kingdom is a scepter of righteousness. We rejoice that the lips of little children, with their jubilant singing, bore testimony of the sovereignty of our Lord. By the eternal counsels of our Father we are reminded of our stewardship and responsibility, that at the last it may be known that we fed the hungry, refreshed the thirsty, housed the stranger, clothed the naked, and visited the sick. We pray that these tender ministries may be counted our portion by the Judge of all the earth. Let us heed Thy great command: "Whatsoever thy hand findeth to do, do it with thy might." Have mercy upon us, O God, have mercy, that Thy throne may be supreme in all hearts; to this end help us to live, to learn, and to love. In our Redeemer's name. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Gatling, its enrolling clerk, announced that the Senate had passed a bill of the

following title, in which the concurrence of the House is requested:

S. 1592. An act to establish a national housing policy and provide for its execution.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from committees:

APRIL 15, 1946.

The Honorable SAM RAYBURN,
Speaker of the House,
Washington, D. C.

DEAR MR. SPEAKER: Please accept this as my resignation from the following committees of the House of Representatives, of which I am now a member: Committee on Patents, Committee on Indian Affairs, Committee on Mines and Mining.

Respectfully yours,

GEO. B. SCHWABE.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

ELECTION TO COMMITTEE

Mr. MARTIN of Massachusetts. Mr. Speaker, I offer a resolution (H. Res. 600) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That GEORGE B. SCHWABE, of Oklahoma, be, and he is hereby, elected to the Committee on Appropriations of the House of Representatives.

The resolution was agreed to.

ERNEST PEDRO FERREIRA

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3159) for the relief of Ernest Pedro Ferreira, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "\$1,500" and insert "\$2,000."

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

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

MRS. BEATRICE BRISBIN ET AL.

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4253) for the relief of Mrs. Beatrice Brisbin and the legal guardians of Wynona Gene Brisbin, Nelda Elaine Brisbin, Gwendoline Louise Brisbin, and Jacqueline Nadine Brisbin, minors, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, strike out all after line 4 over to and including "date" in line 7, page 2, and insert "appropriated, to the estate of Chancie Lee Brisbin, deceased, of Route No. 1, Holland, Tex., the sum of \$6,313, in full settlement of all claims against the United States for the personal injury and death of the said Chancie Lee Brisbin as the result of being struck by

a block of ice thrown by a soldier from a moving railroad train on the Missouri, Kansas & Texas Railroad Co.'s right-of-way near Holland, Tex., on January 24, 1945.

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

There was no objection.

The Senate amendments were concurred in.

The title was amended so as to read: "An act for the relief of the estate of Chancie Lee Brisbin, deceased."

A motion to reconsider was laid on the table.

JAMES SHERRY

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2528) for the relief of James Sherry, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "\$12,500" and insert "\$9,167.47."

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

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

MRS. OLLIE PATTON

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1674) for the relief of Mrs. Ollie Patton, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 5, strike out "\$5,000" and insert "\$3,000."

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

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

ORVIS WELCH

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2167) for the relief of Orvis Welch, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "\$4,523.45" and insert "\$3,523.45."

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

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

MRS. C. A. LEE

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the

Speaker's table the bill (H. R. 941) for the relief of Mrs. C. A. Lee, with a Senate amendment thereto, disagree to the Senate amendment, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? [After a pause.] The Chair hears none, and appoints the following conferees: MESSRS. MCGEHEE, STIGLER, and JENNINGS.

JAMES LYNCH

Mr. MCGEHEE, from the Committee on Claims, submitted the following conference report and statement on the bill (H. R. 2835) for the relief of James Lynch, for printing in the RECORD:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2835) for the relief of James Lynch, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the sum inserted by the Senate amendment insert the sum of "\$4,514.60"; and the Senate agree to the same.

DAN R. MCGEHEE,
J. M. COMBS,
W. A. PITTENGER,
Managers on the Part of the House.

ALLEN J. ELLENDER,
W. LEE O'DANIEL,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2835) for the relief of James Lynch, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The bill as passed the House appropriated the sum of \$8,764.60 to James Lynch for personal injuries, medical and hospital expenses sustained as the result of being struck by a United States mail truck while crossing Erie Boulevard East, at the corner of South Warren Street, in the city of Syracuse, N. Y., on September 30, 1944. The Senate reduced the amount to \$3,764.60, and at the conference a compromise of \$4,514.60 was agreed upon.

DAN R. MCGEHEE,
J. M. COMBS,
W. A. PITTENGER,
Managers on the Part of the House.

Mr. MCGEHEE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H. R. 2835) for the relief of James Lynch.

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

There was no objection.

The Clerk read the conference report as above set out.

The conference report was agreed to.

A motion to reconsider was laid on the table.

ALBERT CANTALUPO

Mr. MCGEHEE, from the Committee on Claims, submitted the following conference report and statement on the bill (H. R. 1089) for the relief of Albert Cantalupo, for printing in the RECORD:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1089) for the relief of Albert Cantalupo, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate and agree to the same with an amendment as follows: Amendment No. 3: In lieu of the sum inserted by the Senate amendment insert "\$1,708"; and agree to the same.

DAN R. MCGEHEE,
J. EDGAR CHENOWETH,
Managers on the Part of the House.

ALLEN J. ELLENDER,
WAYNE MORSE,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1089) for the relief of Albert Cantalupo, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The bill as passed the House appropriated the sum of \$2,208.99 to Mr. and Mrs. Albert Cantalupo in full settlement of all claims against the United States for compensation for expenses incurred and losses sustained by them by reason of the injuries sustained by their minor son, John Cantalupo, when struck by a United States Army truck on September 28, 1943.

The Senate reduced the amount to \$1,508, and at the conference a compromise of \$1,708 was agreed upon.

DAN R. MCGEHEE,
J. EDGAR CHENOWETH,
Managers on the Part of the House.

Mr. MCGEHEE. Mr. Speaker, I ask unanimous consent for the present consideration of the conference report on the bill (H. R. 1089) for the relief of Albert Cantalupo.

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

There was no objection.

The Clerk read the conference report as above set out.

The conference report was agreed to. A motion to reconsider was laid on the table.

THOMAS C. LOCKE

Mr. MCGEHEE, from the Committee on Claims, submitted the following conference report and statement on the bill (S. 75) for the relief of Thomas C. Locke, for printing in the RECORD:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 75) for the relief of Thomas C. Locke, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment.

That the Senate recede from its amendment to the amendment of the House and agree to the same.

DAN R. MCGEHEE,
W. A. PITTENGER,
Managers on the Part of the House.

ALLEN J. ELLENDER,
W. LEE O'DANIEL,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 75) for the relief of Thomas C. Locke, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The bill as passed the Senate appropriated the sum of \$1,037.99 to Thomas C. Locke for losses alleged to have been sustained in the operation of the commissary at Chanute Field, Rantoul, Ill., when such funds were stolen from the commissary on or about December 2, 1924. The House reduced the sum to \$313, and at the conference the conferees of the House agreed to recede from the House amendment and agree to the original amount of \$1,037.99 as set forth in the Senate bill.

DAN R. MCGEHEE,
W. A. PITTENGER,
Managers on the Part of the House.

Mr. MCGEHEE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (S. 75) for the relief of Thomas C. Locke.

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

There was no objection.

The Clerk read the conference report as above set out.

The conference report was agreed to.

A motion to reconsider was laid on the table.

SERVICEMEN'S READJUSTMENT ACT OF 1944, DISTRICT OF COLUMBIA

Mr. MCGEHEE, from the Committee on Claims, submitted the following conference report and statement on the bill (S. 1152) to effectuate the purposes of the Servicemen's Readjustment Act of 1944 in the District of Columbia, and for other purposes, for printing in the RECORD:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1152) entitled "An act to effectuate the purposes of the Servicemen's Readjustment Act of 1944 in the District of Columbia, and for other purposes", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 1, 2, and 3.

DAN R. MCGEHEE,
OREN HARRIS,
EVERETT M. DIRKSEN,
Managers on the Part of the House.

THEO. G. BILBO,
PAT MCCARRAN,
CLYDE R. HOEY,
LEVERETT SALTONSTALL,
ARTHUR CAPPER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (S. 1152) entitled "An act to effectuate the purposes of the Servicemen's Readjustment Act of 1944 in the District of Columbia, and for other purposes", submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference

report as to each of such amendments, namely:

1. By receding from its amendment No. 1, the House will permit building and loan associations and savings and loan associations in the District of Columbia to invest in property-improvement loans insured or insurable under title I of the National Housing Act. All of the 49 jurisdictions except the District of Columbia allow their State-chartered building and loan associations to make such loans.

2. Restoration of the Senate language deleted by the House amendment No. 2 involves two limitations upon the unsecured loans for property alteration, repair, or improvement which are authorized to be made by building and loan and savings and loan associations. The first of these limitations is that no such loan, not insured or guaranteed by a Federal agency, shall be made in an amount in excess of \$2,000. The second limitation is that the total amount loaned or invested by any association and held in unsecured loans, not insured or guaranteed by a Federal agency, shall not at any time exceed 15 percent of the total assets of the association.

3. Restoration of the Senate language deleted by the House amendment No. 3 will broaden the field of eligible borrowers, with respect to the direct-reduction loans authorized by section 3, to include not only veterans of World War II but also veterans of World War I and others. The major purpose of section 3 is to put all building and loan associations and savings and loan associations in the District of Columbia on the same basis as Federal savings and loan associations with respect to their power to make direct reduction loans, which are the only type of loans recognized by the Veterans' Administration in connection with its supervision of loans to veterans under the Servicemen's Readjustment Act.

DAN R. McGEHEE,
OREN HARRIS,
EVERETT M. DIRKSEN,

Managers on the Part of the House.

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent for immediate consideration of the conference report on the bill (S. 1152) to effectuate the purposes of the Servicemen's Readjustment Act of 1944 in the District of Columbia, and for other purposes.

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

There was no objection.

The Clerk read the conference report as above set out.

The conference report was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. KOPPLEMANN. 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 Connecticut?

There was no objection.

[Mr. KOPPLEMANN addressed the House.]

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

Mr. Speaker, I demand that those words be taken down.

I make the point of order that those words are insulting to the members of the Committee on Un-American Activities. I demand that they be taken down.

I make the point of order that they are utterly false.

The SPEAKER. The gentleman from Mississippi has already asked that the words be taken down.

CALL OF THE HOUSE

Mr. RANKIN. In the meantime I make a point of order that there is no quorum present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

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

[Roll No. 85]

Allen, Ill.	Gathings	Peterson, Fla.
Andrews, N. Y.	Geelan	Pfeifer
Baldwin, Md.	Gerlach	Powell
Baldwin, N. Y.	Gibson	Rabin
Barry	Gillespie	Rains
Bell	Graham	Reece, Tenn.
Bennet, N. Y.	Granahan	Reed, Ill.
Bland	Hancock	Riley
Boykin	Hartley	Roe, Md.
Bradley, Mich.	Henry	Rogers, N. Y.
Buckley	Hinshaw	Rooney
Bulwinkle	Izac	Sasser
Bunker	Jarman	Shafer
Camp	Kee	Sharp
Cannon, Fla.	Kefauver	Sheppard
Chaperfield	Klein	Sheridan
Cochran	Larcade	Short
Coffee	Lea	Sikes
Cole, Kans.	Lesinski	Simpson, Pa.
Colmer	Luce	Smith, Va.
Curley	McCowan	Somers, N. Y.
Curtis	McDonough	Stockman
Daughton, Va.	McMillen, Ill.	Sumner, Ill.
Dawson	Mansfield, Tex.	Torrens
Dingell	Mathews	Voorhis, Calif.
Douglas, Ill.	Morrison	White
Fellows	Murphy	Winter
Fisher	Norton	Wolfenden, Pa.
Flood	O'Neal	Zimmerman
Fuller	Pace	
Fulton	Patrick	

The SPEAKER. On this roll call, 334 Members have answered to their names, a quorum.

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

COMMITTEE ON UN-AMERICAN ACTIVITIES

The SPEAKER. The Clerk will report the words which the gentleman from Mississippi [Mr. RANKIN] asked to be taken down.

The Clerk reported the words objected to.

Mr. RANKIN. Mr. Speaker, I would like to be heard.

The SPEAKER. The Chair is ready to rule on the matter.

The Chair does not want it to be understood that he is ever going to hold out of order proper words that express the opinion of a Member of the House of Representatives.

Two words, especially one in this statement, are very strong words. That is the last paragraph or part of a paragraph that was spoken on the floor:

This would mean that all of our institutions up to and including our churches would be exposed to the unlawful prying of a committee.

The Chair holds that the words "unlawful prying" attributed to a committee

of the House are improper words and therefore unparliamentary.

Mr. RANKIN. Mr. Speaker, I move to strike the entire statement from the RECORD.

I ask recognition on my motion.

The SPEAKER. The gentleman from Mississippi is recognized.

Mr. RANKIN. Mr. Speaker, I will take only a minute to say that the opening statement of the Member from Connecticut [Mr. KOPPLEMANN] was worse than the latter portion of his remarks. It was a direct attack on every member of the Committee on Un-American Activities.

Mr. COX. Mr. Speaker, will the gentleman yield to me?

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

Mr. COX. Remembering the boy who burned the Temple of Ephesus in order that history might record his name, there are some people who would do almost anything to claim the attention that has just been given the gentleman from Connecticut.

Mr. RANKIN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The motion was agreed to.

COMMITTEE ON THE POST OFFICE AND POST ROADS

Mr. McKENZIE. Mr. Speaker, I ask unanimous consent that the Committee on the Post Office and Post Roads may sit during general debate of the House this afternoon.

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

There was no objection.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. MANASCO. Mr. Speaker, I ask unanimous consent that the Committee on Expenditures in the Executive Departments may sit during general debate today.

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

There was no objection.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

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

There was no objection.

EXTENSION OF REMARKS

Mr. McCORMACK asked and was given permission to extend his remarks in the Appendix of the RECORD and include therein a radio broadcast in which he recently participated.

JOINT ANTI-FASCIST REFUGEE COMMITTEE

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I present a privileged report and ask that it be read.

The Clerk read as follows:

PROCEEDING AGAINST THE JOINT ANTI-FASCIST REFUGEE COMMITTEE

Mr. WOOD, from the Committee on Un-American Activities, submitted the following report:

The Committee on Un-American Activities, created and authorized by the House of Representatives by House Resolution 5 of the Seventy-ninth Congress, caused to be issued subpoenas to the Joint Anti-Fascist Refugee Committee, an unincorporated organization, with offices at 192 Lexington Avenue, New York, N. Y., service being made upon Helen R. Bryan, executive secretary, and to the members of the executive board of the said organization whose names are listed below. The said subpoenas required the said persons to produce books, papers, and records for inspection by your committee. The form of the subpoenas follows:

"BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES OF THE CONGRESS OF THE UNITED STATES OF AMERICA

"To the Sergeant at Arms, or His Special Messenger:

"You are hereby commanded to summon the Joint Anti-Fascist Refugee Committee, 192 Lexington Avenue, New York City, a voluntary organization to be and appear before the Un-American Activities Committee of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman and to bring with you all books, ledgers, records and papers relating to the receipt and disbursement of money by or on account of the Joint Anti-Fascist Refugee Committee or any subsidiary or subcommittee thereof, together with all correspondence and memoranda of communications by any means whatsoever with persons in foreign countries. The said books, papers and records demanded herein are for the period from January 1, 1945, up to and including the date of this subpoena, in their chamber in the city of Washington, on April 4, 1946, at the hour of 10:00 a. m. then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 29th day of March 1946.

"JOHN S. WOOD,
"Chairman."

"Attest:

"JOHN W. CARRINGTON,
"Clerk."

Subpoenas in the form above stated were directed to and properly served upon each member of the executive board of the said organization, and Helen R. Bryan, as follows:

Miss Helen R. Bryan, 192 Lexington Avenue, New York City.

Dr. Jacob Auslander, 286 West Eighty-sixth Street, New York City.

Prof. Lyman R. Bradley, New York University, New York City.

Mrs. Marjorie Chodorov, 815 Park Avenue, New York City.

Mr. Howard Fast, 315 Central Park West, New York City.

Mrs. Ernestina G. Fleischman, "Voice of Fighting Spain," 1 Columbus Avenue, New York City.

Leverett Gleason, 114 East Thirty-second Street, New York City.

Harry M. Justiz, 570 Seventh Avenue, New York City.

Mrs. Samuel Kamsley, 350 Central Park West, New York City.

Mrs. Ruth Leider, attorney, 565 Fifth Avenue, New York City.

James Lustig, United Electrical, Radio, and Machine Workers, 17 William Street, Newark, N. J.

Manuel Magana, Club Obrero Espanol, 1490 Madison Avenue, New York City.

Dr. Louis Miller, 400 West End Avenue, New York City.

Herman Shumlin, 229 West Forty-second Street, New York City.

Mrs. Charlotte Stern, Hotel and Club Employees Local No. 6, 305 West Forty-fourth Street, New York City.

Dr. Jesse Tolmach, 30 West Fifty-ninth Street, New York City.

Mrs. Bobbie Weinstein, 211 Central Park West, New York City.

The subpoenas were properly returned and the returns thereon are in form as follows:

"Served Helen R. Bryan whom I knew to be the executive secretary of the Joint Anti-Fascist Refugee Committee, at 11:37 a. m., on March 29, 1946, at the offices of the Joint Anti-Fascist Refugee Committee located at 192 Lexington Avenue, New York City, N. Y.

"GEORGE V. McDAVITT,
"Investigator, House Committee
on Un-American Activities."

In response to said subpoenas the members of the executive board of the said organization, together with Helen R. Bryan, executive secretary, appeared before your committee on the 4th day of April, at 10 a. m., and your committee then and there demanded the production of the books, papers, and records as called for in the said subpoenas, but each and every person whose names are set forth above, failed and refused to produce the said books, papers, and records. All the said persons were duly sworn by the chairman and were asked if they would then and there give their consent to the inspection of the said books, papers, and records of the Joint Anti-Fascist Refugee Committee by investigators of your committee, but the said persons failed and refused to grant such request.

Your committee has caused to be printed the testimony of each and every one of the persons named herein given on April 4, 1946, and the said testimony will be filed with the Clerk of the House as an appendix to this report.

Because of the foregoing, the Committee on Un-American Activities has been deprived of the opportunity to inspect the books, papers, and records mentioned in the foregoing subpoenas and of the evidence which your committee considers relevant to the subject matter of subversive and un-American activities as set forth in House Resolution No. 5 of the Seventy-ninth Congress, first session, which instructed and required your committee to investigate such matters. The willful and deliberate refusal of Helen R. Bryan and the members of the executive board of the Joint Anti-Fascist Refugee Committee as named herein to produce the books, papers, and records called for in the subpoenas deprives your committee of evidence necessary in the conduct of its investigation of the Joint Anti-Fascist Refugee Committee, which evidence is pertinent to the said investigation and places the said persons in contempt of the House of Representatives of the United States.

Mr. MARCANTONIO. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. MARCANTONIO. Mr. Speaker, prefacing my point of order, I would like to make a parliamentary inquiry. Must not a resolution of this nature contain the testimony, or at least a pertinent part of the testimony? It is related in the statement that the testimony is appended, but that testimony has not been read to the House, and for that reason I make the point of order that the resolution is defective.

The SPEAKER. No resolution has been offered as yet. This is simply the report of the committee.

Mr. MARCANTONIO. Very well; in the report we have before us it merely says that the testimony is appended. I submit the House should have that testimony before it. As I understand it, the Members of the House have received, what I hold in my hand, the hearings of April 4. That was received only yesterday. It contains over 100 pages of testimony. This case is very important, and I maintain that the testimony or the relevant portion of the testimony should be read to the House.

The SPEAKER. The testimony has already been printed, and reference to it is made in this report. The other matter that the gentleman refers to is a question for the House to pass upon, and not the Speaker.

Mr. MARCANTONIO. Mr. Speaker, on that point, this is most unusual. Heretofore every report that we have had upon which a resolution for contempt was based, we have read to the House the minutes of the proceedings upon which the contempt citation is requested.

Mr. RANKIN. Mr. Speaker, that never has been done.

The SPEAKER. That also is within the control of the House. The gentleman from Georgia is recognized.

Mr. WOOD. Mr. Speaker, I offer a resolution (H. Res. 601) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the House Committee on Un-American Activities as to the willful and deliberate refusal of the following persons to produce before the said committee for its inspection the books, papers, and records of an unincorporated organization known as the Joint Anti-Fascist Refugee Committee, with offices at 192 Lexington Avenue, New York, N. Y., together with all the facts relating thereto, under seal of the House of Representatives, to the United States attorney for the District of Columbia, to the end that the said persons named below may be proceeded against in the manner and form provided by law:

Miss Helen R. Bryan, 192 Lexington Avenue, New York City.

Dr. Jacob Auslander, 286 West Eighty-sixth Street, New York City.

Prof. Lyman R. Bradley, New York University, New York City.

Mrs. Marjorie Chodorov, 815 Park Avenue, New York City.

Howard Fast, 315 Central Park West, New York City.

Mrs. Ernestine G. Fleischman, Voice of Fighting Spain, 1 Columbus Avenue, New York City.

Leverett Gleason, 114 East Thirty-second Street, New York City.

Harry M. Justiz, 570 Seventh Avenue, New York City.

Mrs. Samuel Kamsley, 350 Central Park West, New York City.

Mrs. Ruth Leider, attorney, 565 Fifth Avenue, New York City.

James Lustig, United Electrical, Radio, and Machine Workers, 17 William Street, Newark, N. J.

Manuel Magana, Club Obrero Espanol, 1490 Madison Avenue, New York City.

Dr. Louis Miller, 400 West End Avenue, New York City.

Herman Shumlin, 229 West Forty-second Street, New York City.

Mrs. Charlotte Stern, Hotel and Club Employees' Local, No. 6, 205 West Forty-fourth Street, New York City.

Dr. Jesse Tolmach, 30 West Fifty-ninth Street, New York City.

Mrs. Bobbie Weinstein, 211 Central Park, West, New York City.

Mr. WOOD. Mr. Speaker, this is the follow-through of the resolution that was submitted by me on behalf of this committee some 2½ weeks ago, which included the names of the parties named in the present resolution, but whose names were stricken during the process of the debate here on the floor because the question was raised by some of the Members that these parties had not been actually served with a subpoena. Since that time the committee has had them served, they have appeared, and one by one they have declined and refused to comply with the subpoena of the committee. They are now before the House in this resolution. In view of this fact, and the fact that the matter was debated here for 1 hour when it was before the House on a previous occasion, I shall withhold further remarks about it, and yield 2½ minutes to the gentleman from New York [Mr. CELLER].

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield for a question first?

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

Mr. CASE of South Dakota. Does the committee have any evidence to indicate that each of these people cited had charge of or any responsibility for keeping the records?

Mr. WOOD. Yes. I may say to the gentleman that the complete testimony of all of them was taken, and has been put in the hands of each Member of the House.

Mr. CELLER. Mr. Speaker, we are making history, regrettable history, in finding innocent people guilty of contempt without trial, without jury, and without benefit of counsel. I believe we are turning our backs upon our glorious past if we pass this resolution. We thereby throw overboard the right of free speech, the right of security of one's property and person, and the right of castle.

If we pass this resolution we pass up the American way of fair play and embrace the way of unconstitutional procedure. I predict that our action will come back to plague us.

Why, if Tom Paine or Tom Jefferson or Andrew Jackson or Abe Lincoln were alive today, they would, I believe, run afoul of this Un-American Activities Committee. The radicalism of these patriots would not, I believe, sit well upon the stomachs of some of the members of this committee.

Many years ago Tom Paine, whose pen proved mightier than the sword during the American Revolution, said:

Prejudice like a spider makes everywhere its home, and lives where there seems nothing to live on.

The persons whose names you have heard read, who are subject to this resolution, struck at these spiders that weave their webs of prejudice and intolerance

for the unwary and the ignorant. For that and that alone they are to be punished.

No Member of this House mindful of constitutional guaranties can support this resolution. Significantly, since the inception of this committee and its predecessor, the Dies committee, no remedial legislation whatsoever has been offered to the Congress by this committee. The reason is not far to seek. Legislation on the matters of opinion, on the educational and political activities which this committee seeks to interfere with by its investigations, is palpably unconstitutional. That is why no legislation is offered. If it were, you would reject it in deference to our Constitution.

Not only is the Committee on Un-American Activities intentionally circumscribed by the congressional resolution itself, but the Bill of Rights guaranties of speech and press in our Constitution put definite limitations on its scope.

It was the fear of abuse of power by Congress that dictated the first amendment to the Constitution:

Congress shall make no law . . . abridging the freedom of speech, or of the press or the right of the people lawfully to assemble and to petition the Government for a redress of grievance.

The Supreme Court has time and again emphasized the unconstitutionality of legislation which interferes with guaranties of free speech or press, unless such legislation is specifically designed to curb a "clear and present danger" that will lead to "substantive evils." Failure to produce any records creates no clear and present danger.

In *Thornhill v. Alabama* (310 U. S. 88, 105, 60 S. Ct. 736, 745, 84 L. Ed. 1093), the Court held:

And very recently we have also suggested that "clear and present danger" is an appropriate guide in determining the constitutionality of restrictions upon expressions where the substantive evil sought to be prevented by the restriction is destruction of life or property, or invasion of right of privacy.

As emphatically, the Court held in *Bridges v. State of California* (62 Sup. C. 190, 193, 194, 314 U. S. 252, 86 L. ed. 192):

What finally emerges from the clear and present danger cases is a working principle that the substantive evil must be extremely serious and the degree of imminence extremely high before utterances can be punished.

No such conditions are present in the instant case.

The Committee on Un-American Activities has taken onto itself so much power in contravention of the constitutional guaranties that it is now proceeding in a manner to undermine the very foundations of democratic government.

There has been no contempt of Congress by those organizations and individuals charged with contempt by this committee. Each has, in fact, appeared before the committee in answer to subpoena and has submitted freely all material which might be called propaganda. Each one came prepared to be questioned

on this material and to receive the determination of the committee whether such material is un-American or subversive. Only when the committee violated the constitutional rights of the organizations and individuals by asking for matter which was beyond and irrelevant to the scope of the inquiry did opposition to the committee's demands develop.

It must be kept clearly in mind that the statute under which this proceeding is brought requires only that a witness answer and furnish pertinent questions and documents. Until it is proven that the organizations or individuals involved are engaged in un-American activities, books and records are not pertinent to the scope of the inquiry.

That such invasion of constitutional rights was properly resisted is clearly indicated by the language of Justice Brandeis when he stated in *Olmstead v. United States* (277 U. S. 438, 478-479):

The makers of our Constitution undertook to secure conditions favorable to the pursuit of happiness. They recognized the significance of man's spiritual nature, of his feelings and of his intellect. They know that only a part of the pain, pleasure, and satisfaction of life are to be found in material things. They sought to protect Americans in their beliefs, their emotions, and their sensations. They conferred, as against the Government, the right to be left alone—the most comprehensive right and the right most valued by civilized man. To protect that right, every unjustifiable intrusion by the Government upon the privacy of the individual, whatever the means employed, must be deemed a violation of the fourth amendment.

This statement is of particular applicability to an intrusion of the freedom of press, speech, and opinion, such as we now encounter in the attack by the committee in the instant case.

Moreover, the over-all demands of the subpoenas issued by the committee violate the fourth amendment of the United States Constitution which provides that—

The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures, shall not be violated—

As the Supreme Court held in *Oklahoma Publishing Co. against Walling; News Printing Co., Inc., against Same*, the use of the subpoena power is a "constructive search" and may only be exercised when "the investigation is authorized by Congress for a purpose Congress can order, and the documents sought are relevant to the inquiry."

What the committee has done in this instance is to use the power of subpoena for a fishing expedition.

I repeat. If we pass this resolution we pass up the American way of fair play and embrace the way of unconstitutional government.

Mr. WOOD. Mr. Speaker, I yield 4 minutes to the gentleman from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. Speaker, I think the membership of the House is fairly conversant with the issue involved in the resolution before us now. I think the gentleman from New York is correct when he says we are making history. We are making history to determine

whether or not the Congress of the United States has authority to subpoena witnesses before one of its established committees and to receive evidence in conformity with that subpoena.

Basically and fundamentally, that is the primary issue we are asking you to decide today. We are not asking you to decide or to pass final judgment upon the activities of the Joint Anti-Fascist Refugee Committee, because quite obviously the House Committee on Un-American Activities is not able today to give you the complete picture of their activities since they have by stealth and deception concealed their books and records from the Congress, the country, and the committee.

I think when the gentleman from New York [Mr. CELLER] mentioned Abraham Lincoln he added one too many witnesses to his list because the words of Abraham Lincoln himself would come back to plague the gentleman from New York. Abraham Lincoln it was who said, you will recall, "You can fool some of the people all of the time, and you can fool all of the people some of the time, but you cannot fool all of the people all of the time." I think the Joint Anti-Fascist Refugee Committee is about to learn that it cannot fool all of the Congress and all of the country all of the time by its secret and nefarious activities which it studiously and stubbornly refuses to reveal for public inspection.

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

Mr. MUNDT. I yield.

Mr. RANKIN. The gentleman from New York [Mr. CELLER] also went far afield when he undertook to place Thomas Jefferson in the wrong light. If Thomas Jefferson were here today, he would be in favor of exposing and driving from power and from the country every subversive element in the United States.

Mr. MUNDT. I am sure that is correct. I would like to read at this time just a little of the testimony which has come to our committee on the activities of the Communist Party. I refer to Louis Francis Budenz, a man who for 10 years sat as executive board member of the Communist Party of America, a man who for the past 5 years has served as editor of the Daily Worker, the political mouthpiece of the Communist Party. This man certainly cannot be considered a Red-baiter. This man belonged to the club. This man talks from the inside. This man was one of the primary communistic agitators of the country until about 90 days ago when he joined the church and dedicated his life now in attempting to undo the damage which he helped to create in the United States. He is now a professor in Notre Dame University, South Bend, Ind. Here are some of the startling things he told our committee about the Communist Party.

Mr. Speaker, I ask unanimous consent at this time to insert the full excerpt of the statement as made available to the press as part of my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

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

Mr. MUNDT. I would rather not. I would rather have the House hear from Mr. Budenz at the moment than from the gentleman from Minnesota.

The statement referred to is as follows:

STATEMENT OF LOUIS FRANCIS BUDENZ AFTER APPEARING BEFORE THE COMMITTEE ON UN-AMERICAN ACTIVITIES

In responding to the subpoena of the committee, there is no disposition on my part to pillory any individual Communist. Quite to the contrary; I pray for each and every one of them every day that they may abandon their atheistic and anti-American affiliation. It is to the Communist system that I am opposed, with its iron dictatorship over the liberties and souls of men.

What I did state to the committee, as I had reluctantly found from my experience, is that the Communist Party in the United States is a direct arm of the Soviet foreign department. It serves a foreign power and never swerves from such service by a hair's breadth. What I further had to state was that the policy agreed upon and exemplified by the orders conveyed last year in the Jacques Duclos letter was one of continuous hostility to the United States and injury to the American Nation. It was a Hitlerite policy of world domination, to be established step by step through fifth columns. The documents of the discussion on that letter, backed up by the documents in regard to the intent of the Communists over the years, expressed that aim in black and white.

Whether that policy will be changed or not remains to be seen. There has been no indication of any such change; everything points to its continuance. That aim is the building up of Soviet power through the same domination of other countries that Hitler brought about, directed at the eventual destruction of the American Nation.

The Communist persecution of religion, to which I referred at the time of my return to the Catholic Church and which had been emphasized in Communist circles, is now out in the open for all the world to note. The neo-Nero assault on Catholic Christians in Poland and Ruthenia rivals in savagery the brown-shirted and black-shirted reigns of terror.

Any good relations with Soviet Russia will have to flow from bringing all these cold, hard realities to the attention of the Soviet state, in my opinion, and in some way reaching the people of that nation, shut in now behind walls of police censorship.

Among Communists in this country there are many who have become such out of an original sense of social injustice, but who are now most unhappy in their association. They are beginning to realize that each one of them is a potential spy against the United States. I told the committee of my hope that many of these people will realize the sedition against the United States of which they are in grave danger of being guilty.

To confuse labor and the Communists would be a grave mistake, I told the committee; but to neglect the education of the American people to the anti-American intent of the Communist organization would be a profoundly unpatriotic act.

The Reverend Francis Cavanaugh, CSC, dean of the College of Liberal Arts at Notre Dame University, accompanied Mr. Budenz to the hearing. "I have asked Father Cavanaugh to come with me," stated Budenz, "as I want Notre Dame University to be fully advised of what transpires. I appreciate deeply that university's splendid cooperation with me and for me."

Mr. Budenz, speaking from first-hand experience, says the Communist Party in the United States is a direct arm of the Soviet Foreign Government. It serves a foreign power and never swerves from

such service by a hairsbreadth. Then he proceeds to tell how every American Communist is a potential spy.

We ask you now to help us inspect the records of an organization which has dedicated a large part of its activities in an effort which up to now, I am happy to say, has been circumvented by the State Department; this organization has dedicated its primary activities in an effort to bring into the United States Communists from Europe. We ask you to help us to find the complete record so that we can lay it before you for your own appraisal.

It is not our purpose here today to list all the evidence which has been collected to show the Communist associations, affiliations, and affinities of many of the directors of the Joint Anti-Fascist Refugee Committee. It is not even our present purpose to array before you the evidence showing the strange and startling activities in which this committee has engaged behind the confusing label of its high-sounding and appealing title. In fact, some of these activities are still undisclosed due to the devious methods of the board of directors and their employees have taken to conceal their books and files and records from the Congress and the country.

Mr. Speaker, I do however desire to call attention at this time to some of the associations and organizations with which directors of the Joint Anti-Fascist Refugee Committee are connected. This evidence was compiled from the files of the old Dies committee, the files of the present Wood committee, and from other sources and the compilation which follows was prepared by a staff member of the House Committee on Un-American Activities. I am inserting it at this point because of its informative and interesting background information.

ORGANIZATIONS WITH WHICH MEMBERS OF THE EXECUTIVE BOARD OF THE JOINT ANTI-FASCIST REFUGEE COMMITTEE ARE CONNECTED

ABRAHAM LINCOLN BRIGADE OR BATTALION

1. Aid to the leftist armies in Spain has been one of the major activities of all Communist organizations, particularly in the recruiting for and support of the Abraham Lincoln Brigade. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 183.)

2. Received money raised by the Communist Party of Massachusetts. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 562.)

3. Cited as a Communist front organization by Pennsylvania Commonwealth counsel before the reviewing board of the Philadelphia County Board of Assistance. (January 1942.)

4. Cited as a Communist front by the special Committee on Un-American Activities. (March 29, 1944.)

AMERICAN COMMITTEE FOR DEMOCRACY AND INTELLECTUAL FREEDOM

1. Formulated and circulated petition to discontinue the Dies committee created by Congress for the purpose of gathering information on subversive organizations and individuals in the United States. (New York City Council Committee Investigating the Municipal Civil Service Commission, pt. II, p. 73.)

2. Cited as a Communist front by the special Committee on Un-American Activities, June 25, 1942.

3. Cited as subversive and un-American by the special subcommittee of the House Com-

mittee on Appropriations, report, April 21, 1943, page 3.

4. Cited as a Communist front by the special Committee on Un-American Activities. (March 29, 1944, p. 47, 49, 87.)

AMERICAN COMMITTEE FOR THE PROTECTION OF THE FOREIGN BORN

1. Cited as under Communist control, influence, or in collaboration with the Communist Party by the Committee for Cultural Freedom, Prof. John Dewey, chairman, April 1940.

2. Cited as a Communist front by the Special Committee on Un-American Activities. (June 25, 1942.)

3. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, p. 40, 47 ff., 87, 97, 112, 120, 129, 155, 167, 174.)

AMERICAN FRIENDS OF SPANISH DEMOCRACY

1. This was another of the Spanish-aid organizations which received Communist support. (New York City Council Committee Investigating the Municipal Civil Service Commission, pt. II, p. 63.)

2. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, pp. 82, 116.)

AMERICAN FRIENDS OF THE SOVIET UNION

1. Called an American propaganda agency for the Soviet system, Special Committee on Un-American Activities. (March 29, 1944, pp. 379, 461.)

AMERICAN LEAGUE AGAINST WAR AND FASCISM

1. The American League Against War and Fascism, predecessor of the American League for Peace and Democracy, both described by Earl Browder as Communist transmission belts. (New York City Council Committee Investigating the Municipal Civil Service Commission, pt. II, p. 66.)

2. Communist Party is a vital factor in the above. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 298.)

3. Cited as a Communist front by the Special Committee on Un-American Activities. (January 3, 1940, p. 6, 16, 37, 47 ff., 53, 71, 82, 94, 107, 113, 116, 119 f., 127 f., 135, 159, 163, 171, March 29, 1944.)

4. Cooperated with Communist Party in defense of Schappes. (Rapp-Coudert Committee, report, 1942, p. 293.)

5. Cited as a Communist-front organization. (Attorney General Francis Biddle, in re Harry Bridges, May 28, 1942, p. 10.)

6. "Established in the United States in an effort to create public sentiment on behalf of a foreign policy adapted to the interests of the Soviet Union." (Attorney General Francis Biddle, CONGRESSIONAL RECORD, September 24, 1942, p. 7683.)

7. Hollywood unit cited as a Communist front. (California Committee on Un-American Activities, report, 1943, p. 91.)

AMERICAN LEAGUE FOR PEACE AND DEMOCRACY

1. "The American League for Peace and Democracy was a Communist 'transmission belt' originally organized and controlled by the Communist Party, carrying out its instructions as an affiliate of the Communist Internationale in Moscow." (New York City Council Committee investigating the Municipal Civil Service Commission, pt. II, p. 66.)

2. Cited as an organization in which "Communists have controlling influence." (Massachusetts House Committee Report on Un-American Activities, 1938, p. 77.)

3. Choice instrument of Stalinist anti-Nazi propaganda. (Rapp-Coudert Committee, report, 1942, p. 220.)

4. Cited as a Communist-front organization by Pennsylvania Commonwealth Counsel before the reviewing board of the Philadelphia County board of assistance January 1942.

5. Cited as a Communist front. (California Committee on Un-American Activities, report, 1943, p. 91.)

6. Established in 1937 as successor to the American League Against War and Fascism. "The American League for Peace and Democracy * * * was designed to conceal Communist control, in accordance with the new tactics of the Communist Internationale." (Attorney General Francis Biddle, CONGRESSIONAL RECORD, September 24, 1942, p. 7684.)

7. "Established in the United States in an effort to create public sentiment on behalf of a foreign policy adapted to the interests of the Soviet Union." (Attorney General Francis Biddle, September 24, 1942, p. 7683.)

8. Cited as "subversive and un-American" by the Special Subcommittee of the House Committee on Appropriations. (April 21, 1943, report, p. 3.)

9. Cited as a Communist front by the Special Committee on Un-American Activities. (Jan. 3, 1940, June 25, 1942; March 29, 1944, p. 6, 16 f., 37, 47 ff., 53, 81, 86, 102, 105, 107, 110 f., 113, 116, 120, 128, 137, 141, 147, 152 f., 155, 159, 163, 169, 171 f., 176, 181.)

AMERICAN PEACE MOBILIZATION

1. Cited as a Communist-front organization. (Decision in the case of Helen Miller, United States Secretary of Labor, August 1, 1941.)

2. Cited as a Communist-controlled pseudo-pacifist group. (Rapp-Coudert Committee report, 1942, p. 221.)

3. "Established in the United States in an effort to create public sentiment on behalf of a foreign policy adapted to the interests of the Soviet Union." (Attorney General Francis Biddle, CONGRESSIONAL RECORD, September 24, 1942, p. 7683.)

4. "The most conspicuous activity of American Peace Mobilization was the picketing of the White House, which began in April 1941 in protest against lend-lease and the entire national-defense program * * *. On the afternoon of June 21, 1941, he (Frederick V. Field, national secretary) suddenly called off the picket line around the White House." (Attorney General Francis Biddle, CONGRESSIONAL RECORD, September 24, 1942, p. 768.)

5. Cited as a Communist-front by the California Report on Un-American Activities, page 45, 1943.

6. A Communist-front "organized during the Stalin-Hitler collaboration, in June 1940." (California Committee on Un-American Activities, 1943, p. 93.)

7. Cited as a Communist-front by the Special Committee on Un-American Activities. (March 29, 1944.)

AMERICAN-RUSSIAN INSTITUTE FOR CULTURAL RELATIONS WITH THE SOVIET UNION

1. Listed by the Special Committee on Un-American Activities as one of the "American propaganda agencies for the Soviet system" with a "semiofficial status." (March 29, 1944, pp. 468-469.)

AMERICAN STUDENT UNION

1. Followed the same program of "peace" as the Communist Party (Massachusetts House Committee on Un-American Activities, report, 1938, p. 539.)

2. Cited as an organization in which "Communists have controlling influence." (Massachusetts House Committee Report on Un-American Activities, 1938, p. 77.)

3. Cited as under Communist control, influence, or in collaboration with the Communist Party by the Committee for Cultural Freedom, Prof. John Dewey, chairman, April 1940.

4. "Sponsoring organization" of the Boston-Scottsboro Defense Committee. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 209.)

5. Cited as a Communist front by the Special Committee on Un-American Activi-

ties. (January 3, 1940; March 29, 1944; June 25, 1942.)

6. Cited as "a subversive organization" (Rapp-Coudert committee interim report, December 1, 1941, p. 107.)

7. Cited as an organization "for transmitting the aims and program of which the Young Communist League is the initiating and projecting element" (Rapp-Coudert committee interim report, December 1, 1941, p. 14.)

8. Cooperated with Communist Party in Schappes' defense campaign (Rapp-Coudert committee, report, 1942, p. 293.)

9. Cited as a Communist front by the California Report on Un-American Activities. (p. 45, 1943.)

10. Cited as "subversive and un-American" by the Special Committee of the House Committee on Appropriations, report (April 21, 1943, p. 3.)

AMERICAN YOUTH FOR DEMOCRACY

1. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, pp. 76, 102, 122.)

ARTISTS' FRONT TO WIN THE WAR

1. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, p. 96.)

CHINA AID COUNCIL OF THE AMERICAN LEAGUE FOR PEACE AND DEMOCRACY

See American League for Peace and Democracy.

COMMITTEE FOR CITIZENSHIP RIGHTS

1. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, p. 95f.)

CONFERENCE ON CONSTITUTIONAL LIBERTIES IN AMERICA

1. Held on June 7, 8, 9, 1940, National Press Club Auditorium, Washington, D. C. "Out of this conference grew the National Federation for Constitutional Liberties * * * which defended the right of Communists and Nazis to remain and to be admitted to public service in the United States Government." (New York City Council Committee Investigating the Municipal Civil Service Commission, pt. II, p. 69.)

2. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, pp. 83, 102, 129, 147, 155.)

COORDINATING COMMITTEE TO LIFT THE EMBARGO

1. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, pp. 87, 120, 129, 138, 150.)

COUNCIL FOR PAN-AMERICAN DEMOCRACY (KNOWN ALSO AS CONFERENCE ON PAN-AMERICAN DEMOCRACY)

1. Cited as subversive and un-American by the Special Committee of the House Committee on Appropriations. (Report, April 21, 1943, p. 3.)

2. Cited as under Communist control, influence, or in collaboration with the Communist Party by the Committee for Cultural Freedom, Prof. John Dewey, chairman, April 1940.

3. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944; June 25, 1942.)

4. "The council was then (December 23, 1940) attacking 'American imperialism' but has shifted its policy since the invasion of Russia by Hitler." (New York City Council committee investigating the municipal civil service commission, pt. II, p. 83.) Cited as an organization of Communist complexion. (Ibid., p. 88.)

EMERGENCY PEACE MOBILIZATION

1. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, pp. 105, 156, 169.)

FEDERATION OF FACULTY COMMITTEE FOR AID TO SPANISH PEOPLE

1. Affiliate of Medical Bureau To Aid Spanish Democracy, Special Committee on Un-American Activities. (March 29, 1944.)

FRIENDS OF THE ABRAHAM LINCOLN BRIGADE

1. Cited as a Communist front organization by Pennsylvania Commonwealth counsel before the reviewing board of the Philadelphia County Board of Assistance. January 1942.

2. Cited as a Communist front by the Special Committee on Un-American Activities. March 29, 1944, pages 82, 125, 140, 146; January 3, 1940.

3. Meeting of the above reported by the (Communist) Progressive Book Shop, Boston. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 282.)

4. Cited as a Communist front. (California Committee on Un-American Activities, report, 1943, p. 162.)

5. Cited as under Communist control, influence, or in collaboration with the Communist Party by the committee for cultural freedom, Prof. John Dewey, chairman, April 1940.

6. International Workers Order contributed funds to the above for aid to Spanish democracy. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 395.)

FRIENDS OF THE SOVIET UNION

1. Corliss Lamont, ardent Communist, wrote for the above. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 304.)

2. Cited as an organization in which Communists have controlling influence. (Massachusetts House Committee Report on Un-American Activities, 1938, p. 77.) Purpose, the spreading of propaganda favorable to Russia. (Ibid., p. 129.)

3. Affiliated with the First United States Congress against war, 1932. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 462.)

4. Cited as a Communist front by the Special Committee on Un-American Activities. (Jan. 3, 1940; June 25, 1942; March 29, 1944.)

5. "Set-up by the Communist Party of the United States" (Testimony of John G. Honeycombe, former member of the Communist Party in Los Angeles, California Committee on Un-American Activities, report, 1943, p. 119.)

INTERNATIONAL WORKERS ORDER

1. Affiliated with the First United States Congress Against War, 1932. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 462.)

2. Listed in the cash receipt record of the Communist Party, Boston, 1937. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 570.)

3. Controlled by the Communists. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 308.)

4. Cited as an organization "allied to the Communist Party." (Massachusetts House Committee Report on Un-American Activities, 1938, p. 543.)

5. Affiliation between the above and the Young Communist League (Massachusetts House Committee on Un-American Activities, report, 1938, p. 393.)

6. Cited as a Communist front in testimony before the California Committee on Un-American Activities, p. 68, 1943.

7. Cited as under Communist control, influence or in collaboration with the Communist Party by the Committee for Cultural Freedom, Professor John Dewey, chairman, April 1940.

8. "One of the strongest Communist organizations" (Atty. Gen. Francis Biddle, CONGRESSIONAL RECORD, Sept. 24, 1942, p. 7688).

9. Cited as "subversive and un-American" by the Special Committee of the House Com-

mittee on Appropriations, report, April 21, 1943, p. 3.

10. "An important Communist front organization" (California Committee on Un-American Activities, report, 1943, p. 93).

11. Cooperated with Communist Party in defense of Schappes (Rapp-Coudert Committee, report, 1942, p. 293).

12. Cited as a Communist front organization by Pennsylvania Commonwealth Counsel before the Reviewing Board of the Philadelphia County Board of Assistance.

13. Cited as a Communist front by the Special Committee on Un-American Activities. January 3, 1940; June 25, 1942.

JEFFERSON SCHOOL OF SOCIAL SCIENCE

1. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, pp. 89, 150, 156.)

JOHN REED CLUB SYMPOSIUM—JOHN REED CLUBS OF THE UNITED STATES

1. Affiliated with the First United States Congress against war, 1932. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 462.)

2. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944.)

JOINT ANTI-FASCIST REFUGEE COMMITTEE

1. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, p. 174.)

JULIUS ROSENTHAL MEMORIAL COMMITTEE

1. "A Communist front organization which belonged to the large group of Spanish-aid committees which the Communist Party so successfully exploited," Special Committee on Un-American Activities. (March 29, 1944, p. 957.)

MEDICAL BUREAU, AMERICAN FRIENDS OF SPANISH DEMOCRACY

1. See American Friends of Spanish Democracy.

MEDICAL BUREAU AND NORTH AMERICAN COMMITTEE TO AID SPANISH DEMOCRACY

1. International Workers Order contributed funds to the above for aid to Spanish democracy. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 395.)

2. Cited as subversive and un-American by the Special Committee of the House Committee on Appropriations, report, April 21, 1943, page 3.

3. Cited as a Communist front by the Special Committee on Un-American Activities. March 29, 1944, page 82.

MEDICAL BUREAU TO AID SPANISH DEMOCRACY

1. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944.)

MEMORIAL DAY YOUTH PEACE PARADE

1. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, p. 83.)

NATIONAL COMMITTEE AGAINST CENSORSHIP OF THE THEATER ARTS

1. Activity of Theatre Arts Committee—See Theatre-Arts Committee.

NATIONAL COUNCIL OF AMERICAN-SOVIET FRIENDSHIP

1. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, pp. 112, 120, 149, 156, 167.)

NATIONAL EMERGENCY CONFERENCE FOR DEMOCRATIC RIGHTS

1. Cited as "subversive and un-American" by the Special Committee of the House Committee on Appropriations, report, April 21, 1943, page 3.

2. Cited as under Communist control, influence, or in collaboration with the Communist Party by the Committee for Cultural

Freedom, Prof. John Dewey, chairman, April 1940.

3. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1942; March 29, 1944.)

NATIONAL LAWYERS GUILD

1. "The late Frank P. Walsh, Comptroller Joseph D. McGoldrick, Judge Ferdinand Pecora, Hon. Adolph Berle, Assistant Secretary of State Nathan Margold, Solicitor to the Department of the Interior, and others, have resigned from the organization on the ground that it is Communist dominated." (New York City Council Committee Investigating the Municipal Civil Service Commission, pt. II, p. 55.)

2. Cited as a Communist front (California Committee on Un-American Activities, report, 1943, p. 98). A. A. Berle, Jr., Assistant Secretary of State, in his letter of resignation, dated June 5, 1940, stated that the leadership is not prepared "to take any stand which conflicts with the Communist Party line."

3. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, pp. 147, 149.)

NONPARTISAN COMMITTEE FOR THE REELECTION OF VITO MARCANTONIO

1. Cited as an organization "of Communist complexion." (New York City Council Committee Investigating the Municipal Civil Service Commission, pt. II, p. 87.)

2. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, pp. 112, 181.)

NORTH AMERICAN COMMITTEE TO AID SPANISH DEMOCRACY

1. Received money raised by the Communist Party of Massachusetts. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 562.)

2. International Workers Order contributed funds to the above for aid to Spanish democracy. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 395.)

3. Cited as under Communist control, influence, or in collaboration with the Communist Party by the Committee for Cultural Freedom, Prof. John Dewey, chairman, April 1940.

4. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944; January 3, 1940.)

PROGRESSIVE COMMITTEE TO REBUILD AMERICAN LABOR PARTY

1. "Communist faction" of the American Labor Party of New York (New York City Council Committee investigating the municipal civil-service commission, part II, p. 33). "Leaders denounced as Communists by members of the State executive committee of their own party" (ibid, p. 36).

2. Cited as under Communist control, influence, or in collaboration with the Communist Party by the Committee for Cultural Freedom, Prof. John Dewey, chairman, April 1940.

3. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, pp. 48, 102, 127, 153, 160, 180.)

REFUGEE SCHOLARSHIP AND PEACE CAMPAIGN

1. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, p. 87.)

REICHSTAG FIRE TRIAL ANNIVERSARY COMMITTEE

1. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, pp. 17, 112, 156.)

SCHAPPES DEFENSE COMMITTEE

1. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, p. 7, 49, 71, 102, 112, 120, 155, 179.)

SPANISH REFUGEE RELIEF CAMPAIGN

1. Cited as a Communist front by the Special Committee on Un-American Activities. (January 3, 1940.)

2. "This organization suffered a split because of the charge of Communist domination. * * * This organization likewise received Communist approval and support and was part of the network of organizations fostered by the Communist Party in its Spanish campaign." (New York City Council committee investigating the municipal civil service commission, pt. II, p. 63.)

3. Cited as a Communist front organization by Pennsylvania Commonwealth Counsel before the reviewing board of the Philadelphia County Board of Assistance. (January 1942.)

THEATER ARTS COMMITTEE (TAC)

1. Cited as under Communist control, influence, or in collaboration with the Communist Party by the Committee for Cultural Freedom, Prof. John Dewey, chairman, April 1940.

UNITED AMERICAN SPANISH AID COMMITTEE

1. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, pp. 82, 112, 133, 138, 167, 180.)

UNITED MAY DAY COMMITTEE

1. Listed by Special Committee on Un-American Activities as one of the "miscellaneous Communist and Communist front organizations." (March 29, 1944, pp. 1069, 1158.)

ZERO HOUR PARADE

1. Cited as an organization "of Communist complexion." (New York City Council committee investigating the municipal civil-service commission, pt. II, p. 88.)

PERIODICALS

Daily Worker

Newspaper; official organ of Communist Party, United States of America.

Friday

Listed by the Special Committee on Un-American Activities as one of the "party and party-line publications." (March 29, 1944, pp. 1446-1460.)

Health and Hygiene

Listed by the Special Committee on Un-American Activities as one of the "party and party-line publications." (March 29, 1944, pp. 1446-1460.)

New Currents

Listed by the Special Committee on Un-American Activities as one of the "party and party-line publications." (March 29, 1944, pp. 1446-1460.)

New Masses

Listed by the Special Committee on Un-American Activities as one of the "party and party-line publications." (March 29, 1944, pp. 1446-1460.)

Science and Society

Listed by the Special Committee on Un-American Activities as one of the "party and party-line publications." (March 29, 1944, pp. 1446-1460.)

Soviet Russia Today

Listed by the Special Committee on Un-American Activities as one of the "party and party-line publications." (March 29, 1944, pp. 1446-1460.)

In addition, over 8,000 communications from American citizens have reached the offices of our committee asking us to get the facts and examine the activities of the Joint Anti-Fascist Refugee Committee. The New York World-Tele-

gram as long ago as 1941 published a series of articles accusing Dr. Barsky, executive director of the Joint Anti-Fascist Refugee Committee, and many of his present associates of communistic activities. Among the directors we are today asking you to cite for contempt are several self-admitted Communists and at least one who has been a candidate for public office in this country on the Communist ticket.

Mr. Speaker, I urge Members of the House to read the printed hearings which report the testimony of these directors of the so-called Joint Anti-Fascist Refugee Committee when we had them before our committee on April 4 of this year. They were completely noncooperative. They were consistently insolent, arrogant, and secretive. All had been carefully coached by the same attorney and all evaded questions with the same practiced patter. Of more than passing significance is the fact that most of the directors specifically declined to deny that they were Communists when given an opportunity to do so by our committee. None of them availed themselves of the opportunity to go on record in support of American institutions and ideals.

Certain it is, this so-called Joint Anti-Fascist Refugee Committee has been engaging in activities far afield from the relief job about which it speaks. For example, no less an authority and no less valiant an American than J. Edgar Hoover, himself, signed a letter which said in part:

It has been reported to this Bureau (the FBI) that the subject organization (the Joint Anti-Fascist Refugee Committee) has engaged in political activities in connection with its fund-raising campaign. In this regard it is said that during the last week of September 1945, the organization had a sound truck on the streets of New York City in order to implement its collection campaign to raise funds allegedly for anti-Fascist Spanish refugees. The speakers using the sound truck are reliably reported to have urged the breaking of diplomatic relations between this country and Spain and to have also tied in with their appeal labor controversies then current in the New York City area.

Mr. Speaker, agitation of labor controversies in the United States is an old and established favorite practice of the American Communists. It certainly smacks much more closely of communism than it does of relief for foreign refugees from Fascist countries.

Yes, Mr. Speaker, we could tell you more—much more—about the devious methods and dubious personalities of this organization with its compelling title but with which its activities and its authors are in such strange conflict. However, that is not the burden of our task this afternoon. We are not here today to condemn or castigate or to convict this committee and its highly secretive and supersensitive directorate on the basis of the incomplete investigation which we have achieved. We are here, sir, to get authority from this House to complete the investigatory job which we have begun and in which we have been circumvented by the strange and stubborn refusal of this committee to let us learn the full story which is locked in

their secret and prodigiously protected files.

