

Mr. PITTENGER: Committee on Claims. H. R. 3702. A bill for the relief of Maurice C. Ritter; without amendment (Rept. No. 1856). Referred to the Committee of the Whole House.

Mr. FERNANDEZ: Committee on Claims. H. R. 3968. A bill for the relief of the estate of Charles W. Stewart; with amendment (Rept. No. 1857). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 3988. A bill for the relief of Decatur County in the State of Indiana; without amendment (Rept. No. 1858). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOOK: Committee on Claims. R. H. 4016. A bill for the relief of Dorothy Morgan; without amendment (Rept. No. 1859). Referred to the Committee of the Whole House.

Mr. HOOK: Committee on Claims. H. R. 4118. A bill for the relief of Axel H. Peterson; with amendment (Rept. No. 1860). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 4373. A bill for the relief of Carl and Naomi Fitzwear; with amendment (Rept. No. 1861). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 4416. A bill for the relief of George H. Buxton, Jr.; with amendment (Rept. No. 1862). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4670. A bill for the relief of Mrs. Edna B. LeBlanc; with amendment (Rept. No. 1863). Referred to the Committee of the Whole House.

Mr. STIGLER: Committee on Claims. H. R. 4757. A bill for the relief of Mrs. Gussie Feldman; with amendment (Rept. No. 1864). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 4905. A bill for the relief of Nina E. Schmidt; with amendment (Rept. No. 1865). Referred to the Committee of the Whole House.

Mr. FERNANDEZ: Committee on Claims. H. R. 5003. A bill for the relief of Joseph MacGuffie and Eugene Rohrer; with amendment (Rept. No. 1866). 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. WALTER:

H. R. 5988. A bill to improve the administration of justice by prescribing fair administrative procedure; to the Committee on the Judiciary.

By Mr. BLAND:

H. R. 5989. A bill to amend the act of September 7, 1916, by providing for a hearing of claims of employees of the United States before the United States Employees' Compensation Commission; to the Committee on the Judiciary.

By Mr. COFFEE:

H. R. 5990. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1947, and for other purposes; to the Committee on Appropriations.

By Mr. COOLEY:

H. R. 5991. A bill to simplify and improve credit services to farmers and promote farm ownership by abolishing certain agricultural lending agencies and functions, by transferring assets to the Farmers' Home Corporation, by enlarging the powers of the Farmers' Home Corporation, by authorizing Govern-

ment insurance of loans to farmers, by creating preferences for loans and insured mortgages to enable veterans to acquire farms, by providing additional specific authority and directions with respect to the liquidation of resettlement projects and rural rehabilitation projects for resettlement purposes, and for other purposes; to the Committee on Agriculture.

By Mr. KILDAY:

H. R. 5992. A bill to amend section 500 (d) of the Servicemen's Readjustment Act of 1944, as amended; to the Committee on World War Veterans' Legislation.

By Mr. O'BRIEN of Michigan:

H. R. 5993. A bill to provide for the extension of the air-mail postal service, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mrs. SMITH of Maine:

H. Res. 582. Resolution creating a select committee of the House of Representatives to study and investigate the cost of living; to the Committee on Rules.

By Mrs. WOODHOUSE:

H. Res. 583. Resolution creating a select committee of the House of Representatives to study and investigate the cost of living; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CLASON:

H. R. 5994. A bill for the relief of Maryan Cybulski; to the Committee on Immigration and Naturalization.

By Mr. GRANGER:

H. R. 5995. A bill for the relief of Oran Curry; to the Committee on Claims.

By Mr. LYLE:

H. R. 5996. A bill for the relief of John M. Stafford; to the Committee on Claims.

By Mr. McGEHEE:

H. R. 5997. A bill for the relief of William H. Morris; to the Committee on Claims.

By Mr. MERROW:

H. R. 5998. A bill for the relief of Edward A. Weeks 3d; to the Committee on Claims.

By Mr. RAYFIEL (by request):

H. R. 5999. A bill for the relief of Ciro or James Matarazzo alias James Ricco; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1757. By Mr. GRAHAM: Petition of 126 veterans of World War II, of Beaver County, Pa., petitioning Congress to amend Public Law 346 to enable veterans of World War II to receive an allowance for unemployment benefits during strikes; to the Committee on World War Veterans' Legislation.

1758. By the SPEAKER: Petition of Rev. R. C. Brooks and others, petitioning consideration of their resolution with reference to endorsement of House bills 2229 and 2230 and Senate bills 690 and 809; to the Committee on Ways and Means.

1759. Also, petition of Augusto Sajo and others, petitioning consideration of their resolution with reference to requested postponement of Philippine independence; to the Committee on Insular Affairs.

1760. Also, petition of the National Beauty and Barber Manufacturers' Association, petitioning consideration of their resolution with reference to the proposed appropriation for the Department of Commerce; to the Committee on Appropriations.

1761. Also, petition of the National Shrimp Cannery Association petitioning considera-

tion of their resolution with reference to request to have shrimp eliminated from price control; to the Committee on Banking and Currency.

SENATE

THURSDAY, APRIL 4, 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:

O God, at whose word man goeth forth unto his work and to his labor until the evening, keep within the grasp of Thy firm hand the threads of this day's words and deeds that we may not mar the fair design of what Thou wouldst do for us and through us. In times of turmoil, may we find Thy peace, and for testing tasks set before us grant Thy empowering. So for these demanding days may the strength of each be as the strength of ten, because our hearts are pure. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. RUSSELL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, April 3, 1946, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 1840) for the relief of the Danvers Shoe Co., Inc., and it was signed by the President pro tempore.

THE NATIONAL HEALTH PROGRAM—RESOLUTIONS OF SOUTH PRAIRIE HOMEMAKERS' CLUB, MINOT, N. DAK.

Mr. LANGER. Mr. President, I ask unanimous consent to present and to have printed in the RECORD resolutions adopted by members of the South Prairie Homemakers' Club, Minot, N. Dak., favoring the enactment of legislation providing for a national health program.

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

We, the members of the South Prairie Homemakers' Club, at our regular meeting assembled this 12th day of February 1946, after a lengthy discussion of health and payment for medical care, came to the following conclusions:

1. That the health of each and every person is the concern of each and every person.
2. That the cost of preventing sickness is less than the cost of curing it.
3. That the time to pay for medical care is while one is well: Therefore be it

Resolved, That we go on record as supporting the President's five-point program as outlined in his health message of November 18, 1945; be it further

Resolved, That we support the health provisions of the Wagner-Murray-Dingell bill (S. 1050; H. R. 3293) and the national health bill (S. 1606; H. R. 4730); and be it further

Resolved, That we support S. 191, and that copies of this resolution be sent to our United States Senators and Congressmen, as well as to our associate extension agent.

Mrs. NELLIE ERICKSON,
Resolutions Committee.

MINOT, N. DAK.

LOAN TO GREAT BRITAIN—LETTER
FROM C. E. REDEKER

Mr. CAPPER. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a letter I have received from C. E. Redeker, national president of the national camp, Patriotic Order Sons of America, in which his organization goes on record as opposed to the appropriation of \$4,000,000,000 to Great Britain as a war loan.

There being no objection, the letter was received, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

NATIONAL CAMP,
PATRIOTIC ORDER SONS OF AMERICA,
Philadelphia, Pa.

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

The national camp of the Patriotic Order Sons of America wishes to record its op-

position to the appropriation proposed of \$4,000,000,000 to Great Britain as a war loan.

Our organization is definitely opposed to these grants to other nations, as the United States is carrying such a tremendous burden as the result of the great war that we feel that other nations should carry their own obligations and not further involve the United States of America. We therefore urge the defeat of this proposed loan.

C. E. REDEKER,
National President.
RUSSELL L. SANDT,
National Secretary.

Attest:

REPORT OF A COMMITTEE

Mr. HUFFMAN, from the Committee on Claims, to which was referred the bill (H. R. 2826) for the relief of Esther L. Berg, reported it without amendment and submitted a report (No. 1129) thereon.