We are not here to complete our case with respect to the Joint Anti-Fascist Committee. Mr. Speaker, we are here simply to ask Congress to reassert its right of subpoena so that we can follow this trail to its source. Once Congress has reaffirmed itself in the connection those who conceive themselves to be above and beyond the law will draw a second breath and those who believe that America is worth defending will breathe more easily.

Sir, the Congress might well know that this is not the only organization which would conceal facts from our committees and win support from the public while refusing to let the officials of that public see behind their blackened windows and their well-locked doors. Already another fund-raising committee with attractive name and secret records—emboldened by the refusal of the Joint Anti-Fascist Refugee Committee to disclose its files—has notified us of its defiance of our subpoena powers. The country might as well as be told first as last that our committee is in this fight to expose un-American activities to the finish. By your votes today we ask you to give evidence of your support. Once this is done we assure you that where the evidence indicates there is work to be done your committee will not shrink from its task. We have already learned that in 90 percent of the cases where we may be following a false clue the organizations are eager to cooperate with our investigators and to help us to establish their innocence. Against those with something to hide, we promise you we shall proceed with full vigor after you have helped us establish a proper precedent here this afternoon.

As the servants of this House, our committee will continue to keep you advised concerning what we find once we have broken the barriers of secrecy by which the Joint Anti-Fascist Committee has been endeavoring to conceal its activities and its affiliates. We shall not today endeavor to predict what that evidence is likely to disclose. We ask you simply for the authority to get access to the full storehouse of the facts.

Each of you, of course, must make his own choice on the forthcoming vote which, because of its importance and its implications, I trust will be a recorded aye and nay vote. Each of you must stand behind his publicly expressed decision. The issue is clear-cut. Will you vote to uphold the dignity of Congress or will you vote to uphold those who defy and denounce Congress? Will you vote to maintain and preserve and emphasize the authority of Congress to conduct an effective investigation or will you vote to establish a precedent whereby Congress would become impotent in its investigatory tasks upon the refusal of a group or individual voluntarily to cooperate?

Today's vote will long be used as tomorrow's index to the attitudes of those of us who now sit as Members of this House. Unless we are to turn America over to those who deprecate it and to those who would destroy its established

institutions it is imperative that we today face up to our responsibilities and vote to uphold the dignity and the authority of Congress. Once the powers of a congressional committee to function effectively in an investigatory capacity have been reasserted as I am convinced they will be in today's roll-call vote, the great job of exposing and eradicating the subversive influences now at work in this Republic can be resumed with vigor and authority.

In the meantime, I would like to suggest to the many fine and patriotic Americans who have been induced to make contributions to the Joint Anti-Fascist Refugee Committee because of its attractive title and its announced objectives that they refrain from further contributions until we discover the true record of the facts. Before contributing further, Americans generally have the right to know whether the money they subscribe is being used to give relief to the victims and refugees of fascism abroad or whether it is being used to reinforce the ramparts of those attempting to expand the sinister influence of American Communists here at home.

Mr. WOOD. Mr. Speaker, I yield 2 minutes to the gentlewoman from California [Mrs. DOUGLAS].

Mrs. DOUGLAS of California. Mr. Speaker, I said on the floor of the House a few weeks ago I felt that a too great delegation of power had been given to the Un-American Activities Committee, a power which should not be given to any committee inside or outside of Congress, and that indeed with such power you would have to have a committee staffed with Brandeises and Justice Holmeses in order not to infringe upon the very civil liberties which that committee was set up to protect. That committee was set up to protect this form of government under which these civil liberties are only possible and which we all swear allegiance to and want to protect. I say that not because of personalities, not because there are people on that committee who wish to destroy the civil liberties of the American people, but because the Un-American Activities Committee has been given a too vast delegation of power, we are running into the kind of difficulties that confront us today. For one thing, no two people's ideas in this Chamber today agree on what is subversive. For instance, the committee sent out letters asking certain people what they meant when they used the word "democracy." People were bewildered; and I do not wonder. They were indignant; and I am not surprised.

You have example after example of this kind of action coming from the Un-American Activities Committee, not because of any vicious intention, but because the powers granted this committee are too broad, too sweeping.

But I think in this instance the committee has even exceeded the authority we delegated to it. The Joint Anti-Fascist Refugee Committee is a relief organization to assist persecuted men and women who fought for Republican Spain. It may well be that some of these refugees are Communists. But the relief of suffering all over the world cannot and

must not depend on the political beliefs of the sufferers. It is legitimate for organizations to raise funds even for our late enemies. Indeed one of the charges at the Nuremberg trial is that Germans permitted persons to starve whose views were hostile to the Nazi regime. By no stretch of the imagination can the work of this organization be called subversive or un-American. It has been licensed by the President's War Relief Control Board. It has been assisted by the Unitarian Service Committee which has felt itself honored to distribute funds raised by the Joint Anti-Fascist Refugee Committee with an eye solely to the humane use of such funds.

The committee of this House is not authorized to search and seize the records of such an organization. Its authority is confined to these three subjects: First, the extent, character, and objects of un-American propaganda activities in the United States; second, the diffusions in the United States of subversive and un-American propaganda that is instigated from foreign countries or of domestic origin and attacks the principle and form of government as granted by our Constitution; third, all other questions in relation thereto that would aid Congress in any necessary remedial legislation.

I submit that under this authority the committee has no jurisdiction to search the books and records of any organization until it has established by evidence that the organization is actually distributing un-American or subversive propaganda. There is no such evidence in this case. The justification for this unlawful search is simply the opinion of members of the committee that the organization contains Communists. Even if that were so, under the American Constitution believers in communism are just as much entitled to freedom from unlawful search as any other citizen. Our first freedom, the freedom of speech, means that every citizen is free to hold any sort of political views and to speak the views he holds. His opinions do not give Congress the right to prevent him from contributing or to distributing relief to suffering people. And this is all that the organization under attack by the committee is trying to do.

No court, and no administrative tribunal could be lawfully delegated the power to search and seize the records of any organization on the showing that is made the basis for this contempt citation. I cannot believe that a power which Congress cannot exercise by the enactment of a law can constitutionally be exercised by delegation to one of its committees.

What are we asked to do here today? We are asked, after 20 minutes' deliberation, in which there is not time to present either side of the case, to take a vote which will affect the lives of 17 people, directly and indirectly, to the end of their days. If this is not final proof, with all the other problems Congress must grapple with, there is no place for such a committee in the House of Representatives, I do not know what is.

Members of Congress have not the time and are not equipped to handle this dangerous subject. Whatever truly sub-

versive propaganda or activities there may be in the country they should certainly be turned over to experts, in the proper agencies—the FBI and the Department of Justice.

Mr. HEALY. Mr. Speaker, I have in the last few days received a number of communications from my constituents calling upon me to use my influence to halt what they term the persecution and prosecution of a group of distinguished Americans whose only crime is that they are engaged in humanitarian and democratic work. I refer to the contempt charges against officers of the Joint Anti-Fascist Refugee Committee, the Council of American-Soviet Friendship, and the Federation for Constitutional Liberties.

Today the Washington Post carries a full-page advertisement under the signature of leading Americans appealing to us to come to the support of the 21 individuals under attack, and also outlining the basis for their position. These men and women are not in contempt of Congress. They are, as is lawful, protecting themselves against encroachments on their constitutional rights. This House has the duty to see that justice is done.

Mr. PATTERSON. Mr. Speaker, I am certain that a court of law will uphold all the American citizens who have been cited for contempt for refusing to comply with the unwarranted demands of the House Committee on Un-American Activities.

It is obvious that Congress did not give the committee power to interfere with the internal affairs of groups which cannot conceivably be considered as engaged in un-American and subversive propaganda activities.

The United States Supreme Court has clearly ruled on this matter:

And it is a necessary deduction from the decisions in the *Kilbourn v. Thompson* and *In re Chapman* that a witness rightfully may refuse to answer where the bounds of power are exceeded, or the questions are not pertinent, to the matter under inquiry. (*McGrain v. Dougherty*, (273 U. S. 135, 176) (1926).)

The Committee on Un-American Activities should be abolished for the obvious reasons that they are attempting to curtail freedom of speech, freedom of the press, freedom of religion, one's right to petition his government. The existence of this committee is a threat to democracy, for it will be used as was the Dies committee to defeat liberal thought and action and progressive candidates for office.

Are we privileged as representatives of the people to demand that the people conform their opinions to those of certain members under penalty of investigation and prosecution? The existence of this committee is a menace to our liberties. It must be removed from the Halls of Congress.

Mr. COFFEE. Mr. Speaker, we have seen today on the floor of this House an exhibition of callousness which must sadden all Americans who believe in justice. Sixteen members of the executive board of a charitable organization engaged in raising funds for the relief of

refugees from fascism in Franco's Spain, have been cited for contempt of this House after 20 minutes of debate. Whether or not a court upholds our vote for contempt indictments, we have given these people a black name. Yet a large number of our colleagues chose to limit debate on this matter affecting the entire lives of 16 people—to 20 minutes.

Late last night we were handed for the first time a book of 105 pages which shows the committee hearings leading to the contempt citations by the Committee on Un-American Activities. And in the opening moments of this morning's session we are presumed to be competent to judge on this matter.

STAR CHAMBER

I have read through this pamphlet. I find myself amazed at the committee procedure followed. One witness after another makes a plea for a chance to talk with his lawyer, who is not allowed in the room. The committee then insists that the witness can answer this question or that one, without talking to his attorney. One witness requests permission to read a statement. The gentleman from Mississippi [Mr. RANKIN] replies:

Now the next question he refuses, just call the marshal and send him to jail.

Is this the American star chamber of inquisition? Witnesses are treated as guilty defendants. They are not allowed to make statements. They are badgered with leading and openly unfriendly questions. They are threatened.

THOUGHT CONTROL

On VJ-day we completed at last a terrible war against an enemy that maintained domestic quiet by a process known as "thought control." "Thought police" were assigned to all areas of Japan. People could be sent to jail for the suspicion of having a thought different from that of the government. We all considered Japan's thought control policy one of the signs of fascism. We challenged the Japanese with our own freedom of the press and freedom of speech.

Last fall a number of our liberal radio commentators were "investigated" by this committee because they apparently supported the progressive program of the New Deal. It was enough to frighten some types of employers away from these men. Several are now out of radio broadcasting. The committee had apparently achieved its purpose.

The counsel for the committee has told a group of veterans that the word "democratic" does not appear in the Constitution and that this country is not a democracy.

A committee investigator has been requested to leave a congressman's office because the investigator spoke of future anti-Semitic activities of the committee.

Something is going very wrong with all of us when we allow such a committee to run a course completely opposite to all our ideals of justice and our belief in a constantly improving America. I cannot believe that the American people are willing to place this country under this new kind of tyranny.

THE FBI IS BEST QUALIFIED TO DO SUCH WORK

Mr. DOYLE. Mr. Speaker, the issues here involved are of such magnitude that

it appears to me far more than just unfortunate that the debate is limited to but one hour. It is not less than fatal to sound consideration, that this vital matter comes to us in this shape and with entirely too limited a time to thoroughly consider it.

Yes, I restate that I feel it does not come to us as it should come. First, the rules of the House did not compel the reading of the testimony before the committee of these proposed defendants, so that the membership does not know what the evidence was before the committee. It is no answer to say that some of us were delivered the 105-page printed book of such testimony late yesterday afternoon or this morning. We met this morning in this House at 10 o'clock and no copy had been delivered to me up until that time. Nor was it delivered to Members as they came to the floor for this important matter. We had to send for them after more or less accidentally learning they were at the page's desk for us. So, we have a 105-page book to read and at the same time listen to the reading of the subpoena and report only once by the Clerk. Then listen to the all too brief statements and arguments by proponents and opponents. It is just not a sensible or necessary procedure when the criminal record of American citizens is involved.

Furthermore, the limit of 1 hour prohibits participation by many who, no doubt, would like to give expression to their sincere beliefs. They should have time to do so. Our rule should be to let the largest possible number of the representatives of the people speak out instead of the reverse being the result of too short a time allowed to hear but a very few on the committee itself and barely three or four others for a pittance of minutes. I emphatically protest such procedure as itself contributory to misunderstanding of our highest American heritage of parliamentary debate and decision.

The fact that a week ago this House voted, in effect, overwhelmingly to deny the request of this House committee for the prosecution of these same 16 persons because the evidence clearly showed the committee had not yet complied with long-established rules of law, should have dictated demand for an adequate opportunity on this occasion, for every desiring member to fully inform himself on the evidence adduced before the committee.

Our attention has been called by the distinguished gentleman from New York to certain remarks on pages 10 and 63, respectfully, of the hearings. Regardless of the fact that I feel compelled to vote for the resolution and the resulting issuance of opportunity given for these persons to purge themselves from this claimed contempt, if they can, I consider their statements made to a witness by a member of our committee as themselves contemptuous of the rights of witnesses before our committee.

This revelation of the record, together with all the facts surrounding the experience of last week on this same subject, reaffirms my opinion that this sort of essential work should be done by the great FBI. They give their lives and

purposes to just such need as exists in the protection of our Government against any who would destroy our Government by force or attack our principle of government in any manner in violation of our Constitution. The FBI should be given this tremendous responsibility, for the hasty, hurried, poorly considered event of last week and now on this day, should be convincing proof of the fact that the FBI is the only qualified Federal agency or group both qualified by experience, temperament, and trial to do this the important work, thoroughly and without haste, passion, prejudice, or other duties also pressing in upon them. Every member of our House committee also has one hundred and one other heavy duties. This matter of protecting our democracy against subversive acts is worthy of the fullest attention of a fully equipped and full-time personnel of both employers and employees.

I voted against the establishment of the committee the first day I was a Member of this Congress, because I had previously had about 25 years' active law practice and felt I had an opinion based upon well-considered consideration. I felt the same way about the old Dies committee.

I voted for the Barsky citation and against one for the other 16 last week.

I shall vote for the resolution today, but with extreme regret for the reasons hereinbefore set forth, amongst others. Also this committee is an established committee of this House. As long as it appears that the committee has acted within the law as we gave it to do, I shall feel compelled to back its lawful acts. There is no showing here that the committee exceeded its authority in issuing these subpoenas, as far as I see in the too short time we have had to consider it. Such being the case, I think it will be a good thing for Congress and the country to get this whole mess before a court of competent jurisdiction at the earliest possible moment and find out what the committee can and cannot do in such cases. This is one reason I shall vote for the resolution. Our courts are our last bulwark and must always be kept so.

I know such opportunity for purging themselves in court will cost them money, but I see that on page 4 of the hearings Dr. Auslander, the head of this group, told our committee that Miss Helen Bryan was given authority over the books and that she should consult legal counsel and apparently act according to legal advice. Furthermore, this group admittedly paid several hundred dollars for the New York Times ad and are prepared to make a thorough legal test in our courts.

This, I believe, will be beneficial for all concerned; whatever the final outcome is, it will then be decided the American way.

Finally, I believe it imperative that the committee or Congress declare what it considers to be un-American propaganda, activities, or acts, so that Congress and the Nation will know it does not depend upon the whims or fancies of mere men, but is founded in principles recognized as reasonable and sound. There is no definition of un-American

propaganda in House Resolution 5, dated January 3, 1945, and I am not aware of any announced definition or conclusion on this important matter yet stated by the committee. I believe it would be constructive for the people of this great Nation to have it defined and know what our Un-American Activities Committee is charged with preventing.

Sincere men and women can honestly differ on this point. I think I have heard differences of opinions expressed by Members of this House on this very point. It appears to me that since the text of the resolution is silent on this essential factor, that the sooner the courts rule on all the issues raised the better off the country will be. Also what act is subversive. Let the courts rule and find out.

The committee is entitled to a presumption of regularity of procedure, as I see it. The group accused is apparently ready to have the issue thrashed out in court. The country needs to know what is subversive and what is un-American propaganda. The Congress needs to know how far its own committee can and cannot go. The approval of this resolution merely refers it to the courts. It finds no one guilty. It prejudices no one. They are presumed to be innocent until found guilty under well-established law.

The committee will have to establish and maintain its claims here made according to established law else no one will be found guilty of contempt.

Congress has plenty to do without doing the work for which the FBI was created and trained.

Mr. WOOD. Mr. Speaker, I yield 4 minutes to the gentleman from New Jersey [Mr. THOMAS].

Mr. THOMAS of New Jersey. Mr. Speaker, after our committee sent out the subpoenas for the chairman of the Joint Anti-Fascist Committee and the members of the executive board we had these people before us and asked each many questions.

Never since I have been a member of the Dies committee or a member of this committee have I seen a more insolent lot of people, a more insolent lot of witnesses, a more contemptuous crowd of witnesses. They not only did not bring the books with them, as the subpoenas called for, but they would not answer most of the questions we asked them.

To show their utter contempt for Congress, to show their utter contempt for this committee of Congress, I want to read to you one or two sentences from an advertisement which this group placed in the New York Times. The advertisement appeared a day after these witnesses from the Joint Anti-Fascist Committee board appeared before our committee.

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

Mr. THOMAS of New Jersey. I yield. Mr. RANKIN. And they paid \$2,640 for having it printed in one newspaper.

Mr. THOMAS of New Jersey. This is what the executive board said in the New York Times ad.

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

Mr. THOMAS of New Jersey. Not at this time.

We, the undersigned, are the members of the executive board of the Joint Anti-Fascist Refugee Committee.

Then in this \$2,640 ad they say this about your committee of Congress:

As American citizens we can have nothing but contempt for the un-American activities of the Wood-Rankin committee.

These persons not only were contemptuous in the committee room but they publicly went into the press and said how contemptuous they were of a committee of Congress.

I want to tell you this: If you will read the printed hearings on every one of these persons who came before us and whom we are attempting to cite for contempt today, you will find they not only refused to show us the books, but they declined emphatically and insolently to answer most questions put to them.

Mrs. DOUGLAS of California. Mr. Speaker, will the gentleman yield?

Mr. THOMAS of New Jersey. Not at this time.

In addition, you will find in some cases they may be guilty of perjury. I am going to recommend at a later date that we bring up this question of perjury.

But the question before the House today is not one of perjury; it is whether or not these individuals have flouted the will of Congress, whether they are contemptuous of a standing committee of Congress, and whether they should be cited for contempt. I emphatically say they should. I sincerely hope that the House supports the recommendation of the Committee on Un-American Activities.

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

Mr. WOOD. Mr. Speaker, I yield 6½ minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. HOOK. Mr. Speaker, will the gentleman yield to me?

Mr. MARCANTONIO. Not at this time.

Mr. Speaker, we have a most unusual situation here today. We are asked to cast a verdict on 16 Americans without having read the testimony. This is the first time we have had a proceeding of this character without having had an extract of the minutes or a relevant portion of the record. We shall therefore vote blindly on the resolution.

I wish every Member of the House could first read this record of over 100 pages, which tells the whole story. The gentleman from New Jersey [Mr. THOMAS] has charged the witnesses with being insolent. I would like to call your attention to page 63 of the hearings:

Mr. RANKIN. Who wrote this document for you (referring to the paper previously read by the witness)?

Mr. MAGANA. That is my opinion. Mr. RANKIN. Who wrote that for you? You are rubbing your nose right up against the gates of the penitentiary here. Did you write that?

I call your attention to another jewel. Mr. THOMAS of New Jersey. Will the gentleman read on?

Mr. MARCANTONIO. I did not yield to the gentleman. The gentleman stood up here and called these witnesses insolent.

Mr. THOMAS of New Jersey. Did the gentleman—

Mr. MARCANTONIO. Now, Mr. Speaker, the gentleman is not before his committee; he is on the floor of the House and I decline to yield.

Mr. Speaker, I call attention to page 10:

Mr. BRADLEY. Allow me to finish reading the statement.

Mr. ADAMSON. It is the same one the previous witness had.

Mr. RANKIN. Give it to the chairman. Now, the next question he refuses, just call up the marshal and send him to jail.

Then they charge these witnesses with being insolent!

What is involved here, Mr. Speaker, is not a question of the subpoena power of a congressional committee. I respectfully submit that what is involved here consists of three questions: First, the abuse of the subpoena power; second, the first and fourth amendments to the Constitution of the United States; and third, the basic political question as to whether aid to the victims of Franco constitutes subversive and un-American activities.

As to the first question what have we here? The committee is seeking to have cited for contempt every member of the board of directors on the theory that this board of directors met and that this board of directors decided that the present custodian of the books was not to be changed, that the custodian of the books was given complete authority over the records subject to consultation with an attorney as to the validity of the committee's subpoena of the books.

The committee contends that there was a conspiracy to commit contempt, and now asks us to adopt a citation resolution against every member of the board including three who were not present and never voted on the question. How are they brought here? Every one of these members of the board is brought here under a subpoena, a subpoena to produce books and records. It is elementary law, and every lawyer in this House well knows it, that the only person who can be considered to have violated a subpoena to produce records is the person who has the custody of those records. No individual member of this board has custody of these records, and I am talking from the record of the hearings. The record demonstrates conclusively that the only person who has custody of these books is the executive secretary of the organization. So how can you attempt to cite a person for contempt who has no power to comply with the subpoena even if he does want to comply with the subpoena?

Oh, you are going to say, that is a subterfuge. All of the evidence points to the contrary. However, I go further. Even if the board met and decided that the person who had custody was not to produce the books every court in this country would tell you that those individuals on that board had only one re-

sponsibility under this subpoena to produce books, and that was to inform the committee as to who had custody; and that is what they did here. They willingly gave that information. They answered all questions on this issue without reservation. They established who had custody; and the only person who can be held for violating that subpoena to produce the books is the person who has custody and refuses to produce the books. The record shows that there was only one person who had custody and only that person could be compelled, if the subpoena were a proper one, to produce those books, and failure to do so would subject that person to a citation for contempt. I again repeat if that subpoena were a proper one.

Was the subpoena proper? Let us see if the committee had any authority to issue such a subpoena; let us examine House Resolution 5 under which this committee is proceeding. The power of this committee is limited to investigate un-American and subversive propaganda, foreign and domestic. I submit that it is the duty, first of all, of the committee to establish that the propaganda is subversive and un-American; and the committee must use the yardstick laid down by the Supreme Court time and time again which is that propaganda or literature must be of such nature that it constitutes a clear and present danger to our form of Government. Until the committee first finds that the propaganda or literature is subversive, that is, that it does constitute a clear and present danger to our form of government, it cannot go further. When it does it is violating the first amendment and when it issues a subpoena of the character before us, it not only violates the first amendment but violates the fourth amendment with equal violence. So that what is involved here is a violation of the constitutional guarantee of free speech and press and of the constitutional protection against unwarranted search and seizure.

This Joint Anti-Fascist Refugee Committee is not engaged in propaganda. It is engaged in the distribution of relief to the victims of Fascist Spain. But, assuming for the sake of argument, that they did get out literature of a propaganda nature, the committee must first establish that the propaganda is subversive to warrant an investigation of the books and records of that organization.

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

Mr. WOOD. Mr. Speaker, I yield the gentleman one additional minute.

Mr. MARCANTONIO. Mr. Speaker, as I stated, the committee must first establish that this propaganda is of a subversive, un-American nature, that it does constitute a clear and present danger to our form of government. I submit that the record here shows the committee has never established that fact, but, to the contrary, the entire record of the proceedings and the history of the whole case shows that this anti-Fascist committee was not engaged in the dissemination of un-American subversive propa-

ganda. It was not engaged in propaganda that constituted a clear and present danger to the institutions of this country. It has been and is engaged in a most democratic and American activity to aid the victims of fascism.

Under those circumstances the Committee on Un-American Activities had no power whatsoever to issue this kind of a subpoena, the kind of a subpoena that evades the committee's primary responsibility, a subpoena that skips and jumps over the necessary prerequisites to warrant this kind of an investigation or subpoena.

For these reasons, Mr. Speaker, the executive secretary of this committee very properly, and I maintain the courts will sustain this view, refused to comply with the subpoena to produce the records. Now, as to the basic political issue. This organization, as well as others engaged in the struggle of yesterday and today for democracy against fascism, are subjected to attack by the committee? Why? Because their democratic activities have incurred the hatred of the majority of the committee. The issue is political and time and events make it clear.

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

Mr. WOOD. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, we are now coming to the test.

We are going to take a vote in a few minutes to determine whether or not you, as Members of Congress, are going to support the Committee on Un-American Activities in its attempts to expose those subversive elements that now threaten the life of our Nation.

As was pointed out a few moments ago, one of the former leaders of the Communist Party testified on oath before our committee the other day that every Communist in America is subservient to a foreign power; and I read to you the statement of the present head of the Communist Party to the effect that, "When a Communist heads a Government of the United States, it will not be a capitalist government, but a Soviet government, and behind this government will stand the Red Army to enforce the dictatorship of the proletariat."

That is what they are driving at; and these Communist-front organizations are being used for that purpose.

I have just listened to the lady from California [Mrs. DOUGLAS], the gentleman from New York [Mr. CELLER], and the gentleman from New York [Mr. MARCANTONIO] in their attacks on this Committee on Un-American Activities for citing for contempt of Congress witnesses who flagrantly refused to comply with the mandate of a subpoena and answer the questions propounded when placed on oath. It would certainly be interesting to see, or hear, a definition of a Communist, or a subversive, written and agreed upon by the gentlewoman from California [Mrs. DOUGLAS], the gentleman from New York [Mr. CELLER], and the gentleman from New York [Mr. MARCANTONIO].

This is a serious question, and one that challenges the very authority of the Congress of the United States. The Committee on Un-American Activities in the discharge of its duties, as outlined by the rules of the House, has secured a great deal of secret information with reference to the subversive activities of Communists in this country, including the spy ring that is now being exposed in Canada.

We had information that this so-called Anti-Fascist Refugee Committee is a subversive, communistic organization, and we sent our investigators to get the information concerning them. When they refused to give that information, the chairman issued a subpoena on the request of a majority of the committee to subpoena these representatives and demand that they show their books.

We did this in an orderly way, and the only question here is whether or not they were in contempt when they appeared before the committee and brazenly refused to answer the questions propounded, or to show the books as the subpoena demanded.

We cannot afford to give out to the world all of the information we get in executive sessions, any more than the FBI can afford to proclaim its findings from the housetop. But, we have information that convinced me, and convinced the majority of the members of the committee, that this so-called Anti-Fascist Refugee Committee is a Communist front organization.

If it were merely a charitable organization, or a relief organization, they would not refuse to show the books. They would not be spending these thousands and thousands of dollars paying for page advertisements in the large daily newspapers of the country attacking the Committee on Un-American Activities for performing the duties imposed upon it by the Rules of the House, if they were on the level.

As I said, we have had information of a spy ring in this country, as well as a network of Communist cells throughout the Nation. If you Members of the House could have heard the testimony of Mr. Budenz, a former leader of the Communist Party, who knows the inside workings of that subversive movement, it would have made the hair rise on your heads.

I wrote this rule giving the committee the right to subpoena witnesses as well as the right to administer oaths. It is not a question of what they have done up to the time they come before the committee, but when they come before that committee and refuse to answer questions they were in contempt of Congress.

Suppose an individual came before a grand jury and said, "No, I will not tell what I know about this case." Do you think the prosecuting attorney would go in and read to the court all the testimony he received in the grand jury? No. He would go before the court and say, "If Your Honor please, this witness refuses to answer the questions asked him in the grand jury room"; and he would be fined for contempt of court or sent to

jail and kept there until he agreed to answer.

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

Mr. RANKIN. For a short question. Mr. HOOK. I would like to have the gentleman explain what he meant when he said to the witness, "Just call the marshal and send him to jail." Has the committee a right to call up the marshal?

Mr. RANKIN. I simply served notice on that fellow that he was perjuring himself. They brought in there a statement written by a lawyer whose name they gave. They all read the same statement, verbatim, and yet each one took the stand and swore it was his or her own statement.

Mr. HOOK. That does not give the gentleman the right to call the marshal.

Mr. RANKIN. I do not yield further. If they had been in court, every last one of them would be in jail today.

Is Congress going to be subjected to contempt by an element in this country that is plotting day and night for the overthrow of this Government?

Are we going to surrender through cowardice the safety of our country that our boys have just won with their blood and sacrifice on the field of battle?

It is not a pleasant duty to serve on this committee.

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

Mr. RANKIN. No. I decline to yield.

As I said, it is no pleasure to serve on this committee. Today we find these contemptible statements made by a bunch of Reds over the radio, and by these publications, with all this false propaganda spread to try to discredit this committee and to discredit the Congress. We take more lying abuse from the enemies within our gates, including the Communists, pinks, and fellow travelers, than any other committee in either House.

But I want to tell you now that as long as I am on that committee, I shall perform that duty to the best of my ability. There is only one of two courses here; you are either going to vote that any subversive individual can come in here and treat Congress with contempt and get away with it, or you will vote to pass the resolution offered by the distinguished gentleman from Georgia [Mr. Wood], chairman of the Committee on Un-American Activities.

He is rendering a great service to his country and to the American people, the real Americans who fight our Nation's battles in time of war and sustain its institutions in time of peace.

Real Americans who believe in American institutions and the American way of life are supporting the gentleman from Georgia [Mr. Wood] and this Committee on Un-American Activities in their efforts to protect this Nation from destruction at the hands of the enemies within our gates.

Mr. WOOD. Mr. Speaker, I yield 2 minutes to the gentleman from Utah [Mr. Robinson].

Mr. ROBINSON of Utah. Mr. Speaker, I have asked for more time, but 2 minutes is all I can have. I believe that the

House is really being carried away by a great deal of emotion. We all feel just as the gentleman from Mississippi [Mr. Rankin] does about Communists and other people who are engaged in subversive activities or un-American activities. But that is not the problem. We have already cited Mr. Barsky, who claims to have charge of the records of this committee, and, if he does not, then the secretary does. But we have not cited her in this particular instance. We have gone out and cited 16 people, some of whom have never seen the records. We have cited them for what? For contempt of the House of Representatives through its Committee on Un-American Activities.

That is what we are attempting to do here. I voted to cite Mr. Barsky because I figured that he had no right to tell this committee that he would not produce these records when the committee asked him to do it, although he took the position, and possibly a sound position, that the committee only had the right to inquire into subversive or un-American activities. So far as their testimony is concerned, they are willing to give the committee any information they have with reference to propagandizing or active work with relation to subversive or un-American activities, but contend that this committee has no legal right to summon their books to see where their money was spent or where they got their money from. Now that is the question before the House. So it seems to me that on this question this House owes a duty to these 16 people, who are innocent, not to cite them for contempt.

As against these 16 members of the organization there is no showing whatever, in my opinion, that they have control of the records, nor that they have had very much to do with the workings of the organization. This legal problem which is involved can be tested out in the courts through proceedings against the president, Barsky, or its secretary, Helen R. Bryan. I voted to cite the president of this organization for contempt when the matter was up several weeks ago, because I was willing to have this legal matter settled by the courts. But I am unwilling to punish for contempt 16 innocent people in order to have a legal determination as to what authority this committee has when we have already cited for contempt the president of the organization, and proceedings have not been instituted against him.

I have always seriously questioned the legality of this procedure, and I think that if the House will study carefully the case of *Olmstead v. U. S.* (277 U. S.) they will be convinced that there is a serious probability that the committee is exceeding the authority given to it by the House, and that it is violating the fundamental principles of our Constitution.

I wish to quote from this opinion the language of Justice Brandeis as follows:

The makers of our Constitution undertook to secure conditions favorable to the pursuit of happiness. They recognized the significance of man's spiritual nature, of his feelings, and of his intellect. They knew that only a part of the pain, pleasure and satisfactions of life are to be found in material things. They sought to protect Americans

in their beliefs, their emotions, and their sensations. They conferred, as against the Government, the right to be let alone—the most comprehensive right and the right most valued by civilized man. To protect that right, every unjustifiable intrusion by the Government upon the privacy of the individual, whatever the means employed, must be deemed a violation of the fourth amendment.

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

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

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

Mr. RANKIN. The gentleman from Utah [Mr. Robinson] was not even present to hear these witnesses testify.

Mr. ROBINSON of Utah. Mr. Speaker, will the gentleman yield?

Mr. WOOD. I yield.

Mr. ROBINSON of Utah. I was there when Dr. Barsky testified and also when the secretary of this committee testified.

Mr. RANKIN. Yes; several weeks ago. Mr. ROBINSON of Utah. I was not there when these other people testified, because I knew without going there just exactly how this committee as it is now composed would vote on that.

Mr. RANKIN. The gentleman from Utah said he was opposed to the committee and would vote to abolish it, and that he voted against creating it. When we called these witnesses here in obedience to the will of Congress the gentleman from Utah did not even come to hear the testimony.

Mr. WOOD. Mr. Speaker, I just want to correct one impression that seems to have been attempted to be left in the minds of the Members of the House. This resolution does not judge anybody to be guilty of contempt of this Congress. It is simply a citation from this Congress to the legal department of the United States Government, in which these parties may have ample opportunity to present whatever defense they may have to the citation.

Mr. JENNINGS. Mr. Speaker will the gentleman yield?

Mr. WOOD. I yield to the gentleman from Tennessee.

Mr. JENNINGS. Are these people not up against the legal presumption that is universally the law in this country that when a party to a controversy or a witness conceals, destroys, or refuses to disclose pertinent testimony he does it because if he did it would be against him?

Mr. WOOD. I presume that is a correct presumption of law. It is so written into the statutes of my State.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

Mr. MARCANTONIO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 292, nays 56, not voting 82, as follows:

[Roll No. 86]

YEAS—292

Abernethy	Almond	Anderson, Calif.
Adams	Andersen,	Andersen,
Allen, La.	H. Carl	August H.

Andrews, Ala. Gillie
 Angell Goodwin
 Arends Gore
 Arnold Gossett
 Auchincloss Grant, Ala.
 Barden Grant, Ind.
 Barrett, Wyo. Gregory
 Bates, Ky. Griffiths
 Bates, Mass. Gross
 Beall Gwynn, N. Y.
 Beckworth Gwynne, Iowa
 Bell Hagen
 Bennett, Mo. Hale
 Bishop Hall
 Blackney Edwin Arthur
 Bland Hall
 Bonner Leonard W.
 Bradley, Mich. Halleck
 Bradley, Pa. Hand
 Brehm Hare
 Brooks Harness, Ind.
 Brown, Ga. Harris
 Brown, Ohio Hart
 Brumbaugh Hays
 Bryson Hedrick
 Buck Hendricks
 Buffett Herter
 Bulwinkle Hess
 Butler Hill
 Byrnes, Wis. Hinshaw
 Camp Hobbs
 Campbell Hoch
 Canfield Hoeven
 Cannon, Fla. Hoffman
 Cannon, Mo. Holmes, Mass.
 Carlson Holmes, Wash.
 Carnahan Hope
 Case, N. J. Horan
 Case, S. Dak. Howell
 Chelf Hull
 Chenoweth Jenkins
 Chipfield Jennings
 Church Jensen
 Clark Johnson, Calif.
 Clason Johnson, Ill.
 Clements Johnson, Ind.
 Clevenger Johnson,
 Clippinger Luther A.
 Coe, Mo. Johnson,
 Cole, N. Y. Lyndon B.
 Cooley Johnson, Okla.
 Cooper Jones
 Corbett Jonkman
 Courtney Judd
 Cox Kean
 Crawford Kearney
 Cunningham Keefe
 D'Alesandro Kelly, Ill.
 Daughton, Va. Kerr
 Davis Kilburn
 Delaney Kilday
 James J. Kinzer
 D'Ewart Knutson
 Dingell Kunkel
 Dirksen Landis
 Dolliver Lane
 Domengeaux Lanham
 Dondero Larcade
 Doughton, N. C. Latham
 Doyle LeCompte
 Drewry LeFevre
 Durham Lemke
 Earthman Lesinski
 Eaton Lewis
 Elliott Ludlow
 Ellis Lynch
 Ellsworth McConnell
 Elsaesser McCowen
 Elston McGehee
 Engle, Calif. McGregor
 Ervin McMillan, S. C.
 Fallon Mahon
 Feighan Maloney
 Fenton Manasco
 Fernandez Mansfield,
 Flannagan Mont.
 Fogarty Martin, Iowa
 Forand Martin, Mass.
 Fuller Mason
 Fulton May
 Gamble Merrow
 Gary Michener
 Gathings Miller, Nebr.
 Gavin Mills
 Gearhart Monroney
 Gifford Morrison
 Gillespie Mundt
 Gillette Murray, Tenn.

NAYS—56

De Lacy
 Barrett, Pa. Douglas, Calif.
 Biemiller Eberharter
 Bloom Engel, Mich.
 Celler Gallagher
 Coffee Gordon
 Crosser Gorski

Murray, Wis. Heelton
 Norblad Holifield
 Norrell Hook
 O'Brien, Ill. Huber
 O'Hara Jackson
 O'Konski Kefauver
 Patman Kelley, Pa.
 Peterson, Ga. Keogh
 Philbin King
 Phillips Kirwan
 Pickett Kopplemann
 Pittenger LaFollete
 Ploeser
 Plumley
 Poage
 Price, Fla.
 Priest
 Quinn, N. Y.
 Rabaut
 Ramey
 Randolph
 Rankin
 Reed, Ill.
 Reed, N. Y.
 Rees, Kans.
 Rich
 Richards
 Rivers
 Rizley
 Robertson,
 N. Dak.
 Robertson, Va.
 Robison, Ky.
 Rockwell
 Rodgers, Pa.
 Roe, N. Y.
 Rogers, Fla.
 Rogers, Mass.
 Rogers, N. Y.
 Russell
 Sasser
 Schwabe, Mo.
 Schwabe, Okla.
 Scribner
 Shafer
 Sharp
 Simpson, Ill.
 Simpson, Pa.
 Slaughter
 Smith, Maine
 Smith, Ohio
 Smith, Va.
 Smith, Wis.
 Somers, N. Y.
 Sparkman
 Spence
 Springer
 Stefan
 Stevenson
 Stewart
 Stigler
 Sullivan
 Sumners, Tex.
 Sundstrom
 Taber
 Talbot
 Talle
 Tarver
 Taylor
 Thom
 Thomas, N. J.
 Thomas, Tex.
 Thomason
 Tibbott
 Towe
 Trimble
 Vinson
 Vorys, Ohio
 Vursell
 Wadsworth
 Walter
 Wasielewski
 Welch
 West
 Whitten
 Whittington
 Wickersham
 Wigglesworth
 Wilson
 Winstead
 Winter
 Wolcott
 Wolverton, N. J.
 Wood
 Woodruff
 Worley

Allen, Ill.
 Andrews, N. Y.
 Baldwin, Md.
 Baldwin, N. Y.
 Barry
 Bender
 Bennet, N. Y.
 Bolton
 Boren
 Boykin
 Buckley
 Bunker
 Burch
 Byrne, N. Y.
 Chapman
 Cochran
 Cole, Kans.
 Colmer
 Combs
 Cravens
 Curley
 Curtis
 Dawson
 Delaney,
 John J.
 Douglas, Ill.
 Dworshak
 Feltos

NOT VOTING—82

Fisher
 Flood
 Folger
 Gardner
 Geelank
 Gerlach
 Gibson
 Graham
 Hancock
 Hartley
 Hébert
 Henry
 Izac
 Jarman
 Kee
 Klein
 Lea
 Luce
 Lyle
 McCormack
 McDonough
 McKenzie
 McMillen, Ill.
 Mankin
 Mansfield, Tex.
 Mathews
 Murphy
 Norton
 O'Brien, Mich.
 O'Neal
 Pace
 Patrick
 Peterson, Fla.
 Pfeifer
 Price, Ill.
 Rabin
 Rains
 Reece, Tenn.
 Riley
 Roe, Md.
 Rooney
 Sheppard
 Sheridan
 Short
 Sikes
 Stockman
 Sumner, Ill.
 Torrens
 Traynor
 Voorhis, Calif.
 Weaver
 Welch
 White
 Wolfenden, Pa.
 Zimmerman

So the resolution was agreed to.
 The Clerk announced the following pairs:

On this vote:

Mr. Riley for, with Mr. Rabin against.
 Mr. Short for, with Mr. Klein against.
 Mr. Graham for, with Mr. Sheridan against.

General pairs until further notice:

Mr. McCormack with Mr. Reece of Tennessee.
 Mr. Roe of Maryland with Mr. Stockman.
 Mr. Colmer with Mr. Wolfenden of Pennsylvania.
 Mrs. Douglas of Illinois with Mr. Allen of Illinois.
 Mr. Mansfield of Texas with Mr. Henry.
 Mr. Buckley with Mr. Cole of Kansas.
 Mr. Sheppard with Mr. Fellows.
 Mr. Pfeifer with Mr. Curtis.
 Mr. Cochran with Mr. McMillen of Illinois.
 Mr. Rooney with Mr. Hartley.
 Mr. Cravens with Mr. Bender.
 Mr. Barry with Mr. Gerlach.
 Mr. Rains with Mr. Dworshak.
 Mr. Boykin with Mr. Baldwin of New York.
 Mr. Bunker with Mrs. Luce.
 Mr. Torrens with Mr. McDonough.
 Mr. Combs with Mr. Sumner of Illinois.
 Mr. Byrne with Mr. Hancock.
 Mr. Izac with Mr. Bennet of New York.
 Mr. Delaney, John J. with Mr. Andrews of New York.
 Mrs. Norton with Mrs. Bolton.
 Mr. O'Neal with Mr. Mathews.
 Mr. Price of Illinois with Mr. Welch.

Mr. CASE of South Dakota. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CASE of South Dakota. Mr. Speaker, is the vote on the ordering of the previous question or on the passage of the resolution?

The SPEAKER. On the resolution.

Mr. CASE of South Dakota. Mr. Speaker, how am I recorded?

The SPEAKER. The gentleman is recorded as voting "nay."

Mr. CASE of South Dakota. Mr. Speaker, I desire to vote "yea" on the passage of the resolution.

Mr. BARRETT of Pennsylvania changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. REED of New York, asked and was given permission to extend his remarks in the RECORD in three instances, to include in one a letter and in the others some telegrams.

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include statements he made yesterday before the Committee on Ways and Means on H. R. 2229 and H. R. 2230.

Mr. THOMAS of New Jersey asked and was given permission to extend his remarks in the RECORD on the question of the milk strike in New Jersey and include certain correspondence.

Mr. MUNDT asked and was given permission to revise and extend the remarks he recently made in the House and include some extraneous data and printed material.

Mr. VURSELL asked and was given permission to extend his remarks in the RECORD.

Mr. MASON asked and was given permission to extend his remarks in the RECORD and include a statement.

Mr. STEFAN asked and was given permission to extend his remarks in the RECORD and include the names of 101 Members of the Congress who participated in psychological warfare.

Mr. HAVENNER asked and was given permission to extend his remarks in the RECORD.

Mr. SPENCE asked and was given permission to extend his remarks in the RECORD and include a break-down of the subsidies provided for in H. R. 6042.

Mr. SABATH asked and was given permission to extend his remarks on the resolution that just passed the House.

Mr. DOYLE asked and was given permission to extend his remarks in the RECORD in two instances, to include in one remarks on the resolution just passed and in the other a short editorial.

PHILIPPINE ISLANDS REHABILITATION ACT

Mr. BELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1610) to provide for the rehabilitation of the Philippine Islands, and for other purposes, insist on the House amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. BELL, Mr. ROBINSON of Utah, Mr. GOSSETT, Mr. WELCH, and Mr. COLE of New York.

EXTENSION OF REMARKS

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD on the subject of star mail routes and include two newspaper articles on the subject.

Mr. GRANT of Indiana asked and was given permission to extend his remarks in the RECORD and include short excerpts.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD and include two short articles.

Mr. GAMBLE asked and was given permission to extend his remarks in the RECORD in two instances and include two editorials.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first bill on the Private Calendar.

LEGAL GUARDIAN OF JAMES HAROLD NESBITT, A MINOR

The Clerk called the bill (H. R. 2843) for the relief of the legal guardian of James Harold Nesbitt, a minor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000 to the legal guardian of James Harold Nesbitt, a minor, of Big Sandy, Tex., in full settlement of all claims against the United States for personal injuries, medical and hospital expenses sustained as the result of an accident involving an Army vehicle at the intersection of Church and Gilmore Streets, Big Sandy, Tex., on July 4, 1944: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendments:

Page 1, line 5, strike out "\$5,000" and insert "\$1,000."

Line 7, after "Texas", insert "and to Mrs. Clara A. Nesbitt the sum of \$326."

The committee amendments were agreed to.

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

The title was amended so as to read: "A bill for the relief of the legal guardian of James Harold Nesbitt, a minor, and Mrs. Clara A. Nesbitt."

A motion to reconsider was laid on the table.

RELIEF OF CERTAIN FRUIT GROWERS IN THE STATE OF DELAWARE

The Clerk called the bill (S. 401) for the relief of sundry fruit growers of the State of Delaware who sustained losses as the result of the fumigation of apples with methyl bromide in order to comply with the requirements of the United States Department of Agriculture relating to the Japanese beetle quarantine.

The SPEAKER pro tempore (Mr. PRIEST). Is there objection to the present consideration of the bill?

Mr. SPRINGER, Mr. DOLLIVER, and Mr. SCRIVNER objected; and, under the rule, the bill was recommitted to the Committee on Claims.

MRS. HENRY H. HAY

The Clerk called the bill (S. 1190) for the relief of Mrs. Henry H. Hay.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Henry H. Hay, of Savannah, Ga., the sum of \$1,082.46, in full satisfaction of her claim against the United States for compensation for accrued annual leave, earned by her husband, the late Henry H. Hay, as a merchant marine inspector in the United States Coast Guard at Savannah, Ga., the said amount representing 88 days and 15 minutes annual leave standing to the credit of the said Henry H. Hay at the time of his death on December 4, 1944: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SAUNDERS WHOLESALE, INC.

The Clerk called the bill (S. 1310) for the relief of Saunders Wholesale, Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Saunders Wholesale, Inc., of Key West, Fla., is hereby relieved of liability for the payment of manufacturers' excise taxes in the amount of \$7,834.56 on 2,242,000 cigarettes and 42 pounds of manufactured tobacco which were destroyed by fire on February 26, 1945, while stored in a sea stores warehouse operated by the said Saunders Wholesale, Inc., after having been lawfully withdrawn from the place of manufacture, without payment of tax, for delivery to vessels for use as sea stores.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALVATORE CARBONE

The Clerk called the bill (S. 1638) for the relief of Salvatore Carbone.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby authorized and directed to pay to Salvatore Carbone, out of any money in the Treasury not otherwise appropriated, a sum equivalent to the market value on the date of the approval of this act of a bond hereinafter described, and such additional sum as would be equivalent to the value of interest coupons 1 to 19, inclusive, as may be due on the date of the approval of this act, in full settlement of all claims against the United States on account of the loss of the 2 percent Treasury bond of 1949-51, dated July 15, 1942, numbered 31,199-K, with all coupons attached, which Salvatore Carbone placed in the custody of the Immigration and Naturalization Service of the Department of Justice as security for a delivery bond for the alien Raymond Cyril Cormier and which while in such custody became lost without negligence on the part of Salvatore Carbone, subject to proper assignment by him of his right, title, and interest in and to the above-described bond and coupons to the United States: *Provided,* That no part of the amount appropriated

under this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, any contract to the contrary notwithstanding, and the payment or delivery to or the reception by any agent or attorney of an amount in excess of that herein provided shall be unlawful. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARION CONTRACTING CO.

The Clerk called the bill (H. R. 208) for the relief of Marion Contracting Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$29,485.52, to Marion Contracting Co., Ocala, Fla., in full satisfaction of their claim against the United States under contract No. C2ca 2098, dated September 27, 1943, entered into by Marion Contracting Co. with the United States Government through the Civil Aeronautics Administration and providing for certain construction work on the Cocoa-Titusville Airport in the vicinity of Titusville, Fla.: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. LULU WILSON NEVERS

The Clerk called the bill (H. R. 975) for the relief of Mrs. Lulu Wilson Nevers.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

ROBERT J. CRAMER

The Clerk called the bill (H. R. 1538) for the relief of Robert J. Cramer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Robert J. Cramer, Lander, Wyo., the sum of \$5,122.22. The payment of such sum shall be in full settlement of all claims of the said Robert J. Cramer against the United States for personal injuries and property damage sustained on June 10, 1942, when the automobile owned and driven by him was struck by a United States Army ambulance at the intersection of Twentieth Street and Washington Boulevard in Ogden, Utah.

With the following committee amendments:

Page 1, line 6, strike out "pavment" and insert "payment."

At the end of the bill add the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

Mr. BARRETT of Wyoming. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. BARRETT of Wyoming. Mr. Speaker, this claim arises out of a collision between the claimant's automobile and an Army ambulance shortly before 6 a. m., June 10, 1942, on the streets of Ogden, Utah. The ambulance was taking a seriously injured patient from Utah General Depot to a hospital in Ogden. The patient died before reaching the hospital.

The accident occurred at an intersection without stop signs and a few minutes before the stop lights began operating. It is admitted by all that the ambulance was traveling on an emergency mission at an excessive rate of speed, variously estimated at between 40 and 50 miles per hour. It is further admitted that the ambulance was not equipped with siren or red light to properly identify it. The War Department admits that the driver of the ambulance was negligent in that he entered the intersection at an illegal rate of speed.

Robert J. Cramer, a citizen of Wyoming, was temporarily employed in defense work at Ogden at about \$400 per month. He was driving his Hudson Terraplane at from 20 to 25 miles per hour at the time of the accident. Cramer did not see the approaching ambulance until he neared center of intersection and did not hear any warning horn until ambulance was upon him. Cramer was proceeding from the right and under the city ordinances of Ogden, he had the right-of-way over the ambulance.

The crash occurred 49 feet from a point where the ambulance entered intersection and 18 feet from where Cramer's car entered intersection. The ambulance struck Cramer's car on the side, practically demolishing same.

A sworn affidavit of a witness to the accident states that the driver of the ambulance said immediately after the collision, "Somebody get an ambulance and take this man to the hospital. He is hurt bad, and it's all my fault." When another ambulance came and he was being placed in it, the driver again said, "Take him first. He's hurt bad. I'm the cause of all this."

The War Department recommended that this claim be disallowed because it contends Cramer was guilty of contributory negligence in that it holds that Cramer was traveling at an illegal rate of speed and that he should have seen the Government ambulance coming from the left, and thus avoid the collision. However, according to official police records at Ogden, Utah, no evidence was found of any violation of the traffic laws by Mr. Cramer, and the police authorities investigating the accident contend that if Cramer's car had been traveling at an excessive speed, as the War Department contends, his car would have overturned, because it was so much lighter than the Army vehicle. The ambulance overturned, but Cramer's car did not.

While Cramer was in the hospital, Major Shreves, of the Utah general depot, told Mrs. Cramer not to worry, as the Government was taking care of everything, which shows that at the time of the accident the Army authorities felt that there was liability on the part of the Government.

Mr. Cramer was severely injured in this accident and his car was a total loss. He had several ribs broken, his left side was punctured, the nerves leading to two fingers on his right hand were paralyzed, necessitating his hospitalization for 19 days and making it impossible for him to work for many months. He has a wife and four small children, wholly dependent on him for support. He was in defense work at this time, making about \$400 per month; besides the loss of this income, his hospital bills, doctor bills, and other expenses incident to his injuries were high. This claim is for \$5,122.22 for personal injuries and disabilities, hospital, medical, and other expenses, as well as loss of wages.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDWARD PITWOOD

The Clerk called the bill (H. R. 1570) for the relief of Edward Pittwood.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edward Pittwood, of Spokane, Wash., the sum of \$150,000. The payment of such sum shall be in full settlement of all claims against the United States by said Edward Pittwood for losses sustained because of loss of rent, depreciation, and the loss of his warehouse property in Spokane, Wash., due to the illegal practice of the Northern Pacific Railway Co. of leasing property for warehouse purposes along its right-of-way at nominal rentals, and to the failure of the Interstate Commerce Commission to put an end to such illegal practices and give notice to claimant of its procedure.

With the following committee amendment:

Strike out all after the enacting clause, and insert in lieu thereof the following: "That jurisdiction is hereby conferred upon the United States District Court for the Eastern District of Washington to hear, determine, and to render judgment on the claim

of Dr. Edward Pittwood, of Spokane, Wash., to recover losses sustained from the loss of rent, depreciation, and the loss of his warehouse property in Spokane, Wash., by action of the Interstate Commerce Commission.

"Sec. 2. Suit shall be instituted within 1 year of the date of the approval of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANDRE DACHARRY

The Clerk called the bill (H. R. 2192) for the relief of Andre Dacharry.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Andre Dacharry, Los Angeles, Calif., the sum of \$14,923.44. The payment of such sum shall be in full settlement of all claims of the said Andre Dacharry against the United States on account of personal injuries, sustained on January 19, 1944, when he, and the bicycle which he was riding, was struck on the Coast Highway near Malibu Beach, Calif., by a United States Coast Guard truck.

With the following committee amendments:

Page 1, line 9, after "injuries", insert "medical and hospital expenses and property damage."

At the end of the bill add the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADELE NAHAS

The Clerk called the bill (H. R. 2315) for the relief of Adele Nahas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$9,082.14 due Adele Nahas, in full settlement of all claims against the United States for personal injuries, medical and hospital expenses, and loss of wages as a result of being struck by a United States Army truck while crossing Chester Pike at the intersection with Gardner Avenue in the city of Philadelphia, on June 16, 1942: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

H. H. HOOD

The Clerk called the bill (H. R. 2337) for the relief of H. H. Hood.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to H. H. Hood, Vicksburg, Miss., the sum of \$5,000, in full settlement and satisfaction for all damages sustained by said H. H. Hood on account of the National Park Service constructing and changing the roads adjacent to certain property owned by him located in the national military park, Vicksburg, Miss.; the construction and reallocation of said roads being done within the past few years: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendments:

Page 1, line 6, strike out "\$5,000" and insert "\$1,500."

Page 1, line 7, strike out the entire line and insert "of all claims against the United States for damages sustained."

Page 2, line 2, strike out "reallocation" and insert "relocation."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MARIE EDENS NAST, ET AL.

The Clerk called the bill (H. R. 3010) for the relief of Mrs. Marie Edens Nast, Mrs. Bessie Amann, and George R. Townsend.

Mr. MCGREGOR. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

SAM DISHONG

The Clerk called the bill (H. R. 3228) for the relief of Sam Dishong.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$1,169.90, to Sam Dishong, 3007 South Shield Street, Oklahoma City, Okla., in full settlement of all claims against the United States for personal injuries and damages sustained by him when he was struck by a Navy vehicle from the south naval base, Norman, Okla., on September 26, 1944: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary not-

withstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLAUDE S. CROUSE

The Clerk called the bill (H. R. 3397) for the relief of Claude S. Crouse.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$4,000, to Claude S. Crouse, of Eldridge Hill, Woodstown, N. J., in full settlement of all claims against the United States for personal injuries sustained as a result of a collision between the automobile in which he was driving and a Work Projects Administration truck on United States highway in Alleghany County, N. C., on September 22, 1939: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendments:

Page 1, line 10, strike out "Work Projects Administration" and insert "United States Government."

Page 2, line 2, after the third comma, insert "and upon condition that the said Claude E. Crouse executes a good and sufficient release of the judgment obtained by him against Clifford Rector, the driver of such truck, in the Superior Court of Alleghany County, N. C., in September 26, 1940."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. GLEN ROTHENBERGER

The Clerk called the bill (H. R. 3556) for the relief of Mr. and Mrs. Glen Rothenberger.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$1,042.76 to Mr. and Mrs. Glen Rothenberger, of Osborne, Kans., in full settlement of all claims against the United States for the loss of personal property as the result of a robbery by three escaped prisoners from the United States Disciplinary Barracks, Fort Leavenworth, Kans., on April 12, 1945: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAURICE C. RITTER

The Clerk called the bill (H. R. 3702) for the relief of Maurice C. Ritter.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Maurice C. Ritter, of Camp Hill, Pa., the sum of \$3,500. Payment of such sum shall be in full satisfaction of all claims of the said Maurice C. Ritter against the United States on account of pain and suffering, and impairment of his ability to work, resulting from injuries suffered by him on July 12, 1944, when, through no negligence on his part, the Army truck in which he was a passenger overturned at a point between the New Cumberland Ordnance Depot and the Pennsylvania Industrial School. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES W. STEWART

The Clerk called the bill (H. R. 3968) for the relief of the estate of Charles W. Stewart.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Charles W. Stewart, deceased, late of Dade County, Fla., the sum of \$10,000. The payment of such sum shall be in full settlement of all claims against the United States, not otherwise payable, on account of injuries to and the death of the said Charles W. Stewart as a result of a collision, on April 30, 1945, at or near the intersection of One Hundred and Twenty-third Street and Biscayne Boulevard, North Miami, Fla., between the vehicle in which he was riding and a vehicle in the service of the Army of the United States: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendments:

Page 1, line 6, strike out the figures "10,000", insert in lieu thereof the figures "5,728.75."

Page 1, line 8, strike out "not otherwise payable."

Page 1, line 9, strike out "injuries to and."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DOROTHY MORGAN

The Clerk called the bill (H. R. 4016) for the relief of Dorothy Morgan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Dorothy Morgan, of Newport News, Va., the sum of \$136.99. The payment of such sum shall be in full settlement of all claims against the United States for loss of time from work and personal injury, pain, suffering, and anguish suffered by said Dorothy Morgan in an accident on December 12, 1942, when a truck owned by the National Advisory Committee on Aeronautics, Langley Field, Va., collided with automobile driven by Isaac D. Fox in which said Dorothy Morgan was a passenger: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AXEL H. PETERSON

The Clerk called the bill (H. R. 4118) for the relief of Axel H. Peterson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Axel H. Peterson, New Rochelle, N. Y., the sum of \$10,934. The payment of such sum shall be in full settlement of all claims of the said Axel H. Peterson against the United States on account of injuries and property damage sustained by him as a result of a collision, on July 31, 1943, at the intersection of Main Street and Weyman Avenue, New Rochelle, N. Y., between the vehicle in which he was riding and a vehicle in the service of the Army of the United States: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by an agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 6, strike out "\$10,934" and insert "4,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

CARL AND NAOMI FITZWATER

The Clerk called the bill (H. R. 4373) for the relief of Carl and Naomi Fitzwater.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$10,000, to Carl and Naomi Fitzwater, of Cincinnati, Ohio, in full settlement of all claims against the United States for the death of their son, David Fitzwater, as a result of being struck and killed by a United States mail truck on the Brighton approach near McMicken Avenue, Cincinnati, Ohio, on June 17, 1944: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

On page 1, line 5, strike out "\$10,000" and insert "\$3,500."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE H. BUXTON, JR.

The Clerk called the bill (H. R. 4416) for the relief of George H. Buxton, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$213.90, to George H. Buxton, Jr., in full settlement of all his claims against the United States for damages to his automobile sustained on June 5, 1944, while he was driving his said automobile west on Highway No. 80, a six-lane highway near Dallas, Tex., when said automobile which he then owned and was driving was run into by an Army truck from Love Field, Tex., the said Army truck being driven east, and the driver of said truck, a soldier on an official mission, negligently and unlawfully made a left turn in front of said Buxton's automobile, running into and damaging Buxton's automobile to the extent of said sum, \$213.90. The said George H. Buxton, Jr., entered the intersection of the two highways, where said collision occurred, on a green light, driving in a western direction, and the driver of the Army truck, while driving east in an adjoining lane of traffic to the left of said Buxton, suddenly, negligently, and unlawfully steered said Army truck from the lane of traffic in which it was being driven into the lane of traffic in which the said Buxton was driving, running and driving said Army truck into and against said Buxton's automobile: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and

upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 10, after the word "Texas", strike out the balance of line 10, and all of lines 1 to 15 inclusive on page 2.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. EDNA B. LEBLANC

The Clerk called the bill (H. R. 4670) for the relief of Mrs. Edna B. LeBlanc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$5,584 to Mrs. Edna B. LeBlanc, of Iberia Parish, La., in full settlement of all claims against the United States for the death of her husband, Ulysse LeBlanc, as a result of a collision between the car in which he was a passenger and a United States Army vehicle, on United States Highway No. 90, near Cade, La., on January 17, 1944.

With the following committee amendments:

Page 1, line 5, strike out "\$5,584" and insert "\$3,584."

Page 2, line 1, at the end of the bill, insert "*Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. GUSSIE FELDMAN

The Clerk called the bill (H. R. 4757) for the relief of Mrs. Gussie Feldman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$1,000, to Mrs. Gussie Feldman, of Charleston, S. C., in full settlement of all claims against the United States for personal injuries and medical expenses sustained as the result of being struck by a United States Coast Guard truck at the intersection of Lee and Meeting Streets, Charleston, S. C., on May 11, 1945: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 5, strike out "\$1,000" and insert "\$325."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NINA E. SCHMIDT

The Clerk called the bill (H. R. 4905) for the relief of Nina E. Schmidt.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Nina E. Schmidt, of Indianapolis, Ind., the sum of \$1,017.79, in full satisfaction of her claim against the United States for services rendered on December 18 and 19, 1944, at Indianapolis, as official reporter of the subcommittee of the United States Senate Committee to Investigate Presidential, Vice Presidential, and Senatorial Campaign Expenditures: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 6, strike out "\$1,017.79" and insert "\$754.50."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH MACGUFFIE AND EUGENE ROHRER

The Clerk called the bill (H. R. 5003) for the relief of Joseph MacGuffie and Eugene Rohrer.

Mr. SPRINGER and Mr. MACGREGOR objected, and the bill, under the rule, was recommitted to the Committee on Claims.

NICHOLAS G. KARAS

The Clerk called the bill (H. R. 3532) amending the act of October 14, 1940, entitled "An act to record the lawful admission to the United States for permanent residence of Nicholas G. Karas."

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to record the lawful admission to the United States for permanent residence of Nicholas G. Karas," approved October 14, 1940, is amended—

(a) By striking out "May 20, 1912" and inserting in lieu thereof "November 17, 1928"; and

(b) By striking out "Secretary of Labor" wherever the same appears therein and inserting in lieu thereof "Attorney General."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VERA FRANCES ELICKER

The Clerk called the bill (H. R. 4282) for the relief of Vera Frances Elicker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration laws relating to the issuance of immigration visas for admission to the United States for permanent residence and relating to admissions at ports of entry of aliens as immigrants for permanent residence in the United States, the provisions of section 3 of the Immigration Act of 1917 (39 Stat. 875), as amended (U. S. C., title 8, sec. 136 (e)), which exclude from admission into the United States "persons who have been convicted of or admit having committed a felony, or other crime or misdemeanor involving moral turpitude," shall not hereafter be held to apply to Vera Frances Elicker, who is the wife of Robert Lewis Elicker, an American citizen and veteran of World War II, on account of an offense alleged to have been committed abroad while she was about 18 years of age during her legal infancy and prior to her marriage in Australia to Robert Lewis Elicker. If she is found otherwise admissible under the immigration laws an immigration visa may be issued and admission granted to Vera Frances Elicker under this act upon application hereafter filed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ESTELLE M. WILBOURN

The Clerk called the bill (H. R. 4113) to authorize and direct the Secretary of the Interior to issue a patent for certain land to Mrs. Estelle M. Wilbourn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to issue to Mrs. Estelle M. Wilbourn a patent for the following-described tract of land upon the payment of \$1.25 per acre therefor: Southwest quarter of the northwest quarter, section 22, township 21, south, range 61 east, Mount Diablo meridian. The patent shall contain a reservation to the United States of all minerals in the tract described together with the right to mine, prospect for, and remove the same.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SARAH HOLMES BEEMAN

The Clerk called the bill (H. R. 4254) for the relief of Sarah Holmes Beeman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 13 (c) of the Immigration Act of 1924, as amended (43 Stat. 162; 8 U. S. C. 213 (c)), the Attorney General is authorized and directed to permit Sarah Holmes Beeman, the wife of Narvel Chester Beeman, a native-born citizen of the United States, to remain permanently in the United States if she is found otherwise admissible under the provisions of the immigration laws.

With the following committee amendments:

Page 1, line 3, after the figure "13", insert "(a) and."

Line 5, after the figure "213", insert "(a) and."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANCESCO AND NATALIA PICCHI

The Clerk called the bill (H. R. 4672) for the relief of Francesco and Natalia Picchi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 19 (a) of the Immigration Act of February 5, 1917 (39 Stat. 889-890; 54 Stat. 671-673; 56 Stat. 1044; 8 U. S. C. 155), the Attorney General is authorized and directed to permit Francesco and Natalia Picchi, of Rockford, Ill., to remain permanently in the United States if they are found to be otherwise admissible under the provisions of the immigration laws other than quotas.

With the following committee amendment:

Strike out all after the enacting clause and substitute therefor the following: "That, notwithstanding the provisions of section 19 (a) of the Immigration Act of February 5, 1917 (39 Stat. 889-890; 54 Stat. 671-673; 56 Stat. 1044; 8 U. S. C. 155), the Attorney General is authorized and directed to cancel the warrants of arrest and deportation heretofore issued against Francesco and Natalia Picchi and hereafter they shall not again be subject to deportation for any offenses in connection with the charges contained in such warrants."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDITH JOYCE CROSBY

The Clerk called the bill (H. R. 4958) for the relief of Edith Joyce Crosby.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of the tenth category of section 3 of the Immigration Act of 1917, as amended (8 U. S. C. 136 (e)), a nonquota immigration visa may be issued to Edith Joyce Crosby, the wife of a citizen of the United States, and she may be admitted to the United States for permanent residence if she is found otherwise admissible under the provisions of the immigration laws.

With the following committee amendment:

Strike out all after the enacting clause and substitute the following: "That notwithstanding the provisions of the eleventh category of section 3 of the Immigration Act of 1917 (8 U. S. C. 136 (e)), Edith Joyce Crosby, the wife of a citizen of the United States who served honorably in the armed forces of the United States during World War II, may be admitted to the United States for permanent residence under the act approved December 28, 1945 (Public Law 271, 79th Cong.), if she is found otherwise admissible under the provisions of the immigration laws."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DAUGHTERS OF THE AMERICAN
REVOLUTION

The Clerk called the bill (H. R. 5896) to extend the term of design patent No. 21,053, dated September 22, 1891, for a badge, granted to George Brown Goode, and assigned to the National Society, Daughters of the American Revolution.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That a certain design patent issued by the United States Patent Office of date September 22, 1891, being patent No. 21,053, is hereby renewed and extended for a period of 14 years from and after the date of approval of this act, with all the rights and privileges pertaining to the same, being generally known as the badge of the Daughters of the American Revolution.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DOUGLAS CHARLES McRAE

The Clerk called the bill (H. R. 781) for the relief of Douglas Charles McRae, a minor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to F. C. McRae, of Leesville, La., as father of Douglas Charles McRae, a minor, the sum of \$5,000 in full settlement of all claims against the United States on account of personal injuries received by the minor, Douglas Charles McRae, resulting from the explosion of an antitank mine near Leesville, La., on March 25, 1944: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendments:

Page 1, line 5, strike out "F. C. McRae, of Leesville, La., as father" and insert in lieu thereof "the legal guardian."

Page 1, line 7, after the word "minor", insert "of Leesville, La."

Page 1, line 10, after the word "mine", insert "fuzze."

The committee amendments were agreed to.

Committee amendment: Page 1, line 8, strike out "\$5,000" and insert "\$2,938.05."

Mr. SPRINGER. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. SPRINGER: Line 8, page 1, strike out "\$2,938.05" and insert in lieu thereof "\$2,438.05."

The amendment to the amendment was agreed to.

The committee amendment as amended was agreed to.

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

The title was amended so as to read: "A bill for the relief of the legal guardian of Douglas Charles McRae, a minor."

A motion to reconsider was laid on the table.

MORRIS FINE

The Clerk called the bill (H. R. 1299) for the relief of Morris Fine.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$10,000 to Morris Fine, of Philadelphia, Pa., in full settlement of all claims against the United States for personal injuries and property damage suffered by him when his automobile was struck by a Government truck on the Fort Dix-Pemberton Road, New Hanover Township, Burlington County, N. J., on February 18, 1942: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction shall be fined in any sum not exceeding \$1,000.

With the following committee amendments:

Page 1, line 5, strike out the figures "\$10,000" and insert in lieu thereof the figures "\$5,000."

Page 1, line 8, after the word "injuries", strike out "and property damage suffered by him when his automobile was struck by a Government", and insert in lieu thereof a comma and the words: "property damage, medical and hospital expenses, and loss of earnings, sustained as the result of an accident involving a United States Army."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDWIN DOYLE PARRISH

The Clerk called the bill (H. R. 1754) for the relief of Edwin Doyle Parrish.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edwin Doyle Parrish, of Lake Charles, La., the sum of \$25,000, in full settlement of all claims against the United States for compensation for personal injuries sustained, and reimbursement of expenses incurred, as the result of a riot at Lake Charles, La., on May 12, 1943, in which military personnel were involved: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 6, strike out "\$25,000" and insert "\$5,000."

Mr. MCGREGOR. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. MCGREGOR to the committee amendment: Page 1, line 6, strike out "\$5,000" and insert "\$3,500."

The amendment to the committee amendment was agreed to.

The committee amendment as amended was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. LESSIE L. BRYANT AND MISS JIMMIE
ALEXANDER

The Clerk called the bill (H. R. 2242) for the relief of Mrs. Lessie L. Bryant and Miss Jimmie Alexander.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Lessie L. Bryant, Miami, Fla., the sum of \$500 and to Miss Jimmie Alexander, Miami, Fla., the sum of \$100. The payment of such sum of \$500 shall be in full settlement of all claims of the said Mrs. Lessie L. Bryant against the United States for personal injuries sustained on October 28, 1944, when she was struck by a United States Navy station wagon at the intersection of Northeast Third Street and Northeast Second Avenue, in Miami, Fla. The payment of such sum of \$100 shall be in full settlement of all claims of the said Miss Jimmie Alexander against the United States for personal injuries sustained in such accident and for loss of earnings resulting from time lost from work while caring for her mother, the said Mrs. Lessie L. Bryant.

With the following committee amendment:

At the end of the bill add the following: "*Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH E. ALARIE

The Clerk called the bill (H. R. 2248) for the relief of Joseph E. Alarie.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$1,000 to Joseph E. Alarie, in full compensation for injuries sustained and damages suffered by him as a result of an accident which occurred February 20, 1943, on Route 1 in the town of North Kingstown,

R. I., and which accident involved the operation of a motor vehicle the property of the United States Navy, which said motor vehicle was then and there being operated by a commissioned officer of the United States Navy.

With the following committee amendments:

Line 5, strike out the figures "\$1,000" and insert in lieu thereof the figures "\$434.40."

Line 6, after the name "Alarie," strike out the remainder of the bill and insert in lieu thereof "of North Kingstown, R. I., in full settlement of all claims against the United States for personal injuries and expenses incident thereto, sustained as the result of an accident on Route No. 1, in the town of Kingstown, R. I., involving a United States Navy vehicle, on February 20, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES B. McCARTY

The Clerk called the bill (H. R. 3270) for the relief of James B. McCarty.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James B. McCarty, Alexandria, La., the sum of \$713.78, in full settlement of all claims against the United States on account of, and growing out of, a collision which occurred between his car and a United States Army truck in the city of Alexandria, Rapides Parish, La., on or about December 5, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 6, strike out "\$713.78" and insert in lieu thereof "\$423.80."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MERLA KOPERSKI

The Clerk called the bill (H. R. 3340) for the relief of Mrs. Merla Koperski.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Merla Koperski, Kapaka, Hauula, Oahu, Territory of Hawaii, the sum of \$3,000. The payment of such sum shall be in full settlement of all claims of the said Mrs. Merla Koperski against the United States on account of personal injuries sustained on October 28, 1944, when she was struck, while standing in the yard of her home, by a bullet fired by a member of the Military Police, United States Army, for the purpose of halting a truck whose driver failed to obey an order to stop. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 6, strike out "\$3,000" and insert "\$2,114."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMA L. NORMAND AND THE ESTATE OF CURTIS JOSEPH GASPARD, DECEASED

The Clerk called the bill (H. R. 3599) for the relief of Ama L. Normand.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ama L. Normand, the sum of \$2,870, in full settlement of all claims against the United States on account of personal injuries received by the claimant, property damage, and loss in wages and expenses, arising from collision of claimant's automobile with a one-half ton Army truck on Highway No. 21 in the parish of Vernon, State of Louisiana, on September 1, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, strike out lines 6 to 10, inclusive, and page 2, strike out lines 1 and 2, and insert the following: "of Alexandria, La., the sum of \$1,870; to the estate of Curtis Joseph Gaspard, deceased, the sum of \$5,000, in full settlement of all claims against the United States for personal injuries, property damage, and loss of earnings, sustained by Ama

L. Normand, and for the death of Curtis Joseph Gaspard, sustained as the result of an accident involving a United States Army truck on Highway No. 21, about 20 miles east of Leesville, La., on September 1, 1944."

The committee amendment was agreed to.

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

The title was amended so as to read: "A bill for the relief of Ama L. Normand and the estate of Curtis Joseph Gaspard, deceased."

A motion to reconsider was laid on the table.

LEGAL GUARDIAN OF WILLIAM NEEDOM RASHAL, A MINOR

The Clerk called the bill (H. R. 3665) for the relief of Needom Rashal, father of William Needom Rashal, a minor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay, out of any money in the Treasury not otherwise appropriated, to Needom Rashal, father of William Needom Rashal, a minor, of Newlano, Vernon Parish, La., the sum of \$3,038, in full settlement of all claims against the United States on account of personal injuries received by the minor, William Needom Rashal, and medical and transportation expenses actually incurred, as a result of an explosion of an antitank mine fuze on March 9, 1944, the fuze having been tossed on Highway No. 504 by soldiers in an Army convoy on March 8, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendments:

Page 1, line 5, strike out "Needom Rashal, father" and insert "the legal guardian."

Page 1, line 7, strike out "\$3,038" and insert "\$3,000."

The committee amendments were agreed to.

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

The title was amended so as to read: "A bill for the relief of the legal guardian of William Needom Rashal, a minor."

A motion to reconsider was laid on the table.

MARVIN MARSHAL AND FRED C. MITCHELL

The Clerk called the bill (H. R. 3726) for the relief of Marvin Marshall and Fred C. Mitchell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the account of Marvin Marshall, clerk at the

Killeen, Tex., post office, the sum of \$840, and the account of Fred C. Mitchell, clerk at the Killeen, Tex., post office, the sum of \$560, lost by reason of a burglary on or about August 15, 1943, at Camp Hood, Tex.

That the Secretary of the Treasury be, and he is hereby, directed to pay, out of any money in the Treasury not otherwise appropriated, to Marvin Marshall and Fred C. Mitchell, of Killeen, Tex., all moneys that have been paid into the Treasury on these accounts prior to the enactment of this act: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, strike out lines 5 to 9, inclusive, and insert "Earl D. Massey, postmaster at Killeen, Texas, and to relieve Marvin Marshall and Fred C. Mitchell, post-office clerks in the Killeen (Texas) post-office, from any liability to refund or pay to the United States the sums of \$840 and \$560, respectively, such sums lost by reason of a burglary on or about August 15, 1943, at Camp Hood, Texas."

The committee amendment was agreed to.

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

The title was amended so as to read: "A bill for the relief of Earl D. Massey, Marvin Marshall, and Fred C. Mitchell."

A motion to reconsider was laid on the table.

NICHOLAS RAY SCHLEGEL

The Clerk called the bill (H. R. 3880) for the relief of Nicholas Ray Schlegel.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Nicholas Ray Schlegel, Los Angeles, Calif., the sum of \$1,329.33, in full settlement of all claims against the United States for personal injuries, property damage, and loss of earnings as a result of being shot by Second Lt. Beaufort G. Swancutt of the United States Army on March 5, 1944, in Arlington, Calif.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GUY B. SLATER AND GRACE M. COLLINS

The Clerk called the bill (H. R. 4122) for the relief of Guy B. Slater.

Mr. MCGREGOR. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

MRS. KATHERINE I. BROOKS AND SALLY BROOKS

The Clerk called the bill (H. R. 4237) for the relief of Mrs. Katherine I. Brooks and Sally Brooks.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Katherine I. Brooks, Bangor, Maine, the sum of \$10,051, and to the said Mrs. Katherine I. Brooks, as guardian of her minor daughter, Sally Brooks, the sum of \$4,500. The payment of such sum of \$10,051 shall be in full settlement of all claims of the said Mrs. Katherine I. Brooks against the United States on account of (1) personal injuries to and the death of her husband, Vedal B. Brooks, (2) personal injuries sustained by her, and (3) personal property damage, as a result of a collision, on May 31, 1945, at or near the intersection of Union and Fourteenth Streets, Bangor, Maine, between an automobile owned and driven by the said Vedal B. Brooks and in which his wife and daughter were riding, and a United States Army truck. The payment of such sum of \$4,500 shall be in full settlement of all claims of the said Sally Brooks against the United States on account of personal injuries sustained by her in such collision: *Provided*, That no part of either of the sums appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the claim settled by the payment of such sum, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 5, after the word "to", strike out the balance of the line and all of lines 6 to 10, and on page 2, strike lines 1 to 11, inclusive, and insert "the estate of Vedal B. Brooks, deceased, of Bangor, Maine, the sum of \$5,800, in full settlement of all claims against the United States on account of the injury and death of Vedal B. Brooks and damage to his automobile; to Mrs. Katherine I. Brooks, of Bangor, Maine, the sum of \$1,000, in full settlement of all claims against the United States for personal injuries sustained by her and for medical and hospital expenses incurred for herself and her minor daughter, Sally Brooks; and to the legal guardian of Sally Brooks, a minor, of Bangor, Maine, the sum of \$1,500, in full settlement of all claims against the United States for personal injuries sustained by said minor, all resulting from an accident involving an Army vehicle which occurred near the intersection of Union and Fourteenth Streets, Bangor, Maine, on May 31, 1945."

The amendment was agreed to.

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

The title was amended so as to read: "A bill for the relief of the estate of Vedal B. Brooks, deceased; Mrs. Katherine I. Brooks; and the legal guardian of Sally Brooks, a minor."

A motion to reconsider was laid on the table.

C. LEROY PHILLIPS

The Clerk called the bill (H. R. 4639) for the relief of C. LeRoy Phillips.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to C. LeRoy Phillips, Boston, Mass., the sum of ——. The payment of such sum shall be in full settlement of all claims of the said C. LeRoy Phillips against the United States on account of the death of his wife, on January 20, 1945, at Montauk, N. Y., as a result of her being struck by a vehicle in the service of the Army of the United States: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 5, after the word "of", insert "\$5,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. JEAN RUSSO

The Clerk called the bill (H. R. 4639) for the relief of Mrs. Jean Russo.

Messrs. MCGREGOR and SPRINGER objected; and, under the rule, the bill was recommitted to the Committee on Claims.

C. C. VEST

The Clerk called the bill (H. R. 4750) for the relief of C. C. Vest.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to C. C. Vest, Travelers Rest, S. C., the sum of ——. The payment of such sums shall be in full settlement of all claims of the said C. C. Vest against the United States on account of the loss of crops and damage to property sustained as a result of his leaving his truck farm and peach orchard situated in Greenville County, S. C., untenanted for approximately 6 months during the calendar year 1943 at the request of the War Department. The War Department project manager at Greenville, S. C., entered into an oral agreement with the said C. C. Vest for the lease of his property for use as a part of a rifle range, and promised that he would be reimbursed for the loss of his growing crops. The War Department subsequently changed its plans and did not enter into possession of such property or execute any written lease with respect thereto: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the

contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 6, after the word "of", insert "\$440."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IRVING W. LEARNED

The Clerk called the bill (H. R. 4915) for the relief of Irving W. Learned.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Irving W. Learned the sum of \$3,579.10, in full compensation and settlement for all claims and demands of Irving W. Learned growing out of, or arising from, injuries suffered in an accident July 30, 1945, at Southwest Stark and Third Streets, Portland, Oreg., resulting from the claimant being struck by a military police patrol car attached to the One Thousand Nine Hundred and Sixth Service Command, Unit Detachment No. 2, headquarters at Portland area, northern district of the Ninth Service Command, which car was being negligently operated at the time by the United States military police.

With the following committee amendment:

Page 1, strike out lines 6 to 10, inclusive, and on page 2, strike out lines 1 to 6, inclusive, and insert "of Portland Oreg., the sum of \$1,617.40, in full settlement of all claims against the United States for property damage, personal injuries, and loss of earnings sustained and medical and hospital expenses incurred as the result of an accident involving a United States Army vehicle at the intersection of Southwest Stark Street and Southwest Third Avenue, Portland, Oreg., on July 30, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OBALDINO FRANCIS DIAS

The Clerk called the bill (H. R. 5049) for the relief of the estate of Obaldino Francis Dias.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Obaldino Francis Dias, the sum of \$10,000, in full settlement of all claims against the Government of the United States for fatal injuries sustained by him

allegedly caused by an automobile truck owned and operated by the Post Office Department on December 26, 1943, at or about the intersection of Fourteenth Street and Eighth Avenue in the city of New York: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent on account of services rendered in connection with the said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendments:

Page 1, line 5, after the word "appropriated", insert "in the sum of \$5,000."

Page 1, line 6, after the name "Dias," strike out the bill through the word "about", in line 10, page 1. Insert in lieu thereof: "Netherland Steamship Lines, 25 Broadway, New York City, N. Y., in full settlement of all claims against the United States as compensation for the death of the said Obaldino Francis Dias, sustained as the result of an accident involving a United States Post Office vehicle near."

Page 2, line 1, after the name "York", insert ", on December 26, 1943."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. DORA FOSTER

The Clerk called the bill (H. R. 5071) for the relief of Mrs. Dora Foster.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Dora Foster, of Lake Charles, La., the sum of \$21,345. The payment of such sum shall be in full settlement of all claims of the said Mrs. Dora Foster against the United States for damages on account of the death of her husband, Fred L. Foster, and burial and other expenses incidental thereto, as the result of an accident involving an Army truck which occurred in Lake Charles on March 25, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendments:

Page 1, line 6, strike out "\$21,345" and insert "\$6,345."

Page 1, line 8, strike out "for damages on account of" and insert "as compensation for."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MILDRED L. BUPP

The Clerk called the bill (H. R. 5111) for the relief of Mrs. Mildred L. Bupp.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Mildred L. Bupp, Santa Ana, Calif., the sum of \$6,000. The payment of such sum shall be in full settlement of all claims of the said Mrs. Mildred L. Bupp against the United States for damages sustained when an Army truck ran into the ambulance in which her husband was being taken to a hospital: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 8, after the word "for", strike out down to and including the word "hospital" in line 10 and insert: "personal injuries sustained as the result of an accident involving an Army truck on National Boulevard, Los Angeles, Calif., on February 10, 1944."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SYLVIA WAGNER

The Clerk called the bill (H. R. 5525) for the relief of Sylvia Wagner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Sylvia Wagner, the sum of \$1,056.50, in full satisfaction of her claim against the United States on account of personal injuries, as a result of a fall she suffered on November 22, 1943, on the steps of the Old Federal Building in Cleveland, Ohio.

With the following committee amendments:

Page 1, line 5, after the name "Wagner", insert ", of Cleveland, Ohio."

Page 1, line 7, strike out "her claim" and insert in lieu thereof "all claims."

Page 1, line 8, after the word "injuries", insert "and expenses incident thereto,."

At the end of bill add: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROY HESSELMAYER

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent to return for immediate consideration to Private Calendar No. 796, the bill (H. R. 4090) for the relief of Roy Hesselmeier.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Roy Hesselmeier, of Union, Mo., the sum of \$2,000. Such sum represents reimbursement by the United States to the said Roy Hesselmeier of an amount paid by him to the United States in satisfaction of a judgment had and taken against him in the sum of \$2,000 and costs as surety on a bond for the appearance on a day certain of Jack Houston to answer criminal charges in the United States District Court for the Eastern District of Missouri (said judgment having been entered as of record October 26, 1932), the said Jack Houston having failed to appear on such day, but having been apprehended thereafter and, after conviction, a sentence of imprisonment was imposed upon him, which sentence was served:

With the following committee amendment:

At the end of the bill insert "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EMERGENCY PRICE CONTROL ACT

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 6042) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6042, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

Mr. WOLCOTT. Mr. Chairman, I yield myself 15 minutes.

Mr. COLE of New York. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-four Members are present, not a quorum. The Clerk will call the roll.

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

[Roll No. 87]

Allen, Ill.	Baldwin, N. Y.	Boykin
Andrews, N. Y.	Bell	Buckley
Baldwin, Md.	Bennet, N. Y.	Bunker

Byrne, N. Y.	Graham	O'Neal
Canfield	Halleck	Patrick
Case, N. J.	Hancock	Peterson, Fla.
Celler	Heffernan	Pfeifer
Chapman	Henry	Powell
Cochran	Hobbs	Rains
Cole, Kans.	Horan	Reece, Tenn.
Colmer	Izac	Riley
Combs	Jarman	Robertson, Va.
Curley	Johnson, Calif.	Robinson, Utah
Curtis	Kirwan	Roe, Md.
Daughton, Va.	Klein	Rogers, N. Y.
Dawson	Knutson	Rooney
De Lacy	Lea	Sabath
Delaney	Lemke	Sharp
John J.	Luce	Sheppard
Doughton, N. C.	Lynch	Short
Douglas, Ill.	McCormack	Sikes
Engle, Calif.	McMillan, S. C.	Smith, Va.
Fellows	McMillen, Ill.	Stockman
Fisher	Mansfield, Tex.	Taylor
Flood	Martin, Mass.	Torrens
Gearhart	Mathews	White
Geelan	May	Wolfenden, Pa.
Gerlach	Mills	Woodhouse
Gibson	Norton	Woodruff

Accordingly the Committee rose; and the Speaker pro tempore, Mr. SPARKMAN, having resumed the chair, Mr. COOPER, 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. 6042, and finding itself without a quorum, he had directed the roll to be called, when 341 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.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 6042, with Mr. COOPER in the chair.

Mr. WOLCOTT. Mr. Chairman, I think it is rather unfortunate that we are not going to get more time to consider this bill in general debate. You will recall that the Committee on Rules gave us two legislative days in which to debate this bill, but because of the business transacted yesterday we had something less than 1 hour of general debate, and that was considered a legislative day. We convened at 10 o'clock this morning with the idea of debating, as I understood, this bill all day long, and it is now 1 o'clock. I think there are requests for something like 5 hours' time. I hope that there will be ample time to debate the bill in order that there may not only be a full discussion of it but a full understanding of the issues involved.

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

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

Mr. CRAWFORD. The chairman of our committee, the gentleman from Kentucky [Mr. SPENCE] has informed me that he proposes to close debate around 5 or 5:30 o'clock this afternoon. As the gentleman from Michigan has said, there are requests for about 5 hours' time on the Republican side of the House to debate these issues, and it seems to me that it is only fair to the membership to have some understanding at this time as to whether or not our people are going to have the right to discuss this proposition.

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

Mr. WOLCOTT. I yield to the gentleman from Kentucky.

Mr. SPENCE. In answer to the remarks of the gentleman from Michigan, he made the charge that the committee had been very unfair, and he wanted to continue until 10 o'clock tonight. I feel confident that if we continued until 10 o'clock tonight the speaker might be speaking to empty benches, and it would be just as effective to put his remarks in the RECORD. I am willing to go along a little longer than 5 o'clock or 5:30 if it meets with the approval of the Members of the House, but I am certainly not willing to stay here and I do not think the Members want to stay here until 10 o'clock tonight. I do not think we should be subject to the charge of being unfair because circumstances over which we had no control caused the conditions that existed yesterday and existed today.

Mr. WOLCOTT. I might say to the gentleman that we will cooperate in every respect to finish the debate at the earliest possible moment, but we have an obligation to the members of the committee who want to express their views and who should have a right to express their views, and, of course, we expect the majority to grant us every courtesy, and I know that they will grant us every courtesy in that respect, as the gentleman always does.

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

Mr. WOLCOTT. I yield to the gentleman from Kentucky.

Mr. SPENCE. I hope the gentlemen on the other side will not take up the time with constant quorum calls this afternoon, but will continue the debate without interruption.

Mr. WOLCOTT. Mr. Chairman, I presume most of the Members have had an opportunity to read the bill and study the changes the committee recommends be made in existing law, and have read the report. In consequence, I shall be very brief, or try to be very brief, in presenting what I consider to be the major issues before the committee.

In the first place, the bill as reported recommends the continuance of the Office of Price Administration until June 1, 1947. Some weeks ago it was suggested that we make the terminal date the same as the date to which we extended the Second War Powers Act, which was March 31, 1947. We were given to understand that it is the general policy of this House and should be of the Congress to continue these emergency war powers for not longer than 6-month periods. However, being realistic about the situation and fearing that there might not be an opportunity in the latter part of the year to make whatever changes might be necessary in OPA or to continue it after December 31, which would be the 6 months date, of course, being fearful that we might not have an opportunity to extend it beyond that in the latter part of the year, it seemed to us, to be very realistic about it, that the action taken by the Committee on the Judiciary and later by the Congress in extending the War Powers Act set a precedent which we should follow in this bill, so that the new Congress immediately or shortly after it convenes will have an

opportunity to look again at OPA to determine whether OPA has followed the dictates of the Congress in respect to changes which we may make when this bill is considered now; and if the administration of the OPA continues, as it has almost since its inception, to contribute to the economic and social confusion in America, that we would have an effective opportunity to do something with the act before our economy is completely ruined.

I emphasize the fact that there is nothing particularly wrong in the present law if that law was administered in accordance with what appears to me to be the clear intent of Congress in all respects. Any deficiencies in price control are administrative deficiencies. But we owe the people of this country a responsibility. Because so many people have been confused by so few, it is our duty now to rewrite the standards, to rewrite the rules in some respects under which OPA operates, in order that we may get full production in America and at the same time keep effective price control. That should be our objective in this committee, to prevent what are termed run-away prices but at the same time to assure the people of this country that we are going to have sufficient production so that eventually we may lift price controls altogether. With that in mind let us review what the Committee on Banking and Currency has done and what we hope to do in the Committee of the Whole. First, as I said, it will be our purpose to assure the new Congress an opportunity to look at OPA again shortly after it convenes. For that purpose, an amendment will be offered to continue price control until March 31, 1947, instead of June 30, 1947, as requested by the committee. By another amendment which, personally, I consider all important, if we are going to attain this objective of controlled prices and at the same time have an assurance of adequate production, which amendment will be inserted in the record, there is prevented the establishment or the maintenance of a maximum price on any commodity below current costs of production plus a reasonable profit. I know there is going to be a great deal of criticism by certain of those who want to use and will use this occasion to demagog on the subject. I know Mr. Bowles will probably within the next 48 hours after action is taken on this amendment tell the country that if this amendment is adopted we have cut the heart out of price control. Mr. Bowles, however, should have definitely in mind that this amendment is being offered because he has not made such adjustments in the price structure below average ceilings as to insure to the people of the country that they are going to get adequate production. It is being offered to save effective price controls. In many instances, Mr. Bowles could have met these problems by making simple adjustments in the price structure. Witness, as an example, that hardwood flooring was not being milled. We could not buy hardwood flooring with which to build homes for veterans. It developed the reason why we could not buy hardwood flooring was because the ceiling on

hardwood flooring was less than the ceiling price in the block from which the hardwood flooring was cut.

Of course, no lumberman who could sell a 12-inch-by-12-inch block for more than he could sell the finished hardwood flooring was going to be silly enough to fabricate that block into the hardwood flooring to be sold at a loss. Therefore, we just did not have hardwood flooring. All that was necessary in that particular case was a minor adjustment to balance the price of the block with the price of the finished product, which Mr. Bowles has done under pressure from the Committee on Banking and Currency and which he should have done weeks before. This amendment is designed to compel him, if he will not do it voluntarily, to make similar adjustments in many industries, including the textile industry, so that we will be able to get adequate production and make it possible in the months to come to do away with price controls altogether. We cannot, as Mr. Barney Baruch said before the committee, expect industry and agriculture to produce at a loss. We are not going to get production if we seek to compel industry and agriculture to produce at a loss. In this amendment, we assure that they do get the cost of current production plus a reasonable profit, still under rigid price controls, and at the same time assure the people that they are going to get the things with which to build their homes and the things they need to clothe themselves and the food they need to eat.

The Congress should set up a very definite policy in respect of the removal of controls. The committee, as far as it went, I think, did a splendid job in writing policy language from which our industries, our farmers, our businessmen generally may assume that it is the policy of Congress that price controls be removed just as quickly as they possibly can; that we are not adopting price controls as a permanent policy. As a matter of fact, we are repudiating the theory that we must continue price controls beyond the date when it is absolutely necessary as an aid to our general economy.

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

Mr. WOLCOTT. Mr. Chairman, I yield myself five additional minutes.

You will notice the committee wrote some language in respect to subsidies, which has been a very controversial subject, on page 7 of the bill. If I were you, I would not spend much time in reading that, because I can tell you in about 2 minutes what that subsidy provision does. All that subsidy provision does is to reduce the amount of the subsidies authorized in section 4 of the bill by 25 percent in the aggregate. It does not remove subsidies from anything. It makes possible an increase of subsidies on some commodities. So long as they reduce by a certain time the aggregate of the subsidies by 25 percent they have complied with that provision.

The aggregate of the subsidies provided for in the bill is \$2,051,000,000, of which \$1,700,000,000 are in the food

group and \$351,000,000 are in other groups than food.

We offered an amendment for the orderly liquidation of subsidies in the committee. I will place it in the RECORD. It provides for the orderly liquidation of subsidies, a gradual periodic increase in the prices to absorb the loss to producers resulting from the reduction in subsidies. It provides that 25 percent of the agricultural subsidies shall be removed within 45 days after the enactment of this act. The next 25 percent is removed in the next 45-day period, and the third in the third 45-day period, until sometime about July 1, 1947, provided this act is enacted—as it must be, by June 30 of this year—we will have eliminated completely the agricultural subsidies and will have substituted prices for them. Of course, the authorization for the subsidies should be reduced proportionately. If this amendment is adopted we will reduce food subsidies from \$1,700,000,000 to approximately \$425,000,000, or approximately one-quarter of the sums authorized in the bill as reported.

In the amendment we have not disturbed the metal subsidies or the non-agricultural subsidies, which amount to \$351,000,000. So, in the aggregate, if the amendment is adopted, we reduce subsidies in the bill from an aggregate of \$2,051,000,000 to \$776,000,000.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield for a question on subsidies?

Mr. WOLCOTT. I yield.

Mr. CRAWFORD. All Members of the House today received a letter from Charles W. Holman, of the National Co-operative Milk Producers Federation. In speaking of this subsidy question, he says this:

We object to the continuation of the combined price control and subsidy system envisaged by the reported bill. We fear that its enactment will fasten upon dairy farmers for many years to come both controlled price ceilings and subsidies, in lieu of fair prices.

Also, the directive, known as the Monroey amendment to the committee bill—which reduces authorized subsidies by one-fourth but provides for no raises in the price ceilings except at the whim of some Government officials—is a cruel and callous answer to dairy farmers' cry for relief and freedom.

Our people seek termination of dairy price control subsidies and the regulations flowing out of this system not later than June 30 of this year. If the House in its judgment cannot give us the relief we beg by June 30, the next best congressional action would be the adoption of an amendment which was offered in committee by Mr. JESSE WOLCOTT, of Michigan.

Mr. WOLCOTT. I may say that the amendment which will be offered has the approval of all the leading farm organizations. It has the approval of the Farm Bureau Federation, the Grange, the milk producers, and most of the other organizations. It meets with their approval and they think it is an amendment under which they can work and produce to capacity.

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

Mr. WOLCOTT. I yield.

Mr. WHITTINGTON. If the subsidies existing on meat as well as other

subsidies are eliminated, as I understand, there will be no subsidies then after the year expires, June 30, 1946.

Mr. WOLCOTT. Under my amendment there will be no subsidies after this calendar year expires, December 31, 1946.

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

Mr. WOLCOTT. Mr. Chairman, I yield myself five additional minutes.

Mr. WHITTINGTON. My question refers to all subsidies, that if every subsidy is eliminated from this bill, then there will be no subsidies authorized after June 30, 1946.

Mr. WOLCOTT. The gentleman is correct.

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

Mr. WOLCOTT. I yield.

Mr. SMITH of Ohio. As the gentleman from Michigan knows, the administration has been especially solicitous in preventing the writing into the bill of a formula for decontrol. I wish the gentleman from Michigan would discuss that point in particular because I think it is extraordinarily vital that we all understand the reason for this action on the part of the administration.

Mr. WOLCOTT. Personally, I think that many of us are in agreement. There does not seem to be any logic in continuing price controls on commodities of which there is a surplus. An amendment will be offered, as I understand, which will provide that the control shall come off when there is a surplus or whenever—in general language—the supply meets demand; and that, of course, should be done. The proposal for decontrol in addition will guarantee production. The two taken together with the subsidy proposal seems to me to be very advisable, and if this committee and the House adopt the provisions of these amendments then I do not think there will be any reason left why anybody should not go along with this bill continuing price control.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield in connection with subsidy ceiling on commodities?

Mr. WOLCOTT. I yield.

Mr. WHITTINGTON. The gentleman does not contend that under the terms of this bill and particularly under section 3 that if there are enough commodities to supply the domestic demand that there will be no ceilings authorized on agricultural commodities.

Mr. WOLCOTT. You have the decontrols in here. There is a lot of—

Mr. WHITTINGTON. It is a lot of idle talk.

Mr. WOLCOTT. As I see it, it is a very nice declaration of policy which probably should stay in the bill; but there should be some teeth put into the bill which will effectuate that policy and I understand language is going to be submitted for that purpose.

Mr. WHITTINGTON. There certainly are no teeth in this bill.

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

Mr. WOLCOTT. I yield.

Mr. RIZLEY. I just wish to point out to the gentleman that the House Com-

mittee on Agriculture held hearings for almost 2 weeks on the meat situation. It seemed to be the general consensus of all the producers, and as far as I know of everyone else interested in the livestock business—and it was not disputed seriously by the Department of Agriculture or too much by the OPA—that there is probably an adequate supply of meat. The House committee, as the gentleman knows, has instructed our chairman to offer an amendment to take meat out entirely from under price control and get rid of subsidies. About seven hundred-and-some-odd million dollars in subsidies, the gentleman mentions, is now being used for meat and meat products and, as I understand the gentleman, if that amendment should be adopted at least subsidies to that amount will be eliminated from the bill?

Mr. WOLCOTT. Well, you can deduct a quarter of \$715,000,000, we will say \$180,000,000 or \$170,000,000 from the estimated total of \$776,000,000, and if you strike out the meat subsidy it reduces the aggregate to something around about \$500,000,000. I am sure that the other amendments which the committee wrote and which others will offer, including those which will protect the language of OPA at the present time in respect to the prohibition against the payment of subsidies unless we appropriate the money for that purpose, will be considered.

I want you to have in mind there will be an amendment offered to strike the language of the bill which repeals the last paragraph of subsection (e) of section 2, which prohibits the payment of subsidies unless the Congress specifically appropriates the money for that purpose.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself three additional minutes.

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

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

Mr. JUDD. Will the gentleman inform us whether this amendment to guarantee current costs, plus a reasonable profit, may run into the same difficulties and abuses that we had under the cost-plus contracts? Would it encourage people to be uneconomical in their costs because they are guaranteed their costs plus a reasonable profit?

Mr. WOLCOTT. No, because competition will take care of that. The high-cost producers will get their price; the low-cost producers will get their price, predicated on current costs, which is determined by established accounting practices. So competition will take care of that the same as competition has always taken care of it.

Mr. BRADLEY of Michigan. Mr. Chairman, will the gentleman yield?

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

Mr. BRADLEY of Michigan. Who is going to determine what is a reasonable profit? Are you going to leave it up to the bureaucrats who have tried to put people out of business?

Mr. WOLCOTT. No. I think that will be developed later on, probably to the satisfaction of my colleague. I do not want to take any more time.

Mr. BRADLEY of Michigan. What is a reasonable profit?

Mr. WOLCOTT. A reasonable profit is something over a zero profit. The courts will probably hold that a reasonable profit is an historic profit, or a comparable profit if there is no historic profit in the industry. If you simply say "profit" then OPA could comply with the law by giving them one-tenth of 1 percent or one-hundredth of 1 percent and say that is a profit. "Reasonable profit" is a term definitely understood by the courts and probably would be an historic profit if there is a history. If there is no history, then a comparable profit.

Mr. MONRONEY. Mr. Chairman, would the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. I would like to know if the gentleman means an industry-wide profit or individual profit?

Mr. WOLCOTT. Individual profit, and I want to stress the fact that in order to get production there must be a profit on every single item.

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

Mr. WOLCOTT. I yield to the gentleman from Iowa.

Mr. JENSEN. I have a letter here from which I want to read a few words and ask the gentleman if this bill takes care of a situation of this kind. It is from the Wilson Concrete Co., which manufactures cement blocks, and it states:

Of 12 block producers in Iowa, of which I have a record, we are 1 of 2 that has a price ceiling of 12 cents per standard unit. The others range all the way up to 23 cents each on the same unit.

He has been trying to get a price adjustment for months. My question is, Will any provision in this bill correct a situation of that kind?

Mr. WOLCOTT. Not in the bill, but that will be corrected by an amendment which I will offer, because he will get his cost of production, plus a reasonable profit.

Mr. JENSEN. I thank the gentleman. The amendments referred to above are as follows:

COST-OF-PRODUCTION AMENDMENT

SEC. —. Notwithstanding the provisions of this act, the Stabilization Act of October 2, 1942, or any other act or acts, no maximum price shall be established or maintained for any commodity below a price which will reflect to the producers and processors of such commodity the sum of (1) the current cost of producing and processing such commodity as determined by established commercial accounting practices of the industry, (2) a weighted average of conversion costs of such commodity, and (3) a reasonable profit thereon.

LIQUIDATION OF SUBSIDIES

(a) The Administrator shall make adjustments in maximum prices of agricultural commodities including milk and livestock and products manufactured in whole or substantial part from such commodities in lieu of any payment by the Federal Government of sums of money or losses incurred by any

agency of the Government through the purchase and resale at a loss of such commodities or products, and equivalent reductions is subsidy or similar payments shall be made by any such agency authorized to make such purchases and sales at a loss or to make such payments: *Provided*, That the first such adjustment or adjustments of not less than 25 percent of the rate of subsidy or similar payments made in the corresponding period of 1945 shall be made not more than 45 days from the effective date hereof and similar adjustments shall be made at intervals of not more than 45 days thereafter: *Provided further*, That none of the foregoing provisions shall apply to any operations conducted for the purpose of maintaining support prices for agricultural products or payments or losses incurred with respect to domestic sugar beets or sugarcane: *And provided further*, That nothing contained herein shall be construed to prevent the making of parity payments or soil-conservation payments authorized under existing law or benefits to sugar growers authorized until title III of the Sugar Act of 1937, as amended.

(b) Modifications shall be made in the maximum prices established for any agricultural commodities and for commodities processed or manufactured in whole or in substantial part from agricultural commodities where it appears that the maximum prices established do not reflect all increases in costs to the producers of such agricultural commodities incurred since January 1, 1941, and such modifications or adjustments in the case of milk and its products shall be made on a regional or area basis.

(c) In no event shall maximum prices of agricultural commodities be established below support prices therefor or below the prices specified in section III of Public Law No. 729 approved October 2, 1942: *Provided*, That, where minimum prices to producers are regulated under any agreements or orders pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, the Secretary of Agriculture is hereby directed to adjust such minimum prices to reflect not less than the adjustments in maximum prices ordered pursuant to the provisions of this section. Except as expressly provided herein, nothing contained in this section shall be construed to repeal, amend, or supersede the provisions of the Agricultural Marketing Agreement Act of 1937, as amended.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. SPENCE. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. PATMAN].

OVER 100 WITNESSES HEARD

Mr. PATMAN. Mr. Chairman, the Committee on Banking and Currency commenced public hearings on H. R. 5270, a bill to extend the Emergency Price Control Act of 1942 as amended, and the Stabilization Act, February 18, 1946. The hearings continued for approximately 6 weeks, running sometimes late at night. We heard 142 witnesses. One hundred and forty-eight briefs and statements were filed for the consideration of the committee in addition to the testimony of those 142 witnesses; therefore no one can say that this bill did not receive adequate consideration from the committee. When the bill, H. R. 5270, was read under the rule in the committee, certain amendments were adopted. After the adoption of those amendments the chairman of the committee, the gentleman from Kentucky [Mr. SPENCE], introduced what is known as a clean bill,

which included the bill as amended, and it is the bill H. R. 6042 that is now before the House for consideration.

WOLCOTT AMENDMENTS WOULD KILL BILL

I have listened with interest, as I always do, to what the gentleman from Michigan [Mr. Wolcott] had to say about price control, and this bill in particular. With all due respect to the very able and sincere gentleman from Michigan [Mr. Wolcott] if his amendments are adopted we will not have effective price control. Whether he intended or not—and I certainly do not believe he intended—the law will be effectively scuttled if his amendments are attached to this bill, so we might just as well not have any price control at all. It is easy to say, "Let us tell the Administrator how to administer a law," but at the same time I appeal to you to consider the fact that we have the best form of government on earth. Our Constitution was well and carefully written. We have three branches in our Government: The legislative, the executive, and the judicial. We cannot execute the laws or administer the laws, because we make the laws. It is not our duty to execute them. It is not our duty to decide what Congress meant; it is for the judiciary to decide. Therefore, whenever we attempt to tell the Administrator or the Executive exactly how he shall administer the law, if we are not very careful we are stepping over into the functions and the duties and the jurisdiction of the executive department.

CONGRESS CANNOT EXECUTE LAWS

I sometimes think that Members of Congress place upon themselves undue burdens and undue responsibilities because we are often prone to not necessarily contend but to leave the impression with our constituents that we have power, over the enforcement or the administration of these laws, that we do not possess. After all, the Members of Congress are elected for 2 years, the President of the United States for 4 years, and the Members of the other body for 6 years. We have our responsibilities here and we should answer to our constituents every 2 years for what we do. I would not change that if it were within my power to do so. Two years is certainly long enough. On the other hand, there is the President. He is elected just like we are, although he comes before the people every 4 years. So let us place the duty and the responsibility upon the Chief Executive and say, "We want price control; we want stabilization; we are opposed to run-away or ruinous inflation; we want you to execute a law which we have passed that gives you the power to give us stabilization and price control." It is just as impossible to write amendments into a law that will execute that law as it would be for the president of a railroad company to tell a train dispatcher exactly how he should execute his orders for the next 12 months, or just as impossible for the Congress to pass a law that would tell a judge of a Federal court exactly how he should interpret a law. These things are impossible. They cannot be done.

ACCEPT OPA WITH MISTAKES OR FACE CONSEQUENCES

We might just as well recognize that we should accept a price control with the knowledge that mistakes are going to be made. It is impossible for one person or a group of people to enforce a law involving 8,000,000 prices without making mistakes. We might just as well recognize that mistakes will be made, as they have been made in the past. Let us hope there will not be so many, and let us hope that we will profit by the experiences of the past, but we might just as well recognize they are going to be made. The question before us today is: Is price control preferable or desirable with that knowledge, or should we seek the only alternative, no price control at all? That is what we should determine.

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

Mr. PATMAN. I yield to the gentleman from Illinois.

Mr. DIRKSEN. I was very much interested in the gentleman's observation about telling the court how it should interpret the law; yet the bill that bore the gentleman's name, the housing bill, had a court-review section which said to the court that unless the Administrator acted capriciously and arbitrarily, the injunctive power could not lie.

Mr. PATMAN. That is the same provision that is in the Price Control Act. It is necessary in emergency legislation to have general restrictions.

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

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

Mr. HOFFMAN. If I understood the gentleman correctly, he intimated it would be rather foolish for a railroad president to tell a train dispatcher how to operate his end of the business; but suppose the train dispatcher got to running two trains in opposite directions on the same stretch of track? That is what price control is doing now.

Mr. PATMAN. That is what is likely to occur if he tries to tell him in advance.

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

Mr. PATMAN. I yield to the gentleman from North Carolina.

Mr. BARDEN. I was interested in the gentleman's discussion of the question of mistakes. On yesterday I happened to observe in one of my State papers a list of approximately 50 businesses, some of them large businesses and some of them small grocery stores. Overcharges had been discovered in those businesses totaling anywhere from 47 cents to \$1.83. In each one of those cases they made those concerns settle for anywhere from \$25 to \$50 for each offense. I wonder how the gentleman thinks he could run a grocery store with the turn-over in personnel the businessmen have had to face without those little 30- and 40-cent to a dollar mistakes being made, both against him and for him?

Mr. PATMAN. I think it would be very difficult under any controls, regardless of how necessary. But I think you will find the OPA has adopted some rather tolerant ways of enforcing the law. I think you will find that a committee of neigh-

bors usually passes upon the cases such as the gentleman referred to, and that that committee of neighbors make inquiries and usually go around and warn the people a number of times. After warning them a number of times, if they are persistent and chronic violators, then they try to bring them before the bar of justice as they should be brought. I admit, in any event, that a lot of mistakes are made. Many mistakes are made in your State courts. Mistakes are made in the Federal court. There is no such thing as exact justice. Anybody who expects exact justice is just expecting too much. The point is, Will you take price control with the knowledge of these mistakes and the expectation that mistakes are going to be made, or would you rather have nothing? That is the only question. Conceding that the gentleman is right—I am not denying it, I know a lot of mistakes have been made—I think they have been too long in correcting mistakes. There has been too much delay. But Congress is not without blame. Although we passed the OPA Act, when the question came up for money to properly enforce the act we dealt niggardly with the OPA. Right here on the floor of this House we cut out \$35,000,000 from the appropriation. It is true that part of it was restored, but you will find that they have had only money enough to have one enforcement officer in every county and there are 3,072 counties in the United States. The result has been that Congress, by passing a law and then providing insufficient money to enforce that law, places these good, patriotic citizens in the local communities in a bad position, because every day critics will come to them and say, "Why do you not catch this man?" and "Why do you not catch that man?" Well, of course, the answer is, "We do not have the money for enforcement." Even some of the people who have been strongly in favor of the OPA in the past are getting disgusted now because they do not have the money to enforce the law. Therefore that responsibility rests upon the gentleman. It rests upon me. It rests upon the Members of Congress, not upon the OPA.

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

Mr. PATMAN. I am sorry I cannot yield to the gentleman. I do not think I can take up much more time and I hope the gentleman will excuse me.

Mr. BARDEN. The gentleman is well taken care of in the matter of time.

Mr. PATMAN. I yield to the gentleman to ask a question and not make a speech. The chairman of the committee will give the gentleman from North Carolina time to address the House if the gentleman wants it, but I wish the gentleman would not use up my time. I yield to the gentleman for a question.

Mr. BARDEN. I hope the gentleman will be fair about this. I am not toying with him. I thought the gentleman had some information about the bill and I am asking for information.

MINDS MADE UP

Mr. PATMAN. I am afraid that I could not satisfy the gentleman. That

would be a very difficult thing to do. You see, people have their own views and convictions on this thing. I do not believe I will change the gentleman's vote. I do not believe the gentleman will change anyone's vote either. In fact, it seems kind of futile for me to talk on this bill. Members have their minds made up.

Mr. BARDEN. Mr. Chairman, will the gentleman yield now?

Mr. PATMAN. I yield to the gentleman.