PERSONS EMPLOYED BY COMMITTEES
WHO ARE NOT FULL-TIME SENATE OR
COMMITTEE EMPLOYEES

The PRESIDENT pro tempore laid before the Senate reports for the month of March 1946, from the chairman of a certain committee, in response to Senate Resolution 319 (78th Cong.), relative to persons employed by committees who

are not full-time employees of the Senate or any committee thereof, which were ordered to lie on the table and to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON MILITARY AFFAIRS,
SUBCOMMITTEE ON SURPLUS PROPERTY,
March 30, 1946.

HON. KENNETH MCKELLAR,
President, United States Senate,
Washington, D. C.

DEAR MR. PRESIDENT: Pursuant to Senate Resolution 319, Seventy-eighth Congress, I am transmitting herewith a list of employees of the Surplus Property Subcommittee (S. Res. 129) of the Senate Military Affairs Committee who are not full-time employees of the Senate. Included with this list is the name and address of each such employee, the name and address of the department and agencies paying the salary of such employee, and the annual rate of compensation. In accordance with Senate Resolutions 77, 201, and 210, the department and agencies so listed will be reimbursed by the subcommittee in the amount of the salaries paid to such employees.

Respectfully yours,
JOSEPH C. C'MAHONEY,
Chairman,
Surplus Property Subcommittee.

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Kurt Borchardt.....	6007 34th Pl. NW., Washington, D. C.....	Reconstruction Finance Corporation, Washington, D. C.....	\$7,240
Hilda Hamilton.....	705 18th St. NW., Washington, D. C.....	do.....	2,890
Lillian Kovars.....	1830 R St. NW., Washington, D. C.....	Navy Department, Washington, D. C.....	2,100

¹ Transferred to subcommittee pay roll on Mar. 23, 1946.

² Assigned to subcommittee beginning Feb. 7, 1946.

APRIL 2, 1946.

To the Senate:

The above-mentioned committee hereby submits the following report showing the

INTERSTATE COMMERCE COMMITTEE

name of a person employed by the committee who is not a full-time employee of the Senate or of the committee for the month of March 1946, in compliance with the terms

of Senate Resolution 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Mrs. Alma B. Kidwell.....	113 Park Blvd. SE.....	Federal Communications Commission.....	\$1,800

B. K. WHEELER, Chairman.

CIVILIAN EMPLOYMENT OF THE EXECUTIVE
BRANCH OF THE FEDERAL
GOVERNMENT

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a report on civilian employment of the executive branch of the Federal Government by department and agency for the months of January and February 1946, showing increases and decreases in number of paid employees. The report was prepared by the Joint Committee on the Reduction of Nonessential Federal Expenditures.

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

FEDERAL PERSONNEL IN THE EXECUTIVE BRANCH,
FEBRUARY 1946, AND A COMPARISON WITH
JANUARY 1946

According to monthly personnel reports submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures, Federal personnel within the continental United States, excluding the War and Navy

Departments, increased 28,823 from the January total of 1,106,851 to the February total of 1,135,674. The War Department inside the United States decreased 17,628 from the January figure of 763,812 to the February figure of 746,184. The Navy Department within the United States increased 4,819 from the January figure of 519,550 to the February figure of 524,369. However, this Navy Department increase compensates for an omission by the Navy Department in the January report, which would have made a decrease in February for the Navy Department of 14,663. This omission by the Navy Department compensated for in the February figures results in an adjusted increase for all establishments of 16,014 employees within the United States for the month of February. (See table 1 and footnote.)

Outside the continental United States Federal personnel decreased 41,288 from the January total of 556,734 to the February total of 515,446. Nearly all of these are industrial employees. War Department figures are reported for the months of December and January. Excluding a decrease of 42,657 in the War Department civilian personnel overseas, there would be an increase of 1,369 employees

from the January figure of 120,945 to the February figure of 122,314. (See table 2.)

There has been a total decrease of 25,274 employees in the executive branch of the Federal Government, including both inside and outside the United States, during the month of February, over-all totals decreasing from the January total of 2,946,947 to the February total of 2,921,673. The decrease for the month of February is not truly representative because of the necessary adjustment in order to compensate for figures omitted by the Navy Department in its January report. (See table 3 and footnote.)

Industrial employment during the month of February decreased 49,241 from the January total of 1,224,325 to the February total of 1,175,084. This net decrease in industrial employment also is not altogether representative because of the necessary adjustment in order to compensate for figures omitted by the Navy Department in its January report. Excluding industrial employees outside the United States employed by the War Department, there was a decrease of 6,449 from the January figure of 800,011 to the February figure of 793,562. The term "industrial em-

employees" as used by the committee refers to unskilled, semiskilled, and supervisory employees paid by the Federal Government who are working on construction projects, such as airfields, roads, munitions plants, shipyards, and arsenals. It does not include regular maintenance and custodial employees. (See table 4.)

TABLE 1.—Federal personnel inside continental United States employed by executive agencies during February 1946, and comparison with January

Departments or agencies	1946		Increase	Decrease
	January	February		
Executive Office of the President: Bureau of the Budget.....	752	757	5	-----
Executive departments:				
Agriculture Department.....	85,512	86,000	488	-----
Commerce Department.....	30,452	31,955	1,503	-----
Interior Department.....	39,831	40,456	625	-----
Justice Department.....	25,017	25,015	-----	2
Labor Department.....	33,533	34,081	548	-----
Post Office Department.....	452,271	462,150	9,879	-----
State Department.....	8,092	8,136	44	-----
Treasury Department.....	102,474	104,885	2,411	-----
National war agencies:				
Civilian Production Administration.....	2,431	2,443	12	-----
Committee on Fair Employment Practices.....	37	35	-----	2
National Wage Stabilization Board.....	1,244	861	-----	383*
Office of Alien Property Custodian.....	584	598	14	-----
Office of Defense Transportation.....	226	145	-----	81
Office of Inter-American Affairs.....	402	395	-----	7
Office of Price Administration.....	32,209	31,911	-----	29
Office of Scientific Research and Development.....	829	791	-----	38
Office of War Mobilization and Reconversion.....	668	649	-----	19
Petroleum Administration for War.....	117	84	-----	33
Selective Service System.....	15,983	15,739	-----	244
Smaller War Plants Corporation.....	1,814	20	-----	1,814
War Shipping Administration.....	4,156	4,231	75	-----
Independent agencies:				
American Battle Monuments Commission.....	1	1	-----	-----
Civil Aeronautics Board.....	401	407	6	-----
Civil Service Commission.....	4,966	4,576	-----	390
Employees' Compensation Commission.....	522	522	-----	-----
Export-Import Bank of Washington.....	88	93	5	-----
Federal Communications Commission.....	1,256	1,199	-----	57
Federal Deposit Insurance Corporation.....	1,205	1,217	12	-----
Federal Power Commission.....	707	720	13	-----
Federal Security Agency.....	30,878	30,947	69	-----
Federal Trade Commission.....	487	492	5	-----
Federal Works Agency.....	21,403	21,902	499	-----
General Accounting Office.....	14,352	14,641	289	-----
Government Printing Office.....	7,262	7,322	60	-----
Interstate Commerce Commission.....	2,122	2,167	45	-----
Maritime Commission.....	7,938	7,762	-----	176
National Advisory Committee for Aeronautics.....	5,584	5,476	-----	108

Footnotes at end of table.

TABLE 1.—Federal personnel inside continental United States employed by executive agencies during February 1946, and comparison with January—Continued

Departments or agencies	1946		Increase	Decrease
	January	February		
Independent agencies—Continued.....				
National Archives.....	257	358	1	-----
National Capital Housing Authority.....	269	267	-----	2
National Capital Park and Planning Commission.....	16	16	-----	-----
National Gallery of Art.....	279	280	1	-----
National Housing Agency.....	14,320	14,678	358	-----
National Labor Relations Board.....	816	893	77	-----
National Mediation Board.....	100	99	-----	1
Panama Canal.....	233	280	47	-----
Railroad Retirement Board.....	1,803	1,914	111	-----
Reconstruction Finance Corporation.....	31,575	35,298	3,723	-----
Securities and Exchange Commission.....	1,203	1,216	13	-----
Smithsonian Institution.....	414	416	2	-----
Tariff Commission.....	267	256	-----	11
Tax Court of the United States.....	121	121	-----	-----
Tennessee Valley Authority.....	11,596	11,529	-----	67
Veterans' Administration.....	105,676	117,292	11,616	-----
Total, excluding War and Navy Departments.....	1,106,851	1,135,674	32,556	3,733
Net increase, excluding War and Navy Departments.....			28,823	
Navy Department.....	519,550	524,369	4,819	-----
War Department.....	763,812	746,184	-----	17,628
Total, including War and Navy Departments.....	2,390,213	2,406,227	37,375	21,361
Net increase, including War and Navy Departments.....			16,014	

* 225 full-time equivalent-wage and piece-work employees are included for the first time.