Mr. BARDEN. The gentleman has referred to mistakes that they make. Insofar as I am concerned, I see no shortage in my State of inspectors for enforcement. But this is what I am concerned with: the possibility of the Congress making another mistake by setting up a separate court system in the States whereby the OPA will take a man across the barrel whether it is on a 30-cent oversight on the part of a new clerk or whatever it is and say, "All right, brother, we got you, and you will pay what we say." Whether it is \$50 or \$100, they will impose that judgment on him and in self-defense he must pay up or be bedeviled by them. That is what we ought to correct.

Mr. PATMAN. Then why does he not appeal to the jury? The accused is entitled to a jury trial.

Mr. BARDEN. The gentleman has too much sense to stand in the well of this House and say that a man can afford to go to a Federal court and hire lawyers and take a week to try the case and all that and try to get out of that situation for less than \$100.

Mr. PATMAN. Anyone is entitled to a jury trial when he is in court. But admitting that that is true, and I cannot deny it because I do not know the facts, I presume the gentleman is telling exactly the facts as he understands them. I do not doubt that at all. But are you willing to have a paved highway to inflation because you do not like that situation? Or are you willing to make your dollar worth 25 cents?

Mr. BARDEN. Is there not any room for common sense in this business?

Mr. PATMAN. Are you willing to vote \$100 a month for a man who has lost a leg in battle and then take price controls off so that \$100 will not buy \$25 worth of food? That is the question we are deciding here today.

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

Mr. PATMAN. I yield.

Mr. MONRONEY. I would like to say to the gentleman that it is a fact that the \$25 procedure for a voluntary contribution to the United States Treasury as a result of informal hearings with these neighborhood groups was placed in the bill at the request of little business which did not wish to go through the Court of Appeals; and the Congress and the committee, in order to avoid that embarrassment, gave them the right, where unintentional errors have been made, to settle the case for \$25.

Mr. PATMAN. That is right.

Mr. MONRONEY. A 47-cent overcharge in a grocery store is generally not

just one specific sale. The OPA is not smart enough to catch every individual price violation. One hundred 47-cent violations would amount to \$47, which, with the \$25 contribution, would not even give back the amount of money that had been overcharged.

LOOK FOR 50- TO 100-PERCENT INCREASE IN WAGES IF CONTROLS ARE TAKEN OFF

Mr. PATMAN. Now, if we do not pass this bill or if we pass a scuttled OPA bill or a law that is ineffective, we might just as well make up our minds that we will have to increase wages, even Government employees', within the next 12 months at least 50 percent and perhaps 100 percent. The prices will go so high that the dollar will buy so little that people will be unable to survive on the small amount they are now receiving.

In 1941, before we entered the war, the dollar would buy so much in cost-of-living items. Today that dollar will buy 76 cents in cost-of-living items. Do we want to try to hold that dollar, worth as low as it is, 76 cents, or shall we take off all controls and let that dollar be worth 26 cents?

That is just about what it would be worth. That would be runaway inflation, ruinous inflation. It can happen here. It has happened in other countries. This is the first time in the history of the entire world that any major power has attempted to control, by effective laws, and prevent inflation during a war and immediately after a war, which has always happened. Not for half the time, not for three-quarters of the time, but every time after every major war we have always had ruinous inflation.

So the question is today, Are we going to try to prevent it this time for the first time in history, or will we yield to that historical record, that has never been broken, of ruinous run-away inflation?

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. LUTHER A. JOHNSON. The gentleman stated it could happen in other countries. That brings to mind what I heard last spring when I was in Mexico. I was talking to the wife of the American consul there, who had been in Mexico only a short time. She had recently gone there from the United States. She said no one had condemned the OPA more than she had, but that since she had been in Mexico she had found that her condemnation was wrong, and she wished that Mexico had an OPA because of the inflation there, which made it difficult for them to live on the salary which they received.

PAY GOVERNMENT BONDS IN HONEST DOLLARS

Mr. PATMAN. I thank the gentleman.

Our national debt today is approximately \$270,000,000,000. That is a huge debt. It can be paid with sound, honest dollars or it can be paid with worthless dollars. We are deciding today how we will pay that debt. Will we be loyal and true to the holders of our Government bonds, owned by practically every family in America, or will we say, "No;

we will pay them off, but we will pay them in worthless money"? We are making that step today.

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

Mr. SPENCE. Mr. Chairman, I yield the gentleman 10 additional minutes.

NATIONAL DEBT WOULD BE \$100,000,000,000
LARGER ON ACCOUNT OF WAR COST WITHOUT
OPA

Mr. PATMAN. Regardless of what our critics say about price control—and there are a lot of critics of price control, and critics on the floor of this House; they are honest in their views, but they have always been against price control and have frankly said so all during the war—but you can take your own paper and pencil and make computations for yourself as to how much price control saved the taxpayers during this war. For instance, let us take the price of steel. Steel was the principal and main commodity that entered into the cost of the great war machine. Steel did not increase one penny a ton from the beginning of this war to the end of the war. You can go back and determine how much the price of steel constantly went up during the other war, when inflationary pressures were not nearly so great, and then you can compare what we would have had to pay for steel this time with that time, and you will find that we saved a hundred billion dollars on the cost of the war machine alone by reason of price control; not all on steel, no, but on all the commodities that went into the war machine. In other words, our debt would be \$370,000,000,000 instead of \$270,000,000,000.

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

Mr. PATMAN. I yield to the gentleman from Kansas.

Mr. SCRIVNER. A few moments ago the gentleman referred to the division of power under our Constitution. In view of the gentleman's statement, I am wondering whether or not he feels it is proper for administrative agencies to interpret the laws and thereby interpret the intent of Congress. I should like to have the gentleman's view on that.

Mr. PATMAN. I do not have time to go into a long discussion of that, but I will say I am in favor of Congress making the laws, in favor of the executive branch of the Government executing the laws, and in favor of the judiciary interpreting the laws.

Mr. SCRIVNER. Then the gentleman would be opposed to the administrative agencies interpreting the intent of Congress and acting thereby in a judicial capacity.

Mr. PATMAN. I do not care to get into an argument at that point, for it is not directly connected with this issue, since the courts still interpret the laws.

BALANCE THE BUDGET

You hear every day on the floor of this House the question: Why do we not balance the Budget? Why do we not balance the Budget? And then 9 times out of 10 the very people who are screaming out to balance the Budget vote for tax-reduction bills which would prevent us from balancing the Budget. During the

war, right in the middle of the greatest war in all history, this Congress passed a bill which gave back to the men who made so much money in this war \$6,500,000,000, just gave it to them—highly inflationary. Congress is responsible for that.

In 1945 we passed the tax bill, highly unjustified, should never have been passed, very inflationary—reducing taxes approximately \$6,000,000,000 a year, and then with Congress doing that we hear Members screaming out to high heaven all the time: "Let's balance the Budget. Let's balance the Budget." Then some Members even say, we ought to have another tax reduction. I see the distinguished chairman of the Committee on Ways and Means here. I hope he does not bring in any tax-reduction bill soon or even talk about it in his committee. We ought to pay this debt, large as it is, pay it with honest dollars, not with worthless money; and we are going to decide here today—this is a decisive step, a major step to determine whether or not we are going to be honest with the people who receive compensation, pensions, retirement benefits, and hold Government bonds, as to whether or not we will pay them in good, honest dollars that are worth 76 cents on the dollar or more, or whether we will give them back worthless money in return for Government bonds and in return for Government obligations. That is the point we are deciding here today.

WHY SHORTAGES?

Many people are complaining about shortages, saying that we need production, and if you will just take off all control we will have production. That is a wonderful argument for the man who has the privilege of selling and who happens to have scarce goods and supplies and who would profit by it; but if you take off all prices, we would all suffer from that type of inflation that I have just been discussing with you. It is an appealing argument. But the reason we have these shortages is not because we do not have production. We do have. We are producing at maximum speed. Could we produce more if we took all prices off? I do not think so. I think it would stop production. Mr. Kaiser, that great industrialist, was asked the question: "What would you do if all price controls were taken off tonight?" He said, "I would close up. I would turn off my men. I would not know my situation or status. I would know that I could sell for the limit I might get, but I would not know how much I would have to pay."

It would absolutely demoralize the country. We could not get along without it. We have to have some stabilization. The reason that there is a shortage is because people have more money than they ever had before, much more money. When the war came on several members of the family commenced to work in war plants, making good money that they had never made before. They commenced to enjoy the fine foods they had not enjoyed in the past; consequently there was a shortage of beef-steaks. Why? Because more people

were eating steaks, people who had never eaten steaks before, and as long as they have this enormous purchasing power there are going to be shortages. Taking ceiling prices off will not increase production. It will retard production.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

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

Mr. CASE of South Dakota. The gentleman would not contend that there is any shortage of live beef animals today, would he?

Mr. PATMAN. Well, it depends on how you consider it. If you consider that we are going to feed that beef in the locality where the beef cattle are, there is no shortage; if you consider that we are going to feed the people over the 48 States and the District of Columbia, possibly enough; but if you are going to feed the people of Europe and try to prevent a third world war there will be a shortage. It depends on how you figure it. So we must have controls on scarce goods. I do not contend we should have that where the supply is adequate. But what is the best evidence of an adequate supply? There are various factors which I would be willing to accept. For instance, I think the price on oil should be decontrolled now. But one of the best evidences is the fact that the price begins to be a little bit below the ceiling. OPA does not attempt to fix a floor on prices. It only fixes a ceiling. When the price begins to get less than the ceiling, that is the best evidence that the supply has caught up with the demand. Suppose we had a price control that is permanent, which we do not want. We must take it off as quickly as possible. But if it were permanent law it would not amount to anything when the supply caught up with the demand, because all prices would be under the ceiling price fixed by the OPA.

So, Mr. Chairman, this week we have a great decision to make. We are going to determine whether or not we will pass an effective price control bill. To my mind that is necessary if we are to be honest with the holders of our Government bonds.

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

Mr. SPENCE. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. PATMAN. Mr. Chairman, that will be necessary in order for this Congress to be honest and true with the deserving people of this country who receive fixed incomes from this Government, and in order that the people who live on fixed incomes may earn a sufficient amount of honest dollars to provide themselves and families with a decent living. That is the question we are called upon to decide in the passage of this bill.

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

Mr. PATMAN. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Do the hearings indicate that there is a shortage of building material in this country?

Mr. PATMAN. Yes; and there probably will be on some as long as several

years—that is, some of it. I do not say all of it. A lot of it will be off in 6 months and some of it in 12. But I predict that there will be a shortage of housing in this country—decent houses—for possibly 10 years. I predict that there will be a shortage of motor vehicles for 4 or 5 years. But the point is, Will we let the people who have the scarce commodities and articles profit to the extent that they get an unreasonable profit to the detriment of the people we owe a just and lasting obligation to?

Mr. KEEFE. That is not an answer to my question.

Mr. PATMAN. Ask the question, but I cannot yield except for a question.

Mr. KEEFE. There is a shortage of brick.

Mr. PATMAN. Certainly; there has been, and probably is now.

Mr. KEEFE. That is not due to any inordinate consumption of brick. There is a shortage of brick because the factory I am interested in is not making brick.

Mr. PATMAN. Maybe the brick plant wants an adjustment.

Mr. KEEFE. They are cutting the trees into lumber. That is why there is a shortage.

Mr. PATMAN. You can get an adjustment in 10 minutes on the brick if you go to the proper authority.

Mr. KEEFE. If the gentleman can get it, he is a better man than I am. Maybe the gentleman can, with his influence, but nobody else can.

Mr. PATMAN. There is a difference of opinion on lumber. I am talking about brick.

Mr. JENSEN. Let us talk about brick, then.

Mr. KEEFE. I wish the gentleman would for about half an hour.

Mr. PATMAN. See Mr. Wyatt or Mr. Porter about brick because sufficient brick will be made, and the proper adjustment will be made to get them.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. CARLSON].

Mr. CARLSON. Mr. Chairman, there is something radically wrong with the OPA, and it is my contention that the real trouble with the agency is the OPA itself. Farmers, livestockmen, businessmen, and private citizens are continually writing me of the unfair, unrealistic, and overly rigid regulations which are destroying production and encouraging black markets.

The proponents of the OPA and the OPA itself contend, first, that price control has saved America from a disastrous wartime inflation, and secondly, that price controls must not be removed until production is adequate. The opponents of the program state, first, that price control is curtailing employment, preventing full production, and destroying the free-enterprise system, and secondly, that we must remove the controls of OPA if we are to have full employment and full production.

The position advocated by Chester Bowles and the proponents of the OPA is well taken care of through the propaganda from the agency itself. The op-

ponents are presenting their own case. Businessmen are writing me and giving specific instances where some snooper has entered his place of business and filed charges against him because of price-ceiling violations. Many of these price violations are the result of confused regulations submitted by the agency itself, or through some clerical error. Regardless of this, these individuals are charged treble damages through the OPA's own court system. If the merchant does not immediately pay the fine imposed by these kangaroo courts he is then arrested and made to appear in Federal court. Too many of our honest, law-abiding American citizens have been forced to submit themselves to this iniquitous procedure.

There is overwhelming evidence to prove that price controls and their attendant evils are responsible for much of the shortage in houses, building materials, clothing, and food commodities. No one can study the problem of the present butter shortage without reaching the definite and sound conclusion that the OPA price controls and regulations are absolutely responsible for this situation. The OPA now realizes this and is issuing super-duper regulations and controls. I contend that no additional official orders will relieve this unbalanced situation.

Everyone familiar with the production and marketing of livestock and meat products must be convinced that the OPA is fully responsible for the lack of meat on the counters. In our Nation at the present time we have approximately 80,000,000 head of cattle, which are several million head over the average for the past few years, yet it is practically impossible for a housewife to buy a piece of meat.

The unrealistic and cockeyed regulations are unquestionably responsible for the shortage of work clothing and other types of low-cost clothing.

Our Nation is faced with an extreme housing shortage, and it must be conceded by everyone who has honestly studied this shortage that OPA price ceilings and restrictions are largely responsible for shortages of lumber and building materials. It would be an easy matter to document this statement with specific cases which are definite proof that the above items are seriously affected by unworkable regulations and unfair price ceilings.

Congress approved price-control legislation as an emergency measure for the war period. This was absolutely essential at a time when our Nation was producing munitions, guns, tanks, and other material for war. The larger part of our productive capacity was consumed by the industries producing these goods. Our remaining production capacity was so limited that durable and consumer goods were available only in a very meager supply. During this period the OPA rendered a real service.

We must now decide whether or not it is necessary to carry on in a controlled economy. It will be argued that if we remove a price ceiling and allow the price to rise inflation will immediately overtake us. It is my contention that price

ceilings should be removed as soon as production increases in any commodity and let competition take care of the price increases. For instance, at the present time there is no shortage of gasoline and other oil products. Why not remove immediately the price controls and ceilings from this great industry? It is possible that the price of gasoline and other oil products might increase temporarily but competition would shortly adjust the price structure. I think this can be said of every other commodity where we have abundant production and where industry is ready to expand its production further. The longer we continue controls, the harder it will be to secure relief from them. There never will be an ideal time to release controls on any important commodity. We must have faith in ourselves and our free-enterprise system and launch a policy which will expand employment and bring about full production. I would rather take my chances with free competition than with bureaucratic management.

One of the principal arguments being used to justify the continuation of the OPA is the prevention of price inflation such as followed World War I. There are fundamental differences between the inflationary pressure following this war and the preceding one. At that time we had greatly reduced our industrial production machinery, while in this war it has greatly expanded. Many other factors enter into this picture. Price control did not come until after the United States had been in the war for some time. The War Industries Board was established July 28, 1917, and the Food Administration, which was the first of the price-fixing agencies, was established on August 10.

From the low point of the war years, which was in January of 1915, prices rose 83 percent by August of 1917. Price controls were not adopted particularly rapidly nor did they cover the wide area of the present time, but nevertheless prices rose from August 1917 to November 1918 about 10 percent. Almost all price controls were lifted immediately upon the signing of the armistice. There were a number of industries which requested that controls be continued but almost all of these requests were turned down.

What was the terrible effect of this reckless removal of price controls? Prices went down 5 percent over the next 3 months. It was not until the following July or after the lapse of 7 months that the all-commodity index was above the November 1918 figure. Prices did rise during the last half of 1919 and the first half of 1920 about 23 percent, but, it seems to us that it requires a rather considerable stretching of one's imagination to blame this rise on the lifting of price controls which occurred over half a year earlier. Business by this time had had ample time to reconvert and peacetime activity had gotten under way. However, further large grants of credit for export to Europe as well as credit expansion for some inventory accumulation at home continued to increase the war-inflated

money supply which was already too large.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. SMITH].

Mr. SMITH of Wisconsin. Mr. Chairman, OPA is like that famous bird, the whiffen-poof. As it flies it always looks behind. It refuses to look ahead.

Today, in time of peace, OPA continues to apply the same rules that it used in time of war. Price control at this time is secondary. The big, big job is production and more production. Those who administer the Price Control Act must know that this is the fact, but nevertheless they refuse to act. What motivates such conduct?

Mr. Chairman, it is my opinion that the policy makers in OPA are motivated by political reasons. All this shouting about disastrous inflation is, of course, only a smoke screen for the purpose of continuing governmental controls. The public is not being fooled by this propaganda, if I judge correctly the tenor of my mail. The great need today is to control government in its arbitrary exercise of power and its disjointed fiscal policy. These add to the pressure of inflation 24 hours in every day. Control inflation by controlling Government, this should be our slogan. It is quite obvious that the cry of uncontrolled inflation is a hoax upon the public, it is being used to expand governmental control. For 12 long years the march down the road to socialism and communism has been steady, it has been well organized also and with a lot of money. Another year of OPA and Government monopoly of the means of production will be complete.

Mr. Chairman, that is the issue which faces us as we debate continuance of that agency. There should be no mistake about it. I make this prediction, Mr. Chairman, that if OPA is continued for another year that 1 year from now there will be a request for an additional year on the ground that consumer goods are still scarce. OPA will flourish on scarcity and the objective will be to maintain that level in our economy. It is a vicious business. A smart man recently said:

Production will stop inflation only if we can keep OPA from stopping production.

Barney Baruch testified that production was the only antidote for inflation and Porter and Bowles admit that fact.

WHAT IS THE RECORD OF OPA?

It has created unnatural economic conditions. In the important grains and cereal business we have reverted to a system of barter and exchange. It is unbelievable, Mr. Chairman, but I submit the evidence by asking leave to offer at the conclusion of my remarks two post-card notices received by a constituent firm which indicates the extent of this practice. In March of this year a constituent firm received the following notice from another firm:

Bartering is the vogue these days. We will pay you ceiling price for a new 1946 Ford Tudor sedan. And will sell you a round tonnage of bulk hominy feed at the ceiling price in return. Yours for service.

We have all believed that the age of barter and exchange was only a memory of the early colonial period, but low and behold OPA has restored it as a going concern. I cite one more example, in the form of a telephone conversation with a personal friend: "Here's something that happened a couple of days ago that may be of interest to you. We sell linseed oil—a refined linseed oil to the Western Shade Cloth Corp., of Chicago. They use it for the coating on window shades they make. Their purchasing agent called the other day and said 'Say Eddie, I just got to have two cars of linseed-oil meal.' I said, 'You got to have two cars of linseed-oil meal—what the hell are you going to do with two cars of meal' and he said, 'I am not kidding mister, I have just got to have them.' I said, 'Well what for' and he said, 'Well maybe you don't know it but we use corn starch in making window shades—we use a car a week and I can't get any corn starch from our suppliers because they can't get corn but they tell me that if I can get some linseed-oil meal they can get 10 cars of corn for each car of meal—if you get 2 cars of linseed meal I can buy 20 cars of corn and if I can get 20 cars of corn I will sell you 10 cars of corn starch.'" This is fact, not fiction or fancy. How can we possibly justify OPA when it creates this kind of a situation?

The regulations and enforcement policies are unreasonable. I will cite but one example in the field of rent control because of my limited time. A personal letter from a constituent tells better than I can. I quote it:

MY DEAR CONGRESSMAN SMITH: Relative to OPA, I am sure a recent experience may be of interest.

I had a single garage built and permitted a tenant to occupy the building. I collected 2 months' rent at \$3.50 a month and was then told by a real estate friend that I should report the transactions to the OPA. I did this and was fined \$25 for collecting 2 months' rent without their consent. I was told the fine should be \$50 but they took my word that the crime was unintentional, so they reduced it to \$25. This act seemed a rather unjust reaction to my volunteering the information which might easily have been withheld.

Is this the kind of democracy our boys have fought to preserve?

Thousands of small retail merchants have felt the whiplash of bureaucratic enforcement and suffered ignominious suits and injunctions. Dictatorship as practiced by Hitler, Stalin, and Mussolini was never worse than the treatment received by these decent law-abiding citizens. The practices of OPA will forever constitute a blot upon the integrity of this Nation. Its practices have been tyrannical, petty, and arbitrary. It is a national disgrace.

OPA has created the present housing shortage. In this important phase of our economy the industry has been treated with a super dose of profit control and not price control. The New Deal is here attempting to secure complete control of the building business. It already predominates in the mortgage-loan field. The great need is for materials with

which to build homes. If Government will get out of this field, private concerns will take care of this business as they have since the establishment of it.

Mr. Chairman, except in the prefabricated house line, there is a shortage of lumber, concrete block, sewer pipe, clay tile, cast-iron soil pipe, cast-iron radiation, common brick, millwork, face brick, gypsum board, gypsum, and bathtubs. It has been said that the home you want to build is in the tree, the iron ore pits, the clay banks and the quarries. Firms who have been producing these items are being forced out of business by unrealistic pricing policies of OPA. Until this policy is abandoned the building industry will not move forward. And while OPA sits mute, Mr. Wyatt, the alleged housing dictator, states that he can produce houses if Congress will give him \$600,000,000 to play with. Mr. Wyatt has had no building experience, but he talks in expansive terms.

OPA policies have caused a black-out in the production of plumbing and heating supplies. This industry reports that production is only 38 percent of capacity. A recent survey indicates: First, that only 14 percent of the manufacturers are producing at full capacity; second, that 24 percent are completely shut down. Two factors contribute to this situation—strikes and OPA pricing policies according to Domestic Engineering magazine. Forty percent of the firms who were surveyed stated that unprofitable ceilings had driven them out of production, at least as to some of the items they manufactured. OPA offers no reasons for the existence of this condition. The responsibility rests with it and the public should know.

OPA has failed to hold the price on cost-of-living items. Food costs are up over 50 percent since 1942. Much worse is the fact that food is leaving the ordinary channels of trade. Reasonably priced clothing is also disappearing—scarcity, scarcity. Suits, shirts, shorts, wash dresses, and piece goods are nonexistent although there appears to be plenty of unfinished goods in the factories. But food and clothing can be secured in the black market—for a price. OPA, through its propaganda artists, shouts that it is protecting the consumer, but do black markets protect that class, which includes every man, woman, and child in the United States? The answer is "No." Its important regulations, insofar as low-priced essentials are concerned, have worked in reverse, causing shoddy and cheap goods to reach the stores, at unreasonably high prices for poor quality.

OPA policy makers have deliberately refused to expedite applications for price adjustments. This practice is so studied that production of consumer goods has been greatly curtailed. In many cases industrial firms and business establishments have been forced to close. I cite at this point an actual case of a good-sized industrial plant to show the kind of treatment OPA officials handed my constituents. I do not use names for fear that OPA would seek reprisals, but

here follows a factual statement of what occurred:

Immediately upon the close of our fiscal year, October 31, 1945, it became apparent that, due to revised schedules and increased labor and material costs, continued operations of our business could only be carried on at a loss. To survey this condition a very careful and detailed analysis was made in the first 5 to 6 weeks of the new fiscal year and the results proved conclusively that our operating loss was, if anything, worse than had been anticipated.

The writer made a special trip to Washington just before Christmas to determine what relief might be available to the company under the governing price regulations. We found that an exhaustive report was necessary, and that before proceeding further, it would be necessary to analyze our current position, based on a 3 months' operating experience, 2 of which were in the new fiscal year.

To assure a proper and complete coverage of the required information our comptroller accompanied the writer in a second trip to Washington on the subject of over-all price adjustment. Immediately upon his return to his home town the entire facilities of our cost department, together with the services of an outside auditing firm, were put to work in preparing the required information. Nearly 3 weeks were required in the preparation of this report, but in the second week of February a complete brief was submitted on this subject to the Office of Price Administration. At this time the writer and members of our accounting office went to Washington to explain in detail to OPA the 48-page request for price relief. We were advised at that time by OPA officials that, due to the completeness and clarity of the company brief, that we might logically expect to receive a definite answer in approximately 2 weeks.

On March 12, 1946, the writer and accountant again returned to Washington. A price-relief order was issued by OPA on March 15, 1946. However, this order was only a partial order, and among other products, did not cover the established trade class of our line. The reason for the omission from the order was that they were covered under a separate section of the law.

On March 14, 1946, our auditor requested to talk to the person in the Machinery Section who could advise the further steps necessary to obtain price relief for this company's products. He met with several people and he was requested to write a letter setting forth certain facts. This was done, and the OPA officials said everything was in order and prompt relief could be expected.

On March 18 the company wired requesting prompt action. Again on March 20 another wire went forward. Still no response. On March 21 another wire and then OPA called and stated no relief could be afforded except on an industry-wide basis. Finally on March 30, OPA acknowledged receipt of telegrams, but there was no relief.

The industry survey started on December 13, 1945. We have no knowledge as to when it may ever be completed.

This company has suffered heavy losses due to OPA-authorized heavy increased costs of malleable iron, steel, and labor on our line.

Many of our 1,500 employees are war veterans. A stoppage of production because of the above inefficiencies of OPA will be necessary unless price relief is granted immediately.

Here, Mr. Chairman, is the perfect example of what OPA has been doing to slow down production and continue the policy of creating scarcities of consumer goods. Some 1,500 men in this plant are paying the penalty for OPA procrastination.

There is abundant evidence of what is happening to industry. OPA is killing the goose that lays the golden egg, and killing the goose means forcing men out of employment. The workers in this country must understand this fact. OPA is feeding them a different kind of propaganda.

In a recent survey by Opinion Research Corp. in response to this question: "Are price ceilings injuring your business in any way?" Of those who answered, 65 percent said "Yes." Except in a very low percentage, industrial firms say that OPA is slowing production and this means retarding reconversion.

Mr. Chairman, if controls are unwise they should be discontinued now. Time is of the essence. OPA is pleading for time, but why? If controls are good for our economy now should they not be made permanent? The answers are obvious. We must rid ourselves of these controls and this is the time to do it.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I have two telegrams from outstanding citizens of my district which I desire to read into the RECORD at this time. One is from the St. Louis Cooperative Creamery Co., St. Louis, Mich., made up of the good farm people of my district. It reads:

The dairy industry, operating in a strait-jacket of arbitrary prices since 1941, is being destroyed and essential food supplies for 140,000,000 Americans are seriously threatened. As confirmed by the Pace report, there are now 1,000,000 less dairy cows than in January 1945. No longer motivated by the desire to win the war, thousands of dairy farmers have either left the farm or been forced out of dairying. This disastrous condition is a direct result of impractical OPA decrees. The whole system of dairy regulations is hopelessly snarled and chaotic. It is humanly impossible to correct this situation by new orders and regulations. They can only make matters worse. Only increased and unrestrained farm production can wipe out constantly increasing black market operations to turn the tide. We now appeal to each and every Member of Congress to immediately eliminate price ceilings and controls from all dairy products and allow normal price relationships to develop in a natural and orderly manner. Nothing else will stimulate milk production now strangled by OPA.

Here is another telegram I have from the Home Dairy Co., a retail establishment, with branches in several Michigan cities. It reads:

It is becoming more and more apparent that OPA price ceilings are limiting production of essential food items and are opening channels for black market operators. Meat, cheese, butter, beans, and other supplies are suffering and higher ceilings must be established to again direct production into legitimate channels.

Mr. Chairman, I think the ladies of this country are interested in what is known as the MAP, maximum average price, which is a regulation put out by OPA. In the metropolitan papers of Tuesday, April 9, there appeared this advertisement:

The truth about MAP (maximum average price regulation).

This advertisement was run by the National Association of House Dress Manufacturers. Among other things, these manufacturers have this to say to the ladies of the United States:

You consumers fear inflation as much as we manufacturers fear it. You pay more money for the things you need because you cannot get them at the price you can afford to pay without pinching your pocketbook.

The members of this association are dedicated to meeting your price needs; because we are popular-price garment manufacturers who specialize in well-designed, well-made fashions that retail from \$2.95 to \$12.95, and which are featured, sponsored, and sold, by reputable dealers throughout this country.

Today we are confronted by an unsurmountable difficulty known as MAP. It is becoming increasingly impossible to comply with this regulation because many of the products which go into our garments are not available at prices which enable us to live up to this regulation. That is the only reason you are finding it more and more difficult to buy popular priced garments that you think are good value for the money.

The MAP is not only disturbing the consumers, retailers, and manufacturers of this country; it is also disturbing many Members of Congress.

Mr. Chairman, in the bill now before the House is an amendment placed there by the committee by majority vote which would remove the MAP regulations from OPA and make it illegal for the OPA to administer such regulations against the good people of this country. I understand an effort will be made to strike that amendment to the law, from the bill. I sincerely hope the Members of this House will retain the amendment to the law in the bill—it is found on page 9, lines 5 to 8—so that the women of this country can purchase low-priced goods for themselves to wear and for the children; so that the people of this country who perform stoop labor can purchase work gloves, blue denim overalls, dungaree pants, work shirts, and the dozens of other items the people of this country who really produce the stoop-labor need, and the production of which has been tremendously interfered with by the Office of Price Administration, and unfortunately, under laws approved by the Congress of the United States.

Mr. Chairman, we have just listened to the distinguished gentleman from Texas [Mr. PATMAN] outline what in my opinion is the categorical foundation for the carrying on of price control, not for 12 months but for the next 5 years, at least. What has amazed me during the entire gathering of these 2,000 pages of testimony, wherein the good people of this country stood before our committee and presented facts and detailed information as to the harassments, the punishment, the unfair treatment, and the destructive rules and regulations imposed upon them by OPA, is this. I constantly interrogated and cross-examined Government witnesses to find out from them the answer to two fundamental questions, one and two.

First, do you propose to stand here and request the Congress of the United States to extend price control only so long as there is an imbalance or unbalance between the supply of goods and the normal demands of our people, or, secondly, do

you propose to extend price controls through begging Congress to give you the authority so long as our people have a pent-up buying power measured in billions of dollars, which buying power you describe as a potential inflationary force, and which buying power these people can exercise at any time they please so long as they are free economic agents?

That is the issue involved in the proposition before us. The gentleman from Texas has made it absolutely clear that, insofar as he is concerned, these controls shall go on and on and on as long as that buying power exists lying against an insufficient supply of goods to fill the demand measured by that potential inflationary base.

Mr. Chairman, we have to remember that substantially War, Incorporated, has gone out of business, at least temporarily, and, pray God, that it has finished its program of death and destruction. But we have its left-overs with which we must deal. On a thousand battlefields expensive engines of war and death-dealing implements are rotting and going back to dust. Its vast assets have little more than salvage value, and its organization now looks to other adventures. What country today wants to incorporate war as an industry? No nation can thrive on death and destruction. As a bankrupt concern, it is now in the process of liquidation. But there is one peculiar characteristic which it leaves to us and which the ordinary business concern does not have. War, Incorporated, borrowed billions of dollars. These borrowings have been greatly reflected back into our bank deposits, and billions have been added to our currency in circulation without an equivalent value remaining in our economy. This vast mountain of bank deposits and currency in circulation held by tens of millions of our people are a claim against goods not now available. These dollars are options on future production of goods and services. When can the dollars be redeemed into goods and services? That is a basic question. While some term all this as "available purchasing power," let me say that these dollars constitute a crushing burden of unredeemed obligations. You just can't take four hundred billions of dollars and pay for a war and then turn around and buy four hundred billions of dollars' worth of goods and services with the same dollars. An adjustment will have to be made, and we had better get on with the business of making that adjustment in terms of economic laws.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. CASE of South Dakota. Does the gentleman have any idea that items which are in short supply can ever be brought into full supply while ceilings are maintained or regulations are maintained which make it impossible for the producer of those items or the potential producer of them to produce them at a profit?

Mr. CRAWFORD. Mr. Chairman, the gentleman has developed a fundamental thought. Throughout these 2,000 pages of hearings you will find where I constantly put that question to these admin-

istrators and Government spokesmen. We have no reason on earth now or at any other time to ever assume that under a democratic form of government where men and women are elected as representatives of the people, where citizen A by his own thrift saved money and invests it in private enterprise to produce goods and services, as I say, under that system we have no reason now or at any other time to ever assume, directly or indirectly, that you can inject into those two propositions a plan created by an administrator, such as the OPA administrator—any OPA administrator—wherein he says to the citizen, "Thou shalt do this"—"thou shalt not do that"—"thou shalt act when I say act"—"thou shalt produce"—"thou shalt not produce"—"thou shalt not sell," and have a satisfactory economy.

We know such an injected control system can not work under our American form of government such as we know it here. We know that now. We know that now as well as we will know it 5 years from now. Heaven knows, however, we will understand the proposition in more detail if we continue with this program another 5 years. We operate by profit incentive in this country. We do not operate under the principle of social cost or on the principle of social good.

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

Mr. WOLCOTT. Mr. Chairman, I yield five additional minutes to the gentleman from Michigan.

Mr. CRAWFORD. An individual saves money for the purpose of investing it. Your Government, from its inception with the Declaration of Independence and in all the higher and lower courts and through our State constitutions, guarantees you the right to the benefit of your thrift after you have exercised it. When you stand here and think that the OPA can bring forth production so that supply will equal demand under such controls, you are barking up the wrong economic tree, and it will never bring satisfactory results because you defy the profit incentive.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield further?

Mr. CRAWFORD. No. May I be permitted to continue just for a moment, because my time has been cut on this debate? I make the charge now that it is unfair to the people of the United States for this bill to be rushed through this Congress in this manner so that these issues and these important amendments cannot be properly debated here in the House.

Now, on the first proposition which I laid down to you, you will find in the testimony where Chairman Eccles, of the Board of Governors of the Federal Reserve System, testified that the people have \$275,000,000,000 of pent-up buying power which he points out as the potential inflationary force. Do you not know that so long as we work with full employment we will add to that potential base through savings and thrift? If you add to that potential base, what will your potential base be on June 30, 1947? Why, it will undoubtedly be \$300,000,000,000,

because every month the savings and the deposits of our people are increasing in the banks of this country. Here is the latest issue on April 8 of the Federal Deposit Insurance Corporation. The total deposits of all insured commercial banks reached \$147,000,000,000 on December 31, 1945. That is a gain of \$13,529,000,000, or 10 percent, since June 30, 1945.

Your bank deposits are going up at the rate of \$26,000,000,000 per annum. What is your potential inflationary base? It is \$275,000,000,000 today and will probably be \$300,000,000,000 by next June 30, which is a greater power toward inflation, if exercised, if you please, than you have today. The savings of our people in 1945 aggregated \$37,000,000,000, according to the Securities and Exchange Commission.

When do you propose to stop OPA? Do you propose to carry OPA until the potential inflationary base has ceased? If so, then you propose to carry OPA rules and regulations until there is no thrift among the people of the United States. That is so ridiculous that I will not be patient with any man who argues that our controls should be carried on indefinitely, down through peacetime.

Now, let me ask you, what has been said up to date in this debate about preventing inflation by correcting the fiscal policies of Government? Why does Chester Bowles, why does Paul Porter, why does any administrator of the Government stand before our people and whip them into inflationary insanity to get rid of their dollars? Why is Bowles always bearing the American dollar, trying to teach you that inflation is going to eat up its buying power? We have the only currency on earth today that has any standing of consequence. Every man in the world who is sagacious in the least is trying to acquire more American dollars. Nobody is fearful of the liability which will rest upon him by getting more dollars. But the constant effort of OPA is to drive you into a willingness to spend instead of driving you into a willingness to save and nurture and take care of your dollars. Why do they do that? They do it for the specific political purpose of leading our people to believe that the OPA agency is the only barrier that stands between our people and sheer inflation. That is the most unadulterated poppycock I ever heard come over the radio waves in the history of this country. There is no sense to it. If you want to get rid of inflationary forces, you correct the fiscal policy of this Government. I ask the gentleman from Texas [Mr. PATMAN], Why does he not stand in this well and advocate correction of our fiscal policies?

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

Mr. CRAWFORD. I yield for an answer to that question and for no other purpose.

Mr. PATMAN. The answer is I voted against the tax bill, which was highly inflationary.

Mr. CRAWFORD. So that is your answer. Why does the gentleman in his constant talking about the efficacy of OPA fail to press down on the necessity for a sound fiscal policy?

The CHAIRMAN. The time of the gentleman from Michigan [Mr. CRAWFORD] has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. CRAWFORD. Here is the statement of the Chairman of the Board of Governors of the Federal Reserve Bank System, Mr. Eccles:

To the extent that we can deal effectively with the money supply and production factors, we will be getting at the root causes of the inflationary problems confronting the country today.

He knows the root causes are not going to be answered by OPA. You have got to deal with the economic forces at work. Those economic forces are wrapped up in the fiscal policy of government.

Continuing, he said:

Price controls, rationing, curbs on consumer credit, or on stock-market credit, and similar devices admittedly deal only with effects, not with the basic causes of inflationary pressures.

Why does not this administration—Mr. Truman, Mr. Bowles, Mr. Porter, Mr. Vinson—go on the radio waves and tell the people the facts of what this situation is. Those men have a sufficient amount of intelligence to know what the root causes are. They will say what the root causes are in committee but they do not tell the people in all these presentations and in language they understand. Mr. Eccles continues:

In brief, prudent policy at this time calls for measures to get at the fundamental inflationary causes by curbing or reducing the money supply on the one hand, and by increasing available goods and services on the other hand, and meanwhile retaining price controls, reinforced where necessary by other restraints, until the factors of demand and supply can be brought into a better balanced relationship.

Unless we pursue such a policy, we run immeasurable risks in view of the inflation potential today. If we were to permit a sharp rise in prices to occur, the holders of liquid assets might lose faith in the purchasing power of their holdings. The consequences could be disastrous.

"Might lose faith in the purchasing power of their holdings." Why do you hold dollars?

Why do you hold dollars? Because you have faith in them; but when the Government continues with deficit financing, continues to monetize the debt at the rate of \$20,000,000 per annum; if you are sagacious that teaches you to wonder about the buying power of your dollar. Then to give you soothing sirup, to give you liniment, if you please, for economic ills, to give you some kind of balm for business bunions, to do a little snake charming, to do a little trapeze performing, they go to our people and say: "Folks, the answer to this is more OPA."

Inflation is too much government. You never saw inflation in any country except where there was too much government. The OPA and others are afraid you will deflate government. They fear that more than they fear the inflation of the dollar. That is what our problem is today.

There is a religious sect which uses rattlesnakes to help them attain religion. OPA in peacetime is nothing on earth but economic rattlesnake poison. That is all it is, pure and simple, and if God ever forgives us for our asininity and fallacious thinking, perhaps we will get rid of some OPA-itis.

Now, let us go back to Mr. Baruch for the moment and see what he has to say:

Increase production: This is the law and the prophets. Without it the rest of my suggestions are meaningless.

So I say again: Increase production. And my friend CASE from the Dakota country knows you are not going to materially increase production until you permit costs of production and some profit. Mr. Baruch says:

Stop decreasing taxes until the budget is balanced.

Stop bunking the people.

This is Mr. Baruch talking now:

Stop "bunking" the people by saying wage increases can be granted without increases of price levels.

Do not fear to increase prices or wages where necessary to get and stimulate production.

Very sound stuff.

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

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. CRAWFORD. He said:

Continue price control subject to indicated modifications for a year.

He does not say to continue price control without these other things, but subject to these modifications. That is what the elder statesman has to say and it is mighty good advice.

Let us go, for instance, to organized labor. The American Federation of Labor in its last editorial which just came out today, says:

The struggle for human freedom and justice did not end with VJ-day. Events of the past 2 months show only too clearly that a new form of dictatorship threatens the postwar world affecting us here in America just as surely as those in foreign lands. Few Americans yet realize the significance that the drastic new wage-price-profit control now clamps on our peacetime economy. By Executive Order No. 1420 dictatorial powers over American economic life have been placed in the hands of persons subject to political controls and pressure. Free collective bargaining has been shelved for price adjustment and every wage adjustment affecting prices comes under the scrutiny of a few enormously powerful Government officials. Their decisions affect 54,000,000 American workers, employers, and farmers. The result is confusion and new loss of freedom. If the Communist fifth column in United States of America were devising ways to undermine democratic institutions it could not have invented more useful strategy.

Read Bill Green's testimony in the hearings and you will find one of the clearest, one of the most constructive, one of the most fundamental statements ever made on the question of what Government controls shall be and how necessary it is for Government to get its head out from under the tent of this free economy of our people.

Mr. Chairman, we have got to do fundamental thinking at this time, otherwise we run the risk of establishing, as a permanent Government policy, price controls and subsidies.

Take the statement from our farm people with respect to removing subsidies from their production. Of course, those subsidies should be removed; there is no question about that at all.

Finally, Mr. Chairman, there are certain provisions in this bill which, if retained, will amend the present OPA law. I hope we can retain certain of that language in the bill and that when the bill is read for amendments, we may place other provisions in the measure to the end that the OPA controls may be made bearable by our people until this whole scheme of control can be orderly retired from our economy. I object to an extension of more than 9 months, say until March 31, 1947, and I insist that we now lay down controlling language directing OPA to proceed with plans for the removal of the controls not later than that date and the liquidation of the agency, provided, however, that should Congress in the interim conclude that certain supervision such as rent controls on dwellings and controls on other acute shortages be continued for a longer period that the extended controls be administered by some other one of the permanently established agencies of Government.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. FOLGER].

Mr. FOLGER. Mr. Chairman, this is a bill entitled "An act to amend the Price Control Act of 1942 and the Stabilization Act of 1942." At that time we ourselves as a Nation had been at war for some months. We were in a war at that time. The production facilities of this country by 50 percent or more were of necessity dedicated to the manufacture of war materials and arms. That necessarily reduced by 50 percent or more the possible production of that which we call civilian goods.

We did not invite price control, we did not invite scarcity of goods and materials that our manufacturers were ordinarily engaged in producing. It came as a necessity. There developed a very definite and serious scarcity of materials such as we use in times of peace.

I do not think there is any person in this committee or in the Congress of the United States or elsewhere who will not admit now that our recognition of the scarcity that was coming in goods that were needed in this country for civilian purposes and to sustain life was upon us and we could not avail ourselves of any machinery by which these prices could be controlled except by an act of Congress. I cannot imagine, as a matter of fact, it is beyond the imagination of men to predict in the highest fancy what would have been the result to this country if we had not adopted in 1942 the Stabilization and the Price Control Act. We could not have had clothing, we could not have had food, we could not have had any of the necessities of life, to say nothing of the luxuries or those things we may call luxuries.

The preamble of the declaration of policy we find in that Act of 1942 is that because of the emergency of the war we find it absolutely necessary to pass an act that will control prices and prevent runaway prices, prices so high that nobody but the rich could clothe themselves and nobody but the wealthy could eat. Nobody denies that.

We went on through that war until in May 1945 a part of it was concluded. We remained in that war until August 1945 when the actual fighting ceased. But we have not gotten back to that which is the answer to price ceilings and the necessity of price ceilings—full production. We might just as well be fair and straight about it, we are not in full production in many commodities that we need. I do not know, I cannot see, that we ought to be excited that people have adopted a fondness for this price control and price ceiling business. I have no fears in the world so far as this Congress is now constituted, or may hereafter be constituted, of its becoming enamored of this as a fine piece of economic procedure. I doubt if there is a single Member in this House who does not realize that price ceilings and price controls are contrary to the best interests of the country in ordinary times, and we do not want it. In recognition of that fact, Mr. Chairman, and in recognition of the fact that we want to go back to what we call a free economy and the days of competitive enterprise, we do not want to put anything in its way, realizing at this time that we cannot afford to risk the disaster that would inevitably result should we throw price control away precipitously and immediately, recognizing the other fact that we have declared a new policy which I believe the House will find well taken by your committee. Let me read a part of that policy:

It is hereby declared to be the policy of the Congress that the general control of prices and wages, and the use of the subsidy powers conferred by section 2 (e) of this act—

Not as it was in 1942, but today under our present circumstances, the war having terminated and we are going out from under it somewhat satisfactorily but not at all approaching completeness—

shall be terminated, without further extension, not later than June 30, 1947.

That is the thought of your committee. That is the policy that we bring to this House, and we believe that it answers the thought and judgment and the common sense of every Member. Then it says:

and that on that date the Office of Price Administration shall be abolished.

Are you uneasy about a pronouncement of that kind? Are you afraid that this Congress is becoming obsessed with the idea that price control is essential, a desirable policy of Government that might last for 2, 3, 5, or 10 years? This declaration is exactly opposite to this conclusion.

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

Mr. FOLGER. I yield to the gentleman from Illinois.

Mr. DIRKSEN. I would say that I am not too happy or too assured with that kind of language. The only emergency agency that I know anything about that has been completely liquidated is the Office of Censorship. The OWI has been transferred in part to the State Department and to the War Department. The OSS has been transferred in part to the State Department and to the War Department. WPB has been liquidated by executive decree and in its place is CPA, Civilian Production Administration, and if you are going to nail this thing down you should provide for the termination of its function and then to provide for the progressive liquidation of the agency. If the gentleman will indulge me another half a minute, I think I have had probably as much experience with trying to liquidate an agency of Government as any Member of this Congress. I started years ago to liquidate the Home Owners' Loan Corporation. It has not made a single new loan since 1936, but it still is functioning, even as the Emergency Corporation of the last World War is still upon the books of the country today.

Mr. FOLGER. I get the gentleman's point. He is afraid we will transfer these powers to some other agency.

Mr. DIRKSEN. Exactly.

Mr. FOLGER. But that is not to be deduced as an intention of the Congress by the language that we use. We want to put a peg there, and then we say that the policy is that the general control of prices and wages and the use of subsidies conferred shall be terminated; not that the agency alone shall be abolished but that these things shall be terminated. We have 26 members, I believe, on that committee, and I think that was subscribed to by every member regardless of political affiliation.

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

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

Mr. JENKINS. I think if the gentleman stopped with that statement, with that period, then all he said would absolutely be true, but the rest of the paragraph on down to the bottom gives the President the right to change that and he can change it as often and as much as he pleases. While the first part is fine, as I say, it does not mean anything when you construe it with the last part.

Mr. FOLGER. Only as to those commodities which it has been found as a fact cannot be precipitously and within that time relieved from this price-control law.

Mr. JENKINS. The gentleman from Illinois cited cases where departments did not die after we killed them, but we kill this department in the first part and then revive it in the last part.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

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

Mr. BROWN of Georgia. I cannot understand how any man thinks he can couch in the English language anything more direct than this one particular thing, that the OPA is dead on the 30th of June 1947.

Mr. JENKINS. Will the gentleman yield as to that?

Mr. BROWN of Georgia. No; I do not want to yield because there is nothing to it.

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

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

Mr. HOOK. I think the answer to the gentleman is in line 9, where it says:

The Price Administrator (and the Secretary of Agriculture to the extent of his responsibility under sec. 3 (e) of this act) shall proceed immediately to formulate a comprehensive plan for the progressive removal of price controls.

Mr. FOLGER. I am going to read all of that. Listen to this. Do you think the committee was honest? Are they trying to pull a fast one on this Congress? This was written by your committee of the Congress:

The Price Administrator (and the Secretary of Agriculture to the extent of his responsibility under sec. 3 (e) of this act) shall proceed immediately to formulate a comprehensive plan for the progressive removal of price controls and subsidies.

I respectfully submit to the Committee that you have to have a progressive and an orderly lifting of these ceiling prices, and you cannot do it on all commodities at once. As Mr. Baruch said, it finally depends upon full production that is able to answer to the demand and which eliminates scarcity of goods, with low production followed by high prices. You cannot do that unless you have either production or ceiling prices under the law.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield further?

Mr. FOLGER. I yield.

Mr. BROWN of Georgia. We might say that the policy amendment was subscribed to by every member present when it was submitted.

Mr. FOLGER. I think that is true. I think it is anything but complimentary to the good judgment and the common sense and honesty of every member of that committee that they question these things.

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

Mr. FOLGER. I yield to the gentleman from Illinois.

Mr. DIRKSEN. I think the observation made by the gentleman from Georgia is correct, they must have subscribed to it as far as it went, but surely it would not leave the implication that they were satisfied with the extent to which this so-called abolition provision and termination provision went.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. I voted for it, being glad to give them any chance they had, but I have no hope whatever that the OPA will liquidate itself under this provision or under the Wolcott provision.

Mr. FOLGER. The OPA will be dead on the 30th of June 1947.

Mr. BARRETT of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from Wyoming.

Mr. BARRETT of Wyoming. Will the gentleman say that the intention there is that the Administrator is directed to remove these controls only if he finds that it can be done without disturbance of the national economy?

Mr. FOLGER. The bill reads:

The Price Administrator and the Secretary of Agriculture shall proceed immediately to form a comprehensive plan for the progressive removal of price controls and subsidies in order that the return to a free market and free collective bargaining may be accomplished—

* On or before a certain date. If it were not for the fixing of the date, the rest of that would not be in the sentence.

Mr. BARRETT of Wyoming. It continues, however.

Mr. FOLGER. Yes, I am going to read it all if I get the opportunity to do so.

Mr. BARRETT of Wyoming. Will the gentleman read the rest of the sentence?

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. SPENCE. Mr. Chairman, I yield 5 additional minutes to the gentleman from North Carolina.

Mr. BARRETT of Wyoming. Does the gentleman state that the Administrator under that provision can remove the controls only if he finds it can be done without disturbance to the national economy?

Mr. FOLGER. Not necessarily. That is somewhat of a restricted interpretation.

Mr. BARRETT of Wyoming. That is what it says there.

Mr. FOLGER. Yes, but that is an interpretation which is a little too restricted.

The bill reads further:

The President shall, not later than April 1, 1947, report to the Congress—

Members of the Committee, we propose to take this matter in hand for the Congress to pass upon it. The bill reads—

shall report to the Congress what, if any, commodities or classes of commodities, including housing accommodations, are in such critically short supply as to necessitate, in his judgment, the continuance of the powers granted by this act as to them after June 30, 1947.

It is incumbent upon those in authority, the Secretary of Agriculture, the Economic Stabilizer, the Director of Price Administration, and the President, to progressively remove price control on the commodities which come into substantial equality with supply and when the demand is met by the supply. It is an honest and straightforward pronouncement of policy, intent, and direction and brings itself back to this Congress in April 1947 for us to look at it.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield for a question?

Mr. FOLGER. I yield to the gentleman.

Mr. MURRAY of Wisconsin. Will the gentleman explain how Mr. Bowles got the power to direct the Secretary of

Agriculture to sign the ceiling on cotton here a few days ago? Where did the power come from? That is something I cannot figure out. Would the gentleman answer that question?

Mr. FOLGER. First, may I say to the gentleman that I heard something about the accusation being made. I do not even know whether it is true or not and I would not take the time to go through all the laws and regulations under which that decision was made. I want to read to you a little more. It has been suggested that this is nothing but a statement of policy. Let me read to you subsection (b) (1):

Maximum price controls shall be removed, as provided in this subsection, in the case of particular commodities or class of commodities, upon satisfaction of domestic demand therefor.

"Period," as we hear it said on the street.

The President shall make from time to time, but not less frequently than once each month, as to each commodity or class of commodities in the case of which maximum price controls are in effect, a determination as to whether domestic demand for such commodity or class of commodities has been satisfied.

This is not simply a pious platitude. They are demands and commandments of this Congress. Nobody has the right even under the guise of Executive authority, I will go so far as to say even among the judiciary, to avoid or evade the plain meaning of the Congress in respect to these demands and requirements as set down here. We are answering that which Mr. Baruch said was the "law and the prophets"—full production, production, and more production; and the lifting of price control when production comes into equality or meets domestic demand of this country with respect to any commodity.

I know that we are all prolific in our thoughts. They come to us blind. Sometimes they stick. Sometimes they veer off. Sometimes we think they are valuable. But I ask you to read this bill as it is. I submit to you that in all honesty it is a straightforward, forward-looking bill presented to this House, which does not need amendment in order that we may get rid of price controls and price ceilings at the earliest possible time for the benefit of this country.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. FOLGER] has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, did I hear the gentleman from Texas [Mr. PATMAN] say that no nation before ever tried to prevent inflation after a war?

Mr. PATMAN. Does the gentleman want a correction?

Mr. SMITH of Ohio. I yield.

Mr. PATMAN. No major power ever before during a major war ever attempted to control inflation by price control.

Mr. SMITH of Ohio. That depends upon what you call a major war and a major power. If I am not mistaken,

the people of this Nation have been taught to believe that the Revolutionary War which gave us our independence was a major war; and that our Nation became a major power in winning the war.

So, when we are told that no major country ever before tried to control inflation after a major war we are told something that just does not happen to be true.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Miss SUMNER of Illinois. I am informed that the French riots after World War I brought rent control, and they still have it. They never were able to get rid of it.

Mr. SMITH of Ohio. So did Germany. The same situation prevailed in Austria. I studied in both of those countries after the war and know something about that situation.

Some of us, I think, would do well to brush up a little on our history. Surely we have been taught in the history books to regard the Revolutionary War as a major war and our Nation as a great power in the winning of that war.

Well, it so happens that at the conclusion of the Revolutionary War the Nation was confronted with the problem of inflation. It was a serious inflation—one of the most serious in history. The founding fathers wrestled with it. They knew what really constitutes inflation. They had had a long and bitter experience with it, and there could be no doubt in their minds as to what it really was. They understood that the extraordinarily high prices that then prevailed were caused by Government printing-press money, called continental currency and "bills of credit."

Prices were fearfully high. One gets some idea of the high prices when one reflects that the Congress in providing for the newly formed Government to assume the war and other debts it re-deemed the continental currency at the rate of 100 continental dollars equals one real or specie dollar.

Now what did the Congress do about it? Did they set up an OPA to control prices? No; all that had been tried by the Colonists long before and had failed miserably. What the Congress did to cure the inflation was to practically destroy the Government printing-press money which had already been issued, put an effective veto on the printing of any more of it, and placed the Nation firmly on hard money. That is how the men who brought forth this great Nation of ours solved their problem of inflation. ought to be a lesson to us.

Mr. Chairman, H. R. 6042 is just another pious New Deal promise. It is meant to hold out the hope to the American people that its purpose is to abolish price control and restore a free market.

This is an election year. The New Deal administration recognizes the fear and ill temper which have been aroused in our people. They believe it designs to permanently fasten upon them not only the OPA but also the many other totalitarian devices it has instituted. So it must resort to deception and trickery to

placate this ill nature, for otherwise the reelection of a New Deal Congress might be imperiled.

This measure declares it to be the policy of Congress that the general control of prices and wages, and the use of the subsidy powers conferred by the Price Control Act shall be terminated, without further extension, not later than June 30, 1947, and on that date the Office of Price Administration shall be abolished.

It also provides that the Price Administrator shall proceed immediately to formulate a comprehensive plan for the progressive removal of price controls and subsidies in order that the return to a free market and free collective bargaining may be accomplished on or before June 30, 1947.

But this must be done without disturbance of the national economy. Furthermore:

The President shall, not later than April 1, 1947, report to the Congress what, if any, commodities or classes of commodities, including housing accommodations, are in such critically short supply as to necessitate, in his judgment, the continuance of the powers granted by this act as to them after June 30, 1947, together with his recommendations as to the established departments or agencies of the Government which should be charged with the administration of such powers.

It is further provided that the Price Administrator may reestablish maximum prices with respect to any commodity or class of commodities if by reason of changed conditions, there has arisen an unsatisfied demand for such commodity or class of commodities.

The bill declares it to be the policy of Congress to terminate price control not later than June 30, 1947, and to abolish the Office of Price Administration on that date. But it definitely retains the principle of Federal price control. It specifically provides for keeping wide open the way for the administration to come before Congress and ask for further renewal of the Price Control Act and the continuance of its operation under another department or agency of the Government.

"Having consideration for the purposes of this act and looking toward full production," the President is directed to remove price controls only if and when he shall have determined that domestic demand for any commodity or class of commodities has been satisfied; to reestablish controls with respect to any commodity or class of commodities when "by reason of changed conditions there has arisen an unsatisfied domestic demand for such commodity or class of commodities." At the same time he is in effect also directed to recommend to the Congress the continuation of price controls beyond 1947 in respect to any and all commodities he deems to be in such critically short supply as to necessitate, in his judgment, such continuance.

This is just plain double talk.

No standard whatever is provided in the bill for determining when the domestic demand of a commodity has been sufficiently satisfied to warrant decontrol, or when a commodity is in such critically short supply as to necessitate extension of price control beyond June 1947. All this would be left to the arbitrary will of

the President. The administration forces have been exceedingly diligent in preventing the writing into the bill of a definite formula for decontrol. This is in accordance with basic New Deal power policy, arbitrary bureaucratic control and the reduction of the Congress to a mere figurehead.

It is perhaps worthy to note that although the principle of Federal control of prices of commodities is retained, that of wage control is not, but is permanently abolished or at least made to appear to be. We wonder why. Are we to believe this was a mere inadvertance? Or was permanent decontrol of wages designedly provided for? Might this procedure involve some political horse trading? Is it logical to provide for further extension of price control and not wage control?

If so, why was it claimed that both price and wage control were necessary during the war in order to hold the price line and prevent "inflation?" Has the cessation of hostilities altered the principle upon which both price and wage control were predicated? If so, what is the explanation? Do not prices and wages completely identify themselves with each other? Are they not reciprocals of each other, mutually interchangeable, and therefore, one and the same? Surely the proposition is elementary. Price is but a measure of human effort. That which manifests itself to one person as price is but the equivalent—in a free market—of human effort to another, or others.

Are the working people now going to be deceived into believing prices of commodities can be controlled without also controlling wages? It would seem the effort is being made to do this. What else can be inferred from the language which provides for further extension of price control but omits any reference to extension of wage control? Is not also the President's policy relating to management-labor disputes over wages suggestive that he would have the working people believe wages and prices can be dissociated?

To be sure, the New Deal is on false ground here. True wages and prices cannot be treated apart from each other, assuredly not in a free market. Only in a totalitarian economy like Russia is this possible.

This bill provides for the use of Federal funds to the amount of roundly \$1,500,000,000 to subsidize or reduce the retail price of rubber, meat, flour, petroleum, copper, lead, zinc, and certain other unnamed articles. In the 1930's the New Deal resorted to the use of subsidies on a grand scale for the avowed purpose of increasing or inflating prices. Now it uses subsidies to deflate or reduce prices. The New Deal resorted to the Government printing press to raise funds to pay subsidies to increase prices. Now it resorts to the Government printing press to raise funds to pay subsidies to reduce prices. Yesterday Government print money cured the sick economy of excessively low prices. Today Government print money cures the sick economy of excessively high prices.

There have been some strange cures to alleviate the ills of humanity, such as applying medication to an ax to cure a

wound caused by it, swallowing a prescription along with the medicine prescribed, and so forth, but I know of none more irrational than this New Deal remedy, which we are to believe is so amenable to political juggling that it can be made to work in opposite ways, raise a deficient metabolic rate of the economic body at one time and lower an excessive rate at another.

The New Deal in the 1930's, by devious devices, raised billions of dollars to pay subsidies to this and that group. One of these devices was the Government printing press. This was in great measure depended upon to spend the Nation into prosperity. Devotees of New Dealism actually believed, or claimed they did, and even now so claim, that this remedy worked according to plan. The fact is, however, that the billions spent in the form of subsidies did not actually cure anything. In reality they served only to mask the economic malady with which the Nation was afflicted and basically aggravate it.

The real source of inflation which is at this moment so greatly concerns every citizen, and more particularly the poor, is to be directly attributed to the New Deal policy of financing deficits with printing-press money. The ever mounting prices, both manifest and impending, are but an effect of this antisocial policy.

The naked truth is the Nation is finally beginning to feelingly pay for the wrong cure the New Deal prescribed for the economic woes that were brought upon us by the depression. The New Deal chickens are at last coming home to roost. Confused and desperate, it now seeks to force more of this deadening and deadly narcotic down the throats of the American people. The New Deal has literally poisoned the entire body economic, politic, and social with subsidies and Government printing-press money. This toxicity now manifests itself by a disordered economy that greatly hampers production in many lines, by a depreciating currency and ever-rising commodity prices, by chronic labor-management disputes, by continual destruction of the economic, social, and political security of all citizens, and by a rapidly rising tide of communism.

The OPA would not exist except for the Government printing-press money. The Gestapo tactics of this agency which are so seriously hamstringing industry are but an attempt by it to counteract the effects of this poison, and by the black market to escape them.

The New Deal now promises the voters to surely protect them against this poison if only they will keep it in power. The cure it offers is more of the selfsame political panacea, the identical poison which has caused the existing nearly moribund condition of liberty, Government printing-press money and its activator, political coercion.

Here we see something of the real condition into which the New Deal has got itself, and, of course, the Nation as well. It should never be forgotten that the superstructure of new dealism has always rested on the quicksand of Government printing-press money. This is not the-

ory. The record to prove this is here and is available to all who are sufficiently interested and forthright to learn the truth. I shall later refer to this point.

The poor are being grossly deceived by those who are telling them that food subsidies or any other kind of subsidies reduce their living costs. Even if subsidies were wholly raised by taxation the lower income groups would still pay much the greater part of their cost, since they must always pay the bulk of taxes. The only possible benefit that it could be claimed these subsidies provide the lower-income groups is that a minor portion of the taxes raised to pay for them is forcibly taken from the higher-income groups and given to those in the lower-income brackets. But even this doubtful benefit vanishes and more than vanishes when we take into consideration other factors that are involved in the process.

First, there is the strongly prevailing delusion that those with higher incomes can be specially taxed to provide benefits for the lower-income groups without destroying the economic foundation upon which depends the welfare of all, rich and poor alike. A flat subsidy, such as that on food, provides a benefit for the rich as well as the poor. Indeed, on a percentage basis the former derive a greater absolute benefit from flat food subsidies than do the latter, because the per family food bills are higher in the upper than the lower income brackets.

Then there is the cost of administering subsidies. Further, to arrive at the true effect which subsidies have on the cost of living it is necessary to take into consideration all subsidies, especially the principle they involve. If food subsidies are in principle proper, then they must be also proper for all other commodities. This bill provides subsidies for oil, rubber, and other nonfood items. Many subsidies besides the ones provided in this bill are being paid by the Government. If subsidies were paid out of taxes many people would be paying for some subsidies from which they would derive no benefit. Take the subsidies provided in this bill for oil and rubber. Persons not owning passenger automobiles would be taxed for the oil and rubber going into these articles. How can this be justified? The inequities of subsidies, even if they were altogether paid out of taxes, are so numerous and their deleterious effects so far reaching that only a moiety of them can possibly be fully traced out and comprehended.

But from our own past experience and that of many other countries we may be certain that a goodly part, if not all, of the funds raised to pay subsidies will come from Government printing-press money. There is, however, an important difference between meeting the cost of subsidies out of taxes and Government print money. If paid out of taxes there is no increase of payment media, or money. On the contrary when paid with funds derived from the printing press there is an increase of money. That is, there is an increase of inflation.

Rises in prices can and do take place as a result of excessive expansion of commercial credit. But such credit expansion is not true inflation. The dis-

inction between the two is a fine and most important one. Overexpansion of commercial credit automatically corrects itself, provided the Government does not interfere. Liquidation of overexpansion wipes out the excess credit and prices drop back to what may be, for the want of a better term, considered normal. The purchasing power of the dollar is thus restored to its former relationship with values in general. Thus the value of life-insurance policies, bank deposits, pensions, and so forth, are at the conclusion of the liquidation left unaffected by whatever excessive price rise took place in the overexpansion.

When there is overexpansion of credit which is caused by Government printing-press money we have an entirely different kind of situation. The process is not self-liquidating in the sense that overexpansion of commercial credit is. Assume there has been a doubling of the amount of purchasing media which has been brought about by printing-press money. In due time, general prices will rise to a level corresponding, more or less, to such increase of purchasing media and will tend to permanently remain at that level, assuming, of course, the adventitious money has not been diminished by its redemption with taxes, a very likely event. In this case the purchasing power of the dollar will be permanently lowered, and along with it the value of life-insurance policies, bank deposits, pensions, and all other investments and fixed incomes.

It is highly important to keep in mind this distinction when considering the use of food or any other kind of subsidy. Being, as a rule, mostly provided by the printing press, subsidies inevitably permanently add to the total money supply and correspondingly permanently depreciate all values. A subsidy does not produce inflation. It is itself inflation. It is inflation which causes price rises, not the other way around. Placing price ceilings on commodities is dealing not with inflation itself but with the effects of inflation.

Subsidies are a delusion and snare and one of the worst schemes for robbing the poor ever conceived by man. The evidence to support this contention is overwhelming.

Every experience the world has had with Government printing-press money shows that its evil effects have always fallen most heavily upon the poor and lower-income groups. It was so under John Law's "system" in 1715-20. It was so in the 1790's in France when that nation was inundated by Government printing-press money called assignats. It was so with the colonial "bills of credit."

Coming down to the more recent debauchments with printing-press money, that of Germany, Russia, Austria, France, Italy, and many other countries, we find the same, always the evil effects of this device bear most heavily upon the brows of the poor. True to all experience, Government printing-press money is today in our country spending its main force upon the poor and the lower-income groups, and it will continue to do so until this curse is removed

from our economy. The evil is now completely undermining the economic security of the working people. As a result of Government printing-press money they are in the most precarious position they have ever been. So-called social security will not save them.

One thing more should be mentioned about subsidies. Their use by the Government is in reality a form of black-market operation. They have the effect of concealing true prices. F. A. Harper, professor of marketing, Cornell University, in a pamphlet entitled "The Crisis of the Free Market," which is one of the keenest analyses of Government price control extant, on page 50 says:

There have been profound official arguments to the effect that subsidies are well worth the cost, but shorn of their beautiful wrappings and reduced to their bare realities, they can be nothing more than either legalized filching of some of the citizens for the benefit of others, or an inflationary device under Government sponsorship.

Governmental subsidies of all sorts might well be termed "legalized" black markets—legalized when done by the Government. It seems strange for a government to hire a police force to hunt black marketeers, who are fined when caught, and at the same time pay subsidies itself to accomplish the same ends. Russia, with an element of realism lacking here, is reported to have actually had black markets operated by the Government during the war, which they were able to use as a source of tax revenue while we paid out subsidies and built up our Government debt instead.

Measured in terms of bureaucratic preference Government black markets through subsidies are not without profit either.

We should be more than naive, indeed, if we believed the New Deal intends to abolish price control and establish a free market. Federal control of prices and wages—they are of a piece, being but the reverse and obverse of the same shield—is the ultima ratio of New Deal power.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Miss SUMNER of Illinois. All three of the men who supposedly know most about it, Mr. Porter, Mr. Bowles, and Mr. Baruch, who seem to command great respect among certain Members of Congress—all were very careful in the hearings, if the gentleman remembers, not to make a firm commitment. They said that price control should be discontinued but that there might be circumstances under which Congress would want to continue it.

Mr. SMITH of Ohio. Oh, certainly.

Almost the very first act of the New Deal when it came into power was to tear the heart out of the competitive market—confiscate the people's gold and force them under the domination of a politically maipulable medium of exchange, which identifies itself with rationed currency, such as that used in Communist Russia.

The complete nationalization of the monetary gold stock sounded the death knell of voluntary contract and the free market. That act meant nothing less than the substitution of Government-made prices for market-made prices, a

totalitarian economy for a free economy. There are but two basic means for making prices, the free competition market, and Government edict. For the market to be free, or competitive—the words are synonymous, for to be free it must be competitive, and to be competitive it must be free—it must embrace all of the gold stocks.

The proscription of the private use of gold, together with the direct and indirect authority provided by the Gold Reserve Act of 1934 to debase the gold dollar, sundry silver acts, together with the power to resort to the use of the Government printing press—financing securities through the banking system—to provide funds to pay operating costs, gave the New Deal power to regulate the quantity of money. To be exact, these acts and authorizations gave it power to arbitrarily increase, without any legal or predictable limit, the supply of payment media.

Said Ricardo in the House of Commons in the debate on resumption:

One principle was clear, it was of the utmost importance in the consideration of this subject, it was this, that those who had the power of regulating the quantity of the circulating medium of the country, had the power of regulating the rate of exchanges, and the price of every commodity.

The following shows the amount of purchasing media produced by the New Deal during the first 7 years—all peacetime, from June 30, 1933, to June 30, 1940—of its operation, by the use of this power:

From debasement of the gold dollar, approximately.....	\$2,800,000,000
From gold imports (creating bank credit), approximately.....	13,000,000,000
From the Government printing press, approximately.....	9,000,000,000
From silver debasement, approximately.....	1,366,000,000
Total.....	26,166,000,000

Keep in mind that, as previously stated, it was an avowed policy on the part of the New Deal to create adventitious purchasing media for the express purpose of raising prices.

How much artificial purchasing media exists at present as a result of the above-mentioned powers? We shall here mention but two categories:

From debasement of the gold dollar and the gold purchase program, approximately.....	\$16,000,000,000
From Government printing press money (commercial and Federal Reserve bank holdings of Government obligations as of Dec. 30, 1945).....	114,000,000,000
Total.....	130,000,000,000

It is the \$114,000,000,000 which constitutes the real inflation. As previously stated, unlike commercial credit, which after having done its work is canceled, printing press money permanently remains as a part of the total supply of purchasing media. The only way it can be gotten rid of is by redemption with taxes. How long will it take to pay off the \$276,000,000,000 of Federal debt and

cancel the \$114,000,000,000 of printing-press money?

This enormous volume of printing-press money is the primary force that is pressing against prices and moving them to ever-higher levels. To put it in another way, as this printing-press money comes more and more into use in bidding on available goods, it depreciates or lowers the purchasing power of the dollar. Now it is this progressive loss of purchasing power that the OPA is trying to combat. Under the strict system of rationing, endured because of patriotic duty, in effect during the war, the printing-press money was made largely inoperative for bidding up prices. All that changed at the close of hostilities and this money immediately began to exert its force, and this it will continue to do, be the measures of price-control enforcement ever so extreme, until it has completely spent itself, that is, brought prices up to the unpredictable level where they become stabilized; or, perchance, should, subsidies be continued and the issue to Government printing-press money be continued, the dollar becomes so worthless that it must be redeemed at its depreciated value in a new issue of currency. There is no other alternative, although the knout and concentration camp might be used to reenforce the coercion which is necessary to make price control effective. As stated, the continental currency—Government printing-press money—was redeemed at the rate of 99 continental dollars equals one real or specie dollar.

The German mark in 1923 became utterly worthless, an entirely new currency was issued, and life insurance policies and many other values were completely wiped out. That has been the way of every overissue of Government printing-press money at all times and at all places. As well expect to sustain body and soul in a human being with the same volume of milk halved by diluting it with water, which only whole milk previously sustained, as to hope to make a dollar bill which was once convertible into gold at its face value, which was in whole created by production, which commanded in the market place the same amount of production as that which created it, but whose value has now been halved by making it compete with another dollar wholly created by Government fiat and representing no production whatever, to buy as much as a pure gold dollar.

The \$114,000,000,000 of Government printing-press money is not all of the inflation picture. There are the war savings bonds, amounting to nearly \$50,000,000,000, which represent potential inflation. They are redeemable, and when cashed become Government printing-press money the same as the \$114,000,000,000. It should not be forgotten that they were sold to the public with the idea that they would be as good as cash in hand after the war, to buy refrigerators, automobiles, household gadgets, and what not.

Indeed, all negotiable or marketable Government securities (about \$200,000,000,000 besides War Savings Bond, which, however, includes the \$114,000,000,000 of

Government securities mentioned) sooner or later can come into the picture and help in forcing prices upward. The total amount of liquid assets in the form of Government securities is somewhere in the neighborhood of \$240,000,000,000.

The only possible hope that now remains for allaying the effects upon the poor and all others of the inflation which is upon us—Government printing-press money—and to prevent it from increasing, is to remove every possible shackle from production imposed by the OPA and the many other totalitarian devices and restraints that have been forced upon industry, business, and the market; and balancing the Federal Budget by making drastic reductions in operating costs.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentlewoman from Connecticut [Mrs. WOODHOUSE].

Mrs. WOODHOUSE. Mr. Chairman, OPA has not held back production. NAM makes flat statements to the contrary but it does not prove its case because it cannot. The March 1946 issue of the Federal Reserve Bulletin states unequivocally:

Production in the whole economy, including agricultural as well as nonagricultural types of activity, is now above the level of any previous peacetime period and substantially above the average for the years 1935-39. Employment in all major lines of activity except agriculture, mining, and construction is above the advanced 1941 level. Unemployment was around 2,700,000 in February, which is considerably lower than the 1941 average of 5,000,000 and the 1939 average of 9,000,000. Output of most goods and services is close to the capacity of the country's resources under present conditions.

Today we are producing civilian goods at the highest level we have ever reached in this country, at an annual rate of more than \$150,000,000,000. Industrial production is more than 60 percent above prewar levels and is still going up. There are about 52,000,000 men and women in paid jobs.

Carloadings are almost as high as they were a year ago with the war still on. Building is almost double that of a year ago. The production of cement, paper, paperboard, and newsprint is higher than a year ago. Petroleum-refining operations are almost at the same level as last year when we were still producing for war needs.

Of course we are not getting all we want or as much of many things as we would like. We have difficulty buying food. Yet on a per capita basis we are eating 12 percent more than before the war. And this increased consumption goes for meat too. Clothing supply is tight. But here again we are buying 20 percent more clothes than at VJ-day. Likewise we are buying 50 percent more home furnishings by volume than last August.

Actually we have more goods than we have ever had in this country. Household appliances are coming back. In January radio shipments were 65 percent of prewar, electric irons 76 percent, domestic-laundry equipment 108 percent, vacuum cleaners 76 percent, electric ranges 52 percent, flatware 96 percent. Mechanical refrigerators and automobiles have been held back by strike con-

ditions. These goods all come from industries which were devoted almost entirely to war production and whose plants had to be reconverted back to peace production. This meant work on capital goods, installations, and so forth, before consumer goods could start flowing.

OPA has not held back production. What has happened is that OPA has been a force in holding back inflation. We are living through an actual demonstration of what the demand for goods is when we have full employment at good wages. Great numbers of people now for the first time have incomes high enough to buy more than the bare necessities of life. Prices have gone up, it is true, but in relation to war inflationary forces, they have gone up moderately, and the great mass of the people today have higher incomes in relation to prices than they had before the war. Moreover, since there were few civilian goods to purchase during the war there is a vast accumulated demand, especially for goods such as household appliances and articles which we could not buy during the war.

The fact that retail-store sales are nearly 25 percent by volume of goods above the level of last August is proof that production is moving, for these stores have the goods to sell. The shortages seem acute because people are buying at such a rate that the stores cannot build up inventories. For the week ending April 6 sales in department stores were 50 percent over the level of a year ago. Stocks are unbalanced, but in the aggregate they are kept ahead of last year's levels even against the assault of record sales volume.

Of course someone will bring up the question of clothing. Where are men's suits, shirts? Women's low-priced cotton clothing? Woolen and rayon fabrics are currently being produced according to the reports of CPA in greater quantity than ever before in our history. The outlook for more cotton textiles has brightened. OPA has made price adjustments and by its action has put an end to a period of hopeful watching for higher prices or decontrol during which selling virtually stopped at all but the retail level. The rising level of employment in cotton textiles will mean an increase in the output of cotton fabrics. OPA and CPA have worked together on a program which is showing results. The chief danger ahead is the possibility of further increases in the price of raw cotton which would again upset the price relationship in the textile mills.

Men's suits have not reached the goal in numbers, not because of prices but because of fashion. Wool fabrics are going into the manufacture of women's suits and coats. The supply of woolen and worsted fabrics suitable for the production of men's suits would be ample to meet the production goal of 7,000,000 suits per quarter if the consumption of men's suiting fabrics were restricted to the production of men's suits.

As to women's hosiery, 26,000,000 pairs of nylons were produced in January. In 1941 we made 3,000,000 pairs per month. Our standards in hosiery have gone up. If controls had not been removed for the

allocations of rayon yarn last fall, there would not have been this hosiery shortage.

General price increases will not increase production. The Federal Reserve Board states that—

The process of expansion will not be facilitated and might be delayed by a general advance in the level of prices, although selective price adjustments will be required.

John Snyder, before the House Banking and Currency Committee, February 27, made the same observation. He said:

It is not reasonable to expect that all production would increase if all price ceilings were removed. In specific cases, where lack of production is retarding reconversion, we can divert labor and materials from other uses by granting measured price increases, in order to step up production. This can be done effectively only under the stabilization framework. With all prices rising, that advantage would be lost.

A general rise in prices will not result in an increase in total output. It would have the opposite result because the fear of a further increase in prices would give rise to business uncertainty, holding back stocks, forward buying of raw materials, speculation—all of which would hinder production and check the flow of goods to the market.

Mr. Snyder made a shrewd comment before the House Banking and Currency Committee February 27 on the current contention of NAM and others that continued general price control is retarding production and thus contributing to inflation. He said:

One main reason for this contention, I think, is that each businessman knows that if his own prices went up, without any change in other prices, he himself could produce more.

Amendments which would insist that every ceiling price must reflect all current costs that may be applied to each item or service as determined by standard commercial accounting practices, together with a margin of profit which reflects not less than the generally prevailing margin of profit for each item during the calendar year 1940, would mean such a general price increase that it would be better to give up the pretense of price control and abolish OPA. It would result in a spiral of prices, retard reconversion, and cut production.

Such pricing is not necessary. Business is not producing at a loss as is charged. Stocks of industries in the reconversion area have not lagged behind in the general boom on the stock market. There are nearly 400,000 more businesses in the country today than 2 years ago. Business failures are down to 810 in 1945—the lowest in our history. Department-store profits before taxes were up 400 percent for large and 100 percent for smaller stores over 1936-39. Garment manufacturers' profits are up 280 percent, and so on. Of course, each industry, each plant, could make greater profits if price controls were removed from the commodities it produces. But take them off all commodities or adopt amendments insisting on prices reflecting current costs for each item plus 1940 margin of profit, or abolishing cost ab-

sorption, and it will be tough on everybody. The price of the commodity you make will go up, so will the price of every other commodity. Wage demands will follow and we would have economic chaos, a falling off of production, unemployment, and depression.

If we can hold stabilization for a few more months, production will solve the problem. It is true, as critics of OPA say, that only production can cure inflation. But to get production, to have it continue to increase, you must have stabilization such as OPA has provided. Decontrol has started. It must continue on an orderly scale for a few months longer. At our present rate of increasing production, June 1947 should see us in balance and without controls except on rents and building materials. Inflation is in check. The Treasury figures for the first quarter of 1946 show for the first time in many years a greater income than outgo. The continuation of orderly decontrol through the extension of OPA without stifling amendments will enable us to look toward a balanced Budget.

It is not true that OPA is creating shortages by driving goods into export. Goods for export are still under license and can be sold largely at domestic OPA prices, plus 10 percent for export costs, special packaging, brokers' fees, machine loading, and so forth. Exports are not causing shortages. During September through December 1945 we produced 40,608,000 pairs of nylons and exported 354,288 pairs, a little less than nine-tenths of 1 percent of the new supply. In January 1946 we exported 1.1 percent of our production, and were producing nylons at the rate of 25,000,000 dozen, considerably higher than the peak rate for 1941.

In lumber exports have taken 1.4 percent of total production. They are 7.7 percent in normal times. Today imports of lumber are the equivalent of 4 percent of our production. The lumber exported has been to a great extent for our indirect use—to build sugar refineries and plants in Cuba and tin-mine structures in Bolivia. We in turn get the badly needed sugar and tin.

Nor have OPA prices been the cause of lumber shortages. For example, prices of southern pine have increased 73 percent since August 1939. Several increases have been granted, yet since 1942 production has steadily declined and will not be increased until additional manpower is attracted by higher wages. Mr. William Green testified March 26 before the House Banking and Currency Committee that practically all these price increases were absorbed by the timberland owners with no substantial increase in production.

The Forest Service has made quarterly reports on factors affecting lumber production since 1942. Labor shortages have been the primary obstacle. The Bureau of Labor Statistics lists 318,000 wage earners in sawmills and logging camps in 1941, only 211,000 in 1945. There has also been a shortage of trucks, tires, tractors, and equipment not obtainable in war years. The weather in December 1945 was the worst in 10 years

and greatly hindered production. In that month lumber prices were up 66.4 percent over 1939, production down 9.5 percent, and employment down 21.8 percent. Better wages and working conditions are the answer with incentive payments for increased lumber production. Higher prices alone will not do the job.

The claim of widespread failure in lumber industries cannot be substantiated. Of course a number of "pecker" mills closed as they always do at certain times of the year, but such closings are not failures. Dun & Bradstreet report for 1944, 57 failures in lumber and lumber-products concerns, and 49 failures in 1945. In all New England up to March 26, 1946, only one lumber manufacturer had made application for relief.

In brief, OPA has not hampered production. We have the greatest volume of production in our history. Certain items such as household appliances are short because of the time element necessary for reconversion; others like textiles and lumber are short primarily because of relative wage conditions and resulting shortages of manpower. Rising prices create no new workers. They establish no new production. They lead to matériel and commodity hoarding in the hope of still higher prices. Orderly decontrol and stabilization make for production.

Let us criticize faulty administration, slow procedures, and black markets, if we will, but in so doing let us be honest and admit that speedy administration and enforcement call for adequate funds.

It is the general welfare which is at stake. This is no time to consider the special interests of any group or groups. Economic stability of the United States is the necessary basis, not only of our prosperity but of any hope of peace in the world. It is too great a risk for any of us to gamble on a little inflation. So far we have come through the greatest war in history with a record of magnificent production and without spiraling inflation. Let us have the courage to face a few more months of orderly decontrol as the price of economic stability and peace.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. KILBURN].

Mr. KILBURN. Mr. Chairman, the bill extending price control for 1 year from June 30, 1946, is now before us. I feel that the principal, and by far the most important, thing to keep in mind is that increased production is the real answer to inflation. We should never lose sight of this. Adequate production will enable us to restore our economy to the American free-enterprise system where competition will force reasonable prices.

Of course, there are other considerations which are extremely important. One is the reduction of Government expense. The New Deal and this administration have saddled the country with a huge amount of expense maintaining new bureaus, departments, and activities. The Government pay roll has gone up to almost unbelievable figures. This was true before the war, and even after discounting the expense of the war it is

still true. Under this administration, it costs us a staggering amount merely to govern ourselves.

As my colleague on the committee, the gentleman from Nebraska [Mr. BURFERT], so well pointed out, price control is merely a narcotic to ease the pain and is in no sense a cure for inflation. Production and reduced Government cost is the real cure. No good purpose can be served by trying to fool our people that prices have not advanced. The administration took the plunge when it encouraged wage increases, which, of course, had to be reflected in increased prices to the consumer. This regardless of the fantastic statement attributed to some administration leaders that wages could go up without additional costs to the consumer. The administration proved this when it granted the increased price on steel, which reflects itself in so many other commodities.

Nor do I believe that subsidies are the answer. All subsidies do is postpone for future generations the payment of our current bills. This in the face of a huge money supply and buying power. We should pay as we go.

This bill provides that the OPA shall lift price controls as soon as production equals demand. In theory this is fine, but in actual practice if the OPA does not allow a price which covers cost of production plus a reasonable profit, adequate production will not be attained. This has been the actual situation in many cases. For example, the production of dairy products has steadily declined. Dairy herds are being sold for beef, heifers are being sold for beef, and many milk cows are simply put out to pasture because the OPA will not allow an adequate price. One would almost believe that the OPA had never talked with a dairy farmer when you consider the downright silly price they put on butter in relation to industrial cream. Of course, we cannot get butter in view of their price unless we patronize the huge black market which now exists.

As Mr. Baruch testified before our committee, we probably should continue price control for a while. I do not think there is a man alive who can set prices on 8,000,000 articles in our complicated economy and have them right. But I also believe and it was shown in the testimony time after time that poor administration of the OPA has been the cause of much of the trouble. In fact, most of this bill and most of the amendments to be offered are an attempt by the legislative branch to legislate sound administration of the law. Whether that will work remains to be seen.

The abrupt ending of all price control June 30 would undoubtedly cause a chaotic condition for a few months, and for that reason I am going to vote to continue it with the understanding that it is definitely ended in 1 year as the bill provides, and also with the hope that OPA will see the light and so manage the act that adequate production will be achieved and price controls lifted during that year's period.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, we are today engaged in the consideration of legislation that directly affects every man, woman, and child in the Nation. The OPA has been more widely discussed than any other of the many alphabetical combinations that have been promiscuously scattered around since the New Deal inflicted itself on our patient people.

The OPA has caused more anguish in the country than anything in recent years except the great war itself. In spite of this fact there are many who defend the OPA. I have no quarrel with those who are honest in their views. And I feel sorry for those who are moved to support the OPA by reason of false and misleading propaganda and by reason of their not being able to know the facts as they really are. And on the other hand, I do not have much respect for those groups of high-handed bureaucrats here in Washington who have knowingly inflicted themselves upon the people and who have knowingly misrepresented important facts. For instance there is no question but that from 75 to 90 percent of all of the beef now consumed in the country has passed through the black market. There is no question but that the consumer who has purchased this meat has paid 25 or 30 percent more for the meat than he would have been compelled to pay if the meat had moved in legitimate channels. And still the OPA has never been able to do much about it. There is no question that the black market is the direct result of the OPA and its inefficiency.

I have a great deal of sympathy for many people who are honestly afraid that if the OPA is discontinued that prices will go up. I fear that if Congress were to repeal the OPA immediately, that the administration in Washington is so devoid of experienced executives that it might be that prices would go up unreasonably, and for that reason, and it is likely that they would encourage dissatisfaction and would encourage inflation, I am in favor of amending the bill that is before us so that we will do away with the fallacious policies and tyrannical practices of the OPA.

When we consider the billions of dollars that the Government has spent by way of subsidies and when we consider the many millions of illegal money that the black marketers have forced from the American people, there is little or no ground for anyone to say or to think that commodities have not already gone to unduly high prices. This is true because the consumer has paid all these subsidies and black market prices. It is a well-known fact to people who know the facts that the claim of the OPA that it has held the line is a gross misrepresentation. The cost of subsidies and black markets added to the exorbitant prices brings the real prices of food commodities higher than they have ever been in the history of the country.

I am sorry that I do not have enough time to enter into a logical and exhaustive discussion of the OPA as it applies to foods and also as it applies to practically all commodities. I shall expect to participate actively with others in an effort to amend the present bill so

that we can eliminate most of the subsidies and so that we can provide a definite date when the OPA shall be abolished.

The bill in its present form will not abolish the OPA regardless of the protests of many of its supporters who have heretofore preceded me in speaking in this debate. The bill, in the first five or six lines of section 1 does declare in positive terms a very satisfactory policy. This language if left as it is would provide for the abolishment of the OPA on June 30, 1947. But immediately following the language providing for the abolishment of the OPA there appears language to the effect that if and when the President finds that some commodities are short of supply he can continue the OPA control over such commodity after June 30, 1947. In other words in the first part of the bill the committee has sought to express a promise but in the last part of the same section it completely reverses its promise by granting the President full authority to extend the OPA on such commodities as he may please. That section as it is presently written hardly reaches the dignity of being a joke.

I hope that on tomorrow we may be able to amend this bill so as to fix a definite date for the termination of OPA, so as to take out of it the provisions that are at present so obnoxious to so many people.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. ROBERTSON].

Mr. ROBERTSON of North Dakota. Mr. Chairman, the question of price control and its administration is exceedingly difficult in a country like the United States of America. Ours is a country that has grown great because of liberty, and the people with few exceptions, prefer liberty to regimentation and regulation. To continue the Office of Price Administration in peacetime in the United States will be a very difficult problem.

I should like to make my position clear before this House. I am willing to vote for the continuation of price control if we can bring about in this legislation reforms that will open the door to progress. There are certain instances perhaps where price control can continue to be of service to the people of the country but it must be studied and administered from a broader angle than has been the practice in the past.

If in the judgment of the majority of this Congress, price control is to be continued, most surely the principle should be adopted that the moment any commodity reaches a point where production supplies the demand, controls should immediately be withdrawn. This is provided for in the legislation we consider today. This part of the bill needs much improvement and must be more specific.

It is truly the duty of this Congress to limit and define the jurisdiction of the Office of Price Administration, and particularly must the limitations be of such a nature as to open wider the door for all business, and especially for small business. Ridiculous prosecutions for slight infractions that in many instances are purely accidental, and often because of the limitation of help, should be aban-

doned except where it can be proven that there was malicious intent to defraud the consumer.

If the Office of Price Administration is to be continued, its decision must be subject to court review. While the apparent effort of the administrators of price control is in the interest of the consumer, there is a disposition to overlook the fact that many engaged in business are also consumers. In many instances business has been obliged to carry out drastic orders, while they have carried out faithfully and patriotically, and yet business is kept constantly in a state of revolution because of a continued persecution of business. Charges and countercharges of selfish profiteers are being made through the channels of propaganda by the Office of Price Administration.

It is regrettable that the OPA has adopted the ridiculous policy of advocating that the price line be held by the distributor whose contact is with consumer, and yet in many instances, especially in large businesses such as United States Steel, the Office of Price Administration has allowed the price to be raised in order to meet the demands of organized labor. And the Administration has favored this policy. No such program is in effect for small business. They are clubbed over the head by the OPA primarily perhaps because they are not employers of the large groups, most often inclined to favor the Administration.

I for one am willing to yield the point of an intelligent limited use of the OPA providing the legislation is so designed that it recognizes an orderly reduction in its activities and liquidation at the earliest possible date. In any event, it must confine itself purely to a limited number of basic commodities of prior importance in the living cost.

There are many who express a desire for the continuation of the Office of Price Administration. These people are entitled to our consideration. Obviously, people on a permanent salary basis with little chance of increase are deeply concerned with some agency to hold commodity prices in line. These people should be protected on basic items which make up their living requirements, and it is with these people in mind that I am willing to vote for the continuation of price control, if we can bring about the practical reforms I have already referred to.

In granting the extension of price control, we must give intelligent consideration to those branches of American business that furnish employment for vast numbers of people, even though in many instances they may be small. We cannot ignore the fact that America operates on the profit system, and even in the daydreaming that we hear expressed so frequently, we must not get away from that fundamental thinking. Business must be encouraged to go forward because in the end, business provides the jobs—not the OPA.

The livestock industry rebels against the program of the Office of Price Administration. In the packing industry, the privately owned packing plants speak with the same voice as the largest pack-

ers of the Nation. The entire butter industry writes in disapproval.

The condition in the men's clothing market is very distressing. With all the propaganda put out by the OPA pointing to the direction of bringing aid and comfort to the people in low incomes, today there are no overalls, no canvas gloves, there is no cotton underwear, there is no nylon hosiery. The women's clothing industry has been demoralized because of an utter lack of understanding of the problems associated with this industry.

MINNEAPOLIS, MINN., April 14, 1946.

HON. CHAS. ROBERTSON.

Washington, D. C.:

Northwest Retailers' Association comprising drygoods, apparel, and footwear merchants of North Dakota, Wisconsin, and Minnesota, considers House Banking and Currency Committee amendment on cost absorption policy of OPA too weak and limited. Hundreds of items in average store now must be sold at less than normal mark-up. Amendment should definitely provide assurance of normal mark-up retroactive to include all merchandise covered by previous OPA regulations together with any orders hereafter issued. Your continued cooperation will be appreciated.

H. S. McINTYRE,
Secretary.

The lumber industry from every section of the country expresses bitter disapproval. Automobile dealers are uncertain of their position today. They, like all other branches of business, are confused with the cross currents of orders predicated upon imaginary volume that has never arrived.

Small business in every field insists on the elimination of the OPA at the earliest possible date. All ask for a return to the competitive system of control.

In order that I may more properly present the views that come to me from time to time, I herewith include a summation taken from communications that have come to me covering a large range of American business throughout the country, particularly small business. I am including these with my remarks because they are the honest expression of patriotic small business people who prefer above all things to preserve the American system, and who deplore the administration's program of regimentation. They are the sons of fathers and mothers who came here from other shores in search of the liberty that has been given them by America down through the years.

MEAT

The livestock industry, as represented by the joint livestock committee which is composed of representatives of producers and feeders of cattle, hogs, and sheep and all marketing agencies and stockyards, in a meeting at Chicago this 1st day of March 1946, is unanimously of the opinion that the Government's program of price controls and subsidies, as affecting the livestock industry, has been proven to be unworkable, unenforceable, has retarded, and is now retarding, production of food and thereby interferes with the conversion and readjustment program and has not been, and is not now, beneficial to the country.

BUTTER

In February 1946 a survey conducted by the American Butter Institute covering 5,000 families of various economic levels in 15 cities from coast to coast revealed that approximately 70 percent of the people were

not getting as much butter as they wanted, and that almost 100 percent of these would be willing to pay substantially more for butter in order to stimulate its production so they could have some.

An increase in the price of butter now in a free market would give the producer of churning cream a return for his milk comparable to that obtained by producers of milk for other uses. It would encourage farmers to maintain and increase their dairy herds and produce more milk instead of selling off their cows. It is expected that there would be an immediate reaction in the nature of increased production of cream for churning from the diversified grain and livestock farms in the Central States. Prices of butter would also tend toward leveling out the distribution of butter as between the producing and the consuming areas.

MEN'S CLOTHING

I thought you could maybe help out the men and boys of your State with some work clothes and underwear. I had to have my wife make me mittens this winter to keep my hands warm and all my work clothes are patched so patches are on top of patches.

The stores have dress clothes and expensive sport shirts, which are not suitable for work. We need good warm clothes out here in our State, which are well made and will stand rugged wear.

FARGO, N. DAK., April 13, 1946.

HON. CHARLES R. ROBINSON,

United States Congressman,
House Office Building,
Washington, D. C.:

Our trouser manufacturers cannot accept our additional orders for trousers badly needed by veterans, as wool and wool-blended goods are now unduly restricted by new CPA schedule KM 328B. Since rayons and cottons also disappearing we face bare shelves with conditions growing worse daily. Please use your influence with the Civilian Production Administration to help us to get trousers for our trade.

ALEX STERN & Co.,
SAM STERN.

WOMEN'S CLOTHING

The exemption levels and percentage tolerances which Mr. Porter states have been granted by the OPA since the issuance of the order (MAP) are wholly unrealistic, impractical, and inadequate. For instance, these exemption levels were for cotton dresses selling below \$20.70 per dozen "net." They granted no relief to a manufacturer whose price ranges begin at \$20.70 or above.

The tolerances to which Mr. Porter refers were issued last August, and they also are entirely inadequate because of increased material prices and manufacturing costs. The MAP order assumes that the same priced materials are available that were available in 1943. This is far from the facts and those materials that are available have materially increased in prices far out of proportion to the token tolerance offered by OPA.

The statement that 90 percent of the firms under jurisdiction of MAP have met their requirements without difficulty cannot be true. Mr. Porter does not know how much difficulty every firm subject to MAP has had trying to comply with it.

Mr. Porter cannot deny that the MAP order and other pricing orders have decreased production of good quality merchandise. Every time we enter the stores in our territory as salesmen and in our discussions with our manufacturing firms, we continuously hear of instances which demonstrate how the OPA is interfering with production. * * * Neither can he quote retail-store dollar volume sales as an argument that this type of production has not been curtailed. If he would explore the dollar volume of the stores today, or even make a conscientious survey of a few stores and their sales volume, he would find that dollar

volume is obtained from the sale of such things as sport shirts up to \$25, novelty items in rugs, and so forth, cotton dresses up to \$50, high-priced boxer shorts, handbags to \$125, and similar merchandise.

The entire letter of Mr. Porter is typical of the type of answers that the OPA has been giving to retailers and to manufacturers. It seems that the approach of OPA to problems that face us has been and still is entirely unrealistic and impractical. As long as these very important matters are treated by the OPA in this manner, the economy of the country will continue to depreciate—at the expense of the American public.

SMALL BUSINESS

As a small-town merchant, vitally affected by OPA rules and regulations and directives, I wish to call your attention to some of the inequalities and wish to recommend some changes in the law, when it comes up for your consideration.

I refer particularly to that part of the law which permits OPA to set our retail selling price, and preticketing our merchandise, regardless of conditions or particular circumstances. The latest war-price announcement by this Government agency grants manufacturers price advances sufficient to guarantee them their prewar profit percentage, which naturally means that we, the retailers, will be forced to pay more for our merchandise. However, in the very next sentence, OPA says, "OPA will see to it that the public pays little, if any, more," which can only mean that we, the small businessmen, are required to absorb this increase in cost without the right, under penalty of jail, to pass it on to the ultimate consumer.

You are well enough acquainted among the small-town businessmen and merchants in the State and Nation to realize, Charlie, that we have been doing business on the lowest possible mark-up in the past, and that our business has been so conducted that we have just been able to get by. Now, with our increased overhead, such as labor, advertising, and other incidental costs of doing business, OPA is as much as asking that we sell merchandise at an old set price, which does not, and did not, recognize the increased cost of the merchandise itself nor the incidental costs of merchandise that have increased.

AUTOMOBILES

One of the most ridiculous things I have seen so far out of OPA, was the announcement in the newspapers this last week that they have adjusted the ceiling prices on automobiles sold at retail. They had the temerity to make changes of \$1 and \$2 in the prices of some cars, whereas in one instance particularly, the press pointed out that OPA required the reduction in the ceiling prices on Nash automobiles to be reduced by \$1. Does OPA sincerely feel that they have in their employ, personnel which can determine within \$1 of what an automobile is worth at retail?

This is typical of the ridiculous lengths to which OPA will go to exercise its authority.

LUMBER

If OPA consisted of men experienced and successful in business it might succeed and be of value, but what chance has it when its policy is dictated by a man whose background consists only of being a successful advertising agent. As an example the building-material manufacturers and distributors have been trying ever since the ending of the war to get OPA to adjust prices of material at the source in a way which would permit them to furnish retail dealers on the same profit basis as they were able to make on rough green squares. Recently, March 6 to be exact, amendment No. 22 to RMPR 26, the OPA finally made certain changes in the prices to be charged for regular retail dealers lumber stock which was good as far

as it went, but to show you how much judgment the OPA uses, the amendment referred to grants an increase on 2" common dimension of \$3.50 per thousand feet, but did not grant any increase on 1" common boards and shiplap; accordingly, the sawmill is permitted to charge \$37 per thousand for 2 by 8 No. 1 common dry S4S, but can only charge \$34.50 for No. 1 common boards dry S4S. All other widths carry about the same differential in favor of 2" dimension. The mill gets \$2.50 more for making and handling 125 pieces 2 by 4-12' long No. 1 common kiln dried than it is permitted to charge for making kiln drying, surfacing and handling 250 pieces 1 by 4-12' long of the same quality and same board feet of lumber. You can easily see that the mills will not manufacture boards, or shiplap, accordingly we and other retail dealers will be forced to sell houses without roofs or sheathing.

Why all the subsidies and all the unfair legislation in favor of the large unions? Of course, it does procure the votes at elections, but just remember this: Some day we will all have, not just a few of us.

It is absolutely necessary that if OPA is to continue some fair-minded administrator is needed. It is now impossible to obtain any building material so badly needed. I, therefore, trust you will see fit to use all your influence to improve this condition. After all, the Congress has created the authority responsible for the break-down that has taken place. It is high time that this is undone.

We believe the main reason for unemployment, lack of production on farms, and the holding up of prosperity here in North Dakota is the shortage of lumber. We have numerous carpenters—now idle—ready to go to work. Our farmers need new, and repairs on old, buildings in order to keep up the production of food necessary for our country and the world. It has been well established that the OPA in fixing the price on certain items of lumber makes it impossible for the mills to make it, so they quit manufacturing it at a loss. We urge you to use your influence—not in the elimination of the OPA—but in the insistence that they make the necessary adjustments which will bring about the needed and necessary production of lumber again.

HOUSING

The reason I say that you should throw the OPA entirely out is because they are too slow to act, and by the time they make a survey, conditions have changed, and we are going to be in a terrible mess if something isn't done and done quickly.

POLICY OF OPA

Recently the OPA has taken on a more conciliatory attitude, but we must not become fooled by this, as it is merely a temporary expedient to appease the opposition, and once its life is again extended there is no reason to believe it will not revert back to its former hard-boiled and uncompromising methods of doing things. If the OPA's assertion, that it will abolish controls over an industry once its production equals demand, is worth anything, then it would seem it would eliminate the controls over the oil industry, now that the supply exceeds the demand, and has exceeded it ever since last August. However, for some unexplainable reason, the OPA claims it cannot take the controls off this industry for at least several months yet. I cite this as an example to show just how much dependence we can put on the OPA claim they will abolish controls as fast as possible.

It is my honest belief that the flow of goods would more quickly meet the demand if OPA controls were completely lifted and that competition created within our American system of free enterprise would very quickly adjust prices to a point satisfactory to all concerned. If OPA must continue in existence, at least

some definite steps should be taken to remove price ceilings and control from those commodities of which there is an ample supply.

UNJUST PROSECUTIONS

I own a little store here at —, N. Dak. I violated the price ceiling on a can of Sunbrite. It should have been 6 cents instead of 7 cents. This violation was to price panel representative from Dickinson, N. Dak. The violation was not intended. For this violation I traveled 50 miles and spent 1 day. When entering the sanctum at Dickinson—behold! There were five judges sitting upon the throne to pass judgment.

Luckily I was placed on probation and if there should be another violation of a cent both will be against me.

From the State Attorney General: "I enclose a copy of a letter that was written to the Attorney General of the United States, involving an action brought by the OPA against Wells County, the county commissioners thereof, as such, and against them individually, setting up violation of the price regulations of the OPA relative to the sale of 10 sewing machines.

"The county commissioners followed the law with reference to the sale of public property, in accordance with advice given them by the State's attorney of Wells County. Now they face a damage action for \$1,462.50, treble damages for the overpricing obtained on the sale of the sewing machines.

"It is an anomalous situation when the law of the sovereign State of North Dakota may no longer be followed with safety by a public officer. Yet that seems to be the very situation that exists in this case. The Supreme Court of the United States has apparently held that municipalities and States are subject to the price regulations imposed by the Price Control Act and administered by the Office of Price Administration. While that is the opinion of the Supreme Court, as indicated by the case cited in the letter of the United States Attorney General, we feel that it never was the intent of Congress to set aside by the Price Control Act the State statutes and constitutional provisions, and subject public officers to damages for following the law laid down for their conduct in their municipality. If that was the intent of Congress, the statute should be amended immediately, to obviate the decision of the United States Supreme Court. While the Supreme Court opinion is the law of the land and is due some respect, yet I feel that the Court went further than it needed to go in that regard, and the Price Control Act should never have been interpreted as being applicable to a public officer who must sell property owned by the public, in accordance with the laws of the State of North Dakota.

"If the Attorney General of the United States is not willing to recommend or urge the dismissal of this action, then I hope that you will exert every effort to get the Price Control Act amended. I hope, further, that you will contact the Attorney General of the United States and urge him to recommend and insist that this action be dismissed. It is an injustice to impose this penalty upon these public officers. We feel that it was never the intention of Congress that they should be, subject to damages for following the law of their own State. We further feel that the OPA should have followed up this matter sooner. It now institutes action more than a year after the alleged violation by the County Commissioners of Wells County."

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, the shortage of men's clothing continues. There are many factors which cause this shortage. It is admitted that an unusually great demand requires more production than ever before.

The OPA and CPA have attempted to bring low-cost clothing to the market in abundance. Their attempts to achieve this result has not been successful due to the fact that many of their regulations were impractical and unworkable.

The greatest mistake they have made has been the so-called MAP program. The California Apparel News has been printing a series of articles on the practical problems of the clothing industry in trying to comply with the OPA and CPA regulations.

Most of the men's clothing manufacturers have tried to comply with the clothing program. Most of them want to see OPA continued, but they demand rightly that known and demonstrated faults of these regulations be corrected. I ask unanimous consent that this printed article be included with my remarks in the Appendix of the RECORD:

MEMO TO CONGRESS—THE CLOTHING FIASCO

(By William J. Bowen)

MEMO NO. 1. THE PEOPLE'S PROBLEM

Everybody knows that there is something very, very wrong about the bareness of the shelves in the Nation's clothing stores. But few know just what it is that has gone haywire. OPA hasn't told them, and for good reason: The very regulations which OPA designed for the lofty purpose of protecting the consumer have hamstringed the producers and boomeranged on the buying public.

It is up to the people's Congressmen not only to set the record straight, but to do something about it. The Emergency Price Control Act expires June 30 and the Congress of the United States will have to modify it and up-date it at that time. But in the meantime much can and should be done to force OPA to ravel its own tangled web. While OPA and Senate committees dilly-dally over hearings the stranglehold tightens.

This is a people's problem. Practical politicians know that they become suspect when they cater to the interests of business. But what some of them fail to observe is that it is the people who are suffering from OPA's curtailment of apparel production, and to that extent the interests of the consumer and the manufacturer are identical.

The California Apparel News goes on record, along with most of the apparel industry, as favoring the extension of price controls for so long as supply and demand remain seriously out of kilter. But by this we mean pure price controls as we knew them during the war; not production controls such as have since become effective under OPA's MAP (maximum average price) regulations. MAP must go because it tends to perpetuate price controls by restricting supply. But, failing this, its principles should be extended to the mill level in order to provide the wherewithal (i. e. low-grade fabrics) to make it operative. Although pure price controls must remain, they too need some serious overhauls in order to place prices on a realistic basis conducive to production; and in order to eradicate some serious inequities. These matters (the essence of our thesis) will be discussed more fully in subsequent memoranda.

First and foremost, the consumer wants clothes. Secondly, he wants value received for his dollar. He is little concerned whether they are cheap clothes or not, so long as he gets his money's worth. And at that all he asks for is the worth of his 1946 money, not of his 1943 dollar. As a matter of fact it is the common observation of store men that even in a market of short supply all but the completely desperate customers pass over the shoddy, cheaper, lower-grade items of apparel. Yet OPA has presumed to insist that that is what the consumer shall have. That is the gymnastic that MAP was designed

to perform. Either OPA is not aware of the changing buying habits of a prosperous post-war Nation, or else it mistakes a rising standard of living for an inflationary trend. It is good for the Nation if its people have things, and things of good quality. It is only bad when they pay exorbitantly for them, for it is the false relation of price to value, not price alone that can give impetus to spiraling inflation. MAP is superfluous to this end—price controls will hold the line without the interference of production controls.

The enormous, unmet demand for clothing is essentially a luxury demand, the by-product of the highest living standard ever. Certainly this Nation is anything but threadbare. On the contrary, inventories in home closets have never been so high (except in the case of many newly discharged servicemen). This being true, the consumer largely protects himself by refusing to buy clothing which is priced entirely out of reason. He doesn't have to. And, although he's got money, he hates to be a sucker unless he is desperate. Moreover, excessive clothing demands are due for an imminent tumble as the consumer's money commences to be siphoned off into automobiles, home appliances and durable goods for which he has a much more basic need. Still, people want more clothes, and in a peacetime America why shouldn't they have them? Production and more production will satisfy this buying urge and, more important, put an end to the danger of inflation.

The OPA, then, has been misguided in attempting to force upon the consumer low-quality merchandise which he does not want, and is unduly alarmed over the possibility of a serious inflation within a field where the purchaser is well prepared to protect himself.

The importance of correcting the ills perpetrated by the OPA is not lessened by its current inadequate gestures of appeasement in making minor price adjustments; and these sedatives should not be mistaken for the cure. The California Apparel News heartily endorses the prospect of the appointment of a clothing czar or expediter. But should this come to pass, there should be no sitting back with the smug expectancy that the patient is as good as well again. We are more concerned with the fundamentals than with the ways and means, and the appointment of an expediter would only result in changing the addressee of our appeals.

Mr. Congressman, it is up to you to enlighten your constituents and to force the hand of OPA. While your constituents labor from store to store and from bare shelf to bare shelf, you cannot afford to coddle and protect an embarrassed OPA which has discovered its house of cards tumbling about its ears.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. GALLAGHER].

Mr. GALLAGHER. Mr. Chairman, I am in favor of OPA.

To those who want to lift certain controls I ask, How far do you want to lift them? I want to know how much increase they wish the manufacturers of farm machinery to get. I want to know how much increase they want the handlers of sugar to get. In France sugar went to \$5 a pound after the last war. Should sugar be lifted from OPA controls I predict that people would buy it by the 100-pound sacks not only for legitimate uses but also for the manufacture of illegal alcohol, and that the price of sugar would go to at least \$2 a pound.

Mr. Chairman, I am not in favor of the control of prices in normal times,

but when there is an absolute shortage I believe the people of the United States should be protected. I am for the OPA.

Mr. WOLCOTT. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, I am going to confine my remarks this afternoon to one single problem that confronts the American people. It has to do solely with the livestock industry. I confess I do not know all there is to know about that industry, although I have been in it for 45 years. As a matter of fact, I have never found anybody who did know all there is to know about it. I do not profess to know all the details of how the great livestock markets are conducted although I have been going to them off and on since 1901. Nevertheless, we have encountered such a situation today that every person in this country who is willing to listen should know the truth.

The condition of the livestock industry today is utterly scandalous. We have never known anything like it. Indeed, it is tragic, and it is the more tragic, in my humble judgment, because, as I have observed the conduct of the industry for more than 40 years, no industry in this country has been conducted upon a higher plane of honesty than the livestock industry. The men who have been engaged in it, whether as ranchmen, feeders, slaughterers, or distributors, for years and years have played the game honestly. They are today utterly ashamed of what is going on.

Mr. Chairman, at the risk of straining your patience, let me reminisce just a little bit. I happened to be in the Chicago yards during the first week of May 1942, buying cattle, stockers and feeders, to take home to be grazed, fed, and fattened. At that time the cattle market was going along in a perfectly normal manner. The supply of cattle was ample, prices were not excessive, buyers and sellers were competing one with the other in the usual honest way. There was no complaint whatsoever from the consumers.

I stayed there nearly a week. Just before I left an order suddenly came out of OPA which created a scene I shall never forget as long as I live. Without warning the OPA ordered a ceiling price placed upon all dressed beef, but instead of fixing a ceiling price current with the then market price, OPA rolled the price back to the middle of March, in the Lenten season, when the demand for beef obviously is not quite as high as it is during the remainder of the year.

Between the middle of March and the effective date of the ceiling price on dressed beef, taxes had gone up a little bit, wages had gone up a little bit in the industry, the price of live cattle had gone up a little bit, not at all conspicuously. The result of that rolling back was that 1,000,000,000 pounds of dressed beef then found in the coolers of the United States was faced with an inevitable loss. I have never seen such a scene in any public market place when this was announced and spread through the yards where thousands and thousands of cattle were being marketed. All business

stopped, men stood and looked at each other as if to say, "Where do we get off?" There were a billion pounds in the coolers of the United States at that time caught with a loss as a result of the OPA roll-back.