† Terminated as of Jan. 28, 1946. Employees transferred to Commerce Department and Reconstruction Finance Corporation.

‡ Included in February total for Navy Department and considered an increase and 19,482 new personnel employed during January but not reported to the committee in total for that month. Had these employees been reported in January total, there would have been a net decrease in February of 14,663 for the Navy Department and 3,468 for the entire Government.

TABLE 2.—Federal personnel outside continental United States employed by executive agencies during February 1946, and comparison with January

Departments or agencies	1946		Increase	Decrease
	January	February		
Executive departments:				
Agriculture Department.....	1,338	1,323	-----	15
Commerce Department.....	1,922	1,913	-----	9
Interior Department.....	4,467	4,301	-----	166
Justice Department.....	305	307	2	-----
Labor Department.....	156	147	-----	9
Post Office Department.....	1,472	1,478	6	-----
State Department.....	10,433	11,797	1,364	-----
Treasury Department.....	613	628	15	-----
National war agencies:				
Civilian Production Administration.....	4	4	-----	-----
National Wage Stabilization Board.....	9	2	-----	7

Footnotes at end of table.

TABLE 2.—Federal personnel outside continental United States employed by executive agencies during February 1946, and comparison with January—Continued*

Departments or agencies	1946		Increase	Decrease
	January	February		
National war agencies—Continued.....				
Office of Alien Property Custodian.....	40	39	-----	1
Office of Inter-American Affairs.....	214	224	10	-----
Office of Price Administration.....	450	424	-----	6
Office of Scientific Research and Development.....	5	3	-----	2
Selective Service System.....	347	328	-----	19
War Shipping Administration.....	821	754	-----	67
Independent agencies:				
American Battle Monuments Commission.....	37	37	-----	-----
Civil Aeronautics Board.....	11	10	-----	1
Civil Service Commission.....	6	5	-----	1
Employees' Compensation Commission.....	27	39	12	-----
Export-Import Bank of Washington.....	2	2	-----	-----
Federal Communications Commission.....	52	53	1	-----
Federal Deposit Insurance Corporation.....	2	2	-----	-----
Federal Security Agency.....	586	461	-----	125
Federal Works Agency.....	282	282	-----	-----
Maritime Commission.....	18	18	-----	-----
National Housing Agency.....	32	32	-----	-----
National Labor Relations Board.....	3	3	-----	-----
Panama Canal.....	29,324	28,596	-----	728
Reconstruction Finance Corporation.....	278	235	-----	43
Smithsonian Institution.....	8	8	-----	-----
Veterans' Administration.....	257	372	115	-----
Total, excluding War and Navy Departments.....	53,501	53,827	1,525	1,199
Net decrease, excluding War and Navy Departments.....			326	
Navy Department.....	167,444	68,487	-----	1,043
War Department.....	2,435,789	2,393,132	-----	42,657
Total, including War and Navy Departments.....	556,734	515,446	2,508	43,856
Net decrease, including War and Navy Departments.....			41,288	

* Included in January figure are 19,482 new personnel employed during January. These employees were not included in over-all total for month reported to committee, though included in figure reported for employees outside United States.

† Employees stationed outside the continental United States as of Dec. 31, 1945.

‡ Employees stationed outside the continental United States as of Jan. 31, 1946.

TABLE 3.—Consolidated table of Federal personnel inside and outside continental United States employed by executive agencies during February 1946, and comparison with January

Departments or agencies	1946		Increase	Decrease
	January	February		
Executive Office of the President: Bureau of the Budget.....	752	757	5	-----

Footnotes at end of table.

TABLE 3.—Consolidated table of Federal personnel inside and outside continental United States employed by executive agencies during February 1946, and comparison with January—Continued

Departments or agencies	1946		Increase	Decrease
	January	February		
Executive departments:				
Agriculture Department	86,850	87,323	473	-----
Commerce Department	32,374	33,868	1,494	-----
Interior Department	44,298	44,757	459	-----
Justice Department	25,322	25,322	-----	-----
Labor Department	33,689	34,228	539	-----
Post Office Department	453,743	463,628	9,885	-----
State Department	18,525	19,933	1,408	-----
Treasury Department	103,087	105,513	2,426	-----
National war agencies:				
Civilian Production Administration	2,435	2,447	12	-----
Committee on Fair Employment Practice	37	35	-----	2
National Wage Stabilization Board	1,253	863	-----	390
Office of Alien Property Custodian	624	637	13	-----
Office of Defense Transportation	226	145	-----	81
Office of Inter-American Affairs	616	619	3	-----
Office of Price Administration	32,639	32,335	-----	304
Office of Scientific Research and Development	834	794	-----	40
Office of War Mobilization and Reconversion	668	649	-----	19
Petroleum Administration for War	117	84	-----	33
Selective Service System	16,380	16,067	-----	263
Smaller War Plants Corporation	1,814	0	-----	1,814
War Shipping Administration	4,977	4,985	8	-----
Independent agencies:				
American Battle Monuments Commission	38	38	-----	-----
Civil Aeronautics Board	412	417	5	-----
Civil Service Commission	4,972	4,581	-----	391
Employees' Compensation Commission	549	561	12	-----
Export-Import Bank of Washington	90	95	5	-----
Federal Communications Commission	1,308	1,252	-----	56
Federal Deposit Insurance Corporation	1,207	1,219	12	-----
Federal Power Commission	707	720	13	-----
Federal Security Agency	31,464	31,408	-----	56
Federal Trade Commission	487	492	5	-----
Federal Works Agency	21,685	22,184	499	-----
General Accounting Office	14,352	14,641	289	-----
Government Printing Office	7,262	7,322	60	-----
Interstate Commerce Commission	2,122	2,167	45	-----
Maritime Commission	7,956	7,780	-----	176
National Advisory Committee for Aeronautics	5,584	5,476	-----	108
National Archives	357	358	1	-----
National Capital Housing Authority	269	267	-----	2
National Capital Park and Planning Commission	16	16	-----	-----
National Gallery of Art	279	280	1	-----
National Housing Agency	14,352	14,710	358	-----
National Labor Relations Board	819	896	77	-----
National Mediation Board	100	99	-----	1

Footnotes at end of table.

TABLE 3.—Consolidated table of Federal personnel inside and outside continental United States employed by executive agencies during February 1946, and comparison with January—Continued

Departments or agencies	1946		Increase	Decrease
	January	February		
Independent agencies—Continued				
Panama Canal	29,557	28,876	-----	681
Railroad Retirement Board	1,803	1,914	111	-----
Reconstruction Finance Corporation	31,853	35,533	3,680	-----
Securities and Exchange Commission	1,203	1,216	13	-----
Smithsonian Institution	422	424	2	-----
Tariff Commission	267	256	-----	11
Tax Court of the United States	121	121	-----	-----
Tennessee Valley Authority	11,596	11,529	-----	67
Veterans' Administration	105,933	117,664	11,731	-----
Total, excluding War and Navy Departments	1,160,352	1,189,501	33,644	4,495
Net increase, excluding War and Navy Departments	-----	-----	29,149	-----
Navy Department, inside and outside United States	586,994	592,856	5,862	-----
War Department, inside and outside continental United States	763,812	746,184	-----	17,628
War Department, outside continental United States	443,789	539,132	-----	42,657
Total, including War and Navy Departments	2,946,947	2,921,673	39,506	64,780
Net decrease, including War and Navy Departments	-----	-----	25,274	-----

¹ 225 full-time equivalent-wage and piecework employees are included for the first time.

² Terminated as of Jan. 28, 1946. Employees transferred to Commerce Department and Reconstruction Finance Corporation.

³ Included in February total for Navy Department and considered an increase are 19,482 new personnel employed during January but not reported to the committee in total for that month. Had these employees been reported in January total there would have been a net decrease in February of 13,620 for the Navy Department and 44,756 for the entire Government.

⁴ Employees stationed outside the continental United States as of Dec. 31, 1945.

⁵ Employees stationed outside the continental United States as of Jan. 31, 1946.

TABLE 4.—Industrial employees¹ of Federal Government, inside and outside the continental United States, employed by executive agencies during February 1946, and comparison with January

[These employees are included in above tables]

Departments or agencies	1946		Increase	Decrease
	January	February		
Executive Departments:				
Commerce Department	915	887	-----	28
Interior Department	3,758	4,182	424	-----
State Department	183	193	10	-----
Treasury Department	7,381	7,178	-----	203
Independent agencies:				
National Housing Agency	565	756	191	-----
Panama Canal	3,059	2,969	-----	90
Tennessee Valley Authority	5,221	5,073	-----	148
Total, excluding War and Navy Departments	21,082	21,238	625	469

Footnotes at end of table.

TABLE 4.—Industrial employees¹ of Federal Government, inside and outside the continental United States, employed by executive agencies during February 1946, and comparison with January—Continued

[These employees are included in above tables]

Departments or agencies	1946		Increase	Decrease
	January	February		
Net decrease, excluding War and Navy Departments	-----	-----	-----	156
Navy Department, inside and outside United States	422,116	425,682	3,566	-----
War Department, inside continental United States	356,813	346,642	-----	10,171
War Department, outside continental United States	424,314	381,522	-----	42,792
Total, including War and Navy Departments	1,224,325	1,175,084	4,191	53,432
Net decrease, including War and Navy Departments	-----	-----	49,241	-----

¹ Industrial employees include unskilled, semiskilled, skilled, and supervisory employees on construction projects. Maintenance and custodial workers are not included.

² Included in February total and considered as an increase are 19,482 Navy personnel employed outside United States during January but not reported to the committee in total for that month. Had these employees been reported in January total there would have been a decrease in Navy Department industrial personnel in February of 15,916 and 68,723 for the entire Government.

³ Figures as of Jan. 31, 1946.

⁴ Figures as of Feb. 28, 1946.

⁵ Figures as of Dec. 31, 1945.

⁶ Figures as of Jan. 31, 1946.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. BUSHFIELD:

S. 2021. A bill authorizing the issuance of a patent in fee to Charlie Logan Ghost Bear; to the Committee on Indian Affairs.

(Mr. HATCH introduced Senate bill 2022, to give veterans first priority in the sale or transfer of surplus property under the Surplus Property Act of 1944, which was referred to the Committee on Military Affairs, and appears under a separate heading.)

(Mr. TYDINGS introduced Senate bill 2023, to provide emergency relief for victims of the seismic waves which struck the Territory of Hawaii, which was referred to the Committee on Territories and Insular Affairs, and appears under a separate heading.)

By Mr. YOUNG:

S. 2024. A bill for the relief of Paul Kastner; to the Committee on Claims.

S. 2025. A bill authorizing the retention by members of State guard units of uniforms issued to them by the Secretary of War pursuant to section 61 (b) of the National Defense Act; to the Committee on Military Affairs.

(Mr. FERGUSON introduced Senate bill 2026, to amend the Reconstruction Finance Corporation Act to provide for the return of premiums on war-damage insurance, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. ELLENDER (by request):

S. 2027. A bill for the relief of certain members of the Yakutat Cooperative Market; to the Committee on Claims.

(Mr. WAGNER introduced Senate bill 2028, to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes, which was referred to the Committee

on Banking and Currency, and appears under a separate heading.)

By Mr. HATCH (by request):

S. 2029. A bill to authorize the Director of the United States Geological Survey to produce and sell copies of aerial or other photographs and mosaics, and photographic or photostatic reproductions of records, on a reimbursement of appropriations basis; to the Committee on Public Lands and Surveys.

By Mr. BYRD:

S. J. Res. 152. Joint resolution to provide for the maintenance for public use of certain highways in the Shenandoah National Park; to the Committee on Public Lands and Surveys.

RELIEF FOR PEOPLE OF HAWAII

Mr. TYDINGS. Mr. President, we all know that in Hawaii, as a result of the recent tidal waves the death loss is pretty close to 100. Many scores have been injured. The devastation of property is unbelievable. I am informed that there is great damage to harbors, docks, and private property as well. I am now introducing a bill to help the Hawaiian people in this emergency, and as we get further facts we can ascertain to what further extent, if at all, we should help them. I think we should help them substantially.

I am introducing the bill today because Mr. FARRINGTON, who represents Hawaii in the House, has introduced a companion bill, and if we find that it is desirable to pass this bill I wanted to save every possible minute.

Mr. President, I ask unanimous consent to introduce the bill, and to have it appropriately referred.

There being no objection, the bill (S. 2023) to provide emergency relief for victims of the seismic waves which struck the Territory of Hawaii, was received, read twice by its title, and referred to the Committee on Territories and Insular Affairs.

RETURN OF PREMIUMS ON WAR-DAMAGE INSURANCE

Mr. FERGUSON. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to amend the Reconstruction Finance Corporation Act so as to provide for the return of premiums on war-damage insurance.

The War Damage Corporation was authorized by Congress to operate under the Reconstruction Finance Corporation, immediately after the Pearl Harbor attack, to insure American property against damage by enemy attack or by United States forces resisting the enemy. American property owners took advantage of that insurance; and at the close of business on February 28, 1946, the War Damage Corporation had written more than 8,700,000 policies and renewals during its existence. The Corporation has collected in premiums, less returned premiums, an aggregate amount of \$246,044,867.36. The losses paid by the Corporation for losses sustained prior to inception of the program were negligible, while payments made for losses under the policy program were \$78,063.99.

My proposal calls for the War Damage Corporation to refund to each property owner who was insured under the program the excess of premiums, interest, and other profits and income received by it with respect to policies issued

by such Corporation, above the losses and expenses incurred by it with respect to such policies of insurance.

There being no objection, the bill (S. 2026) to amend the Reconstruction Finance Corporation Act to provide for the return of premiums on war-damage insurance, was received, read twice by its title, and referred to the Committee on Banking and Currency.

AMENDMENT OF EMERGENCY PRICE CONTROL ACT OF 1942, AS AMENDED, AND THE STABILIZATION ACT OF 1942, AS AMENDED

Mr. WAGNER. Mr. President, I ask unanimous consent to introduce a bill, for appropriate reference, to amend the Emergency Price Control Act of 1942 and the Stabilization Act of 1942. The amendment would strike out "June 30, 1946" and insert "June 30, 1947" in the so-called Price Control Act and the Stabilization Act.

The original legislation was considered by the Committee on Banking and Currency. I assume that this bill will also be referred to the Committee on Banking and Currency. I should like to announce that a week from Monday we shall begin hearings on the OPA.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from New York?

There being no objection, the bill (S. 2028) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes, was received, read twice by its title, and referred to the Committee on Banking and Currency.

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

Mr. WAGNER. I yield.

Mr. WHERRY. What does the amendment propose to do?

Mr. WAGNER. I am introducing a bill.

Mr. WHERRY. As I understand, the purpose of the bill is to extend the act for a year.

Mr. WAGNER. Yes.

Mr. WHERRY. I thank the Senator.

AMENDMENT OF FAIR LABOR STANDARDS ACT—AMENDMENT

Mr. MURRAY submitted an amendment intended to be proposed by him to the amendment intended to be proposed by Mr. ELLENDER (for himself and Mr. BALL) to the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. CORDON submitted an amendment intended to be proposed by him to the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENT OF BANKRUPTCY ACT OF 1898—AMENDMENTS

Mr. OVERTON submitted amendments intended to be proposed by him to the bill (H. R. 4160) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the

United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, which were ordered to lie on the table and to be printed.