Mr. Chairman, if you will study the history of this whole thing from that first week in May of 1942 when I happened to be on the ground and saw it happen, you will find incontrovertible evidence that the black market started the day after that ceiling price was imposed upon dressed beef. The black market grew and grew. That is known to everybody in the cattle business. OPA recognized it, recognized that the fixing of a ceiling price on dressed beef dislocated all the other elements in the business, and so started in with successive attempts to cure its original error. Incidentally, I protested against that action back in those days. I attended many a conference, including one at the White House, with no success. It was a little discouraging sometimes to find that those who had charge of this undertaking and those who were passing judgment upon it did not, when they gathered together in a group, include a single man who had ever been in the cattle business. I was a lonely figure on more than one occasion. So OPA said, "Well, we will grant subsidies to the packers so that they can make up, in part, at least, the loss which they must endure under that price ceiling." They did not succeed. So then OPA came to its great and most fatal decision of attempting to place ceiling prices on live cattle. Here the real trouble commenced. There are none upon this floor but who know perfectly well that cattle are of infinite variety. I have been to the yards many, many times, and have seen them pass along the alleys on the way to the scales, and from there to the packing houses. They vary from old bulls 8 or 9 years old down to young bulls a year old; Hereford bulls, Short Horn bulls, Aberdeen Angus, and Holstein bulls; old cows and young cows in good, bad, and indifferent condition; Holsteins, Jerseys, Guernseys, Short Horns, White Faces, Aberdeen Angus, all varying, scarcely any two alike; 4-year-olds, 3-year-olds, 2-year-olds; White Face steers, Short Horn steers, Aberdeen Angus steers, some fat, some one kind, some another, some coming from one part of the country and some coming from another part of the country; infinite varieties. Heifers in the same condition, and calves. OPA attempted to place a ceiling price on live animals, and daily from that point on conditions got worse and worse until today it is literally tragic.

You do not have time to listen to the whole story or a description from me of just how a cattle market operates, but perhaps I may sketch a little of it. We will take the Chicago stockyards, for example. The big market days of the week are Monday, Tuesday, Wednesday, and Thursday. Cattle come in from Iowa, eastern Nebraska, Wisconsin, Minnesota, Illinois, Indiana, Michigan, Ohio, all the great Central West; most of them from feed lots; thousands of them. The buyers of those cattle compete for them

in the yards, contrary to the impression that some ignorant people have. Competition is always severe. I have seen it going on myself in the selling of my own cattle. The packer buys a load of steers. His buyer, riding into the pens on a horse, reaches the best judgment he can, and he is pretty skillful as to what that animal or that group of animals will dress, how much edible food is inside of the skin. He has to be exceedingly skillful, for if he makes a mistake in the wrong direction of more than 1½ percent in his estimate of the dressed carcass, his employer, the packer, loses money. So you can see what the competition is.

Back in the normal days, 75 percent of the slaughter cattle shipped to Chicago were killed in the Chicago area, in the big packing plants and in the small ones, and their buyers were always present in the yards. About 25 percent were shipped alive away from the stockyards to registered and standard plants, slaughtering plants and packing houses, situated in other cities, many of them to the New York City area, where Armour or Swift or Wilson or a dozen others would kill them in that area under Government inspection and sell the beef in the metropolitan area. In those days there were 1,500 packing houses, so-called, in the United States. Nearly all of them had been in business for many, many years. They varied from three or four big ones to hundreds and hundreds of small packing houses scattered all over the country. The small packer would buy his cattle in the neighborhood in which he was situated, and the local cattle producer liked to sell to his local packer. He was his friend. The meat and byproducts produced from those plants helped feed the community.

What is the situation today? Instead of 1,500 packers licensed and inspected in the United States, as was the case 5 years ago, today there are 26,500 slaughtering plants. They have grown up like mushrooms all over the country, and an overwhelming majority of them are in the black market. That is why they have grown—26,500.

Now may I explain, if I can, and I will admit it is highly complicated, one of the chief reasons for this situation which I have described only in part.

Apropos of the growth of plants scattered all over the country, many of them behind barns, in abandoned buildings, and under sheds out in the woods, instead of 75 percent of the cattle shipped into Chicago being killed at Chicago in inspected plants, as was the case 5 years ago, practically 75 percent are being shipped out of Chicago still alive, disappearing over the horizon to the 26,500. Let me explain to you, if I can, what are the reasons for this tragic situation.

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

Mr. GAMBLE. Mr. Chairman, I yield 15 additional minutes to the gentleman from New York.

Mr. WADSWORTH. There has been established by the OPA a series of ceiling prices adjusted to different grades of cattle. The grades run as follows. I will describe each grade and the ceiling price allowed for the animal which falls within that grade.

AA is the very, very choice grade. For an animal to fall in the AA grade, it must dress at least 61 percent of its live weight and the packer may not purchase it for more than 17 cents a pound. That is the ceiling.

The next grade is A. That is called "good." If the animal dresses 58 percent, it will fall within that grade, but it must not be bought for more than 15 $\frac{3}{4}$ cents a pound.

The next grade is B, known as commercial. To fall within that grade of B, the dressed percentage must be 56 percent. You see, we are going down in quality. The top price on grade B is 13 cents.

The next grade is C, ordinarily known at "utility." For the utility grade, the dressed percentage must be 54, and the top price is 11 cents.

Then below that is the canner and cutter grade.

This is what happens. The legitimate buyer goes out into the yard, whether it be at Fort Worth, Kansas City, or Chicago. His plant is under inspection and trying to live under the law. He starts to buy some cattle. He must, through his buyer, the man on the horse, so to speak, guess what is inside the skin of all the animals he buys. How much will the animal dress? Incidentally, what will the quality be, which also varies infinitely. If he makes a mistake and pays an A price for a steer that ought to be classed in the B grade, which is a difference of 2 $\frac{3}{4}$ cents per pound, he is violating the compliance regulations. His operations are summed up after 1 month of purchasing and if at the end of the month it is shown that he has paid too much for the grade of cattle which he is supposed to have bought or that the grade of cattle is lower than the price which he has paid for them would justify, he is in violation of the compliance regulations and he loses his subsidy. The subsidy incidentally runs in this fashion. For an AA animal, the subsidy is \$3 for every live hundredweight; \$2.95 for the A grade; \$1.90 for grade B; \$1.25 for grade C, and on down. If he makes many, many errors, and you will remember they are errors of judgment only, he can be prosecuted. So the legitimate buyer has to gamble not only on his own judgment but on the judgment of the grader employed by the Government who grades the beef after the animal is killed.

If the judgment of the grader disagrees with the judgment of the buyer, the judgment of the grader stands. I have stood for an hour at a time alongside a grader in one of the great packing houses and have seen him work. How many expert graders do you suppose there are in the United States? The meat institute believes there are not over 67. The OPA is trying to employ 600. They are simply incompetent; but their judgments must stand.

The result is this, that the order buyer, the man who goes into the yards and wants to buy a lot of cattle and ship them out alive, is not subject to any inspection when he buys cattle, nor are the cattle. The cattle are never inspected until they are dead and dressed. The order buyer is perfectly willing to take a chance of paying too much per pound,

because he ships his cattle away from the yards out into the country, out of sight, and has them killed in some remote place and sold to the consumers of the United States at above honest-grade prices. That is where he makes his money. It is chiseling from beginning to end.

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

Mr. WADSWORTH. Very briefly.

Mr. CRAWFORD. As a net consequence, the legitimate packer is unable to acquire his daily quota of animals on the hoof to put through process?

Mr. WADSWORTH. That is what I am going to develop.

Now, here is what has happened and what has been happening in increasing degree for many months, and incidentally started many months before the famous strike in the packing-house industry. The strikes had nothing to do with it. The legitimate buyer is trying his best to obey regulations, and he takes an awful chance if he comes close to the line. But this other buyer does not care. So he bids up the live cattle on the market and the legitimate man cannot bid against him. The result is that the number of cattle slaughtered at and near the markets themselves has steadily decreased, and the number of cattle slaughtered elsewhere, and God knows where, is still increasing.

I called up the Chicago yards this morning and asked them about yesterday's market. Monday is one of the big days, normally. I called to ask how many cattle had been purchased by certain firms. Here is the record given to me over the telephone by a man I have known for 40 years and who is the soul of honesty:

Armour & Co. yesterday bought 400 cattle in the Chicago market. Normally, 3 or 4 years ago, they would have bought 2,000.

Swift & Co. yesterday, Monday, bought about 300. Normally they would have bought 1,800.

Wilson & Co. yesterday bought about 250 head. Normally they would have bought 1,500 head.

And 9,000 live cattle were purchased in the Chicago yards yesterday to be shipped out of Chicago, over the horizon, mostly to the black market.

Now, that is what is going on. It is a tragedy. It is a shame to see an industry whose standards of honesty and ethics have been as high as, if not higher than, any other great industry in this country so poisoned as it is today with corruption.

The interesting, indeed the deplorable, thing about it is that the ultimate consumer is paying the price.

Perhaps I can demonstrate that with the aid of a few charts. First, I want to show the change in the stream of cattle in and out of the yards. This chart shows the proportion of cattle received at Fort Worth, slaughtered locally, and the proportion shipped for slaughter elsewhere.

In 1942 the cattle slaughtered locally, indicated by the black line, amounted to about 60 percent of the total cattle shipped into the Fort Worth yards.

At the same time slaughter cattle purchased in the Fort Worth yards and

shipped out alive elsewhere amounted to about 12 percent of the total. Sixty percent stayed and were killed, 12 percent were shipped out, and, incidentally, shipped to legitimate buyers.

Look at what has happened: The cattle purchased in Fort Worth and slaughtered locally have gone steadily downhill until only 20 percent of the cattle that came into Fort Worth in the first 2 months, January and February, of 1946, were killed in Fort Worth; and the situation is much worse for March and April which this chart does not cover; it is getting worse and worse; whereas the cattle that are shipped out of Fort Worth have gone up to 60 percent. No one knows where a lot of them have gone. There is your change. It does not happen in Chicago only.

Now let us look at the New York City area. The figures on this chart express number of cattle. The upper black line indicates the total number of cattle slaughtered in the New York area. Nearly all those cattle come from the West, they are not produced locally. Going back to 1942, the time the black market started, about 120,000 head were slaughtered in the New York area. There was a slump, but since then the number of cattle slaughtered in the New York area has risen to 140,000 head. In other words, more cattle are being slaughtered in the New York area today than there were in 1942.

But let us see the inside of it. Today only four packers are left slaughtering cattle in the New York area where there were at least a dozen more than that 5 years ago; only four are left. The others have gone out of business. Back in 1942 they slaughtered in that area about 80,000 head of the 120,000. See how their slaughter has gone downhill until those 4 legitimate men are killing only 27,000 head. All other slaughterers, all of the new men in the market—there are only 4 old men in that market today—all these new men starting back here in 1942 began buying, buying, buying, buying until today they have bought 120,000 head as contrasted with 27,000 head bought by the legally conducted concerns. There is your black market around New York. There is no answer to it.

Look at another, if I may hold the attention of this very patient Committee. This chart displays the facts in terms of pounds of beef, beef produced from the New York area slaughter starting back in 1941. You will notice that the total amount of beef slaughtered measured by pounds has steadily increased until today in the New York area almost 6,000,000 pounds of beef are being produced.

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

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. WADSWORTH. Here are the four legitimate packers still in the business. Their beef has declined from a little over 4,000,000 pounds down to a million and a quarter. The newcomers, starting down here, have climbed rapidly, they have displaced the honest man, they have taken the market away, and have

sold the beef to the housewife in the New York area at above the ceiling prices.

Let me give you one more illustration. Here we have the proportion of cattle receipts at Chicago slaughtered locally and the proportion shipped out for slaughter elsewhere. This chart is away behind the times because it only covers January and February of this year. If it covered March and April of this year these lines would be much more drastic in their appearance. The slaughtered locally has gone steadily down, as I said in my remarks a little while ago. The shipped-out has steadily gone up hill. The shipped-out exceeds the local slaughter. May I show you the effect of this on the consumer?

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

Mr. WADSWORTH. I yield to the gentlewoman from Georgia.

Mrs. MANKIN. The gentleman takes it for granted that all shipped-out is black market.

Mr. WADSWORTH. Not all of it, but the vast majority of it is.

Mrs. MANKIN. How does the gentleman know it is black market? Does he know where it goes to?

Mr. WADSWORTH. I will come to that.

Mrs. MANKIN. If we did, we could break up the black market.

Mr. WADSWORTH. These extra 20,000 people did not go into this business to make money under the law; they went into the business to make money outside the law, and the sooner we restore the law of supply and demand, which is a real law, the quicker we will get rid of the black market.

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

Mr. WADSWORTH. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. The hearings held by the Committee on Agriculture on this question show at this time that about 85 percent of the meat is in the black market of this country. Those are figures taken from the hearings held by the Committee on Agriculture of the House.

Mr. WADSWORTH. Yes.

Mr. Chairman, research companies, the Standard Research Institute and Chappelle & Co., situated in Chicago, were requested to make a survey of retail meat markets. The survey was made in 11 cities; 1,803 retail butcher shops were surveyed. Housewives were invited to step into these butcher shops and purchase beef retail. This is not a pretty story, and may I say, incidentally, Washington is about as bad as any city. Let me show you the results of this survey.

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

Mr. WADSWORTH. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. Who made the survey?

Mr. WADSWORTH. It was a research firm in Chicago that makes surveys and audits. They are not connected with the livestock industry.

Mr. MONRONEY. Who were they employed by—the Government?

Mr. WADSWORTH. Oh, no; not by the Government.

Mr. MONRONEY. Who were they employed by?

Mr. WADSWORTH. By the Meat Institute, I think.

Mr. MONRONEY. By the Meat Institute.

Mr. WADSWORTH. I have every reason to believe they are reliable.

Referring to cuts bought over the ceiling, and this is the retail ceiling: 74 percent of all the beef bought by these retail purchasers was paid for at a price over the ceiling. That is beef. Seventy-five percent were over the ceiling for veal. Fifty-five percent were over the ceiling for lamb, and 64 percent were over the ceiling for pork.

Here it is expressed in cents per pound: Beef on the average was paid for at the rate of 13 cents per pound in excess of the ceiling, veal 13 cents, lamb 7 cents, and pork 9 cents.

The average excess over ceiling for beef was 35 percent, and the survey shows that from 72 percent to 90 percent of the retail stores, 1,803 of them, were selling above the ceiling. Seventy-two percent was the lowest. Those are the facts.

Let us see what happens to the consumer in this matter, and this is the same survey.

The survey of beef sold over the ordinary counter developed the fact that the net over the ceiling was 26 percent. Some beef was purchased at the ceiling, some a little lower than the ceiling in those stores, but so much was purchased over the ceiling the net average is 26 percent, or 10 cents a pound. All right. Suppose a housewife goes into the store and has \$1 to spend and wants to spend that dollar for beef at a ceiling of \$1. She does not get it. She pays \$1.26. That is what is going on. The consumer is paying for this. The same is true of veal, lamb, and pork. The average is 20 percent excess.

The truth of the matter is, Mr. Chairman, that the black market is so extensive today that literally the consumers are purchasing their beef in an open competitive market. Obviously, the chiseler is charging all the market will stand. One chiseler competes with another chiseler, and the black market is so extensive all over the country that literally we have a competitive market. But the consumer is paying the excess cost because there is no competition between the law breaker and the law observer.

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

Mr. WADSWORTH. I yield to the gentleman from Tennessee.

Mr. JENNINGS. Is it not also true on top of this excess price that the consumer pays for what he gets on the black market—because that is the only place he can get it—ultimately that same consumer and all the people will have to pay these huge subsidies?

Mr. WADSWORTH. Yes. May I hastily go to another phase of this subject which is exceedingly important? You all know that there are exceedingly valuable byproducts in the livestock in-

dustry—exceedingly valuable. The well-known concerns, the 1,500 that I mentioned originally, manufactured a considerable number of byproducts; in fact, if they did not, they could not live. That is part of the business and part of the competition. But in these mushroom plants the byproducts are thrown away. What becomes of the hides? What becomes of the fertilizer which comes from the bones of the animals? It is gone. You never hear of it. What becomes of the glands? What becomes of the glands from which extraordinarily important medicines are made, such as insulin, adrenalin, and many others upon which the pharmaceutical industry of the country is absolutely dependent, as well as the medical profession? I have here a telegram from the Abbott Laboratories, which says:

Unless the pharmaceutical industry is assured of a continuous and dependable source of supply of thyroid glands and pancreas, pituitary, ox gall, liver, and many other of the animal glands used in the production of some of our most important medical products, the medical profession will be without adequate supplies of these very necessary remedies. Through you we petition our properly accredited Representatives in Congress for release in this most serious situation which, we are informed by the meat-packing industries, promises to grow worse.

They are getting scarce, and the Lord knows how many millions of dollars are being lost as the result of the failure to use the byproducts of the livestock industry. We are spending today out of the Treasury \$750,000,000 in utterly useless subsidies that do not work. The excess price here, if averaged over the United States as shown originally, in 11 cities will cost the consumers \$1,250,000,000 in excess of ceiling price. The sum of the two is \$2,000,000,000 going down the drain. We would better get out of this thing.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Oklahoma [Mr. RIZLEY].

Mr. RIZLEY. Mr. Chairman, the distinguished gentleman from New York has made an unanswerable case in respect to the meat situation in the country today. The OPA is definitely, in my opinion, responsible for the black market in meat. Some of us tried to prevent the livestock industry from being placed under the operation of the OPA administrators, who know nothing about the cattle business or the slaughtering business. But the administration in power would not heed the advice of people of experience and in their eagerness to obtain control over the most desired food, that of meat, they insisted on giving them the power to regiment the meat producers. The result is that we now have a national disgrace so far as the meat industry is concerned.

This Congress must have the courage to amend this bill and take the control of the meat industry away from OPA, and incidentally save about \$750,000,000 now being paid in subsidies.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. FLANNAGAN].

Mr. FLANNAGAN. Mr. Chairman, I want to confirm every word the gentleman from New York [Mr. WADSWORTH] has just uttered. The House Committee on Agriculture spent 2 weeks investigating the meat situation in America. It is not only tragic, as the gentleman from New York stated, it is not only deplorable, as he stated, but the meat situation today in the United States is no less than a national disgrace.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

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

Mr. AUGUST H. ANDRESEN. The gentleman heard the statement made by the gentleman from New York. The OPA will say that Congress has not given them enough money to enforce the law properly. Does the gentleman feel that any amount of money or any number of men would be sufficient to enforce the regulations and the law in the chaotic situation which exists today?

Mr. FLANNAGAN. I do not. I think we are up against the same proposition we were in the days of the bootleggers. We could not enforce the liquor laws of this country and it is my considered judgment the old bootlegger was a piker compared with the bootlegger in meat today. The meat regulations call for the impossible. They cannot be enforced, because we cannot make the impossible possible.

Mr. JENNINGS. That is true, because everybody eats, and not everybody drank.

Mr. FLANNAGAN. To begin with, there is no justification for such a condition. We have been told by OPA that when the supply level reaches the demand level the controls will go off. What is the supply level in America today? We have plenty of livestock. Our livestock population today in cattle numbers around 80,000,000 head, 9,000,000 or 10,000,000 head in excess of the prewar levels. Our hog population is sufficient. Yet, we continue to attempt to enforce the impossible OPA meat regulations and restrictions and are driving the legitimate packers and slaughterers, large and small, out of business and turning the meat business over to the bootleggers.

It would take a whole day to give you the complete picture. The gentleman from New York touched the high spots. I want now to talk to you farmers for just a little bit. What effect are these rules and regulations and these subsidies having upon the farmers of America? Mr. Farmer, do you know there is a \$39 subsidy on every thousand-pound steer you have in your field? That subsidy, whether it is fiction or fact, is being carried in your inventory. If it is a fiction, and it will be a fiction unless subsidies are removed while the American people have the purchasing power to pay a corresponding increase for their meat when subsidies go off, it is going to be dumped right back in the laps of the cattle producers of America. If it is dumped back, it is going to break every cattleman in America. If you take \$39 a head out of this cattle inventory, you are destroying him. You will wipe him off the board. You will force him into bankruptcy. When a cattleman goes

into a bank to borrow money, and all cattlemen borrow money, the bank officials will look over the statement and say, "Well, now, I do not know what that steer is worth. You have this \$39 subsidy fiction written in that inventory. I am not going to lend you money on that because I do not know when it is going to come off and I do not know under what circumstances it is going to come off. I know if it is delayed until the purchasing power in America is not sufficient to stand the increase that will have to be made in beef prices when ceiling prices go off, you are going to be wiped out." For that reason, a lot of cattle people are getting out of the business just as fast as they can. The producers do not want to be caught as they were back in the twenties and have their assets destroyed. It is slowing up the production of finished cattle in America. Take the feed-lot producers. They are not going to put good corn into a high-priced steer when, if subsidies are removed and the load is thrown back on them, they are going to lose the corn and part of the steer? No, they would rather take their corn and sell it on the open market. Now, I have never attended a hearing in which all segments of the industry spoke with one voice, the packers, large and small, the feed-lot operators, the cattle producers, the stockyard men, the commission men, all asked the Committee on Agriculture to recommend the removal not only of subsidies but of price ceilings as well. There was not a single dissenting voice.

Those people knew what they were talking about. They make their living out of the livestock business. They know all the ins and outs. Here, with one voice, they come to this Congress and ask for the removal of both subsidies and price ceilings. Whom do we find in opposition? The same crowd down in OPA that brought about the conditions that turned the cattle business over to the bootlegger.

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

Mr. FLANNAGAN. I yield.

Mr. CLEVENGER. I think it is only fair for the House to know that the agricultural members of this committee protested vigorously when these livestock ceilings were imposed. I want to know if I am not quoting correctly when Dr. Gilbert, himself, chief of the economists, was asked by Mr. Kleberg, "What is your background in the cattle business or in business?" He said, "I know nothing of business or of the livestock business. I am an economist."

Mr. FLANNAGAN. That is right.

Mr. CLEVENGER. And a trained economist, and my friend said, "And a good economist."

Mr. FLANNAGAN. And the testimony goes further than that. The testimony shows that when the cattle people protested to OPA and told them it was impossible to put price ceilings on livestock they were given this answer by the chief enforcement officer: "We will put them on and we will make the American people like it," or words to that effect. That was the attitude. That testimony is undisputed.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. ROBSION of Kentucky. I wish to express my appreciation for the facts which the gentleman has brought to the House on this subject. Can the livestock industry be placed on a safe and sound basis and be fair to the American people unless ceilings and subsidies are removed?

Mr. FLANNAGAN. I agree with the gentleman from Kentucky.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. FLANNAGAN] has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. FLANNAGAN. There is one other phase I want to emphasize about the bootlegged meat. That is the health problem that confronts us. What does a bootlegger care about slaughtering an animal under sanitary conditions? What does he care whether or not the animal has tuberculosis or some other disease.

The American people today are running a great risk in buying this bootleg beef. And, according to the testimony before the committee, 90 percent of it is bootleg. In my home town we have two independent packers, right in the heart of the blue grass. I received a letter from both of them yesterday that they were unable to buy a single steer upon the Bristol market. Why? Because they could not purchase a single animal that was offered for sale and stay within compliance. They could not do a legitimate business. Where did those animals go? The Lord only knows. Buyers spring up like locusts out of the ground when they open the cattle markets today. Men that we never saw in that community come in and buy a large percent of the sales. They are carted and shipped off. You know where they are going. They are going into the black market.

Yesterday in the Bristol market the bootlegging crowd paid 2 and 3 cents above ceiling prices. Now this, you say, is in the interest of the farmers—getting a higher price. Temporarily, yes. But this bootlegging business is destroying our cattle-marketing system that has been built up over the years. When you put the independent packers out of business you are destroying the competition the small packers bring into the system. The farmers will be the losers in the long run.

Now, here is how the black market operates. I can go upon any market in America and pay as high as 18 cents for the sorriest animal offered. Yes, I can pay up to 18 cents and make a legitimate purchase. I can buy culls, I can buy your sorry cows, or any animal offered and pay up to 18 cents and make a legitimate purchase. But if I am a legitimate slaughterer, in order to stay in compliance, I cannot pay 18 cents for an inferior animal. At the end of the month I have to show compliance, and in order to do this I have to purchase within compliance ranges.

But the bootlegger, who pays no attention to compliance, comes in and if he wants an animal he can go to 18 cents. There is no check on him. If I, a legitimate packer, pay more than ceiling for it, at the end of the month OPA knows whether or not I am in compliance. The bootlegger, not being checked by OPA, pays no attention to the price range.

There is just one other thing to which I wish to call your attention. The gentleman from New York told you that we had around 1,500 slaughterers in America before OPA. We had less than 1,500—1,400-plus. Today we have 26,000. How are they operating? Any man can go into the slaughtering business. I want to show you how they operate. Yes; any man in America today can go into the slaughtering business and, due to the fact we do not have graders to go around, oftentimes the slaughterer is permitted to do his own stamping, his own grading. He can buy a cull. He has the stamp. He can put a B grade on the carcass of that cull steer or he can put an A grade on it.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. COLE of Missouri. The fact that he puts that stamp on the beef misleads the people of the United States to believe it is inspected beef.

Mr. FLANNAGAN. Yes; and oftentimes that stamp is put there by a man who does not know a bit more about grading than I do. I tell you it takes a lifetime to develop a good meat grader. There are few in America.

Mr. COLE of Missouri. The point I want to make is that the public recognizes the purple stamp as meaning United States Government inspected and therefore that it means healthy meat.

Mr. FLANNAGAN. Yet it may be bootlegged meat.

Mr. COLE of Missouri. It may even be tubercular.

Mr. FLANNAGAN. The chances are 9 to 1 that it is bootleg beef. And, as you have stated, it may be diseased meat.

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

Mr. FLANNAGAN. I yield.

Mr. JONES. I do not think it has been developed here that the legitimate packer, when an honest mistake has been made in the grade so that the cattle do not dress up to the proper amount in the grade for which it was bought, can lose his entire subsidy over the entire period of the operation of the OPA.

Mr. FLANNAGAN. Certainly, if he is out of compliance. If the legitimate operator is out of compliance as much as one-quarter of 1 percent he pays a penalty of 10 percent and it goes on up until it gets to be a 100-percent penalty. There is not a legitimate slaughterer in America that can operate under OPA ceiling regulations.

The House Committee on Agriculture, by unanimous vote, recommends to the House the removal of meat subsidies. This resolution appears in the RECORD of Friday, the 12th, pages 3626 and 3627. Pursuant to the resolution I will offer at

the proper time the following amendment:

Amendment to H. R. 6042: That H. R. 6042, a bill to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes, be amended as follows:

"(1) Amend section 5, page 6, line 23, by striking out 'Meat, \$715,000,000;'

"(2) Amend section 5, page 8, line 2, by inserting a colon in lieu of the period at the end of the sentence and adding the following: 'Provided further, That no funds heretofore or hereafter appropriated to, borrowed under congressional authorization by, or in custody or control of any governmental agency, including Government owned or controlled corporations, shall be used after June 30, 1946, to continue any existing program, or to institute any new program for the payment of subsidies on livestock or meat derived from livestock, or for the purchase of such commodities for resale at a loss thereby subsidizing directly or indirectly the production, sale, or distribution of such commodities, except that nothing contained herein shall prevent the payment of obligations created under existing programs which accrued prior to June 30, 1946: And provided further, That in order to prevent a reduction in livestock prices upon the elimination of such livestock and meat subsidy payments, the Administrator shall make corresponding increases in maximum prices of livestock, meat, and meat products to the extent necessary to compensate for the removal of such subsidies.'"

Yesterday I received a copy of a letter from Aronhime Packing Co. to OPA. This is a small independent packing company in my home town that is run by honest men who try to comply with the law. The letter follows:

BRISTOL, VA., April 13, 1946.

OFFICE OF PRICE ADMINISTRATION,
District Office, Richmond, Va.

GENTLEMEN: Yesterday we were unable to buy a single head of beef at the local stockyards due to the outrageously high prices paid for beef cattle at this sale. Sample top prices were as follows:

Commercial or B cattle.....	15½
Utility or C cattle.....	13½
Canners or Cutters or D cattle.....	11½

It is very obvious that these prices can only lead to one of two conditions, that is, heavy loss on the beef and total loss of subsidy, or sale on the black market.

Since we do not believe that any packer will deliberately buy raw materials at such a tremendous loss, there can only be one other conclusion and that is that this beef was bought for the black market.

Because we are prohibited by your laws and our own desire to do business legally from entering the black market, we feel you should investigate the activities of these purchasers of yesterday in order to ascertain the disposition of their purchases. We feel that since we are subject to your penalties when we cross the line of legality, we should be offered your protection when we do not.

We are mailing a copy of this to our Congressman, the Honorable JOHN W. FLANNAGAN, Jr., of Bristol. Please let us hear from you on this.

Yours very truly,

ARONHIME PACKING CO.
By GORDON ARONHIME.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. HENDRICKS].

Mr. HENDRICKS. Mr. Chairman, in the midst of industrial turmoil, strikes,

and other internal disturbances, which seem to be so prevalent in our postwar readjustment, there is one group of American workers who deserve more than just a passing notice. If we have any tributes to pay to civilian groups for their activities in behalf of our war effort, Mr. Speaker, I am of the opinion we could pay a justly deserved tribute to the American railroad worker. We can now recall there was no delay in transporting troops, materials of war, or civilians and their necessities chargeable to the failure of the railroad worker. The heavy additional traffic brought longer hours and more hardships, yet the trains moved on and on. To me the most outstanding accomplishment of this important segment of our workers is the fact that we had no delay in wartime railroad traffic due to strikes or refusal of the workers to do their part.

The railroad workers have been extremely reasonable in their requests for increased wages and better working and social conditions. The recently reported decisions of the two arbitration boards in the nonoperating and part of the operating group wage case are, in my opinion, below that which should have been awarded to that group of our workers who did such a grand job in our national emergency. I sincerely trust that the President's Emergency Board now considering the wage and rules case of the engineers and trainmen will be more liberal and in a measure correct what appears to be the mistakes of the arbitration boards.

We in Congress have an opportunity to assist our fellow citizens employed on the railroads by giving prompt and favorable consideration to their amendments to the Railroad Retirement and Railroad Unemployment Insurance Acts. There is an urgent need for increase in the pensions and annuities; there is great need for revision in the disability annuity provisions and there should be several minor improvements in these acts. All railway labor organizations are supporting Congressman CROSSER'S bill, H. R. 1362, with some suggested amendments. That bill was introduced January 11, 1945, in the early days of this Congress; the committee held hearings in February and April of that year. For some reason the committee has not reported the bill to the House.

I know that it takes a lot of consideration in handling such a bill with so many amendments. I do know the railroad workers are anxious to have early consideration of the bill—they want and need improvements in both—they want and need revision in the disability provisions—they should have an increase in the pensions and annuities. After all, they are entitled to consideration commensurate with their service to the railroads and to the public, and especially for their splendid achievement during the war.

I wish to say as far as I am concerned the railroad employees have my full support in their request.

A petition has been put in the well on this bill, H. R. 1362, and I have signed that petition. I hope that other Mem-

bers of the House will sign it, so that we may get action on this bill.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. SUNDSTROM].

Mr. SUNDSTROM. Mr. Chairman, I ask unanimous consent that my colleague, the gentleman from New Jersey [Mr. HARTLEY] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. HARTLEY. Mr. Chairman, several weeks ago a small group of Members of the House, representing both political parties, held an informal session to discuss inequities under existing OPA regulations. The purpose of this gathering was to have a meeting of minds on specific regulations that are serving to retard production. It is unfortunate that the impression became widespread that this was an attempt to formalize a coalition with the avowed purpose of killing the Office of Price Administration. In all discussions, it was recognized that the basic framework of OPA should be retained, but that the Office of Price Administration should be limited to its original purpose of controlling prices.

Production—the ability of our people to buy the things they need and want at prices they can pay—is not a party issue. It is to be regretted if the fight against inflation does not transcend party lines. To make consideration of OPA legislation a partisan issue is to admit that OPA is being used for political purposes.

My confirmed belief that OPA as presently administered is blocking the productive force of the country is not a political belief. No matter how much we may say about the dollar value of production as compared to that of the prewar era, the fact remains that our people cannot secure the things they need and want regardless of price. Yet the market is flooded with high-priced and inferior merchandise with OPA approval.

I cannot bring myself to believe that the producers and manufacturers of this country who were rewarded Army-Navy E awards for wartime production are engaged in a nefarious plot to keep things off the market. Through the medium of profit controls, maximum average price plans and a variety of other regulations directly contrary to congressional authority, OPA is today holding up the manufacture of badly needed commodities. If inflation comes—and it is partly here—it will be the direct result of a lack of a courageous price and wage policy. Through Government-backed increases in wages, the tail of an inflation skyrocket was lit and now the Congress is asked to stop it through action that will mean production chaos—the formal sanction of existing OPA regulations. In supporting this opinion I want to be realistic. Over a period of several years there have been congressional investigations and findings by committees. I ask my colleagues to study these findings before acting. They are the findings of Democratic-controlled commit-

tees and for that reason should have Democratic support.

There are many fears that continuance of OPA is being advocated as a prelude to making it a permanent Federal activity. On this point the House Committee on Banking and Currency which reported out the bill now under consideration said:

Although the officials in charge of the stabilization program have consistently and, the committee believes, sincerely disclaimed any intention to perpetuate these controls, there have been persistent expressions of the fear that price and wage control might become permanent. It is the purpose of this section to put those fears to rest and to charge the Administrator with the duty of formulating a comprehensive plan for the progressive removal of controls so as to effect the return to a free market and free collective bargaining without disturbance of the national economy.

The fact that we do not have today a free market and free collective bargaining and have disturbances of our national economy—9 months after the end of the war—is evidence enough of the hampering effect of current OPA regulations.

One of the most vicious phases of existing regulations is the maximum average price plan. The Banking and Currency Committee is to be commended for killing this objectionable program. Yet, after this was done, the Price Administrator publicly told the committee in effect that while you may be sincere, you do not know what you are doing and the whole problem can be better handled in administrative circles.

In the report of the Select House Committee To Investigate Executive Agencies, under date of November 15, 1943, we find this:

Section 2 (b) of the act is the prohibition against the powers of the Administrator to compel changes in business practices. Notwithstanding this provision, the Office of Price Administration has gone about at will causing changes in business practices, cost practices, and distribution practices by its regulations and orders.

In brief, the maximum average price plan would never have been developed if the Office of Price Administration had been willing to accept the mandates of Congress.

The Report on Postwar Economic Policy and Planning, under date of March 4, 1946, in effect condemns the maximum average price plan by recommending that—

In the case of essential "low end" products (a) allow industry-wide current costs plus at least a reasonable profit (preferably historical margins) to manufacturers on a list designated jointly by CPA and OPA; and (b) permit retailers to pass on in full any dollar increase resulting from these concessions, and percentage increases where margins are already tight.

Virtually every congressional committee that has gone into the OPA has come up with sound recommendations for improvement. After an intensive study, the Senate Special Committee to Study Problems of American Small Business found numerous reasons for the failure of production to be maintained at sufficiently high levels to make price controls

no longer necessary. One of these reasons is—

Certain Government controls, regulations, and their administration which either through lack of proper understanding or faulty application raise costs unduly, destroy incentives, disrupt or change the customary patterns of production and distribution.

As I have said, I do not oppose the continuance of the Office of Price Administration. I believe that it is absolutely essential for rent controls and some other fields. However, I do believe that unless the Congress definitely provides that OPA must allow current costs of production plus normal margins of profit and accepts a normal pattern for manufacturing and distribution, we will not have the production that is necessary to maintain our national economy. I am more concerned today with production than with any other problem facing the American people.

The time has come when, to use the words of Bernard Baruch, "we must stop trying to debunk the people." No person of average intelligence will believe that production is at its highest level when he cannot buy even the necessities of life, much less the luxuries that have become a part of the American standard.

When our people voted to end prohibition they did so because they were thoroughly disgusted with gangsters, racketeering, and bootlegging. Present OPA policies have developed racketeering and black markets on a scale that fades the prohibition era into insignificance. Ample evidence has been given that present OPA regulations actually promote black markets.

I appeal to my colleagues to support the findings of congressional committees over a period of time and continue the Office of Price Administration operating under the laws of Congress and not by the whims and rules of politically ambitious men.

Mr. SPENCE. Mr. Chairman, I yield 20 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Chairman, I assure you it is not a very pleasant task for one from the cattle-raising country to oppose these demands now being made for the complete removal of price ceilings from meat and meat products. Yet, I assure you that if this Congress weakens the act to such an extent as is proposed in the removal of meat from price control, it will mean the end of meat on the tables of the middle- and lower-class groups of Americans.

Removal of all ceilings on meat might cure the meat shortage. But it would cure it only by taking it out of the reach of the moderate income groups of this Nation. If they can't afford the meat at the high price—then there might be more in the markets for those with plenty of money who were willing to pay any price for it.

This House, before it is rushed into taking meat off of price control and doing away with the subsidy operation which has been in effect for a number of years, should stop, look, and listen for a few minutes and see which way we are going.

MARKET CONDITIONS BAD

I am not going to dispute the statistics which my distinguished colleague the gentleman from New York [Mr. WADSWORTH] submitted. He is one of the greatest men who ever sat in the House of Representatives. As far as his statistics are concerned on the kill, I think the condition as of today is even worse. My conclusion, however, differs radically from the conclusion of the gentleman from New York [Mr. WADSWORTH] and the distinguished chairman of the Committee on Agriculture.

I would like to go one better and give you the statistics of last Saturday from the Oklahoma City yards. Two thousand and one hundred head came into the yard on Saturday. It is not quite the same to say total number of head that came into the yard and the same number going to kill.

This figure was volunteered to me by the manager of the largest packing plant. He said that of the 2,100 head about 600 were killing cattle and the rest feeder cattle, stock cattle, destined to go to the farms to be fed out. When you look at your statistics and your figures and you begin worrying about all this black-market operation—and there is a considerable one—do not be deceived. Do not be stampeded into believing that all the cattle that comes into the market at this time of the year, particularly, goes into the black market. A lot of it goes out to be fed, to be prime beef, to put more weight on them, particularly up in the good grass country of the Osage Hills.

ONLY TWO BOUGHT

Let us take this 600 and see what happens to them, because this is important. It shocked me. Armour & Co. managed to buy 2 head. Wilson & Co., the other major packer, did not get a single one out of that 600. That is a shocking and amazing performance to me, I will admit.

There is a great diversion away from the normal channels of trade. I suspect a fair portion of this amount is going into the black market. However, I doubt if there is as much as 90 percent, as has been variously claimed by representatives of the packing industry, going into the black market. I know many, many little small independent packing plants that have grown up in Oklahoma City and in the neighborhood areas, packing plants that in the dark depression days did not have a chance to operate but who today are finding it rather profitable to operate with a low overhead and a ready market.

I refer to packing plants such as the one at Cushing, and such as the one at Pauls Valley, small towns of six or eight thousand, which had no hope in the world of selling the products of their kill during the depression days. But now the people of those communities have more money to spend and they have a desire for beefsteak and prime ribs of beef. They are willing to accept and patronize these little packers selling at the ceiling price.

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

Mr. MONRONEY. I yield to the gentleman from Virginia.

Mr. FLANNAGAN. I want the RECORD to be correct. The evidence shows that the independent or small packer is not going out by the hundreds but by the thousands in America today. I received a telegram yesterday from the commissioner of agriculture in North Carolina that 138 independent packers had gone out of business.

Mr. MONRONEY. The gentleman quoted some figures about an increase from 1,450 to some 25,000.

Mr. FLANNAGAN. Twenty-six thousand.

Mr. MONRONEY. I do not believe that all 26,000 of those gentlemen operating in the market are operating in the black market.

Mr. FLANNAGAN. That includes the slaughterhouses.

Mr. MONRONEY. I am talking about slaughterhouses, too.

DISTRIBUTION PROBLEM

Let us look at this thing for a minute and see where we are going. Agreed that the diversion away from the major packers is bad, it is difficult, and presents a problem in distribution that the Congress has a right to be concerned with.

The growing black market raises a danger flag in front of the eyes of Congress, but, Mr. Chairman, when we look at the situation before us in reference to the matter of meat control, we should realize it is perhaps the most important single item in the living cost on the American table today. I do not think the answer is for the Congress to say: "We are going to take meat controls off; we are going to let the prices go as high as they will go under the law of supply and demand. We do this because we simply do not believe we can enforce it."

SURRENDER TO BLACK MARKET?

Do not let it be said that the mightiest country on the face of the earth, the country that all the rest of the world looks to as their great hope, the country that furnished the sinew and brawn to whip the despots of nazism, today in the Congress is ready to surrender to the black market.

Where do we go if we make this unconditional surrender to the black market? Do you think that the manufacturer of any commodity of the long list of controlled necessities of life, having seen the surrender pattern successfully work because there was a black market in meat, will refrain or withdraw or try and prevent the black market from growing in those industries?

I do not think we should set such a pattern. I think if the Congress of the United States is bullied by the black-market operations on meat, that it would be a mere sham to pass a price-control bill. You will invite the black market in fabrics, in automobiles, in radios, in every single one of the items that are now controlled and in which compliance is now reasonable. So I say to you that rather than surrender to the black market and have no control of meat, and see the cost soar upward—because every man within the sound of my voice knows that the choice cuts of meats will jump over the moon, literally, when price controls are taken off—rather than do that,

I would like to see us get better enforcement, and I will admit that better enforcement is needed.

PLAN IS NOW READY

I was pleased this morning to see the result of what many members of the Committee on Banking and Currency have long asked for, and that is for the FBI itself to move in on this black-market meat situation. There is a heap of difference between an OPA price enforcement official and an FBI man. I want to say from this illustration that I have given of the Oklahoma City market, where all but 2 of the 600 head of killing cattle that came into the market that day went out of major packing channels, that it would not take a great detective, it would not take all of the facilities of the FBI, with all of their scientific detection and their auditors, to be able to trace this meat into the black market and see what happens to it.

That meat does not ordinarily move out overnight. It has to move out largely by common carriers on bills of lading, and it can be easily traced. An organization like the FBI, determined to go after it, can run down these violations.

I am as sure as I stand here today that not more than 25 black-market operators would have to be arrested by the FBI before you would find this meat black market drying up. Yes; I think if you show a determination on the part of this Government through the Department of Justice and the FBI to enforce an honest market in livestock, you would see the big packers and the other honest little packers take heart and submit the names of these black-marketers. They simply cannot operate in any livestock market without knowing who they are and where a large part of this beef is going.

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

Mr. MONRONEY. I yield to my colleague from Oklahoma.

Mr. RIZLEY. I wonder if my distinguished colleague from Oklahoma will agree with me that if it is a fact that we have an adequate supply of meat there is no need for rationing or subsidies?

Mr. MONRONEY. I cannot agree with the gentleman on the adequate supply not requiring subsidies at this time. I mean that goes into another matter. I will be glad, if I have plenty of time, to go further, as I explained earlier to the gentleman today my personal feeling on subsidies. They are useful only when you intend to hold the line, and if you take the lid off price control there is no use of subsidies on meat, or any other kind of subsidy, because there goes your price line and here comes inflation.

Mr. RIZLEY. What I wanted to say, if the gentleman will indulge me, in the hearings before the Committee on Agriculture I think I am correct in saying that the Secretary of Agriculture and substantially everyone else dealing with the meat situation appeared, and we had everyone from the producer down to the retail merchant.

Mr. MONRONEY. How many consumers did you have?

Mr. RIZLEY. I think some of the people spoke for consumers. It was

stated by the Secretary of Agriculture there would be no occasion for rationing or for subsidies if we had an adequate supply. The black market is here because of the fact that those same cattle that the people were purchasing in the stockyards in Oklahoma City, about which the gentleman is talking, could be purchased legitimately under the OPA rules, and the FBI men could not arrest anyone for making those purchases. They would have to follow each individual cow behind every black oak tree in Oklahoma County. I am afraid the gentleman has gone a long way in saying that he thinks the FBI could control the situation, because the people have a right under the practices now to make those purchases, but the legitimate packer or the legitimate buyer cannot make the purchases there under the restrictions that you have in the OPA.

Mr. MONRONEY. But the gentleman realizes that if they make the purchases and they pay over ceiling prices, or if they pay on the basis of top grade and do not get it, then you get the price violation on down the road. This money is Government money in the subsidies. Even if they waive the packer subsidy there is still the feeder subsidy on most of those cattle, which gives the FBI the right, in order to protect Federal funds placed into these cattle, to go after these black-market operators and discover them. I would hate to say that my mighty Government, my Government that was able to win a war, must now turn around and surrender to a few black-market operators.

Mr. RIZLEY. I would agree with the gentleman wholeheartedly, if there ever was any occasion for having a black market, but everyone in the meat business except my distinguished colleague from Oklahoma seems to think that if these subsidies and these price ceilings were off, because of the adequate supply of meat these black markets would not be here at all. Of course, if we are going to continue OPA and continue black markets by reason of OPA, then we had better get the FBI and everybody else out and try to enforce it if it can be done.

CONSUMERS ARE CONCERNED

Mr. MONRONEY. The interest in the Committee on Banking and Currency has not primarily been in trying to provide additional profits for the industries concerned. Our effort has been to try to prevent inflation from disrupting the economy of this Nation. We are acting on the price control bill in the interest of all the people of America, including consumers.

Mr. RIZLEY. The testimony we had before our committee was to the effect that if you did away with ceiling prices the price of meat would be less for the consumer that the gentleman is talking about in the legitimate market than it is now in the black market. Is it any more inflationary to pay a high price in the black market than to pay the same price in the legitimate market?

ARGUMENT IS STANDARD

Mr. MONRONEY. The argument the gentleman has just advanced has been advanced by almost 99 or 100 different in-

dustries that came before our committee, that "If you just leave us alone the prices will be less to the consumer. Just get rid of OPA and everything will be all right, because the law of supply and demand will handle it."

I only wish it were so. I only wish this committee was not required to sit for 8 weeks listening to testimony. I only wish we did not have to go through this fight every year, which I assure you is no pleasure.

It is passing strange that every year that price control comes up for reenactment, just as surely as the birds return from the South after winter, there occurs an acute meat shortage. It never fails.

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

Mr. MONRONEY. I yield to the gentleman.

CONSUMPTION FAR AHEAD

Mr. HAYS. The gentleman recalls the testimony offered to our committee regarding the inadequacy of the meat supply and the great difficulty of determining just what an adequate supply is. I happened to run into these figures a moment ago which the Secretary of Agriculture gave us. Some years ago the per capita consumption was 135 pounds. It is now 165 pounds. Nobody claims when you consider the market conditions and the demand situation that supply is adequate. The impossibility of determining what an adequate supply is is apparent to all of us when you consider the testimony that was offered.

Mr. MONRONEY. Of course. I thank the gentleman for his contribution. Further than that, having the OPA again try to control black markets with slaughter quotas would be against the wishes of Congress. We heard so many speeches last year of the terrible effect of putting quotas on these little packers. The tears ran deep in the well of the House because the quota system had been placed by the OPA and the Department of Agriculture, regulating then on how much slaughter the individual slaughterhouse and packing house could have, based on their 1944 kill. We had hours and hours of debate on that. Now, we see the result of lifting those quotas and we see the regular channels of meat supply drying up as smaller independent packers are killing the limit, and then some, without regard to the quota system.

FIRE OF INFLATION SPREADS

The reestablishment of the quota system was announced only this morning by the OPA in an effort to get at this very same thing that the gentleman from New York [Mr. WADSWORTH] so wisely described. But, gentlemen, I would far rather trust enforcement. I would far rather trust the quota system to kill the black market than to pour gasoline on this fire that is already about to burst into an open blaze and consume us in a fire of inflation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SPENCE. I yield the gentleman five additional minutes.

Mr. MONRONEY. If it were only a leak; if you were just going to open this

gate a little bit and let the meat people out to graze on this lush green grass and make their profits, then there would not be much danger of inflation. But when you open that gate for meat, you are going to open it up for almost every other product in the book.

When you get through you will have the cost of living increased anywhere from 25 percent to 50 percent. It is ready to blow its top and I am afraid, from the actions of this House, that the headaches, the difficulties, the sacrifices that hundreds of thousands of honest businessmen have put up with, the terrific efforts they have put forth to live under price control, are all going to be wasted.

I am afraid that hundred of thousands of honest businessmen are going to see the ball fumbled in the last 1 minute of play, and that all of these sacrifices that they have gone through, and difficulties that business has put up with for 4 years—and they have been difficulties—will be washed away in one grand boom of inflation and then a bust.

I do not think that is what we want. I do not think that is what the public of America wants us to do.

CONGRESS TO BLAME

Congress largely is to blame for the situation here in meat because the Congress enacted into the Price Control Act last year an open-door policy for anybody that had a hickory limb to hang a carcass of beef on so that they could become a legitimate packer.

The law was pretty tight up to that time but there was a meat shortage which did develop, just as it is developing now, and the Congress took steps to alleviate it.

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

Mr. MONRONEY. I yield.

Mr. WOLCOTT. The gentleman will recall the reason why that was done. It was virtually done at the request of the Army and Navy in order that we might get sufficient meat for our armed forces.

Mr. MONRONEY. I disagree with that.

Mr. WOLCOTT. It was also done so that the inspection laws would be raised sufficiently to get a flow of meat into our armed forces as well as to increase the civilian supply. That was the reason.

Mr. MONRONEY. The gentleman will remember the situation.

Mr. WOLCOTT. I remember it very well indeed.

Mr. MONRONEY. The gentleman will remember that most of the regular channels of meat from federally inspected plants were having 60 percent taken out of their kill for the Army and Navy and that there was only 40 percent of their production which moved in interstate commerce for civilians. It was to alleviate that situation that Congress threw open the doors so that any packer or any slaughterhouse, it was hoped, would be able to supply meat that the American people were demanding.

Mr. WOLCOTT. Will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. WOLCOTT. We also provided that we would recognize State inspection, did we not?

Mr. MONRONEY. Sure, we did. And the diversion from the federally inspected plants so ably shown here by the gentleman from New York [Mr. WADSWORTH] is the result of that action.

Mr. WOLCOTT. It was to get an adequate supply of beef for the armed forces as well as for the civilian population.

Mr. MONRONEY. That is right.

Mr. WOLCOTT. But they were channeling most of the meat through the federally inspected plants for the Army and Navy and it left little or none over for the civilian supply.

Mr. MONRONEY. That is right. But that is because the major packers have not been getting the kill. I think that is what we should have expected when the Congress changed that act.

One more point. I know the meat-packing industry probably would like very much to make greater profits. I think they would like to preserve their markets. I think they can, under the changes that have already been made in the operation of the meat program.

It is most difficult, because you can put firm ceilings on wheat and many other agricultural commodities but you cannot put a ceiling on a live animal and expect that ceiling to be observed. This difficulty that Mr. WADSWORTH explained of averaging them out is the only way that any cattleman will admit you can possibly do it.

But in the end you have a fairly effective pricing system on the finished meat, and you have a fairly decent return to the packing houses of the country.

The National City Bank's figures for March, which have just been released, showed that even after taxes were paid, after all excess-profits taxes of last year had been paid, the meat-packing industry had a 5.4 percent return on their investment; and I think they are doing pretty good under the year 1945.

This shortage of beef cattle going into the regularly established plants has not been going on all year. It has grown since VJ-day, but it has gotten almost out of hand the last 2 or 3 or 4 months, and it is a critical situation. But I believe the Government acting intelligently and strongly, rather than running up the white flag and surrendering to the black market, will be able to cure this meat situation.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. MONRONEY] has again expired.

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

Mr. LEFEVRE. Mr. Chairman, the problem of extending the Office of Price Administration is certainly the most controversial subject we have had to face. I believe, judging from the flood of telegrams, letters, and postal cards arriving in my office with every mail, the people are more concerned over this issue than any other national subject today. It is a pretty well-established fact that the administration can be blamed for this situation. From the time the President announced he believed wages could be raised and the prices of manufactured

commodities remain the same we have had nothing but trouble. The OPA authorities have been so unreasonable in any attempt to adjust ceiling prices that the majority of the thinking people have come to the conclusion that they would be better off without this hampering agency. We are confused. The OPA claims that through its regulations we have today reached the highest level of production in all time. On the contrary, industry has testified that industry after industry has closed down, unable to operate under OPA ceilings. The people have put up with all manner of hardships. Because of claimed scarcities they have had to do without or resort to ridiculous black-market prices.

I have a lot of dairy farms in my district. We all appreciate the magnificent job they have done. They have worked from before daylight until after dark to produce milk. Now they face the worst feed shortage in history. The OPA authorities know that the feeding value of oats is only about four-sevenths the feeding value of corn, but still they permit a ceiling price on corn of nearly \$10 per ton below the price of oats. The result is that the corn grower in the West is feeding his corn to his hogs and thereby getting 30 cents per bushel more for it. Corn with some other grains added is bringing a ridiculous high price, to get around the ceiling, and with far less feeding value. Dairy farmers have to raise hay and grain. Their equipment is old and worn out. New parts or new machinery are practically impossible to get. The cause for this condition falls right in the lap of the OPA.

Talk about homes for veterans, let the record speak for itself. Over 6 months passed before the OPA even made an effort to adjust prices to channel house-building materials through established distributors. Even now very little lumber and building materials are finding their way to established retail dealers. Why? Because of OPA regulations, irregular methods of purchasing have flourished to such an extent I fear it will take years to get back to sound business methods.

From high places right here in Washington propaganda is going out to the consuming public trying to make the people believe this agency is "holding the line." Practically everything we buy proves the fallacy of such statements. The only way to defeat inflation is to bring about sufficient production to meet the demand. Therefore, unless this Congress takes a fearless stand and passes amendments which will make this strangling Government agency adopt realistic policies, flexible enough to meet existing and changing conditions, I believe the Nation will be better off with the law abolished.

Many times we have heard it said that the OPA, by its pricing policies, has retarded production, and by continuing scarcities it is perpetuating its very existence. Now, the people who are against government by Executive order and bureaucrats are demanding that the OPA adopt policies that will stimulate production and follow former established trade discounts and profits when arriving at prices.

Mr. GAMBLE. Mr. Chairman, I yield such time as he may require to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, the pending bill, H. R. 6042, is one of the most controversial we have had before the Congress for a long period of time. This condition exists because the Office of Price Administration has been administered in such fashion that many of our people have become both disgusted and mad over some of the utterly silly and unnatural rules, regulations, and orders which have been issued by that agency. It must be remembered that our people are not pawns—but they are alive and alert, and they are trying to honestly make progress in our country; they are trying to reconvert our country into a peacetime nation following our most terrible war of all times, and they are struggling to pay their debts, and our Nation's debts, and to make an honest living for themselves and their families. But the OPA, as we refer to this agency, has been a real bottleneck and hold-back in our Nation. It has operated upon a high-handed basis, and it appears that the principal object of that agency has been to try to trap some citizen of our country and force him, or her, to pay a penalty—which penalty has been assessed by a kangaroo court set up within the agency. In many instances the investigator of the case served as both prosecutor and judge, and the victim was a good and honest American citizen. We have made many efforts to pass legislation which would assure to every American citizen the right of appeal to our regularly established courts of law, from many of these decisions which were rendered by these so-called courts set up within this agency, and many other agencies of Government, but that assurance is still in the offing—and it is my fervent hope that those of the majority in Congress will realize the absolute and continuous need for legislation of this character and will join hands with us in a good faith effort to pass legislation which will provide the absolute right of appeal to every citizen from any unjust decision rendered by these so-called kangaroo courts, if they are entitled to the distinction of having any name applied to them.

Mr. Chairman, I could relate an untold number of instances in which this agency has been entirely unfair to the people, but time will not permit. I can relate, if permitted to do so, many, many instances in which the inspectors and investigators of OPA led good people, people engaged in business, into a trap in which a slight violation of some rule or regulation was consummated and then, without hesitation, to proceed to prosecute the innocent victim and exact a fine and penalty from the alleged offender. The people have been offended by these high-handed methods, and they are incensed over the policies and program of the OPA. For my own part, I am thoroughly convinced that if the OPA is permitted to continue unbridled for any appreciable length of time, those in control of it have the object in view of completely controlling production in our Nation, and that would, in the end, result in State socialism here. Some of the ills of OPA are

flagrant violations of every thought of the American way of life, and some of those ruthless and senseless modes of operation are far afield from the normal thought of every American. This agency can well assume, now, that it cannot change the American way of life—and this agency will, in the future, if not now, have to walk the gangplank into oblivion—and those in control of it may well take notice of this conclusion of a war-created agency for the sole purpose of controlling prices in time of war. This is not merely a hint, but this is a warning—and it is backed up by the thought of the people of this Nation.