ADMINISTRATION AND LIQUIDATION OF FEDERAL REHABILITATION PROJECTS

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 704) to authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural rehabilitation projects, and for other purposes, which was, to strike out all after the enacting clause and insert:

That, notwithstanding any other provision of law, the Secretary of Agriculture, in order to assure the maximum preferential disposition to veterans of the present war and present project occupants who have existing contracts to purchase, is hereby authorized and directed to dispose of lands hereinafter described as expeditiously as possible, not to exceed 3 years from the date of termination of the present war, such of the lands (improved and unimproved) comprising or incident to those resettlement projects and rural rehabilitation projects for resettlement purposes, and other like enterprises, including lands in the so-called water conservation and utility projects, heretofore initiated for similar purposes and financed, in whole or in part, with funds made available to the Secretary, War Food Administrator, Farm Security Administration, Resettlement Administration, or Federal Emergency Relief Administration, as he determines are suitable for ultimate disposition in economic farm units. Nothing contained herein shall be deemed to authorize retardation of the expeditious liquidation of other land or property comprising such projects insofar as is deemed practicable by the Secretary consistent with the purpose of this act.

SEC. 2. The Secretary shall sell or cause to be sold, from time to time, units not to exceed 640 acres in any one sale, those of such lands as are suitable for disposition in economic farm units at the earning-capacity value as determined by him and otherwise on such terms as he may deem advisable, to veterans, as defined in the Surplus Property Act of 1944 (Public Law 457, 78th Cong.), and to present occupants of such lands who have existing contracts to purchase and who meet the requirements of eligibility specified in title I of the Bankhead-Jones Farm Tenant Act (7 U. S. C. 1000-1006), as amended.

SEC. 3. There is hereby authorized to be appropriated such amounts as may be necessary to carry out the purposes of this act, including and making betterments and improvements deemed necessary to accomplish the purposes of this act: *Provided*, That no expenditures shall be made for improvements on any farm unit in excess of one-third of the earning capacity value.

SEC. 4. Any conveyance by the Government of title to land under this act shall convey all of the right, title, and interest of the Government in and to such land, including all mineral rights.

Mr. THOMAS of Oklahoma. Mr. President, I move that the Senate disagree to the amendment of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. THOMAS of Oklahoma, Mr. BILBO, Mr. HOEY, Mr. AIKEN, and Mr. BUSHFIELD conferees on the part of the Senate.

SETH S. BARKER, TYPICAL IOWAN—
ARTICLE BY RAY JOSEPHS

Mr. WILSON. Mr. President, Iowa is a great agricultural State, properly referred to as the Queen of the Midland States. It is the empire of abundance; the State of the tall corn. It is the promised land with the promise fulfilled. Nicknamed the "Hawkeye State," it could be appropriately called the "reliable State." It is a State having so many firsts that it is difficult to say which comes first. It is a State where candor, honesty, and brotherly love are a part and parcel of everyday life.

We are busy producing foods, yet our people do not overlook the finer things of life, nor their obligations to the world at large.

Mr. Ray Josephs, writer for the Washington Sunday Star, under date of March 31, 1946, selected Seth Barker, of Ottumwa, a typical Iowan, as one who believes in doing things to help people enjoy life. I ask, Mr. President, that the article by Mr. Josephs be printed in the RECORD as a part of my remarks.

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

THIS CORNFIELD INDUSTRIALIST INVENTS GADGETS TO HELP PEOPLE ENJOY LIFE—THEY PAY OFF, TOO

Unless you live out on a farm somewhere around Ottumwa, a pleasant little tall-corn town in southern Iowa, chances are you've never heard of Seth S. Barker.

But down in Melbourne not long ago when the Australian Government wanted to inaugurate a vast program of agricultural diversification, the first thing they did was to send a man 15,000 miles to Barker's. Authorities in Uruguay followed suit. So have officials in many States and Washington.

For Seth Barker has built a world-wide reputation, a \$500,000 small-town business, and won the affection of his home town simply from figuring how to "tinker up" farmer-boy ideas that will help other people.

BUILDS ARTIFICIAL LAKES

Take Dream Lake, for instance. A few years ago it was just a big rolling tract of wild acreage on Chicago-bound Highway 63. Seth liked the looks of the place, bought it for a couple of thousand dollars. Then he hired some big yellow bulldozers to scoop, shovel, and tinker him a lake according to a plan he'd sketched out on an old manila envelope. Now his new home is under construction on the lake shore.

He's built three other artificial lakes the same way. None of them have any strictly practical purpose. But lots of folks in that part of Iowa swim in them, fish in them (for pike Seth helped stock), shoot game around them, and just enjoy looking at them.

Seth simply likes lakes and thought they'd be fun for himself and his neighbors. Such, if anyone were to define it, has been Seth's whole philosophy in life since he was a boy growing up on the rolling farmlands of his native Iowa. That it has paid financial dividends is pleasant, but hardly Seth's first consideration. The pleasure it's given others has been the important thing.

IDEA GREW FROM TINKERING

Seth had tried undertaking, drugstore clerking, furniture selling, and half a dozen other jobs, none too successfully, when 20 years ago, at 37, he got his first big profitable idea while tinkering with a portable welding set in his home-made machine shop.

He'd watched farmers haul big, heavy wooden crates of chickens into town, unload, and then cart the bulky things back

with general-store purchases piled on top. It was hard work and left little time for fun.

Why not collapsible coops of welded wire, he thought. Knock 'em down, and carry them back flat, leaving plenty of space for other things. To patent it, make it and sell it, however, wasn't easy. Seth had little cash. No collateral a bank would accept. No manufacturing experience. But he had the same reputation for doing things for people he has now. He went to see the chamber of commerce in Ottumwa and told them about his idea. They decided to stake him.

Today Barker's coops are sold all over the world. So are his agricultural machines; incubator tanks; heaters; dairy, ice cream and creamery equipment—devices he's invented and manufactured to produce more food at less cost and give people more time for enjoyment. It's not a big business as American businesses go, but Seth wants it that way.

He says: "If I tell the boys to knock off for the afternoon, I don't have to worry what the stockholders might say."

For one of his most important devices—a belt-line system of processing poultry—Seth credits some farm boys who share his passion for tinkering. Remembering how the hated chicken-preparing job had taken half his playtime in chore days, he hired a group of mechanically-minded young assistants "just to fool around and see what they could work out."

The result was a conveyor. The chicken comes in one end, is killed, bled, plucked clean (they dip it in hot paraffin, then break the hardened wax and feathers off) and everything is automatic.

It was this invention which interested Australia, Uruguay, several other governments and which helped Seth build up his industry in a cornfield to one of the most flourishing small businesses in the United States. They'd heard how, thanks to the processor and other Barker equipment, the price of chicken had gone down and down. And how in many areas of the United States large-scale poultry raising had been developed by thousands of small farmers. Without charge Seth sent trained men abroad to help them get started—and as a result got more orders than he could handle.

RANG BELLS FOR FUNDS

A hundred men in Ottumwa, another foundry in Centerville, and a third one in Bloomfield, Davis County seat, manufacturing a catalog full of items, hardly seem to fill more than a part of Seth's time. He took over the presidency of Ottumwa's Community Chest and then, typically, volunteered for extra duty—acting as a doorbell-ringing solicitor.

Whenever the extension service specialists over at Iowa State College at Ames want to try something new and unprecedented, they call on Seth. Recently they were experimenting with pecans, ordinarily grown only in warm climates. They were pooh-poohed when it was suggested that Iowa, where temperatures range from 20 below zero to 100 or more above, might grow them.

"More good ideas die because people are afraid to be laughed at for trying them than for lack of merit," Seth remarked. He provided a site offering every condition the experimenters wanted, rang up friends who had the needed supplies and put the effort in business. It may work or it may not; Seth won't make money either way. But if it does, no one in Iowa will be prouder or less willing to take a share of the credit.

Unostentatious, shoes unshined, a tremendous reader, Seth hates making speeches or any sign of show. But his warmth and kindness show themselves in a hundred ways. Sometimes it's big things and often little things like the pole for the

kids on North Elm Street. A couple of them had looked everywhere for a 13-foot wooden post so they could form basketball teams. War shortages had made them as scarce as hen's teeth. So they dropped around to see Seth and asked him to keep them in mind if one came in.

Two days later a truck drove up, a crew of Seth's men on board. They had a pole, not wood, but metal welded in Seth's plant. The crew not only set it up but measured the court and stayed around to give the youngsters a little coaching. Seth asked only one favor in return—that nobody be told he had anything to do with it.

Often, seeing his little good turns give people pleasure leads them to bigger ones. The Y needed guards for lights on the volley-ball courts. They couldn't be bought. Seth had them made at one of his plants, gave them to the Y with the usual pledge of anonymity. Then they invited him to see them in operation. Seth didn't stop there. He asked to look over the rest of the place.

At the end of a long evening a group of films of various Y camps was shown. "Where's the Ottumwa camp?" Seth asked. They admitted they didn't have one.

GAVE "Y" IDEAL CAMP SPOT

Not long afterwards Barker drove around to the "Y." "Like to take you for a little automobile ride," he told the secretary and some of the boys. Six miles below Ottumwa they got out of the car, clambered up a steep deposit of jagged rock, where Seth pointed out a magnificent vista of the Des Moines River Valley.

This, Seth related, was once Chief Wapello's territory. Such a site would be an ideal camp spot, and it was the "Y's" for the taking, with only one string attached: Would they mind if Seth built a lake there? By putting a dam just a little over to the east he'd be able to make one with 32 acres of wonderful water. Meanwhile, he'd lend them a land strip to enable them to get down to the river while the camp was being developed.

In Ottumwa recently there was hardly a man, woman, or child I spoke to who didn't have some such story to tell, and each story was unknown to most of the others.

I learned, too, how, although he's never had scientific training, Seth's patents fill cabinets. Unlike some self-taught inventors, however, Seth believes education helps. He's quietly given more scholarships to lads who've shown talent than many a fancy professional endowment.

Because he feels many of his inventions are the result of joint efforts, employees share in the profits. Seth has helped a number of them to start businesses of their own, some in direct competition, some subcontracting. Doesn't hurt if they go after his customers, he feels; it may make his own efforts better.

HELPED PRODUCE MORE POULTRY

Despite limelight ducking, which is almost an obsession, Seth's interest in doing practical things for people has got him calls from places which have never heard of Ottumwa. When the War Production Board wanted a man who could help the country produce more poultry, they called Seth. They knew that among other things he'd invented a special feeding battery that has enabled hundreds of thousands of suburbanites to raise their own chickens right in the cellar; one of the reasons poultry was never rationed during the war.

And although all kinds of famed names were suggested when Gov. B. B. Hickenlooper wanted to create an Iowa Development Commission which would bring his State's post-war industrial and agricultural plans down to earth, Seth was given the all-work-and-no-pay assignment.

"Nobody will let him down," the Governor said, "because he's never let them down. Seth gets too much out of life for that."

DECORATION BY ECUADOR OF REV. DR. JOSEPH F. THORNING

[Mr. TYDINGS asked and obtained leave to have printed in the RECORD articles from the Washington Star of March 29, 1946, and the New York Times of February 25 and 28, 1946, dealing with the decoration by Ecuador of the Reverend Dr. Joseph F. Thorning, which appear in the Appendix.]

REORGANIZATION OF CONGRESS—EDITORIAL FROM ARKANSAS DEMOCRAT

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD an editorial entitled "Archaic Government," published in the Arkansas Democrat of March 16, 1946, which appears in the Appendix.]

THE PROPOSED ST. LAWRENCE SEAWAY—ARTICLES FROM THE CHICAGO SUN

[Mr. LANGER asked and obtained leave to have printed in the RECORD an article entitled "World's No. 1 Power Plant Would Be Extra Benefit in Waterway Development," from the Chicago Sun of March 26, 1946, and an article entitled "Army Relies on Waterway to Strengthen Defense of Nation in Wartime," from the Chicago Sun of March 28, 1946, which appear in the Appendix.]

CONSERVATISM IN THE SOUTH—ARTICLE BY JOHN TEMPLE GRAVES

[Mr. BANKHEAD asked and obtained leave to have printed in the RECORD an article by John Temple Graves, published in his column, This Afternoon, in the Birmingham Post of April 1, which appears in the Appendix.]

PETITION OF EXECUTIVE COMMITTEE OF THE RHODE ISLAND BRANCH OF THE CIO

[Mr. GREEN asked and obtained leave to have printed in the RECORD a petition by the executive committee of the Rhode Island branch of the Congress of Industrial Organizations, which appears in the Appendix.]

VETERANS' PREFERENCE IN SALES OF SURPLUS PROPERTY

Mr. RUSSELL. Mr. President, I suggest the absence of a quorum.

Mr. HATCH. Mr. President, will the Senator withhold the suggestion for a moment?

Mr. RUSSELL. Very well; I withhold it.

Mr. HATCH. I will say to the Senator that before the roll is called there are a few remarks I desire to make and it is not necessary at all to have a quorum present. The remarks, though, Mr. President, do relate to a subject which I consider to be of vast importance.

Yesterday I picked up an evening newspaper and read the news account of the sale of surplus property held in Baltimore. The story begins in this way:

Hundreds of disappointed veterans from all parts of the country turned homeward today after getting one of the worst run-arounds yet administered by a surplus-property agency.

The veterans, some with only a few dollars in their pockets, had come to Baltimore to buy photographic equipment. All carried veterans' priorities. All had received lavish announcements that the goods they needed to set themselves up in business would be available.

I shall not read all this news story, but I ask now that the entire story be incorporated in the RECORD at this point, as a part of my remarks.

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

(The entire article is as follows:)

[From the Washington Daily News of Wednesday, April 3, 1946]

ANOTHER SURPLUS SALE PROVES DUD

(By Roger Stuart)

BALTIMORE, April 3.—Hundreds of disappointed veterans from all parts of the country turned homeward today after getting one of the worst run-arounds yet administered by a surplus property agency.

The veterans, some with only a few dollars in their pockets, had come to Baltimore to buy photographic equipment. All carried veterans' priorities. All had received lavish announcements that the goods they needed to set themselves up in business would be available.

The sale had been ballyhooed by War Assets Administration, the disposal agency, as a "colossal" event.

Nearly \$1,000,000 worth of goods was listed. What the veterans found were virtually empty display tables showing a few odds and ends of equipment. Most of it was obsolete, some of it out of repair.

The notice of sale, which had lured more than 700 veterans to Baltimore, had promised cameras, lenses, projectors, printers, trays, enlarging boards.

Among the would-be buyers were a couple of young men from New York, who had hitchhiked all night to get here in time for the sale. There were others who had flown from Chicago, driven from Pittsburgh, Washington, Los Angeles, Detroit, Philadelphia, and Atlanta. Some said they had borrowed money to make the trip.

"It's the same old run-around," complained Fred B. Sheldon, of Dallas, Tex., youthful wholesale jobber, who appeared with certified checks totaling \$35,000. Mr. Sheldon surveyed the empty display tables, shook his head, and remarked that he "might be able to find \$150 worth of usable stuff."

"I was told by the Atlanta War Assets office that I'd get fixed up just fine if I came to Baltimore," said Robert L. Strickland, of Atlanta. He wants to start a commercial studio.

"Well," he added, "I'm getting fixed up all right! There isn't \$100 worth of stuff that's fit to buy."

David Powell and Bernard Cooper, both of Brooklyn, drove all night to get here in time for the opening. "But 90 percent of the advertised equipment is gone," said Mr. Powell.

L. B. Souder, War Assets district manager in charge of the sale, said he had "no apology to offer." Priority groups, including Federal, State, and municipal agencies, Mr. Souder said, had gobbled up most of the equipment last week.

The photographic goods were offered to the priority groups first. The sale for veterans was scheduled to run 3 days this week, ending tomorrow. Dealers were promised an opportunity to buy what is left next week.