Mr. Chairman, in some respects the OPA has rendered a worth-while service during the late war. I am convinced prices would have soared much higher in this country if we did not have some control over them. And, at the moment, I have been advised that sugar, tin, zinc, steel, rubber, textiles, lumber, and all kinds of building materials and supplies are all on the list of scarce articles. As long as we have a scarcity of essential articles—as long as the item of supply does not equal the demand—then we find that there should be some control over the allocation of those items which are scarce; otherwise some of the people would be able to secure all of those available items, while others would be unable to secure any of those items, and there would be a tendency for the price to increase upon those articles. Of course, we do not want any more inflation than we already have. There is a mild inflation in this country now. We listened for a long time to the cry of those in power, in Washington, to hold the line. The people listened attentively to that request, but the line was finally broken—and who broke the line? The United States Government was the first, and the real offender, in breaking that line. Wages and salaries were increased but the price ceilings were still maintained, and by this inequitable process many of the articles which are scarce today were made scarce by the very action of the Government. If any commodity is produced which requires either materials or labor to produce it, and when the cost of labor and/or materials increase, if the producer is not permitted to increase the cost of his product, then that means the operation will be at a loss, or, if the producer is unable to financially withstand the loss, that means bankruptcy, and the doors of that business must close. Therefore, Mr. Chairman, I say—and I do so without any apology—that this agency of government has made many articles scarce by reason of its price ceilings, and it has been the sole and direct cause of many businesses closing their doors and quitting their business.

Our people cannot, and they will not, operate their business at a loss—and in untold numbers of cases this has been the direct result of our people closing their doors and discontinuing their businesses. Of course, the problem of a created scarcity by the OPA was the best insurance policy that this agency should be continued—and that it should be continued until that scarcity had disappeared; this was one way of keeping

the huge group employed and on the pay roll at the expense of the American people. So that scarcity has been created, and the OPA is itself the moving spirit in creating the very scarcity which now exists.

Mr. Chairman, may I further state that those people employed in agencies of Government, such as the OPA, owe something to the people of this country. They owe the obligation of honesty of operation of their department, and they owe fairness to the people—and that has been one of the forgotten accomplishments, I fear, in the OPA. Much propaganda has emanated from that agency during the past few weeks, in an effort to force the Congress to keep the agency alive. The President wants the OPA continued. Those employed in that agency want, of course, the agency to continue throughout the future years. They want their jobs to continue, and they do not appear to have any regard for the people, who are the taxpayers, and they have no regard for those who have suffered great losses and the destruction of their businesses, and the loss of money and property by reason of their methods employed in the operation of that agency.

Mr. Chairman, it is my hope that many amendments will be adopted to the pending measure, and it is my hope that the so-called Crawford amendment will be retained in the pending bill. While my personal view of this agency and its operation urges me to protest its continuance—yet, if it is finally determined that this agency should be continued, then the power and authority granted must be materially limited and abridged, and so that our people may be able to proceed throughout the future without great fear and trepidation from this group—fearing that ceilings will be changed overnight, without notice, which might operate to destroy any person engaged in business—and we want to establish a freedom from fear on the part of all of the people, that the OPA will trap them, and prosecute and convict them, exact a penalty from them, because of the infraction of some rule which the presumed violator did not know existed. We want to be fair to the people of this Nation, and this agency must be fair to the people in the future—if it is to continue.

Mr. Chairman, World War II is over. We have a debt of some \$280,000,000 to pay. We can pay this debt if the OPA and the various agencies of our Government will permit the people to do it. With red tape, unnecessary and non-essential rules, regulations, orders, and useless control—the people will be unable to pay that debt. Let us give the people a chance. Let us give them an opportunity to go forward again—with the thought of freedom as their watchword.

Mr. GAMBLE. Mr. Chairman, I yield 17 minutes to the gentleman from Nebraska [Mr. BUFFETT].

Mr. BUFFETT. Mr. Chairman, in the late war, front-line announcements on offensives usually carried this phrase: "The operation is proceeding according to plan." At this point in the debasement and "watering" of our currency by

inflationary spending, it may be reported that it "is proceeding according to plan." Inflation in America is following with sobering accuracy the historic currency inflations of other countries, particularly France between 1790 and 1795, and Germany under the Nazis.

We have now arrived at the stage of inflation where we are in the ugly grip of what Rauschnigg called in Nazi Germany "planned corruption." It is the collapse of decency which destroys morality and justice on a mass scale. That consequence, which should alarm every spiritual leader in America, was possibly the outstanding fact developed in the OPA hearings.

The testimony demonstrated that the meat industry was black market in 80 percent or more of all transactions; that the legitimate lumber industry was being replaced by black-market operations, and that the automobile trade—particularly in second-hand cars—was likewise largely black market.

These black markets are spreading all through the commercial life of the Nation. Accordingly, to calm the people, I predict that we will soon see another widely ballyhooed crack-down campaign by the OPA to stop black-market operations. Such campaigns of terrorism are a vital part of the OPA march toward totalitarianism.

Let us see how closely these tactics follow those used in France during their OPA 150 years ago. The following lines are taken from the historic White account of Fiat Money Inflation in France:

Shopkeepers therefore could not sell such goods without ruin. The result was that very many went out of business and the remainder forced buyers to pay enormous charges under the very natural excuse that the seller risked his life in trading at all.

That this excuse was valid is easily seen by the daily lists of those condemned to the guillotine, in which not infrequently figure the names of men charged with violating the "maximum" laws. Manufacturers were very generally crippled and frequently destroyed, and agriculture was fearfully depressed.

To detect goods concealed by farmers and shopkeepers, a spy system was established, with a reward to the informer of one-third of the value of the goods discovered. To spread terror, the criminal tribunal at Strasbourg was ordered to destroy the dwelling of anyone found guilty of selling goods above the price set by law.

The farmer often found that he could not raise his products at anything like the price required by the new law, and when he tried to hold back his crops or cattle, alleging that he could not afford to sell them at the prices fixed by law, they were frequently taken from him by force and he was fortunate if paid even in the depreciated fiat money—fortunate, indeed, if he finally escaped with his life.

In France, severe penalties were set for violations of price-fixing rules. The penalties ranged from imprisonment in irons for 6 years to death, with confiscation of the criminal's property. Likewise, the OPA in France caused farmers to refuse to bring their products to market, just as OPA actions are doing in America today. Here are the farm consequences of the French OPA, described again by White:

The year 1794 was exceptionally fruitful: and yet with the autumn came scarcity of

provisions and with the winter came distress. The reason is perfectly simple. The sequences in that whole history are perfectly logical.

First, the assembly had inflated the currency and raised prices enormously. Next, it had been forced to establish an arbitrary maximum price for produce. But this price, large as it seemed, soon fell below the real value of produce; many of the farmers, therefore, raised less produce or refrained from bringing what they had to market.

But, as is usual in such cases, the trouble was ascribed to everything rather than the real cause, and the most severe measures were established in all parts of the country to force farmers to bring produce to market, millers to grind and shopkeepers to sell it. The issues of paper money continued.

Another similarity between the French inflation and the New Deal inflation is the delusion of prosperity—a delusion created as cunning and shrewd people steadily acquiring the tangible assets of America. Their victims are the trustful and less well-informed people who are being loaded with a deteriorating currency in exchange for real property. I quote again from the White narrative:

But, curiously enough, while this depreciation was rapidly going on * * * there came an apparent revival of business. The hopes of many were revived by the fact that in spite of the decline of paper there was an exceedingly brisk trade in all kinds of permanent property. Whatever articles of permanent value certain needy people were willing to sell, certain cunning people were willing to buy and to pay good prices for in assignats. * * *

It was simply a feverish activity caused by the intense desire of a large number of the shrewder class to convert their paper money into anything and everything which they could hold and hoard until the collapse which they foresaw should take place. This very activity in business simply indicated the disease.

It was simply legal robbery of the more enthusiastic and trusting by the more cold-hearted and keen. It was the unloading of the assignats upon the mass of the people.

If inflationary spending continues—proceeding according to plan—you may well ask: "Who will bear the final blow of this disastrous spending?" Here again we find in France a forecast of what is coming unless the New Deal spenders can be stopped.

Before the end of the year 1795 the paper money was almost exclusively in the hands of the working classes, employees, and men of small means, whose property was not large enough to invest in stores of goods or national lands. Financiers and men of large means were shrewd enough to put as much of their property as possible into objects of permanent value.

The working classes had no such foresight or skill or means. On them finally came the great crushing weight of the loss. After the first collapse came up the cries of the starving. Roads and bridges were neglected; many manufactures were given up in utter helplessness. None felt any confidence in the future in any respect; few dared to make a business investment for any length of time and it was accounted a folly to curtail the pleasures of the moment, to accumulate or save for so uncertain a future.

Mr. Chairman, there is nothing new about this evil narcotic—price control. It is the same economic drug that destroyed the humble people of France in the 1790's. It not only wrecked the frugal and saving middle class of Germany under Hitler but also prevented

those groups from fighting the rise of nazism. In every case it has ended in complete financial, moral, and political prostration. It will end here in the same way unless the people through Congress can turn back the drive for more currency inflation.

As in France and Germany, we will find here that the greatest disaster will be the moral break-down. Today, for example, a feeder in most cases must resort to black-market practice to get protein feed for his cattle. Similar necessity is forcing black-market practices throughout the entire fabric of commercial trade. Everywhere respect for law and moral considerations is disappearing under the impact of an OPA that attempts to evade natural law.

Long ago, William Ellery Channing declared, "There is no way of obtaining God's blessing but adherence to His laws." The OPA is attempting to flout those laws and prevent their operation. In that attempt it is debauching the money system and corrupting the morals of the American people.

If our Christian civilization is to survive, it must rid itself of anti-Christian programs by government. The OPA is anti-Christian, antifreedom, and anti-free-enterprise. The law of self-preservation and the economic necessities of the American people are stronger forces than any legislative edicts. One consequence is certain: The continuance of an OPA that forces the American people to go without the things they need, unnecessarily, simply means that the law will be ignored. Morality and Christian ethics will be liquidated by legislative enactment.

In the meantime, black-market operators, bootleggers, and cheaters of all kinds are waxing rich and prosperous, while honest operators are driven out of business. Likewise, the bureaucrats, officious with power and tyrannical in their actions, are terrifying and oppressing humble people everywhere.

With OPA concealing the continuing deterioration of our money, another vicious evil develops. OPA encourages greedy and cunning people. It gives them more time to wrest the real wealth of the Nation from the frugal people who are deceived by price controls. This happened in France 150 years ago. It happened again in Germany. There the hypnotism of price control gave all the advantage to manipulators, schemers, and fixers.

Mr. Chairman, OPA cannot change the operation of the natural law of supply and demand. Those who claim that price-control schemes can ever succeed either have not read the history books or they are intoxicated by the power now resting so irresponsibly in their hands.

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

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

Mr. JONES. As a matter of fact, is not the Enforcement Division of OPA principally cracking down on the legitimate businessman who keeps a conscientious record of his proceedings?

Mr. BUFFETT. It has happened pretty regularly that the man who has

been the victim of the OPA gestapo tactics has been the little fellow. The larger operators have been able to get away with it.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

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

Mr. H. CARL ANDERSEN. It is with regret that I note there are only one-fifth as many Democrats on the floor as there are Republicans to hear this good speech by the gentleman from Nebraska.

Mr. SPENCE. Mr. Chairman, under permission previously granted, I include in my remarks at this point the subsidy authorizations requested for the fiscal year 1947:

Subsidy authorizations requested for fiscal year 1947

[In millions of dollars]	
RFC:	
Meat.....	715
Flour.....	260
Butter.....	
Rubber (to complete present commitments).....	31
Copper, lead, zinc—premium price.....	100
Petroleum—stripper wells.....	50
Other domestic and imports:	
Domestic.....	19
Imports.....	151
Total RFC.....	1,326
CCC:	
Dairy production payments.....	515
Noncrop programs:	
Regional fluid milk.....	14
Sheep and lamb.....	36
Crop programs:	
Flaxseed.....	15
Soybeans.....	40
Sugar.....	43.8
Processed vegetables.....	35.2
Processed fruits:	
Grapes and raisins.....	17.6
Prunes.....	7.9
Peaches.....	.2
Pears.....	.3
Total CCC.....	725
Total RFC and CCC.....	2,051
Food group.....	1,700
Other.....	351

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. JONES].

Mr. JONES. Mr. Chairman, I thank the chairman of the Committee on Banking and Currency [Mr. SPENCE] for his good sportsmanship, because I told him I was going to criticize the OPA. I am very glad that we in America can disagree without becoming disagreeable.

I have a complaint in regard to the Enforcement Division of the OPA. I think it is a legitimate complaint. I do not intend to cover all of the criticisms that I have against the OPA at this hour when there are only a few Members on the floor, but time is of the essence in bringing this matter to the attention of the House.

I make these remarks in behalf of the chief officer and manager of a Chevrolet auto dealership in Lima, Ohio, Mr. H. H. Minnick, of Minnick Chevrolet, Inc. He has been a legitimate dealer in the automobile field and all of the enterprises incident to a dealership. I shall read just a portion of a letter he has written

to me dated April 12, 1946, that tells the story:

After talking to you yesterday by phone, I wish to relate the series of events that led up to my phone call.

We have worked in Lima in strict accordance with all of the regulations that have been imposed upon dealerships since the war started entailing a drainage of our manpower, shortage of parts, no automobiles, and since the OPA has placed the ceiling on used cars practically every used car has gone to "black market"; consequently, we have had no used cars to speak of to sell within the last year and a half.

The OPA local board have been quite cooperative with us, but unbeknown to them, three investigators headed up by Mr. Shaughnessy of the Cleveland office moved into our place last April stating that they wished to make a check of our labor and repair order set-up beginning with the start of the war right up to date. They spent 3 days in checking the repair orders, taking most of the time of my service manager and much of the office manager's time to make this check. At the completion of the investigation, Mr. Shaughnessy stated to me personally that we had the finest and most complete set of records that he had checked in his 3 years with OPA. He gave us a complete and clean slate.

In justification of the honesty of this man's operations he has the testimony of Mr. Shaughnessy, an OPA investigator. I know Mr. Minnick would not make a false report of Mr. Shaughnessy's conclusions after he investigated the records of Minnick Chevrolet, Inc. I know H. H. Minnick well enough to know his word is his bond.

About 2 months ago two very arrogant gentlemen from the OPA came into the plant stating they wished to check the service records of this company. Mr. Minnick turned the records over to them. These arrogant OPA gestapo agents were in that Chevrolet dealership for about 3 hours. They checked a total of 200 repair orders written in the shop from August 27 to August 31, 1945. They then informed Mr. Minnick that their check was complete and walked out, never saying a word. The next thing he heard from them, he received a letter from the Cleveland office of the Price Administration stating that the company was in violation of OPA regulations and was given 10 days in which to appear before the OPA for a conference. The company was advised that they were in violation of the regulations in the amount of \$2,143.80, upon which the OPA was asking triple damages in the amount of \$6,431.80. Mr. Minnick's attorney asked for a continuance and that was granted.

The complaint is two-fold. No. 1: In 4 days' time, August 27 to 31, 1945, this company did not do \$2,100 worth of business. These men checked only accounts of that period of time and then projected the amount of alleged violation over a longer period. I can find no place in the OPA law where there is justification for the OPA Enforcement Division projecting sales and business operations of a limited period investigated over the period of a year, uninvestigated and then multiply the alleged violation projected by three for triple damages. I find no authority for the clandestine method of coercion to fatten the OPA calf under such rabbit production arithmetic.

I think this drives home the second point of complaint that the OPA has been dragging into the mire and mud the legitimate dealer who keeps meticulous records of his operations. When the OPA finds a businessman keeping detailed records of his gross income, job charges, costs, and labor bills, if they can possibly find any debatable deviation whatsoever, one way or another, they will attempt to crucify him. The illegitimate operator, the fly-by-night man, the black-market operator makes change out of his pocket, keeps an account book in his head, and does not keep any records. Of course, the OPA enforcement officer cannot catch the black marketeer without records and he waxes rich during this period of control by these stringent, unrealistic, and impractical orders of the OPA. It is not fair; it is not decent; it is not right; and it is not honorable in the first place to attack American private enterprise which operates in the open, above board, with standard accounting records, and on the other hand permit the black marketeer to operate without any records whatsoever.

I do not believe any court of law would sustain the OPA's findings in this particular case.

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

Mr. BROWN of Georgia. Mr. Chairman, I yield two additional minutes to the gentleman from Ohio.

Mr. JONES. I do not believe any court of law would sustain the OPA findings in this particular case of an overcharge of \$2,143.80 worth of work where there is not nearly that much business done in the length of time the OPA investigation covered, to wit, August 27 to August 31, 1945.

What is the normal reaction of the legitimate businessman when he gets a summons to come before the OPA? His reaction is, "I have a good reputation in the community. Shall I pay off and not have this unfair, arbitrary oppressive charge publicized about me? Shall I pay off in a quiet proceeding and not have this publicity or shall I stand defiant upon my rights?" Many legitimate businessmen have paid the OPA extortioners. Many have paid to escape the publicity only to read the details later in the home-town papers blackened by the OPA publicity men. My advice is against payment of the extortion, because the legitimate businessman is smeared by the OPA anyway. Let the OPA try their case in court.

Anyway, the practice is, as I understand, that no publicity is given to proceedings until the defendant has a chance to answer in conference with the OPA enforcement office. The practice should be that no publicity will be given by the OPA prior to conference with the OPA. In this case, however, the OPA officials in Cleveland gave Mr. Minnick a continuance until next Thursday, published the alleged violation, and then sued him in the Federal district court with attendant republicity—all before the OPA conference. Bear in mind, the black marketeer is still cashing in without records and without investigation, oppression,

smear publicity and service of process by the United States marshal.

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

Mr. JONES. I yield.

Mr. CRAWFORD. Does the gentleman say that he understands on the basis of the official record that there was to be no publicity until the conference had been held?

Mr. JONES. That is what I understood, sir.

Mr. CRAWFORD. I simply call the gentleman's attention to the statement of a Member of the other body from the State of Illinois and correspondence between that particular Member of the other body and Mr. Porter, of the OPA. I would say that Mr. Porter categorically withholds in his letter to the Member of the other body the privilege to publicize the thing in the newspapers before having said one word to the intended victim. I ask the gentleman to read that correspondence.

Mr. JONES. Do I understand the gentleman correctly? Does he say that Mr. Porter, of the OPA, proposed to publicize the matter?

Mr. CRAWFORD. He withholds his right of judgment and exercises his judgment as to when the publicity shall be given in advance of negotiating with the victim.

Mr. JONES. You mean that he holds the right to publicize it before or after?

Mr. CRAWFORD. Yes, sir.

Mr. JONES. Thank you, sir. Mr. Minnick says to me in this letter:

The Ohio Automobile Dealers Association advised me that this is in direct violation of the orders issued by Mr. Remy, chief enforcement agent of the OPA.

Mr. GAMBLE. Mr. Chairman, I yield such time as he may require to the gentleman from Pennsylvania [Mr. BRUMBAUGH].

Mr. BRUMBAUGH. Mr. Chairman, like all other Congressmen I have received many letters condemning OPA in its entirety and asking that it be repealed. As a member of the Banking and Currency Committee I voted favorably to report out H. R. 6042 which includes amendments that will in some respects correct the evils of OPA but certainly will not solve the problem if we extend the act without these amendments.

The Crawford amendment in particular which restores trade discounts to various dealers in automobiles, electrical appliances, and other consumers' products is a step in the right direction and I heartily favor this amendment. Many of us remember when an automobile dealer could not secure a decent trade discount which resulted in bankruptcy for practically every dealer when the first depression in business developed after a period of reasonable prosperity. This was due to the fact that their trade discounts were so low that they could not build up a reserve as they were forced to endorse the loan papers on the cars they sold and when the purchasers were not in position to continue the payments they had to repossess the cars and it was only a matter of time until their resources

were exhausted and the only alternative was bankruptcy.

The automobile manufacturers, realizing their plight, increased the commission on cars, checked the books of the dealers regularly, and kept the dealers in such financial standing that they were even able to weather the long depression they were forced to suffer because new cars were not available since 1941. The result of this practice on the part of the manufacturers enabled the loaning companies to regard the dealers as sound financial risks. This meant the lowering of costs to purchasers by the reduction of the charges for financing. If the reduction in discounts as now proposed, some of which have been placed in force by the OPA, is continued it will mean that the financial condition of dealers will be weakened and the purchasers of automobiles will again suffer because of the high cost in the financing of their cars.

The OPA's statement that profits will be equal or larger than they were prior to the war is not correct when you take into consideration the increased cost that is involved in the transaction of business under present conditions. This is due to the increased wages paid, the higher cost of rent, materials, and repairs, and other items connected with operating a successful automobile business. To require any dealer to absorb the additional cost of labor in the process of manufacturing an article which he purchases from the manufacturer is certainly unfair and unwise. The Crawford amendment will correct this situation and will certainly modify OPA directives.

I am also in favor of the elimination of subsidies just as rapidly as possible. The Wolcott amendment will be presented on the floor, the purpose of which is to gradually eliminate subsidies by December 31, 1946. This amendment should have the support of every Member of the House as subsidies have no part in a sound government and should be eliminated in their entirety.

The OPA should be gradually liquidated and just as rapidly as production meets demand every item should be eliminated from price control and placed on a competitive basis. I am firmly of the opinion that OPA's policy has created shortages instead of correcting them. It has brought about black markets and legitimate business has suffered greatly. The only solution to this problem will be the entire elimination of OPA as rapidly as possible.

I have received many letters regarding the dairy situation. The farmer can sell his cream at a higher price for purposes other than the making of butter with the result that there is very little butter available. The greater majority of the people would rather pay a little more for butter and have it than be unable to get it at all. This is true with other commodities as well as butter. At this point I wish to read a letter from Mr. J. J. Kirk, president, Beaver Meadow Creamery, Inc., Du Bois, Pa., which clearly outlines the butter situation:

BEAVER MEADOW CREAMERY, INC.,
Dubois, Pa., April 13, 1946.
Hon. D. EMMERT BRUMBAUGH,
House Office Building,
Washington, D. C.

DEAR SIR: Referring to our telephone conversation of April 10 regarding the subject of raising the ceiling price on butter so that butter manufacturers can pay the farmers who are producing fat for churning purposes as much money as they are receiving from the consumers who go to their farms direct and purchase butter, we would like to enumerate a few pertinent facts that are in existence.

In the past 2 weeks we have had seven cream producers take their cream to ice-cream manufacturers in Punxsutawney and Brockway, Pa., because they are paying producers 75 cents per pound butterfat delivered into their plants (the farmer retains the skim milk on his farm for animal food). Before making this change these farmers expressed their sympathy that we could not meet the ice-cream manufacturers' paying price, stating they knew we were controlled by OPA ceiling prices, and that many more will follow this practice.

Our cream-route drivers report that farmers will not sell cream to creameries because they receive from 70 to 80 cents per pound for butter at their farms, and if they do not wish to churn this cream into butter themselves, the people then buy the cream from them paying them 85 cents per quart for their cream, and churn it themselves.

We have not been able to purchase any cream from the dairies in our area this year because they are selling their surplus to the ice-cream manufacturers who are able to secure sugar and other ingredients in quantities large enough to manufacture all this surplus fat into ice cream, and are storing this product in commercial warehouses—insuring themselves an adequate supply when milk production is at its lowest volume. We know of many small cold-storage warehouses where this product is being stored.

We have also had the consuming public come into our plant and offer to go into areas where we do not operate and purchase cream from farmers, bring it to our plant, and have us give them the equivalent of the fat in this cream in butter. When asked how they would keep this quantity of butter they replied that they could divide it with their friends and repeat the operation when the supply was exhausted.

The above facts are not many, but they are enough to cause all the grief that we have in connection with the pursuit of our business. They also lead us to believe that any small increase in the ceiling price of butter will not change these conditions in any way; but if the ceiling prices on all dairy products could be eliminated, the people would then have the right to buy whipping cream, ice cream, cheese, or butter in quantities that would permit them to manage the diets of their families according to their needs.

We hope that the above information we have submitted to you will be regarded as an honest effort to place before you the conditions as they exist in our industry today. The American people would enjoy relief from them if they knew how to present their cause in the proper way to their Representatives. We are,

Very truly yours,
BEAVER MEADOW CREAMERY, INC.,
J. J. KIRK, President.

Meat should be eliminated entirely from OPA regulations, as the meat situation is entirely out of control and a great many people are unable to buy meat at any price unless they purchase it through the black market.

The policy of the OPA the past year in connection with the lumber industry, and especially building materials, has resulted in a shortage and has been responsible for the shortage of homes. The OPA cannot correct this situation and thus building materials and supplies should be eliminated from price control. If such action is taken, I am of the opinion that there would be more homes, the construction of which would be of a more substantial nature.

In conclusion the age-old law of supply and demand which is God's law will have to be reverted to eventually and the postponing of a solution by adopting artificial means only delays our recovery from the chaotic condition that seriously menaces our national economy. A sane and sensible government demands balancing of the Budget, elimination of deficit financing, and removing the shackles from free enterprise by the abolition of unnecessary and overlapping bureaus that now have a stranglehold on American business, prohibiting it from reaching the production necessary for a sound national economy. In short, OPA has not prevented inflation but in truth is simply delaying the day of reckoning.

Mr. GAMBLE. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. BATES].

Mr. BATES of Massachusetts. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BATES of Massachusetts. Mr. Chairman, compelled by the very thought that we are allowing America's oldest industry to perish, I come to you today to sound the clarion call to duty in behalf of the fishing industry of this Nation, with its thousands of employees and millions in investment.

For many weeks I have searched carefully into this arising emergency, discussing the general situation with leaders and workers of the industry, and certainly the gravity of the situation which can scarcely be exaggerated demands the fullest protection for the industry from our Government, and without delay.

THE FISHING INDUSTRY

For over 300 years the fishing industry has played a vital part in the economic life of our country. It has provided essential food and stimulated economic life of many communities through jobs and pay rolls and higher standards of living. In good and hard times it has kept moving forward, until today it is inextricably interwoven in the welfare of the entire Nation, particularly in these days of world food shortage.

It is superfluous to mention the importance of food, but I do feel impelled to emphasize the fact that over three-fourths of the productive efforts of the United States are devoted to the production, processing, and distribution of food, and, of course, food absorbs the largest amount of the consumer's income.

The production, processing, and distribution of fishery products has become so important to the people of this coun-

try that it is unthinkable that we should permit the destruction of its industry, which would inevitably bring chaos to the economic life of many communities and to the thousands of workers engaged in the fishery industry. In times of great emergency the American people always depended on the fishery industry as an important source of our food supply.

RECONVERSION PERIOD

With the reconversion period in our midst, we are seeing more clearly that we are facing stupendous domestic problems which in some cases seem more difficult to solve than the problems of war. Reconversion, unemployment, surplus disposal, inflation, deflation, relocation of industries, resettlement of workers, readjustment of production, are all interwoven into a tangle of problems so interrelated that none can be solved separately.

In this general picture, we must have definite basic policies and we must look far enough ahead and measure the effect of every policy upon our total economy, if we are to deal successfully with conditions. Our goal should be the highest possible standard of living for all which means full employment with widespread purchasing power. These are the things that we must have in mind in dealing with the policies affecting the fishery industry and which the present policies appear to threaten its very existence, by permitting our American markets to be flooded by foreign products produced by cheap labor abroad.

The commercial fisheries of this country have a tremendous investment at stake in which the owners have invested according to the last report over \$500,000,000. This capital investment is in vessels, shore plants, freezing and processing plants, wholesale and retail fish houses and distributing agencies. This industry last year—1945—produced over 4,500,000,000 pounds of fishery products with a value of nearly \$500,000,000. It is an important industry within the economy of this country.

With these thoughts in mind, it is impossible to understand the basis for our Government's policies toward the fishery industry. We seek prosperity, full employment, and higher standards of living and at the same time permit the very structure that would make these things possible to be destroyed or seriously crippled. In other words, we are permitting a deluge of products to come in from foreign countries, while our own products processed by our own American citizens, are placed in cold storage because of the inability of our producers to find a market for them.

On April 1, 1945, the holdings in cold storage of frozen fish and shellfish totaled approximately 39,000,000 pounds. On April 1, 1946, this increased to 84,000,000 pounds, an increase of 45,000,000 pounds, or more than 115 percent above the amount held in cold storage a year ago. It is interesting to note that this increase of 45,000,000 pounds in cold storage over a year ago represents pretty closely the imports of frozen fish that

came into this country last year from foreign sources.

FLOOD OF IMPORTS

Like every other industry, the fisheries faces a reconversion period filled with production, price, and distribution problems that are the cause for the greatest anxiety. Along with this has arisen the emergency resulting from cheaply produced foreign products, and mind you during a period when we should maintain the major portion of the American market for the products of our own American industries and American workmen.

The drive to assist returning veterans by providing them with jobs and pay rolls is strong throughout the Nation, yet here we are driving out of existence an industry that presently employs thousands of men and women who have served in the armed forces of the country in every part of the globe.

The facts we get from the Fish and Wildlife Service leave no doubt as to the crises facing the fishing industry today. The figures we get are amazing. It shows that the imports of filleted fish have skyrocketed from 9,426,285 pounds in 1939 to over 43,000,000 pounds in 1945. Imports of these processed fish last year amounted to approximately 32 percent of our domestic production of filleted fish in 1945 in the North Atlantic area. It is difficult for me to believe that the Reciprocal Trade Agreement Act was intended to hand over the major part of the American market into which any particular industry had to depend in order to dispose of its products.

I can well understand our desire to be of every possible assistance in rehabilitating a war-torn world, but we should not permit the destruction of our own industries in our desire to help others. It is only if we are strong that we will be able to help in a major sense those afflicted people in other parts of the world who are in distress. If the present policy of the Government which is affecting the industry runs down through all of our producing activities in this country, then let me warn there is trouble ahead for all of us. It was the experience we had following World War I, and the conditions I am describing today seem to be but a forerunner of things that lie ahead. We pride ourselves in the wage rate paid our labor, and justly so, but how long can these schedules be maintained when you consider the low wages paid to labor in the countries from which these foreign products are coming in.

When we compare the wage rates of our American workers in the fishery industry with those paid by our foreign competitors, we find that the products of the foreign fisheries can be landed on our shores from 7 to 10 cents a pound less than can be produced by our American fisheries and this includes the duty paid at the port of entry. The facts clearly show that the commercial fisheries of this country cannot compete with foreign competitors under such circumstances.

The fishing industry of this country faces a very definite crisis, and the continuation of present competition from cheap foreign markets will inevitably spell disaster for the industry and put thousands of workers out of employment. Some action must be taken by our Government to protect us under these circumstances.

England no doubt has a similar problem on her hands. In 1945, Britain purchased over 53,000,000 pounds of fish from Iceland. But on December 31, 1945, last year, Britain served notice on Iceland that it would not purchase any frozen fillets from that country during 1946. She was also a heavy purchaser from Canada and Newfoundland, and it is understood that these purchases heretofore made by Britain will be substantially reduced from these two sources also.

Where is this fish formerly taken by Britain to be marketed? Obviously, the United States is the logical country to which to export, and this is precisely what is now happening.

Imports of filleted fish for the first 3 months of this year are over 50 percent higher than what they were for the same period a year ago. Therefore, it is not difficult to see that the very existence of our domestic fisheries is threatened by these constantly increasing imports.

May I call your attention to the report I received from the Fish and Wildlife Service in the Department of the Interior that the steamship *Braurfass* from Iceland arrived in New York on March 26, with slightly more than 2,000,000 pounds of processed fish. Most of this shipment was entered for immediate consumption and the remainder stored in bonded warehouse. Thus in one cargo last month Iceland sent in here more processed fish than ever came in here from that source in any previous year.

I am further informed that Iceland placed orders in this country recently for a sufficient number of containers to pack 30,000,000 pounds of processed fish, and it must be assumed that Iceland is getting ready to deluge this country with fish that previously went to Britain and the European area. I believe it is time for us also to develop a far more rational trade policy.

As prices in this country advance, the duty on these fishery products of 2½ cents per pound loses its effectiveness when the differential in the cost is 7 to 10 cents per pound. If the duty is not to be increased, then some kind of a quota system should be established under which the imports would have a direct relation to the production of the industry producing the identical product.

In view of the fact that monthly imports of fish are heaviest from March to September, inclusive, it is conceivable the imports this year may reach a total of sixty to seventy million pounds, increasing by 50 percent the imports of processed fish in 1945 which in itself was a record-breaking year.

Canada, Newfoundland, and Iceland, have tremendous exportable surpluses of groundfish. In the prewar years most of the catch in these countries was salted

for export. When most of the salt fish markets were lost during the war, demands for frozen fish in the United States and the United Kingdom led to a marked expansion of freezing facilities in those countries. The capacity of these facilities is greatly in excess of the normal foreign outlets for frozen fish. Most of the plants were constructed during the war as emergency measures. Naturally their continued operation is highly desirable, not only because they represent a substantial investment, but because frozen products offer a more profitable outlet than salted fish. It is, therefore, highly probable that Canada, Newfoundland, and Iceland, will strive to not only hold the advantages gained during the war, but to continue the expansion of exports of frozen fillets to the United States in the early postwar years. This is inevitable if the processing and freezing facilities of those 3 countries are to be utilized within a sizeable fraction of capacity. During the war the United Kingdom contracted to take most of the Icelandic production of frozen fillets.

It is well known that the producers in Iceland have sent sales representatives to the United States for the purpose of establishing trade connections and expanding the market in the United States for their processed fish. The landing of 2,000,000 pounds of this fish in New York in March may have been the result of these activities.

We must avoid the situation that confronted the commercial fisheries of this country in the years following 1929 when we faced an extended succession of depressed prices. There were long periods when fishing vessels operated at substantial losses to owners. Fishermen who shared in the earnings of these vessels frequently did not make enough on the trip even to pay their proportionate share of the food and operating expenses. In many communities like Gloucester, Mass., which depend almost entirely on the fishing industry for the livelihood of their people, more than half of the crews of fishing vessels had to apply for public welfare aid. The workers employed in the processing plants ashore were likewise affected. We owe it to our own citizens to see that this condition does not happen again.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE MERCHANT
MARINE AND FISHERIES,
Washington, D. C.

Hon. JAMES F. BYRNES,
Secretary of State, Washington, D. C.

DEAR MR. SECRETARY: Over the past 2 years the Committee on the Merchant Marine and Fisheries and its Subcommittee on Fisheries have held a number of hearings dealing with the problems of the fishing industry in the United States. Our most recent hearing dealt primarily with the very serious threat which has arisen to the New England fisheries because of the continuing and increasing imports of fresh and frozen fillets from Newfoundland, Nova Scotia, and Iceland. Representatives of the State Department and of the Tariff Commission attended this last hearing.

I am enclosing a memorandum giving, in factual form, the essential figures with respect to these increasing importations, and the great spread between the cost of producing these fillets in the countries named and in the United States. The figures have

all been taken from Government sources. I think you will agree with me that an objective study of these figures will show that the North American fisheries are doomed to early extinction unless some specific controls are placed upon further importation.

While the committee has not acted officially, many of its members, comprising, I believe, a majority, have reviewed various steps which might be taken within the Government, and have come to the conclusion that the flexible provisions of the reciprocal trade agreements do not offer sufficient leeway to remedy the situation, even though it should be the disposition on the part of the administration to make use of this method of trying to increase tariff protection. It is, therefore, the considered belief of many of our members—in my opinion, of a majority—that the North Atlantic fisheries can be saved only if the Department of State can obtain from the Governments of Great Britain, Canada, and Iceland some agreement with respect to the setting up of voluntary quotas.

While the problem, as presented to you in this letter, would appear to be centered on the North Atlantic fisheries, I am assured that the fishing interests of the rest of the country and, in particular, those of the Pacific Northwest are just as much interested as are the North Atlantic fisheries.

In view of the real emergency which this problem presents, may I respectfully suggest that you call a meeting at the earliest possible moment at which members of this committee and other Members of Congress interested in the problem may discuss the situation with you. I think it would likewise be well if representatives of the National Fisheries Institute should be included in that conference.

Yours very sincerely,

Chairman.

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

Mr. BATES of Massachusetts. I yield to the gentleman from Oregon.

Mr. NORBLAD. I wish to call the attention of the House that the same emergency exists with reference to the fisheries on the Pacific coast, particularly in the Pacific Northwest.

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

Mr. BATES of Massachusetts. I yield to the gentleman from New Jersey.

Mr. HAND. I deeply appreciate the gentleman's intense interest in this subject. I, like the gentleman, also represent a very important commercial fishery, and I want to thank the gentleman for calling attention to the difficulties the industry faces at this time.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield.

Mrs. ROGERS of Massachusetts. The gentleman knows that I and every other Member from Massachusetts will cooperate with him. I should like to remind the gentleman—although he and the other Members need no reminding of it—of the hazard to life faced by the fishermen when they go out to catch the fish. They need every encouragement and every protection.

Mr. BATES of Massachusetts. I thank the gentleman from Massachusetts.

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

Mr. BATES of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. LANE. I hope the gentleman from Massachusetts will not lose sight of the

contribution made by our domestic fishing industry toward winning the war by seeing to it that the people at home received the necessities of life while our goods and other foods were sent to the boys who were fighting for us overseas.

Mr. BATES of Massachusetts. The gentleman is correct.

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

Mr. BATES of Massachusetts. I yield to the gentleman from Oregon.

Mr. NORBLAD. While England is making these restrictions and quotas, may I call the gentleman's attention to the fact that the Columbia River fishing boats bring in on an average ordinarily from 30,000 to 60,000 pounds of fish per load. Today they are bringing in only 5,000 pounds because we have had to place a restriction upon the producers of fish in that area. That is being done voluntarily because the market cannot handle more than that amount.

Mr. BATES of Massachusetts. This is a Nation-wide situation that affects the fishing industry not only in the New England area but in the entire country.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. Has the gentleman checked up to find whether or not these imported fish have a higher OPA ceiling than the domestically caught fish?

Mr. BATES of Massachusetts. They come in under the same ceiling as our own fish, and get the benefit of the high ceiling, but the American consumer is not getting the benefit of it.

Mr. MURRAY of Wisconsin. I might say to the gentleman he is no better off than the Swiss-cheese makers in Wisconsin, because Mr. Bowles gave the foreign producers a 12-point ceiling higher than the domestically produced cheese, and that wipes out the duty altogether.

Mr. BATES of Massachusetts. Obviously, the whole system pertaining to the price structure, the wage structure, the standard of life, and even the jobs of our American men and women will be jeopardized if something is not done to control these imports.

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

Mr. BATES of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. LANE. I want to compliment the gentleman on his very able presentation of a very serious situation that is now prevalent in this country, and I hope that the Congress will take due notice of it and take some action on the recommendation of the gentleman from Massachusetts.

Mr. BATES of Massachusetts. I know the gentleman from Massachusetts is fully informed of the very critical situation existing up there, which was called to our attention also by the gentleman from Oregon as to the situation existing in the Pacific area.

Mr. GAMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. NORBLAD].

Mr. NORBLAD. Mr. Chairman, may I extend to the gentleman from Massachusetts [Mr. BATES] my congratulations on the remarks which he has just made on the emergency situation in the fishing industry? Although the gentleman from Massachusetts [Mr. BATES] has spoken primarily from the standpoint of the New England fishermen, he has also thoroughly covered the subject on a Nation-wide basis.

I respectfully again call the attention of this House to the figures submitted by him. They are worthy of your study. In my opinion, the only conclusion which can be drawn therefrom is that a large segment of our fishing industry will be so handicapped, if this condition continues, that they will eventually be forced out of work. The figures submitted apply with equal force to the fisheries of the Pacific coast, and particularly the North Pacific region, which I represent, and to that great industry centered in my home town, Astoria, Oreg.

If it were not for this unwarranted competition from foreign markets, our boats would be bringing in loads of from thirty to sixty thousand pounds of rock fish per trip. As the situation now stands, they are limited to 5,000 pounds per trip. This limit is necessarily made by the West coast buyers as the market has been so disrupted by these imports that they are unable to purchase more than this quantity. It is obvious that operations cannot continue where a limit is placed on the catch, as the cost from the fishermen's standpoint makes it prohibitive. The Pacific coast trawl fishery has a capital investment of some \$14,000,000, as there are approximately 400 vessels engaged in this trade, and the average value of each is \$35,000. The crews, who operate on a share basis, total approximately 2,000 men. Again limiting myself only to the Pacific coast, I call your attention to the fact that the processing plants handling this fish have a value of \$5,000,000 and employ some 5,000 processors. The value of this production is from six to ten million dollars.

This industry has grown remarkably in the past several years, as has the entire frozen-food industry. Having become established, our foreign competition now sees an opportunity to duplicate our efforts and steal our markets and has done just exactly that. Successful marketing of quick-frozen filets is necessary, or this newly established west-coast fishery will become extinct. We all anticipate that with the increase of frozen-food cabinets in retail stores, that this industry could become even larger than at present and a tremendous asset to the entire country. Both foreign labor and capital profit by existing conditions while we suffer the loss. Let us give the jobs to our hard-working and substantial citizens, the American fishermen, and not to the fishing fleets of other lands.

Mr. BROWN of Georgia. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. LEA].

Mr. LEA. Mr. Chairman, I understand that our colleague from Arkansas [Mr. HARRIS] will tomorrow propose an

amendment in reference to price ceilings on building materials. The amendment that he proposes has three important provisions. The first would require that a maximum price for building material which represents more than 10 percent of production cost thereof shall not be below a level which will permit the producers of at least 90 percent of such material to recover their current cost of production.

In the second place in determining the cost of such material, the Administrator shall allow a reasonable amount for overhead, including capital assets consumed in production, at the market price or the ceiling price, whichever is the lower. Such production costs may be determined on a reasonably representative sample survey.

In the third place, when an industry advisory committee shall recommend an adjustment in the maximum price as a means of securing maximum production, the Administrator shall within 60 days determine the adequacy of existing prices and, if not adequate, shall forthwith make adjustments to at least meet the minimum.

As I take it, these proposals rest upon the broad principle that the producer of a product is entitled to a reasonable cost and a reasonable profit. I believe in the justice and practicability of such a policy.

When the Government desires production and denies the producer an open market, and limits him to a price fixed by it, there is a duty to give such producer a fair price.

In my judgment the greatest mistake of OPA policy is that it has not forthrightly operated on a declared policy of allowing actual current costs of production with a reasonable profit. There is no injustice to the Government or to the producer in allowing him the benefit of such a policy.

The OPA was commissioned to perform an important service against inflation. The best adjustment possible is that of a balanced relation between cost and prices. Any increase in prices that comes from such a policy is not inflationary in any proper sense of the term.

The public does have a proper interest in preventing excessive or extortionate prices to those who would take advantage of the necessities of the country, but production at current cost with a reasonable profit is not violating any right of the public.

There is a terrific need for increased production of building materials and particularly for housing. Beyond the housing need, production of building construction materials is of first importance to aid reconversion and for that large volume of business and labor employment that are so important to the Nation.

The amendment proposed by the gentleman from Arkansas also recognizes the need of prompt decisions affecting ceiling prices if we are to secure a maximum production. My attention has been called to an instance in which, in 1944, a request was made for ammunition boxes, for which there was a dearth of the grade of lumber required. An opinion was re-

quested from an industry committee, which immediately recommended an increase of \$4.75 a thousand for the grade of lumber required. Nothing happened. After the war was over an increase of \$1 a thousand was announced. Along with the increase came price decreases in other items to balance the increase allowed on this particular grade of lumber. It is asserted that many of the producers of lumber on which decreases were granted to even up the price were already in the red, with the result a curtailment of production.

We must, of course, recognize that there are always marginal producers in every line of industry. Prices cannot be fixed to make all prosperous. There is always a reasonable limit to what could or should be done, but that reasonable limit is not in fixing prices below a reasonable average cost of production.

I can commend the proposed amendment of the gentleman from Arkansas to the favorable attention of the House.

Mr. GAMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, "Although OPA will be necessary for a while longer, definite limits should be placed on this and other controls. Extension of Government controls hampers production and increased production is the only way to raise living standards and avoid inflation."

That is the statement of the American Federation of Labor appearing in its current monthly survey. It is sound and clearly expresses my position on OPA.

The Office of Price Administration is a wartime agency. The war is over. Its purpose has been largely served. Its basic principle is antagonistic to the natural law of supply and demand; therefore, as properly pointed out by the American Federation of Labor its continuation should be restricted within definite limits. The bill before us, H. R. 6042, for continuing price control, however, does not extend the life of OPA to within definite limits. Property owners are left entirely to the arrogance and persecution of its administration. Under its unreasoning methods, black markets flourish, scarcity prevails, housing shortages exist and grow worse, essential commodities are unobtainable, inflation is created, and the people generally are inconvenienced and made to suffer.

The cost of living has increased in spite of the OPA.

The cost of owning and maintaining property, including taxes, labor, and all material, has greatly increased since 1941. Nevertheless, income from housing units are frozen and small-property owners deprived of income on which their living depended.

This unfair condition will not be corrected under the present bill, unless it is amended. It should be amended by an over-all increase in rent or by requiring the Administrator to make adjustments sufficient to insure a reasonable return on investments. If we believe in justice, we should restore it to a segment of our population to whom justice has been denied by the OPA—and I refer to the small-property owners.

Theorists in the administration of Government, including the OPA, have become imbued with the notion that increased cost of production can be absorbed by the producer or distributor without passing it on to the consumer. This fantastic and unrealistic formula is the cause for much of the present scarcity and shortages in consumer goods. It is an attempt to beat simple arithmetic. Individuals cannot do it, and Government is now discovering it cannot do it, either.

The arbitrary and autocratic administration of rent control in the Detroit, Mich., area, where rents were frozen as of April 1, 1941, has reached a point where the harassed property owners have appealed to the common council of the city for relief, and that body passed a resolution on March 12, 1946, requesting the OPA to make not only a survey of the complaints but also a fair and equitable decision on the merits of the cases presented.

The rights of ownership of property, business, and private enterprise have been flouted and ignored by the high-handed methods of this agency during the war. On more than one occasion I have taken this floor to protest the injustices inflicted on loyal citizens. The war is over and they will not tolerate a continuation of these unconscionable conditions in peacetime. The feeling among people engaged in conducting small-business enterprises—and they represent the backbone of our national economic life—is expressed by one man who wrote:

If OPA is to get a lease on life, it will be because of others than the small-business man.

I propose to vote for every amendment to this bill which will compel the OPA to administer the law with reason and common sense and the intent of Congress. I intend to offer an amendment to extend the life of this agency 9 months instead of 1 year, as now provided in the bill. I shall also oppose every effort to remove the so-called Crawford amendment from the bill.

If our free economy is to survive, if our competitive system is to endure, if the natural law of supply and demand is to be restored, if America is to move forward under the long-established and time-tested principle of private enterprise, then Government controls must be removed without unnecessary delay.

The words of Thomas Jefferson, describing the intolerable conditions existing in the Colonies caused by the English Crown, when he wrote the Declaration of Independence, fly at us today with increasing force as we contemplate the well-nigh intolerable conditions created by the maladministration of price control. Jefferson said:

He has erected a multitude of offices and sent hither swarms of officers to harass our people.

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

Mr. STEFAN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include a letter, permis-

sion for which I will ask when we go into the House.

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

There was no objection.

Mr. STEFAN. Mr. Chairman, I have listened to nearly every word of the debate on this very important legislation. It seeks to extend the life of OPA. I have also read most of the hearings. The people in my district are law-abiding people. They do not want run-away inflation. Neither do they want regimentation, nor the loss of freedom. I call your attention to the statements just made by the gentleman from Ohio [Mr. JONES]. This has to do with the enforcement phase of this subject of price control. I feel that the public-relations part of the OPA need considerable revamping. Voluminous mail I am receiving on the enforcement part of the program indicates this necessity. I hope something can be done about it when we read this bill for amendments. Among the scores of letters I have received recently most of the complaint is regarding enforcement. From these many letters I have selected one which I use as an illustration. This letter comes from a friend. He is one of the finest merchants in my district. He is a great American and a real law-abiding citizen. He has the interest of our country at heart. He represents merchants who at no time intend to violate any rule or regulation. I do not use this man's name because of obvious reasons. The letter follows:

APRIL 10, 1946.

HON. KARL STEFAN,
House of Representatives,
Washington, D. C.

DEAR KARL: It has been some time since I have written you my criticisms or gripes or what have you, that we fellows out in the sticks usually write our Congressmen.

Again, it is OPA, and it is not because they have stepped on my toes either. That is, not so far. But they have really been taking the boys up and down the street. One for \$240, one for \$350, another \$75, and so forth. Now these boys are old-time businessmen in Wahoo, they have always run a decent business, they are our most substantial citizens and have been trying to the best of their knowledge to live up to the principles of price control. It is not only the cost of the deal that they are concerned about, it is the humiliation of being taken up on the carpet.

The counts they were taken on were technical in character and if you will just try to thumb through a bunch of those OPA directives, and attempt to translate them, you will soon find that it is humanly impossible for the average businessman to interpret them and put them into effect without the assistance of legal advice and plenty of it.

Here is what is happening in most cases, not only with the men that are being pinched, but their friends as well. They are very bitter, not only against that department of the Government, but it extends to all other branches. They want to cash their bonds, have nothing to do with any program that calls for civilian cooperation, and replace every officeholder with a new one. Really, Karl, I believe this is the greatest threat we have today. It is Gestapo in its most flagrant form.

There are a lot of other evils that could be placed at the doorstep of OPA, such as

production curtailment, black market, and red tape of every sort, which you are well aware of. I feel that for the safety of our democratic form of government, we should end it as soon as possible. Sure we will have some inflation and experience some ill effects, but the cure is so much worse than the disease that we can well afford the disease. At least, we will retain our freedom. We are not yet ready to trade our American way of life for communism under any assumed name.

Yours sincerely,

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. GWINN].

Mr. GWINN of New York. Mr. Chairman, it must be true that a handful of patriots really save the country from time to time when you Members sit here so patiently as you have this afternoon. I want very briefly to give you a little sketch of 4,000 years of uninterrupted failure of OPA as applied in the experience of nations from the beginning of civilization. We have heard from time to time that our experience with OPA dates from Leon Henderson, or from 1942.

That American passion for economic freedom has deep roots in our history becomes clear when one reads the words of the president of Princeton, John Witherspoon, in a letter to George Washington:

Fixing the prices of commodities has been attempted by law in several States among us, and it has increased the evil it was meant to remedy, as the same practice has done since the beginning of the world.

Is that really true? What does the historical experience of mankind teach about this fundamental issue, which touches the life of every man, woman, and child?

We may begin with the story of the Roman Emperor Diocletian, who, in A. D. 301, issued an imperial edict fixing the prices of commodities for the whole Roman Empire. His grandiose scheme was ushered in with a fanfare of benevolent propaganda. In fact, in the preface to the edict, the Roman Emperor shows an insight into the laws of psychological propaganda technique which is as startling as it is up to date. He assures his people that the coming economical control system is built on the highest motives of making the whole nation participate "in the blessings of that peace for which we have laboriously striven." He continues that in order to make this price-fixing system work, it is necessary for the rulers like "watchful parents of the whole human race" to help the people with remedies from above, and that such measures have become necessary, since humanity cannot achieve such good results by its own free action.

The edict goes on to explain how the people have become greedy; how exorbitant profits were being made; how monopoly was running wild, and the people, therefore, needed protection from foes within as well as foes without. The only cure was a complete over-all control of food, clothing, wages, and so forth. Reading the list of commodities which the Emperor asked his Chester Bowles of that day, Maximianus, to take

control of, reads astonishingly like our own modern OPA lists: Farm products, dyes, needles, feathers, filling for upholstery, seeds, wine, oil, meat, poultry, fats, sea food, building timber, wooden posts, finished wagons, agricultural implements, and so on ad infinitum.

In order to enforce his imperial law, Diocletian built up a huge bureaucracy to administer his universal price-control system. A contemporary observer has characterized the situation in the following words: "The number of ministers, of magistrates, of officers, and of servants who filled different departments of the state, multiplied beyond the example of former times."

The price-control police forces of Diocletian had as their legal weapon, severe penalties against any breach of the law. Death was the punishment for those who dared sell above maximum prices. Death also for the buyer who aided and abetted him. Death, too, for those who bought and sold illegal stocks. However, human nature being what it is, these penalties did not affect the general picture, and no bureaucratic machinery or legal apparatus could prevent a complete break-down of the law of supply and demand with all the economic and social evils resulting from it.

Economic historians of the Roman Empire find that a situation developed which was as tragic as it was prophetic. Because the scarcity of production was heightened by the interference from price-control laws, prices on consumers' goods in the actual market rose to catastrophic heights. The control system which was put into operation to combat inflation, in this manner actually created inflationary trends which broke the backbone of the economic life of a great empire. Everywhere the results soon became visible: Building and construction stopped entirely. The arts and sciences fell into decay to such an extent that modern historians immediately can recognize the crudity and purity of the craftsmanship of this period. Artistic creativeness and inventive skill did no longer thrive in this new atmosphere of economic tyranny.

History goes on to point out that while the economic waste was incredible the trades sank to ever lower levels. Poverty was created among the broad masses, while the merchants and small entrepreneurs were impoverished into bankruptcy. Landowners and manufacturers, who were the hardest hit, lost interest in a system of economic slave control that took away the private inventiveness and enterprise of the human genius.

In the realm of agriculture the situation became so bad that the Emperor found it necessary to order the farmers and the farm laborers controlled by serfdom under state supervision. That this measure could only lead to a worsening of the agricultural situation is perfectly explainable by the well-known historical law, that soil tilled by slave labor never yields abundant fruits such as land cultivated by free farmers.

To meet this general extremity of national economics, the Emperor, therefore, naturally turned to the device which is as common as it is artificial, namely, of exorbitant taxation. Taxes and surtaxes

multiplied in a hopeless effort to fill an ever-empty treasury.

Thus ends the only total price-control system which the history of the Roman Empire records. Diocletian alone, of all the Roman emperors, was foolish enough to attempt it. If he had listened to the history of his empire he might have observed how earlier attempts of partial price fixing under emperors like Tiberius, Commodus, and Alexander Severus all had broken down. However, like many panic-stricken tyrants in the history of mankind, Diocletian apparently fancied that, if the price-control system only could be made totalitarian and fool-proof, it would work where partial attempts have broken down. He lived to see the tragic mistake of his economic tyranny over a whole nation's life, since his experiment ended with such a complete failure that the edict had to be repealed as useless and unenforceable. Soon after the poverty-stricken and indignant people forced his abdication, on May 1 A. D. 305.

The more serious lesson of this Roman price-control experiment is grasped, however, only if one realizes that its long-range effect on the Roman Empire was directly connected with the economic destruction of the greatest empire of ancient history. As the historian Jules Toutain has pointed out, the economic break-down of the Roman Empire made it fall an easy prey to the attack of the barbarians who, a few generations later, poured in over the borders of the empire south of the Danube and west of the Rhine. What had once been a proud and great nation had deteriorated into a mass of people which had lost both the productive initiative and the national self-esteem which make a people strong and healthy. One of the fundamental laws of national defense is that only a nation in which freedom has been preserved under law is able and willing to take up arms in defense of human rights and human dignity.

Upon the grave of the Roman Empire the well-known historian, Samuel Dill, of Oxford, has written the following epitaph, which we may do well to remember:

The system of bureaucratic despotism, elaborated finally by Diocletian and Constantine, produced a tragedy in the truest sense, such as history has seldom exhibited: in which, by an inexorable fate, the claims of fancied omnipotence ended in humiliating paralysis of administration; in which determined effort to remedy social evils only aggravated them until they became unendurable; in which the best intentions of the central power were, generation after generation, mocked and defeated alike by irresistible laws of human nature and by hopeless perfidy and corruption in the servants of government.

II

The temptation for people in power to tamper with prices and production seems to be a very ancient human game. Thus, in the Laws of Hammurabi, King of Babylon—2285–2242 B. C.—we find wage controls for boatmen, reapers, threshers, shepherds, laborers, artisans, bricklayers, tillers, stone cutters, milkmen, and carpenters. Regulated also were builders' fees and warehousing, as well as rental of cows in milk, calves,

oxen, wagons, and freight and passenger boats. On the basis of historical evidence, we know that ancient history, throughout the changing centuries, is characterized by a never-ending succession of popular upheavals against tyrannical rules and regulations imposed upon the people from above. This continued strife reveals one of the fundamental themes of human history—a struggle between regimentation and freedom.

We find later laws in ancient history, like, for example, the Hittite Code—1350 B. C.—which was discovered in Baghaz Koi in Asia Minor, that attempted to establish provision for wages and prices. The very fact that such laws had to be abolished or drastically revised under popular pressure indicates that even in ancient times rulers met with deep-seated resentment against their attempts to block the activities and trade of their citizens.

It is not surprising that kings, who were notorious for their excessive egotism, should be found in the list of rulers bent upon price control. There is Phillip IV, of France, who, in 1306, antedated Hitler's Jewish pogroms by six centuries, and who created a dire scarcity of wheat, bread, and clothing throughout his nation by his price-control system.

There are English kings, like Henry III and George II, who tampered with prices on grain and bread until Parliament rose up in indignation and repealed these royal price-control attempts.

There was Edward II, who, on an island like England, hit upon the ridiculous scheme of safeguarding production level on sea food by a control system which was inaugurated as a benefit for the people, but actually turned out to be such an impossible flop, that all fish disappeared from the markets in the British Isles.

A complete survey of ancient, medieval, and modern price-control systems proves that they created scarcity instead of production and ill will instead of cooperation. One of the most illustrious and meaningful examples of this historical law we find as we turn to the history of the French Revolution.

When the leftists of that day, the Jacobins, decided to destroy French culture and French enterprise, they made use of the old tyrannical medium of a violent price control. Being experts in revolutionary technique, they chose to place iron control upon 39 necessities of life under the agency called Committee of Public Safety. They planned to coerce farmers, traders, merchants, and the public into a state-controlled economy for the benefit of the revolutionary party. However, as has been repeatedly the case down through the ages, the fiercest and most sustained opposition came from the farmers, who refused to become the pawns of a party machine.

The picture of what happened to the French revolutionary price control system runs true to pattern. Production came to a halt, hoarding multiplied, and bribery of officials became commonplace in every French village. In the meantime the people with special pull or with money were able to secure products in a vast black market. In spite of rough

enforcement by tough administrators, the revolutionary price control office could not prevent the paralysis of the organs of supply and transport.

The law had put under national compulsion "all who help handle, transport, and retail products and articles of prime necessity," and yet both producers and transport, as well as labor and traders, rose up against this tyrannical state enterprise. Finally the battle became so violent that a counterrevolution took place, and on July 23, 1794, Robespierre, Saint-Just, and Couthon were guillotined as enemies of the people.

Some months later, the representatives of the French people met to remedy the disaster brought on by the revolutionary price control, and in December 1794, the agency with that fictitious name, Committee of Public Safety was legally abolished. A sigh of relief and a new spirit of self-governed activities swept through France. The farmers ploughed and planted, and during the month of July 1795, they could once again harvest their crops as free men after the disastrous and negative years of revolutionary price control. Liberty had conquered once more.

III

Coming now to the United States, we find here the resistance to Government tampering with the laws of supply and demand greatest of all. A limited price control was attempted during the American Revolutionary War, but the alert and freedom-loving citizens, taught by experience, soon totally rejected this Government interference with the economic life of the States.

Led by Connecticut and Massachusetts, the New England States went in for regulating prices early in the Revolutionary War. This emergency measure was motivated quite as much by the fact that the continental currency lost its monetary value as by the self-evident fact that British blockade created a severe shortage of consumers' goods. The inevitable result was that the 1774 price level soon broke down, and as early as the spring of 1777 Connecticut, Rhode Island, and New Hampshire were forced to raise the level for maximum prices. In Rhode Island, however, the town of Providence objected strenuously. It directed its representatives in the legislature to fight such measures, as they created scarcity and produced animosity.

In Connecticut, Governor Trumbull warned in a public statement:

If we affix a low price to provisions and articles of importation, we shall find that the farmer will cease to till the ground for more than is necessary for his own subsistence, and the merchant will not risk his fortune on a small and precarious prospect of gain.

The good governor was really advocating what later generations prefer to call controlled inflation, even though he must be excused for not knowing the modern devices of economic deception called farm subsidies and cost-plus contracts.

Soon the States, including New York, Pennsylvania, and New Jersey, began to labor under keen misgivings, however, that the price control as such was a deceptive technique. This discovery led

to an interstate convention being called in New Haven in January 1778. The war was still raging and the longed-for victory for independence still did seem war away. In a stampede of economic panic, the delegates voted, therefore, to adopt a price advance of 75 percent above the 1774 price level.

What was meant to be a radical cure threatened to become a disaster, since a run-away inflation soon began to encompass the national economic life. The Continental Congress very quickly realized that it had to reverse its policy in order to avert sure economic doom. In its meeting of April 8, 1778, it declared, therefore, to the sorely tried war-torn Nation:

It hath been found by experience that limitation on the prices of commodities is not only ineffective for the purpose proposed, but likewise productive of very evil consequences to the great detriment of the public service and grievous oppression of individuals.

The courageous and wise pronouncement by the Continental Congress had a reassuring effect upon the States. In fact, so much so that price fixing was permitted to lapse for about a year. During this period, the American people discovered that price fixing could not serve as a safeguard against the heavy inflation which their just war of Independence gave them to carry as an additional price for freedom. They recognized this as an economic fact which proved that, measured in money values, they all were becoming poorer as together they were winning their freedom.

In 1779, the last brief attempt was made at price fixing as a remedy to control a deeply wounded war economy. On May 25, 1779, the town of Boston adopted a price schedule for 15 articles on a month-to-month basis. And in July of the same year, a State convention at Concord adopted a general price level, stipulating that "violators were to have their names published in the newspapers as enemies of the country." The background for this threat against violators was, of course, the fact that the very outcome of the whole war hung in the balance.

Yet, even so; history records that penalties were rarely imposed. Indeed, the laws were, for the most part, not enforced. They remained, as Prof. Allan Nevins has pointed out, on the statute books.

And as soon as the fortunes of war turned, the States rid themselves of the fruitless and scarcity-producing price-control system, which they had grasped in a moment of panic. It is to the undying glory of the men and women of the Revolutionary period that a whole year before Cornwallis surrendered at Yorktown, all the States had already repealed their price control laws.

Such was the depth of their belief in freedom as a producer of goods and services. Price control in America was over—not again to be revived for 160 years.

They fought not merely for independence. They fought for freedom and learned right in the middle of war itself that freedom produces more food and clothing and shelter than controls can

produce. They emancipated freedom from Europe and European controls.

Then began the era of food and shelter not merely in America but it spread around the world. Prior to year 1800, starvation and famine recurred in every nation about every 10 years in war and peace alike.

Mr. Chairman, this debate has clarified one fundamental thing; namely, the fact that we are today witnessing the old, old fight between two contradictory political systems of government. On the one hand we have the advocates of continued government control over national life and national production. They willingly abandon freedom. To continue the OPA for 1 day beyond June 30, 1946, would be clear proof that the European idea of government control and government domination and compulsion has moved permanently into the political philosophy and political life of this great Republic.

Those who do not believe that freedom will solve our economic problems should stop fooling themselves. They continue to talk about freedom, but they do not really believe in it. They give lip service to liberty, but the moment the test comes they call for continued and increased power for public officials.

Mr. Chairman, the test is here. The test has been long overdue. Are we going to give our people, and the rest of the world, true statesmanship, built on first principles?

I am reminded of the words of a free American from the debate on price regulations of February 14, 1777, in the Continental Congress, where Mr. Benjamin Rush stated:

The salvation of this continent depends upon the authority of this Congress being held as sacred as the cause of liberty itself. It becomes us, therefore, to be careful of the remains of our authority and character.

We know that what this Nation and other nations expect from the United States at this crucial moment in history is production and more production of vital foods and clothing and shelter for consumption at home, and especially food for people abroad. Half of the starving are dependent upon us. The managed, controlled, and forced spirit of man will neither produce nor work nor fight nor make sacrifices necessary to rebuild a world civilization which was wrecked by an evil domination system which was built on absolute Government control.

It is deplorable that 13 years of false indoctrination has dulled our sense of liberty, our passion for its products. Having won a complete victory over Government-controlled systems in Germany and Japan, we too are in danger of continuing to follow the false philosophy of good coming from Government interference, the Hegelian doctrine of the omnipotent state. It is Hegel who said:

A state is the divine idea as it exists on earth and we must therefore worship the state as a manifestation of the Divine on earth. The state is the sole condition for the attainment of the particular end and good. The state must, in its constitution, permeate all situations.

Mr. Chairman, this is the right time to abolish a system of "omniscient" price regulators and their 62,000 bureaucrats.

This is the time to remember how utterly, miserably wrong these reconversion and OPA gentlemen were in their basic estimates of America and of America's power of recovery and production. They predicted unemployment, misery, and scarcity. Mr. John Snyder talked of 6,000,000 unemployed by December 1945. Mr. Schwellenbach and Mr. Wallace were sure of 6 or 7 million unemployed by spring 1946, while that expert in Marxist logic, Mr. Sidney Hillman, wanted to hoist the number to 10,000,000 unemployed.

The Members of this House are the representatives of a free people against these prophets of doom and gloom and their fundamental philosophy of life and government so completely out of line with truth and fact. I agree with Mr. Chester Bowles that "what is at stake is our entire economic future," only I believe that our future, as our glorious past, should be dedicated to freedom and faith and not to OPA and fear.

We have corruption and we have black markets because we have man-made control instead of adherence to that fundamental law called the law of supply and demand. A natural law which is as inevitable and basic as the law of gravity cannot be set aside by any law even of Congress. Freemen meeting in a free market doing their free selling and buying proves to be far more honest in the long run than people who have Government officials looking over their shoulders every time they turn or every time they finish a product. Freedom is more honest than government and so much more productive.

Everything that is happening now points to the fact that if we now continue to substitute expediency for faith in freedom we are on the road to weakening more and more the central idea upon which the Republic was founded. We are on the way to corruption and disintegration. To guarantee that this catastrophe shall not happen to the last bastion of free enterprise or free economy in the whole world the OPA must go.

If we cannot read history so well or act so courageously as our forefathers in dealing with price controls, we can imitate them. Let us take a leap of faith in freedom if we would have food and clothing and shelter.

Mr. SCHWABE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GWINN of New York. I yield.

Mr. SCHWABE of Missouri. The Government even offered the inducement of the cost plus 10-percent contract in order to get production.

Mr. GWINN of New York. That is correct. We adjusted the contracts afterward and sent no boys from the Bronx around with bundles of papers to ask the producers of this country to sign up before they started work on the planes, ships, tractors, and tanks.

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. Buck].

Mr. BUCK. Mr. Chairman, if the Congress were to enact legislation forbidding the ebb and flow of the ocean tide, and then appropriate money for the building of dams to enforce its law, Congress would be doing nothing more

futile than it does when it attempts to control prices in peacetime.

Ocean tides are caused by an irresistible natural law. Prices, over longer periods of time, are set by another natural law known as the law of supply and demand. Never in the history of the world has that law been successfully set aside except temporarily. It never will be.

Mr. Chairman, I speak on these subjects out of considerable study and experience.

For nearly a quarter of a century I was an executive of a business whose success or failure hinged on accurate forecasts of supply and demand and prices in some of the remote corners of the world.

As to inflation, I sensed its probability when the pattern of the New Deal became set following the election in 1932. I mentally charted inflation's course and in my mind's eye set up figurative signposts to mark each definite phase of its development. My timing has been bad. My chart has otherwise been surprisingly accurate.

The basic purpose of OPA was to hold back inflation by controlling prices.

I grant that during the war OPA was successful. What was the economic situation then? Both consumers and producers were motivated by patriotism. Consumers refused to patronize black markets. Producers, in addition to the patriotic urge, were encouraged to produce to the utmost both by guaranteed, but limited, fair profits, and by permission to include higher costs in sales prices. During war we had a controlled economy. Under it OPA was a necessary and successful part.

What is the economic situation in our country now that shooting war is ended? Entirely different than what we had before.

We now have—

First. Huge purchasing power in hands of consumers. They want goods and can pay for them.

Second. Shortages of needed goods as a result of war curtailments.

What would have happened under these circumstances under a normal free economy? Just this—

First. Producers would be bending every effort to produce goods to meet consumer demand, and profit proportionately.

Second. A quick rise in prices which would stir producers to even greater production.

Third. A flood of goods on the market which would quickly (a) meet consumer demands, (b) reduce prices as demand became satisfied.

Thus, under a normal free economy, we would by now be well on the way toward a plentiful supply of goods at prices resting on the firm and age-old foundation of balance between supply and demand.

But what has actually happened under OPA controls since the shooting war ended?

First. The huge purchasing power in the hands of the people has continued. Its pressure on the economy has even increased due to frustration and passage of time.

Second. Shortages of needed goods have continued and are even worse. The reason for the shortage is that producers, faced with higher costs and limited by OPA ceilings, have naturally been unwilling to produce at a loss.

Couple huge demand with insufficient goods, then add controls which prevent production of goods, and the result is inevitable. That result is rampant black markets and accompanying break-down in the economic structure. That is what we have today under OPA.

Let me briefly review what OPA has brought us since the shooting war ended.

First. Scarcities of goods. Witness butter and housing.

Second. Black markets. Witness beef.

Third. Higher costs of living. Witness arguments in this House for increased salaries for Government employees.

Fourth. Inferior goods. Witness the quality of men's shirts one can find in stores—if he can find shirts at all.

Fifth. Inflation, which is but another way of saying unsatisfied demand for insufficient goods.

Mr. Chairman, with that record of failure, I cannot see justification for OPA's continuance except as to rents on existing buildings.

Americans, I am sure, would rather have plenty of goods at sound, fair prices than unobtainable goods at low prices.

To attempt to cure our country's economic ills by imposition of artificial price controls is like attempting to cure appendicitis with an injection of morphine—neither effects a cure. And the longer we continue unrealistic controls the longer will full production be delayed.

I proceed now to make specific comment on the bill which is before us. Section 1 A on page 2 begins with a brave statement that price controls and subsidies shall be terminated without further extension not later than June 30, 1947, and that on that date the Office of Price Administration shall be abolished. The very same paragraph then goes on to prove that the determination to terminate was not brave at all. The paragraph provides that as to commodities still in short supply on that date, price controls will continue and their administration will be vested in the several Government departments. OPA closes up, but its personnel merely moves over to Agriculture, Interior, Commerce, RFC, as per the old familiar pattern.

Further proof that termination is not intended appears on page 4, paragraph (d) (1). Here is provision that even after price control has been removed as to a particular commodity, the President may, after a period of only 60 days, set in motion the reimposition of maximum price controls. Let us examine this provision more closely. Price control has been taken off, for example, on butter. There is still an unsatisfied demand. The price thereupon goes up. Then, rather than permit the law of supply and demand to meet the situation by the stimulation which those higher prices would bring to production, and before the farmer could even begin to raise more heifers to produce more milk to produce more butter—bang—price controls are imposed again. The farmer veals his

calves and the butter shortage continues its unhappy course.

If I have made my point that price controls create and continue shortages, then paragraph (b) (1) at the top of page 3 is an entire anomaly. To say that price controls on particular commodities shall be removed upon satisfaction of domestic demand therefor is like telling a man that he should stop working when he has succeeded in emptying a barrel of water with a sieve.

Page 8, section 7 (c) sets up a provision whereby there shall be no maximum price on a new commodity which increases the life or reduces the cost of production of some other commodity. There is a proviso, however, that use of such new commodity must not increase the price of the end commodity to the ultimate user. Here is an example of careless thinking. If the new commodity increased the cost of the end commodity by 10 percent but at the same time resulted in a finished article whose usefulness was as superior as the electric lamp is to the tallow candle, price control would nevertheless be imposed.

I applaud the abolition of MAP on page 9 of the bill. The necessity of such abolition illustrates the futility of attempting to control fundamental economic processes by artificial rules and regulations.

In conclusion, I believe that rent controls on existing buildings should be continued. Beyond that, economic history proves that attempts to set aside so fundamental a force as the law of supply and demand can only fail as OPA has failed.

The longer we fool ourselves into thinking that the impossible can be accomplished, the greater the punishment we shall suffer before we finally come to our senses.

So bring on your crippling amendments. If we cannot kill this monstrosity, let us at least cripple it thoroughly and render it incapable of bringing further harm to our country.

Mr. GAMBLE. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, today I received a letter from a very reliable and dependable ex-serviceman of Des Moines, Iowa, from which I desire to quote as follows:

My DEAR CONGRESSMAN: I was just recently discharged from the Navy after serving 4 years, in which time I saw service in the Solomon Islands, Guadalcanal, and later in the Philippines. Now I am in a small business trying to make a decent living for my wife and myself.

But on returning home I find that a man can no longer work for what he considers an honest living—one which I believe I am entitled to. Millions of fellows like myself fought for that right. Was it all in vain?

My main complaint is the OPA, which you may think is a very good thing. You no longer have a right to run your own business. Some people sit around a bunch of offices telling you just what you are to do. What the hell do they know about it? Little guys like me are taxed to death just so they do it.

The OPA was supposed to do away with black markets, but instead is making more than ever. Small business hasn't a chance. I have a good meat case in my store and because of OPA I can't keep meat in it. I

know the packers are killing plenty of beef, but they are shipping it out.

Why in the hell do we have to feed the starving countries of Europe? I've seen my buddies killed or all shot up by those poor starving people of Europe and Asia. My friends and buddies of 1941 are lying in holes over in starving Europe. Scores of them are crippled for life just because they wanted the world a better place. Is it democracy, what is it? In my 4 years in the Navy I didn't see any.

I fought for my country and now I want a chance to do a little something for myself with a half a million different Government bureaus flying overhead like a bunch of vultures.

I need fresh meat to carry on business and if the black market is the only way I can do it, that's how it will be done because my customers are going to go where they can get meat and they don't care whether it's black, blue, or purple market.

I am not much at writing or talking, my education was interrupted. My 4 years that should have been spent in college were spent as an enlisted man in the Navy. In Navy lingo the OPA isn't worth the powder to blow it to hell.

This is signed by the serviceman. The letter is in my possession for anyone who cares to see it.

Mr. GAMBLE. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho [Mr. DWORSHAK].

WHY IS THERE A BUTTER SHORTAGE?

Mr. DWORSHAK. Mr. Chairman, today the consumers of our Nation are experiencing the greatest shortage of butter in our history. Price relationships of dairy products are so unbalanced that proposed regulations soon to be announced by official Washington cannot relieve the situation. OPA controls and subsidies have thoroughly disorganized the dairy industry; although the price of butter has been held at a low level to the consumer, there is only an extremely limited supply of this commodity available.

Production of dairy products has been declining rapidly in Idaho, one of the Nation's leading dairy States. The high peak of dairy cows on Idaho farms was reached in May of 1944 when the United States Department of Agriculture estimated we had 251,000 cows. By January of 1945, this number was down to 248,000. In December 1945, the United States Department of Agriculture declared Idaho had 226,000 cows left. This shows a decrease of 10 percent in Idaho's dairy-cow population in 19 months.

Mr. H. G. Myers, prominent Ada County dairyman of Boise, Idaho, recently declared:

The largest amount of butter was made in Idaho in 1942 when we produced 37,561,045 pounds, according to the United States Department of Agriculture. This volume fell to 30,680,000 in 1945. It was, I believe, in 1943 that the shift of milk in larger quantities to cheese, evaporated milk, and powdered milk began at the urgent request of the armed forces for dairy products which could be shipped around the world.

IDAHO PRODUCTION DOWN 70 PERCENT

Revolutionary changes have come about in the butter and cream markets in the last 6 months, according to Mr. Myers. These changes, he said, were as unexpected as they are astounding. The production of butter in the Nation is down about 30 percent below the production of a year ago. The production

in the Western States is down about 40 percent. Idaho production of butter is down nearly 70 percent. In February 1945 Idaho produced 2,240,000 pounds of butter. In February, 1 year later, Idaho made only 665,000 pounds.

Mr. Myers has also made the following observation:

The price of butterfat in butter is 10 to 15 cents less than the sale price of butterfat in sweet cream. Just for a moment consider what that means on the volume of butterfat or butter for some creameries. Take the creameries at Meridian and Caldwell. These two plants have an average butter production of close to 14,500,000 pounds per year for the last 4 years. The 10 to 15 cents difference between the price of butter and cream would mean perhaps \$1,000,000 to \$1,500,000 per year to the thousands of dairymen of Boise Valley who sell through them. That is the reason why butter is hard to get now and why it may vanish from the market if price ceilings do not change.

It is obvious that OPA controls and ceiling prices have been largely responsible for the curtailed production of butter. It is only logical that, if the price of this product is below the cost of production, dairymen will divert their milk output into other products—and that is why the housewives of our Nation today are unable to find butter in the grocery stores.

CIO WOULD DESTROY DAIRY INDUSTRY

Mr. Chairman, it is interesting to observe that, while the CIO leaders have been calling strikes to force wage increases for their members, the Political Action Committee of the CIO has consistently been opposed to the dairy farmer. This was particularly true throughout the war period when CIO members were receiving abnormally high wages. An illustration of this occurred on June 21, 1943, at a hearing conducted by the House Committee Investigating the National Defense Program in its relation to small business. Every dairyman should read the testimony of that hearing and then he would know how the CIO and PAC have been working against him. I shall quote from the testimony at the official hearings when Mr. H. S. Haddock, representing the CIO Maritime Union, was a witness in regard to the sale and consumption of oleomargarine and butter. On page 1171 of part 18 of these hearings, Mr. Haddock was asked if there was a difference in food value of these two products. Mr. Haddock replied, "Yes; oleomargarine has a greater food value than butter today." Then, on page 1172 of the official hearings, when asked the question, "What is butter selling for?" Mr. Haddock replied, "Fifty cents, I believe; it should be rolled back to 25 cents a pound." Then the question was asked, "What would the farmer get for his milk?" and Mr. Haddock replied, "I do not know since the increase in feed; but in 1939, with the feed at that level, a farmer at 25 cents per pound for butter—if he utilized all of his milk products—should make 12 cents per pound."

PRICES AND WAGES COMPARED

Then the CIO-PAC outfit has been keeping a group of so-called "economists" to advise the OPA as to what it should do about food prices—which means farm

prices. The dairyman has had his butter price frozen at 55 cents per pound, his cheese price frozen at 29 cents per pound; but the CIO and its "friends" in the administration obtained \$1.44 per day increase in wages for making farm machinery.

Mr. Chairman, it is apparent that not only is there grave concern on the part of American consumers over the vanishing supply of butter, but dairymen are beginning to wonder whether there is active collusion on the part of the administration and the CIO labor leaders to destroy the dairy industry. It is unfortunate that the Office of Economic Stabilization, the OPA, and other Federal agencies fail to comprehend the need of raising price ceilings of dairy products in order to stimulate production. Consumers certainly prefer to pay higher prices than to be deprived of the opportunity to purchase these essential foods.

In eastern Idaho the Upper Snake River Valley Dairymen's Association has about 7,000 members who have contributed materially to the wartime production of dairy products. I have just received an appeal from Mr. E. S. Trask, general manager of this association, for congressional action which will relieve the dairy industry of its current plight. Because of the timely information contained therein I have asked permission to insert at this point Mr. Trask's letter, as follows:

CONDITIONS WORSE THAN DURING WAR
APRIL 5, 1946.

Representative HENRY C. DWORSHAK,
House Office Building, Washington, D. C.
DEAR REPRESENTATIVE DWORSHAK: Just a few lines to let you know what I believe the majority of our more than 7,000 members, both active and inactive, are thinking in regard to OPA. Of course, I do not presume to know what each individual has in mind, but from those to whom I have talked I gathered the information that the present situation is far worse now than it was during the war.

OPA price ceilings are compelling us to ship cream practically all over the United States—most of it, however, going to Utah and California. If we made butter out of this same sweet cream, we would lose about 13 cents per pound. The dairy industry, which we have spent 15 years in building up, is rapidly declining due to the fact that dairy farmers cannot continue to produce due to high labor and feed costs.

Even though we have strained the point and paid 74 cents per pound butterfat for whole-milk production, yesterday we received 157,644 pounds of milk at Idaho Falls, compared to 196,731 pounds the same day a year ago, or a difference of 39,087 pounds, and with the increase in our general overhead, which includes plant labor, supplies, hauling, etc., it is impossible for us to return to producers as large a share of our returns from dairy products.

It is no longer a matter of whether producers like dairying or not. They just do not feel that they can devote their time, which is valuable in this postwar era, to a money-losing part of their farm activities and are rapidly changing to cash crops. Our producers have invested more than one-half million dollars in our plants, which would be worth very little without dairy production.

I am not speaking as one who has no direct interest in producing milk for on our own farm we have just decided to cut our herd of 25 cows in two which would not be considered if we were not losing at the very least \$5 a day.

One of our patrons near Rexburg recently stated to me that even though he had a herd

of 25 good Holstein cows, the man on a potato sorter with no investment whatever could make more labor income per day than he was making with at least a \$10,000 investment. All this, in my opinion, is chargeable to OPA.

If OPA had some people at the head of it with comparatively sound business judgment and all products as well as labor were brought under control, I can see that there would be a definite advantage in holding prices down.

Just recently I attended an advisory committee meeting in Washington on casein and the information developed there was that with a ceiling price of 24 cents on casein no creamery would make it unless they had no other way of disposing of their skim milk. The Argentine price has gone up to about 28 cents. It costs 4 cents to put it in the hands of consumers in this country. The committee recommended a 36-cent ceiling which I admit was probably 2 cents too high, but OPA will take care of that if they do anything, which I doubt.

The meeting was attended mostly by importers and the large handlers of the country. I had the doubtful distinction of being the only representative of producers. The meeting was not called for the purpose of giving the producer a break but was called due to the fact that some paper mills are already closed down and other large mills as well as some rubber plants it was reported would close in 30 days unless casein supplies were forthcoming. Argentina, as you know, now has a world market and we are up against every other country and they are outbidding our own.

The time required for OPA to make a decision is one of the many faults complained of. Apparently the do-nothing policy is followed.

I trust that you will look at this matter in a reasonable light instead of a political aspect. People in general, I find, are wondering why have a Congress when they turn the policies and even the laws of the Government over to bureaucrats. May I hear from you on this important subject?

Mr. GAMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from Iowa [Mr. TALLE].

MONEY WITHOUT GOODS

Mr. TALLE. Mr. Chairman, this afternoon I talked with Chairman Eccles, of the Federal Reserve Board, because I wanted to bring up to date the figures I used when I spoke about price control on June 21, last year, something less than 10 months ago.

I find that money in circulation—that is, money not in banks—as of February 28, 1946, was \$26,200,000,000. In 1940 it was \$6,500,000,000. I find that bank deposits, including demand deposits, time deposits, and Government deposits, have attained a grand total of more than \$150,000,000,000. Remember this grand total was \$60,000,000,000 in 1940. Then I find that Government securities which may be readily cashed and used as means of payment have risen to \$95,400,000,000. The comparable figure in 1940 was \$12,800,000,000. When you add the \$26,200,000,000, the \$150,700,000,000, and the \$95,400,000,000, you get a grand total of \$272,300,000,000. This gigantic figure represents our potential inflation as of February 28, 1946. Contrast this stupendous figure with its counterpart on June 30, 1940, namely \$79,400,000,000. That was surely large enough to cause grave concern in the minds of thoughtful people. Yet the increase since 1940 is nearly 350 percent. This is the money problem which is playing such a disturbing part in our economy today.

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

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

Mr. DONDERO. Can the gentleman tell the House and the country what portion of the deposits in banks is invested in Government securities? I understand it is nearly 70 percent of all deposits.

Mr. TALLE. The gentleman is substantially correct. The figure I have is 61.2 percent as of December 31, 1945. The gentleman has asked a most important question and I am prepared to furnish the following figures showing the distribution of ownership of United States securities:

Held by commercial banks—	\$30,000,000,000
Mutual savings banks—	10,700,000,000
Insurance companies—	24,100,000,000
Corporations—	66,700,000,000
Individuals—	23,000,000,000
Other—	10,400,000,000

Total held privately—	224,900,000,000
Government agencies—	27,000,000,000
Federal Reserve banks—	24,300,000,000

Total, interest-bearing securities—	276,200,000,000
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The "Other" item above includes State and local governments, savings and loan associations, foreign holdings, brokers, and dealers.

Our Federal debt as of today is \$274,300,000,000. Our potential inflation, I repeat, is \$272,300,000,000. In other words our Federal debt is our potential inflation. In other words, too, our banking system has become our money system.

The name of the committee which reported the current bill—the committee on which I am privileged to serve—is the Committee on Banking and Currency. When that title was adopted many years ago our money system was a distinctive thing and our banking system was a distinctive thing. Now, the two systems are in fact identical, and the Federal debt is the controlling force in both.

That is what I have referred to in previous speeches when I have said that we must stop monetizing our national debt. No price-control agency can stem such a money tide in the face of acute shortages of goods.

Mr. Chairman, what are we going to do about it? In June of 1945, I said:

Certainly the way out is not to deal with the effect alone. That is what we are doing in the bill before us. We are dealing with the effect only. We have put a lot of prices in a kettle. We have built a hot fire under that kettle. Every time we appropriate the billions of dollars which pass so easily in this Chamber we add more firewood and fan the flames under that kettle. We put the OPA on top of that kettle to keep the lid down. The prices inside the kettle are seething now. Is it any wonder that there are some puffs of steam here and there in the form of black markets? Is not this the time to consider whether the lid may be blown off unless we deal with the cause, not the effect only?

Once more I say the bill before us deals with effect and not with cause. My plea is that very quickly, in fact immediately, the most searching and intelligent attention be given to the cause of this serious problem.

The answer is increased production of civilian goods—increased production spelled with capital letters—so much production that the supply of goods will make ceiling prices unnecessary.

Hand in hand with that, if we want to dampen the heat of the fire that is burning under the price kettle, it is high time that we begin to think about cutting down expenditures. To repeat: We must increase production and decrease expenditures. Those methods, if properly pursued, will deal with the cause of our trouble. When the cause of the trouble is removed, the effect will disappear.

In conclusion, Mr. Chairman, I want to say that the American people are willing to be led, but not to be driven. They are patriotic, industrious, and reasonable. The price control law could not have been enforced for 5 minutes had it not been for the fact that our people are ready and willing to do what is right and reasonable.

Mr. Chairman, my final plea last June was "that price controls be administered with a view to getting maximum production, and that these controls be removed as soon as increased supplies of civilian goods and services make removal feasible. By all means, such controls must not be permitted to remain so long that the American people lose hope. If there is any one thing that has won the war for us down to now, it is the spirit of the American soldier and sailor; and if there is any one thing that has brought arms and equipment to that soldier and sailor, it is the spirit of American enterprise. I do not want the OPA or any other Government agency to destroy that spirit, for that is the soul of America."

Mr. Chairman, those words were spoken not long after VE-day, when some capacity for increased production of civilian goods was made available. VJ-day came in mid-August, and the way was opened for all-out production of civilian goods. What has happened since then?

I shall let Mr. Bernard Baruch answer in the words he spoke while testifying on the current bill before the House Committee on Banking and Currency:

The whole world is watching us, amazed at the exhibition of a giant who cannot pull himself together even to take care of his own needs.

I invited Mr. Baruch to expand on that important statement, which he did, as follows:

Mr. BARUCH. Well, what do you suppose any power thinks about us or any voice that we may raise when we cannot even function here? Our people are crying for the things we can produce and which we are not producing. The whole world admired and respected us, not alone because of our great soldiers and sailors—the fighting men and women we sent around the world, on land, on the sea, and in the air—but because we produced the tools and the arms with which they could do the job and without which they could not do the job. And wherever you go in the world, you will find American armaments—the Sherman tanks, and airplanes, guns, ammunition, food, and clothing. That is what I mean.

Mr. TALLE. Other nations must be very puzzled when they look at what they see here now.

Mr. BARUCH. Undoubtedly.

Mr. Chairman, money without goods—that is our two-sided problem. The solution is expansion of production on the goods side, and contraction of the Federal debt on the money side. If disaster is to be avoided there must come an immediate and gigantic flow of goods which people want and need—houses, automobiles, washing machines, refrigerators,

radios, electric irons, men's, women's, and children's clothing, all of good quality, to satisfy long pent-up demand. The money side must get equal attention. Monetizing of the Federal debt must stop. Deficit-financing must stop. Our gigantic debt must be reduced.

Mr. Chairman, this is a solemn hour in the life of our Nation. The strife of war has given way to the strife of peace. Those who promote the philosophy of economic control insist that more control is necessary. Those who believe in another philosophy—a philosophy which was successfully practiced in our Nation for a century and a half—have faith in economic freedom, in free, individual enterprise. This is not to say that all price controls should be taken off at once, for that would be a shock to our system.

But it is abundantly clear that positive action must be taken at once, for our productive machinery in industry is stalled. The solution, it seems to me, can be illustrated by what the engineer who runs the old-time steam traction engine does when the flywheel is on dead center. He grips the wheel with his two hands, gives it a quarter turn, then moves the levers—and the machine works. Industry is now on dead center. We must give it that quarter turn. Then the great productive force which amazed the world in time of war will equally amaze the world in time of peace.

Mr. GAMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. SCRIVNER].

Mr. SCRIVNER. Mr. Chairman, in the event Members were not present when I spoke on special order Monday, April 8, or did not have an opportunity to read my remarks, I take this opportunity to insert a proposed amendment similar to the one I discussed on that occasion.

This amendment, or one similar to it, in my opinion will restore Congress to its constitutional place in Government and curb the judicial and legislative actions of bureaus and agencies such as OPA.

The following proposal will "regulate the regulators":

"CONGRESSIONAL CONTROL OF REGULATIONS

"SEC. 1B. (a) Before any proposed regulation or order to carry out the purposes of this act shall be issued exercising authority conferred hereunder, other than administrative rules or orders governing the conduct of the activities of the Office of Price Administration or interagency rules governing its relations with other departments or agencies of the Government, a draft thereof shall be submitted on the same day to the Committee on Banking and Currency of the House and to the Committee on Banking and Currency of the Senate for study, to consider whether such rule or regulation is made in conformity with the spirit, letter, intent, and purpose of this act, and that no unusual or unexpected use of powers herein granted is proposed. Such regulation or order may be approved or disapproved by the Committee on Banking and Currency of the Senate or the Committee on Banking and Currency of the House of Representatives. In the absence of action by either committee approving or disapproving such regulation or order, it may go into effect not earlier than the fifteenth day following, but not including, the date of the receipt of the draft of such proposed regulation or order by the chairman

of such committees. Disapproval of such regulation or order by either committee shall suspend its issuance: *Provided*, That such disapproval of such regulation or rule shall be in writing and shall clearly set forth the reasons therefor.

"(b) For the purpose of this section the Committee on Banking and Currency of the Senate and the Committee on Banking and Currency of the House of Representatives are authorized to sit and act by duly appointed subcommittees during the recesses and adjourned periods of the Congress."

In line 4, page 2, strike out the letter "A" and insert the letter "B" to number this as "Sec. 1B."

Mr. GAMBLE. We have no further requests for time, Mr. Chairman.

Mr. BROWN of Georgia. We have no further requests, Mr. Chairman.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 1 (b) of the Emergency Price Control Act of 1942, as amended, is amended by striking out "June 30, 1946" and substituting "June 30, 1947."

Mr. BROWN of Georgia. 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. COOPER, 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. 6042) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes, had come to no resolution thereon.

CALENDAR WEDNESDAY BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on tomorrow, Calendar Wednesday, be dispensed with.

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

There was no objection.

EXTENSION OF REMARKS

Mr. FLANNAGAN asked and was given permission to revise and extend the remarks he made in Committee of the Whole and include an amendment he expects to offer tomorrow.

Mr. WOLCOTT asked and was given permission to revise and extend the remarks he made in Committee of the Whole and include two amendments he expects to offer tomorrow.

Mr. ELLSWORTH (at the request of Mr. GAMBLE) was given permission to extend his remarks in the RECORD and include a news article.

Mr. STEFAN asked and was given permission to include a letter in the remarks he made in Committee of the Whole.

Mr. REED of New York (at the request of Mr. SCHWABE of Missouri) was given permission to extend his remarks in the RECORD in two instances and include in one a statement and in the other a letter.

Mr. DWORSHAK asked and was given permission to revise and extend the remarks he made in Committee of the Whole and include a letter from a constituent.

Mr. McCORMACK asked and was given permission to revise and extend his remarks.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include certain excerpts.

AMERICAN LEGION ORATORICAL CONTEST

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes and to revise and extend my remarks.

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

There was no objection.

Mr. LANE. Mr. Speaker, it is with the greatest of pleasure that I wish to announce to the House that the American Legion oratorical contest finals were held last night at Grinnell College, Grinnell, Iowa. The winners of this American Legion contest are as follows: William O. Wollin, of Los Gatos, Calif.; second, Doris Letourneau, of Lawrence, Mass.; third, Martin R. Haley, of Chisholm, Minn.; and fourth, Clifford Clarke, of Savannah, Ga.

I am particularly pleased that one of the contestants, Doris Letourneau, a 16-year-old junior from the Sacred Heart Parochial High School in Lawrence, Mass., although not the winner of this contest, nevertheless, took the second highest honors.

Miss Letourneau was first successful in the American Legion oratorical contest conducted in the Greater Lawrence, Mass., area, and then succeeded in winning the contest in the county, district, State, and regional championships. In winning the regional championship, Miss Letourneau defeated the contestant winners from Maine, New Hampshire, and Vermont. On last Friday evening Miss Letourneau was again successful in the eastern sectional semifinal competition held in Albany High School, Albany, N. Y., and, in defeating two senior high-school boys representing other Atlantic coast areas, she became the eastern sectional champion. As a result of her success in that contest, our candidate, representing 12 Northeastern States, entered the finals for the national championship in competition with winners of other sectional semifinals.

Being runner-up in this national contest, which has received Nation-wide attention, consideration, and publicity, she has brought not only honors to New England, and especially to the Commonwealth of Massachusetts, her home city of Lawrence, and the county of Essex, but she has brought great credit to Sacred Heart Parochial School and the good nuns who have been her teachers and her guides.

We, who are from Lawrence, Mass., are exceedingly proud of her efforts and her success in this national contest. Jubilant over her success, we, the residents of Greater Lawrence, extend to her and her father and mother, Mr. and Mrs. Louis H. Letourneau, our sincere and hearty congratulations, with every wish that Doris Letourneau will in the years to come be always most successful in any of her undertakings.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. JARMAN (at the request of Mr. SPARKMAN), for this week, on account of important business in his district.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1592. An act to establish a national housing policy and provide for its execution; to the Committee on Banking and Currency.

ENROLLED BILL SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 2115. An act relating to the domestic raising of fur-bearing animals.

BILLS 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, bills of the House of the following titles:

H. R. 804. An act for the relief of Mrs. Trixie Minnie Twigg;

H. R. 841. An act for the relief of Lander H. Willis;

H. R. 988. An act for the relief of Bernice B. Cooper, junior clerk-typist, Weatherford, Tex., rural rehabilitation office, Farm Security Administration, Department of Agriculture;

H. R. 1073. An act for the relief of Mrs. Gertrude Verbag;

H. R. 1217. An act for the relief of Hutchinson's Boat Works, Inc., and others;

H. R. 1235. An act for the relief of John Bell;

H. R. 1262. An act for the relief of W. E. Noah;

H. R. 1264. An act for the relief of Lt. John P. Maher, Field Artillery Reserve, Army of the United States;

H. R. 1269. An act for the relief of Virge McClure;

H. R. 1350. An act to record the lawful admission to the United States for permanent residence of Nora R. Neville;

H. R. 1352. An act for the relief of Herman Feinberg;

H. R. 1356. An act for the relief of Elias Baumgarten;

H. R. 1399. An act for the relief of Mrs. Lucy Palmisano and the legal guardian of Anthony Palmisano, Jr.;

H. R. 1562. An act for the relief of the Borough of Park Ridge, Park Ridge, N. J.;

H. R. 1616. An act to grant honorable discharge from the military service of the United States to William Rosenberg;

H. R. 1721. An act for the relief of Eli L. Scott;

H. R. 1732. An act for the relief of Mrs. Marie A. Shedd, Mrs. Maude C. Denney, and Mrs. Mabel Glenn Gray;

H. R. 1759. An act for the relief of Mildred Neiffer;

H. R. 1838. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of A. G. Bailey against the United States;

H. R. 1950. An act for the relief of Harry Cohen;

H. R. 1980. An act for the relief of Maj. Edward A. Zaj;

H. R. 2062. An act for the relief of Dave Topper;

H. R. 2156. An act for the relief of Lee Harrison;

H. R. 2217. An act for the relief of Rae Glauber;

H. R. 2244. An act for the relief of Edward W. Thurber;

H. R. 2249. An act for the relief of the Cape & Vineyard Electric Co.;

H. R. 2251. An act for the relief of Catherine V. Sweeney;

H. R. 2318. An act for the relief of owners of land and personal property of the Fort Knox area of Hardin County, Ky.;

H. R. 2266. An act for relief of land and personal property owners of Fort Knox area of Meade County, Ky.;

H. R. 2288. An act for the relief of Columbus Thomas;

H. R. 2318. An act for the relief of Mrs. Mertie Pike and the estate of Mrs. Burnice Smotherman, deceased;

H. R. 2331. An act for the relief of Mrs. Grant Logan;

H. R. 2415. An act for the relief of Joseph Tarantola and Ida Tarantola;

H. R. 2418. An act to authorize the United States commissioner for the Sequoia National Park to exercise similar functions for the Kings Canyon National Park;

H. R. 2509. An act for the relief of the legal guardian of James Irving Martin, a minor;

H. R. 2682. An act for the relief of John Doshim;

H. R. 2826. An act for the relief of Esther L. Berg;

H. R. 2837. An act for the relief of George Stiles;

H. R. 2842. An act for the relief of Montgomery County, Miss., districts 2 and 3;

H. R. 2848. An act for the relief of the legal guardian of Wilma Sue Woods, Patsy Woods, Raymond E. Hilliard, and Thomas E. Hilliard, minors;

H. R. 2884. An act for the relief of B. H. Spann;

H. R. 2885. An act for the relief of Mrs. Frank Mitchell and J. L. Price;

H. R. 2901. An act for the relief of Mrs. Janet McKillip;

H. R. 2904. An act for the relief of Clyde Rownd, Della Rownd, and Benjamin C. Day;

H. R. 2927. An act for the relief of Mrs. Evelyn Merritt;

H. R. 2931. An act for the relief of Edward Oatneal, John N. Oatneal, Jr., and James R. Oatneal;

H. R. 3003. An act for the relief of Mary G. Paul;

H. R. 3050. An act for the relief of David Siskind;

H. R. 3121. An act for the relief of Elizabeth M. Simmons and Robert H. Simmons;

H. R. 3126. An act for the relief of Mrs. Jean Taube Weller;

H. R. 3127. An act for the relief of Harry F. Vinton, Jr.;

H. R. 3161. An act for the relief of Mrs. Ruby Miller;

H. R. 3195. An act for the relief of Grenada County, Miss.;

H. R. 3217. An act for the relief of Mattie Lee Wright;

H. R. 3301. An act for the relief of the legal guardian of James Herbert Keith, a minor;

H. R. 3430. An act for the relief of George F. Powell;

H. R. 3431. An act for the relief of F. W. Burton;

H. R. 3483. An act for the relief of Mr. and Mrs. Cipriano Vasquez;

H. R. 3513. An act for the relief of Braxton B. Folmar and Mary Inez Folmar, William Ernest Evans and Dora Ethel Evans, Joseph Thomas Avery and Maggie M. Avery, Robert H. Phillips and Hattie P. Phillips, and the legal guardian of James T. Avery, a minor;

H. R. 3554. An act for the relief of Fred C. Liler;

H. R. 3590. An act for the relief of Charles Brown, legal guardian of Lula Mae Brown;

Charity Hospital of New Orleans, La.; and Dr. Edward H. Maurer;

H. R. 3591. An act for the relief of Addie Pruitt;

H. R. 3670. An act for the relief of the estate of Venancio Llacuna, and others;

H. R. 3677. An act for the relief of J. Tom Stephenson;

H. R. 3698. An act for the relief of Mrs. Lucille Scarlett and Charles Scarlett;

H. R. 3846. An act for the relief of the estate of Eleanor Wilson Lynde, deceased;

H. R. 3948. An act for the relief of Mrs. Clifford W. Prevatt;

H. R. 4054. An act for the relief of H. A. Edd;

H. R. 4056. An act for the relief of Mrs. Jud Hendry and her daughter, Gladys Hendry;

H. R. 4208. An act for the relief of the Calvert Distilling Co.;

H. R. 4239. An act granting to Guy A. Thompson, trustee, Missouri Pacific Railroad Co., debtor, and to his successors and assigns, authority to relocate, maintain, and operate a single-track railway across United States Government reservation at lock No. 3, White River, Independence County, Ark., and for other purposes;

H. R. 4240. An act for the relief of Frank E. Wilmot;

H. R. 4297. An act for the relief of Joseph Schell;

H. R. 4335. An act for the relief of the Morgan Creamery Co.;

H. R. 4560. An act for the relief of Nicholas T. Stepp;

H. R. 4797. An act to confer jurisdiction upon the United States District Court for the Eastern District of Virginia to determine the claim of Lewis E. Magwood;

H. R. 4914. An act to revive and reenact the act entitled "An act creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.," approved December 21, 1944;

H. R. 4940. An act granting the consent of Congress to the State of Connecticut, acting by and through any agency or commission thereof, to construct, maintain, and operate a toll bridge across the Connecticut River at or near Old Saybrook, Conn.;

H. R. 4957. An act for the relief of Herman Gelb;

H. R. 5010. An act for the relief of Mrs. May Holland;

H. R. 5121. An act authorizing the Secretary of the Navy in his discretion to deliver to the custody of the State of Arkansas the silver service presented to the United States for the battleship *Arkansas*;

H. R. 5275. An act to revive and reenact the act granting the consent of Congress to the State Highway Department of South Carolina to construct, maintain, and operate a free highway bridge across the Pee Dee River, at or near Cashua Ferry, S. C., approved April 30, 1940;

H. R. 5544. An act authorizing the village of Baudette, State of Minnesota, its public successors, or public assigns, to construct, maintain, and operate a toll bridge across the Rainy River at or near Baudette, Minn.;

H. R. 5574. An act to amend paragraph 8 of part VII, Veterans Regulation No. 1 (a), as amended, to authorize an appropriation of \$1,500,000 as a revolving fund in lieu of \$500,000 now authorized;

H. R. 5664. An act for the relief of Oscar R. Steinert; and

H. R. 5765. An act authorizing the Secretary of the Navy in his discretion to deliver to the custody of the city of New Orleans the silver service and silver bell presented to the United States for the cruiser *New Orleans*.

ADJOURNMENT

Mr. BROWN of Georgia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 9 minutes p. m.), under its previous order, the House adjourned until tomorrow, Wednesday, April 17, 1946, at 10 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Petroleum Subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m., April 17, 1946. Business to be considered: Public hearing to receive the final report of the Petroleum Administration for War.

COMMITTEE ON FLOOD CONTROL

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:

(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.

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. WOOD. Committee on Un-American Activities. Proceeding against the Joint Anti-Fascist Refugee Committee (Rept. No. 1936). Ordered to be printed.

Mr. BULWINKLE. Committee on Interstate and Foreign Commerce. H. R. 164. A bill to provide safety in aviation and to direct an investigation of the causes and characteristics of thunderstorms; without amendment (Rept. No. 1937). Referred to the Committee of the Whole House on the State of the Union.

Mr. BULWINKLE. Committee on Interstate and Foreign Commerce. H. R. 6030. A bill to amend the Civil Aeronautics Act of 1938, as amended, so as to improve international collaboration with respect to meteorology; without amendment (Rept. No. 1938). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'TOOLE. Committee on the Library. House Joint Resolution 331. Joint resolution to authorize suitable participation by the United States in the observance of the two-hundredth anniversary of the founding of Princeton University; without amendment (Rept. No. 1939). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of Louisiana. Committee on the Census. H. R. 5857. A bill to provide for the collection and publication of statistical information by the Bureau of the Census; with amendment (Rept. No. 1942). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COMBS. Committee on Claims. H. R. 4527. A bill for the relief of O. T. Nelson, and wife, Clara Nelson; with amendment (Rept. No. 1940). Referred to the Committee of the Whole House.

Mr. COMBS. Committee on Claims. H. R. 5212. A bill for the relief of the dependents of Cecil M. Foxworth, deceased; without amendment (Rept. No. 1941). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. DOLLIVER:
H. R. 6147. A bill to amend the Nationality Act of 1940; to the Committee on Immigration and Naturalization.

By Mr. BRADLEY of Michigan:
H. R. 6148. A bill to exempt certain vessels from filing passenger lists; to the Committee on the Merchant Marine and Fisheries.

By Mr. JOHNSON of Oklahoma:
H. R. 6149. A bill to grant to enlisted personnel of the armed forces certain benefits

in lieu of accumulated leave; to the Committee on Military Affairs.

By Mr. LANE:

H. R. 6150. A bill to increase further the amount of Federal aid to State or Territorial homes for the support of disabled soldiers and sailors of the United States; to the Committee on Military Affairs.

By Mr. MAY:

H. R. 6151. A bill to provide for sundry matters affecting the armed forces, and for other purposes; to the Committee on Military Affairs.

By Mr. O'BRIEN of Michigan:

H. R. 6152. A bill to amend the act of July 6, 1945, relating to the compensation of postal employees, to provide for adjusting compensation of clerks assigned to terminal railway post offices, air mail field transfer offices, and office clerks, and study allowance time credits for certain employees; to the Committee on the Post Office and Post Roads.

By Mr. RANKIN:

H. R. 6153. A bill to remove the existing limitation on the number of associate members of the Board of Veterans' Appeals in the Veterans' Administration; to the Committee on World War Veterans' Legislation.

By Mr. TALLE:

H. R. 6154. A bill to extend the time within which application for the benefits of the Mustering-Out Payment Act of 1944 may be made by veterans discharged from the armed forces before the effective date of such act; to the Committee on Military Affairs.

By Mr. WASIELEWSKI:

H. R. 6155. A bill to provide for the valuation of unlisted stock and securities for Federal estate tax purposes; to the Committee on Ways and Means.

By Mr. EARTHMAN:

H. R. 6156. A bill to increase the allowance for burial expenses of deceased veterans; to the Committee on World War Veterans' Legislation.

By Mr. MANASCO:

H. R. 6157. A bill to amend the Surplus Property Act of 1944 with reference to veterans' preference, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. EARTHMAN:

H. R. 6158. A bill to authorize the appropriation of funds to assist the States and Territories in more adequately financing their system of public education, and in reducing the inequalities of educational opportunities through public elementary and public secondary schools; to the Committee on Education.

By Mr. LAFOLLETTE:

H. R. 6159. A bill to provide for independent examinations and investigations of Government administrative efficiency, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. PRICE of Florida:

H. R. 6160. A bill to extend the benefits of the act of May 29, 1944, entitled "An act to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal," to certain additional civilian officers and employees; to the Committee on the Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ALLEN of Louisiana:

H. R. 6161. A bill for the relief of the legal guardian of Samuel Roscoe Thompson, a minor; to the Committee on Claims.

By Mr. DAUGHTON of Virginia:

H. R. 6162. A bill for the relief of Mrs. Pearle Healy Buchanan; to the Committee on Claims.

By Mr. SHAFER:

H. R. 6163. A bill for the relief of Linda Edwards; to the Committee on Immigration and Naturalization.

By Mr. TAYLOR:

H. R. 6164. A bill for the relief of Allen S. Collins; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1810. By Mr. LYNCH: Petition of the Polish-American Congress, down-State division, New York State, urging that the Polish people have a government of their own choosing and an ambassador chosen by them and not at Moscow; to the Committee on Foreign Affairs.

SENATE

WEDNESDAY, APRIL 17, 1946

(Legislative day of Tuesday, March 5, 1946)

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

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

Our Father God, in a crude cross planted in the earth that blossomed into victory, give us to glimpse anew the invincible symbol that Thy purposes are beyond defeat. Upon our spent spirits drop the still dews of Thy quietness and upon our feverish hearts the cool and gentle showers of Thy restoring grace, that in simple trust and deeper reverence we may be found steadfast in an unstable day, always abounding in the work Thou givest us to do, knowing that our labor is not in vain in the Lord.

Forbid that in cushioned ease we should greedily grasp a full chalice of plenty while multitudes of our fellows hold in enfeebled hands a cup of anguish. Suffer us not to complacently satisfy the pangs of our hunger oblivious to multitudes whose prayer for daily bread Thou canst answer only through our response. May we gladly accept even the Calvary of sacrifice that, through our self-denial, redemption may come to those whose very life is our trust. We ask it in the name of that One who despised the shame and endured the cross. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, April 15, 1946, was dispensed with, and the Journal was approved.

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 that the President had approved and signed the following acts:

On April 16, 1946:

S. 63. An act to amend title V of the Communications Act of 1934 so as to prohibit

certain coercive practices affecting radio broadcasting; and

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.

On April 17, 1946:

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.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 486. An act for the acquisition of Indian lands required in connection with the construction, operation, and maintenance of electric transmission lines and other works, Fort Peck project, Montana;

S. 718. An act to authorize the Secretary of the Interior to contract with the Middle Rio Grande Conservancy District of New Mexico for the payment of operation and maintenance charges on certain Pueblo Indian lands;

S. 1190. An act for the relief of Mrs. Henry H. Hay;

S. 1310. An act for the relief of Saunders Wholesale, Inc.;

S. 1363. An act to reimburse certain Navy and Marine Corps personnel and former Navy and Marine Corps personnel for personal property lost or destroyed as the result of water damage occurring at certain Naval and Marine Corps shore activities;

S. 1492. An act to reimburse Navy personnel and former Navy personnel for personal property lost or damaged as the result of a fire in building No. 141 at the United States naval repair base, San Diego, Calif., on May 1, 1945;

S. 1601. An act to revive and reenact the act entitled "An act granting the consent of Congress to the counties of Valley and McCone, Mont., to construct, maintain, and operate a free highway bridge across the Missouri River at or near Frazer, Mont.," approved August 5, 1939; and

S. 1638. An act for the relief of Salvator Carbone.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 4253) for the relief of Mrs. Beatrice Brisbin, and the legal guardians of Wynona Gene Brisbin, Nelda Elaine Brisbin, Gwendoline Louise Brisbin, and Jacqueline Nadine Brisbin, minors.

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

H. R. 1674. An act for the relief of Mrs. Ollie Patton;

H. R. 2115. An act relating to domestic raising of fur-bearing animals;

H. R. 2167. An act for the relief of Orvis Welch;

H. R. 2528. An act for the relief of Mr. and Mrs. James Sherry; and

H. R. 3159. An act for the relief of Ernest Pedro Ferreira.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the