Mr. HATCH. In substance the story is one that is not new. The same thing that happened in Baltimore has happened and is happening all over the country. Agencies charged with the disposal of surplus property today send out lavish announcements and advertisements that sales will be held. Veterans, relying upon the act of Congress that they were accorded a preference to buy of these surplus commodities, have gone to practically every city in the United States under circumstances similar to what occurred in Baltimore yesterday, and when they arrived they found—goods? Not at all; they found that agencies of the Federal Government or of State and municipal governments which have been given first priorities had

obtained the goods which they expected to buy, or, at least, to have an opportunity to inspect and try to purchase.

Mr. President, when the Congress passed the act according to veterans the preference which is therein contained, the Congress intended that that should be effective legislation and that the veterans should actually receive a preference; but the way it is working out veterans are not getting a preference and are not getting the goods.

I have heard many stories from veterans of my own State, and of other States, relating almost unbelievable circumstances involved in these sales. I have found very few veterans have ever been able to obtain any of the surplus commodities. In short, the legislation which Congress enacted giving the preference is totally ineffective, and the veterans are being deprived of the preference Congress intended to give them. I do not attempt to fix the blame or responsibility upon the administrative agencies now, although I think that by very simple procedures such instances as occurred at Baltimore yesterday could be avoided. They should not occur. More than a million dollars' worth of goods are advertised, and when the veterans arrive, they are told, "Why, those were sold more than a week ago."

I know Government agencies are burdened with work in connection with the sale of these surplus goods, but I cannot for the life of me understand why an agency cannot first permit those having first preference, the Government and State and municipal agencies, to make their selections, if they are to have selections first, and then readvertise to the veterans what is actually left for sale. Why hold out to them a promise which cannot be fulfilled? It is wrong.

Mr. President, it is not sufficient for me as a Member of the Congress to stand here and criticize an executive agency; it is not sufficient for any Member of the Congress simply to find fault and to point out how the will of Congress is being defeated, as is being done in the disposal of surplus commodities. Our job is to legislate, and if the laws we enact are not serving the purpose we seek to achieve, then it is our duty to correct and amend those laws and to see that the purpose we intend is carried out.

The Congress has not been unmindful of this situation. At this time appropriate committees of both House and Senate are considering it. I understand legislation is now pending in the House, and I know of at least two bills pending before the appropriate committee in the Senate. One was introduced in January by my colleague the junior Senator from New Mexico [Mr. CHAVEZ], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from South Carolina [Mr. MAYBANK]. In that bill they propose to broaden the scope, raise the rank of the veterans' preference provided for in the Surplus Property Act, and give veterans the second choice.

This proposal would make their privilege subject only to that of the Federal Government itself, as I have read it. It provides that veterans shall be given

priority over all other disposals of property provided for in this act, except transfers to Government agencies under section 12.

Mr. President, that is an effort, and is a step, toward correcting the situation about which I complain, and I compliment the Senator from South Carolina [Mr. MAYBANK], who is coming into the Chamber at this time, and his associates who introduced the measure giving the veterans priority next to the Federal Government agencies.

That amendment, however, in my opinion, does not suffice. I do not see why a Government agency should have preference over the veterans. We all know that throughout all the war years, when these men were fighting, when they had priorities and preference in running the risk of death, the Government agencies were getting all the commodities and goods they wanted, and I do not see why, now, they should be given preference over the veterans who have been fortunate enough to return home safely. So I think the amendment proposed by the Senators I have named does not reach the point.

Again, other Senators, in March, just recently, introduced another amendment to the law striking at the same thing. This time it was the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from South Carolina [Mr. MAYBANK]. This provision is also to broaden the scope of the veterans' preference, and authorizes the setting aside by the Administrator, "to be made available, for such period or periods of time as he may determine, appropriate quantities of surplus property suitable for exclusive disposal to veterans."

Mr. President, I certainly favor giving exclusive preference to veterans in the disposal of certain surplus commodities, but I greatly fear if that amendment to the law were enacted, and the Administrator were given authority to set aside certain quantities, it would so confuse the already confused agency that I think perhaps the result would be another change in the name of what I believe is now the War Assets Administration, and was the Surplus Property Administration before that, and something else before that. I am frank to say, and I mean it, I think that is exactly what would happen if this amendment to the law should be adopted. We would have another change in the name, and the Administrator would become so confused no good could come from the provision.

Mr. FERGUSON. Mr. President, will the Senator from New Mexico yield?

Mr. HATCH. I yield.

Mr. FERGUSON. I agree wholeheartedly with the Senator's idea that veterans should have this preference, but I am wondering whether or not it has not been the administration of the act that has caused the trouble for the veterans.

Mr. HATCH. Probably the Senator did not hear my opening remarks, in which I said that I thought much of the trouble was due to defective and inefficient administration; and that, I think, is rather a mild description of the situation.

Mr. FERGUSON. From what little we have found out in the Mead committee on this question, I think it is a very mild description.

Mr. HATCH. I am speaking particularly about the sale that occurred at Baltimore, or did not occur, yesterday, and about which the Senator read in the newspapers, which to my mind presented a most disgraceful spectacle.

Mr. President, I was proceeding to say that the Senators who have made this proposal are to be complimented and congratulated for trying to do something about the situation, but I do not think what they have proposed will reach the trouble. I think again we will have confused administration. I believe that every Member of Congress had in mind that the veteran actually should have a preference by which he could acquire some of the surplus commodities.

Mr. MAYBANK. Mr. President, will the Senator from New Mexico yield?

Mr. HATCH. I am delighted to yield, because I know the Senator from South Carolina has given a great deal of thought and study to this subject. I shall be glad to have his comments, and therefore I am glad to yield.

Mr. MAYBANK. I wish to say to my distinguished friend from New Mexico that yesterday afternoon the bill which was originally introduced was changed by the Surplus Property Subcommittee, of the Committee on Military Affairs, so as to require the War Assets Administration to set aside, for the exclusive use of veterans only, certain categories of surplus goods.

Mr. HATCH. Is that the amendment to the law to which I referred?

Mr. MAYBANK. The bill was agreed on only yesterday afternoon, and certain amendments were made to it.

Mr. HATCH. I hope the Senator and his committee agreed upon a measure which will reach the matter I am discussing. However, I had prepared this morning, and intend to introduce and have sent to the Senator's committee for such consideration as they may give it, a simple bill giving veterans first preference.

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

Mr. HATCH. I yield.

Mr. REVERCOMB. I am glad indeed that the able Senator from New Mexico has brought this question up, because it is one which certainly needs attention, as was pointedly indicated by the incident in Baltimore to which the Senator has referred.

Mr. HATCH. It does not apply to Baltimore alone.

Mr. REVERCOMB. That is correct, I agree. There has grown up a situation in which the veterans have been treated quite unfairly, I will say.

The bill referred to by the able Senator from South Carolina, with whom I have the honor to serve on the subcommittee, and which was reported by the subcommittee, is in essence a bill which requires the War Assets Administration, which is now dealing with the subject of disposing of this property, to use its own judgment and discretion in setting aside certain properties which the veteran may

have first choice in purchasing. The subcommittee unanimously reported the bill and urged that it be expedited to the floor of the Senate for action.

As the Senator knows, a general bill for the disposal of surplus property gives preferences to national, State, and municipal governments. That has brought about a bad result, such as that which occurred in Baltimore.

I have been interested to get information concerning a matter I regard as pertinent, and I should like to ask the Senator a question. The sale at Baltimore was advertised, and certain photographic materials were advertised for sale, which brought veterans from all over the country to the sale. I wish to ask if the Senator knows whether in that advertisement the veterans were advised that the property might be disposed of to governmental agencies under prior rights.

Mr. HATCH. I can only answer the Senator in this way: Of course the veterans know, I think all of them know, of the preferences granted to Government and State agencies, but I do not think any veteran would have made a trip from Los Angeles, Calif., or Dallas, Tex., or even Washington, D. C., to Baltimore, if he had not believed the goods would have been there available for purchase, some of the veterans hitch-hiking and some of them flying to get there. Therefore I would say, in answer to the Senator's question, that they went there in all good faith, believing that the photographic equipment would be available, and that they would have opportunity to purchase it.

Mr. REVERCOMB. I wish to say that I heartily concur in what the Senator says. Undoubtedly the veterans went there in good faith. My question was asked with a view of ascertaining whether or not in the administration of surplus property and its sale, a mistake had been made in not telling the men of the priorities.

Mr. HATCH. I had said, before the Senator came on the floor, I am sure, that the least the administration could have done would have been to let the property first be inspected by the agencies having a preference. Then after they had made their selections, the administration agency should have advertised what was actually left and what would be available to the veterans. Any other method of handling such a situation is perfectly ridiculous to my mind.

Mr. REVERCOMB. I think views of the Senator are absolutely sound, and I heartily agree with him. It is my hope that the amendment which will be offered on the floor shortly when reported from the Military Affairs Committee will take care of the situation so that, beyond any question, the property will be available for sale to the veterans.

Mr. HATCH. Mr. President, I am not at all sure that the amendment which the Senator mentions will take care of the situation. I am not at all sure that we can leave to any administrative agency the authority to select and set aside what should be made available to the veterans. As I have said, the amendment I propose would give the veterans first preference, and I do not see

why the veterans should not have first preference.

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

Mr. HATCH. I yield.

Mr. MAYBANK. I want to congratulate the distinguished Senator from New Mexico for bringing this matter up on the floor of the Senate. I should also like to say that on yesterday afternoon in the subcommittee meeting held in the Military Affairs Committee room, the Senator from West Virginia called the attention of the subcommittee to this Baltimore fiasco, or whatever one may wish to call it, and we immediately agreed on the amendment the Senator has just referred to, and we hope to have it considered by the committee on next Tuesday.

I cannot speak for the chairman of the committee, but I may say that we would be only too happy to consider immediately the bill which will be offered by the Senator from New Mexico, because I agree that the situation is bad. I agree with the Senator that the veterans have not been treated fairly, that they have been induced to go, as the Senator has stated, not only to Baltimore but to Atlanta, Ga., and to other places. As one member of the subcommittee, I desire to assure the Senator that I will cooperate in every way possible to strengthen the amendment to such extent as may be deemed necessary before we report the bill from the committee next Tuesday.

Mr. REVERCOMB. Mr. President, will the Senator from New Mexico yield for a further comment?

Mr. HATCH. I yield.

Mr. REVERCOMB. I certainly will join in any effort to strengthen the law so that never again, in Baltimore or in any other place in the country, will veterans be told to come there and purchase, and find the goods sold. If the amendment referred to will not bring that about, then it should be strengthened, and I certainly will support such action.

Mr. HATCH. Mr. President, I certainly appreciate the comments of the two distinguished members of the Military Affairs Committee, and I now ask unanimous consent to introduced a bill to amend the Surplus Property Act of 1944, which I request be referred to the Committee on Military Affairs.

There being no objection, the bill (S. 2022) to give veterans first priority in the sale or transfer of surplus property under the Surplus Property Act of 1944, was received, read twice by its title, and referred to the Committee on Military Affairs.

I wish to say again that this question will not be solved if it is left in any material respect to the discretion of an executive agency.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. LA FOLLETTE. I did not have the benefit of hearing the Senator's opening remarks, as I was detained in a hearing of the Senate Committee on Finance. I should like to say that, although I do not have the privilege of

serving on the Military Affairs Committee, I took a considerable interest, as I know the Senator from New Mexico did, in the original act for the disposal of surplus property, and I have followed the various changes in its administration and the various investigations that have been held by the various committees of the Senate and the House.

I agree absolutely with the position taken by the Senator from New Mexico that until this matter is settled by Congress, without any discretion being left in the administrative agency, we are going to continue to have this disgraceful disregard of what I believe to be the intent of Congress that veterans should have a preference that is worth more than the paper it is written on, and until they are given that preference I do not believe they will receive the benefits of the opportunity to purchase this property which the Congress has, from the beginning, intended they should have.

Mr. HATCH. Mr. President, I thank the Senator from Wisconsin. When I read this newspaper article I not only was exasperated, but I was indignant. I was not only indignant at the treatment which had been accorded to the veterans, but I was indignant over another statement which appeared in the press:

War Assets district manager in charge of the sale said he had—

And this is quoted—

"no apology to offer."

Mr. President, I do not know the manager of that district. He may not have any apology to offer to the veterans of this war because his inefficient administration dragged them clear across the country for nothing. But, Mr. President, I, as a Member of Congress, as one charged with some responsibility for this condition, do want to apologize to every veteran who made that fruitless trip to Baltimore. I apologize not only for myself, but I apologize to every one of those veterans in the name of the Government of the United States and of the Congress, which never intended that such a condition should prevail. I deplore and condemn the words of any man who says "We have no apology to offer" to the men who went there in good faith to purchase goods from their Government, the Government for which they had fought and in whose service many of them, perhaps, were wounded, and many might have died.

Mr. President, this situation is serious, and I urge the Military Affairs Committee on next Tuesday—the Senator from South Carolina said the meeting of the committee would be held on next Tuesday.

Mr. MAYBANK. The meeting of the full committee will be held next Tuesday.

Mr. HATCH. I urge the committee to report a bill dealing adequately with the subject. If my amendment does not adequately cover the situation, then let a measure be drafted which, when adopted, will make such a situation impossible in the future. Not only do I urge the committee to report favorably such a measure, but I urge the Senate to act on it promptly, so as to make absolute and

certain the preference which Congress intended the veterans to have.

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

Mr. HATCH. I yield.

Mr. MAYBANK. I heartily and thoroughly agree with what the distinguished Senator from New Mexico has said, and as one member of the committee I shall use my every effort to have an effective veterans' preference amendment adopted by the Committee on Military Affairs and have the bill favorably reported on Tuesday.

Mr. HATCH. I thank the Senator.

Mr. O'MAHONEY subsequently said: Mr. President, at the beginning of the session today, while I was not on the floor, the able senior Senator from New Mexico [Mr. HATCH] made some remarks with respect to selling surplus property to veterans. The problem involved is one of great complexity, and has been under study by the Military Affairs Committee for months. I desire to ask unanimous consent that there may be printed in the body of the RECORD, immediately after the discussion initiated by the Senator from New Mexico at the opening of the session, certain extracts from the hearings held by the Committee on Military Affairs on the disposal of surplus property, with special reference to veterans' preference.

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

VETERANS' PRIORITY FOR SURPLUS PROPERTY (Wednesday, December 12, 1945)

SURPLUS PROPERTY SUBCOMMITTEE OF THE COMMITTEE ON MILITARY AFFAIRS, Washington, D. C.

The subcommittee met, pursuant to call, at 10:30 a. m., in room 424, Senate Office Building, Senator JOSEPH C. O'MAHONEY presiding.

Present: Senators O'MAHONEY (presiding), REVERCOMB, WILSON, and MAYBANK.

Also present: Senators BUCK and ROBERTSON.

Veterans' Administration: Henry W. Longfellow and Col. Hugh Buell.

American Legion: Harry V. Hayden, Jr., legislative representative.

Veterans of Foreign Wars: Omar V. Ketchum, national director of public relations.

Disabled War Veterans: Dow V. Walker, national commander.

American Veterans of World War II (Amvet): Joseph H. Leib, legislative counsel.

Surplus Property Administration: W. Stuart Symington, Surplus Property Administrator; Hugh Cox, general counsel; Lt. Col. Victor Sachse, assistant general counsel; David O'Brien, Assistant Administrator for Capital and Producer Goods; Lt. Col. John Redding, Assistant Administrator for Public Information; Col. E. C. Kavanagh, Director, Veterans' Branch.

War Department: Col. E. J. Walsh and Col. Tom Campbell.

Army Service Forces: Malcolm R. White.

Navy Department: W. John Kenney, Deputy Assistant Secretary; Commodore Batchelder, Material Division.

Reconstruction Finance Corporation: A. J. Fushman, president, War Assets Corporation; M. E. Cantor, Priorities Unit; Joseph Kelly, Consumers' Goods; W. E. McDaniel, Veterans' Unit; and Mr. H. Levy.

Smaller War Plants Corporation: Lawrence F. Arnold, acting manager; Joseph Kaufman, acting general counsel; Rea Paul, Chief of Operations Bureau; Mr. Odell, Deputy Chief, Operations Bureau.

War Mobilization and Reconversion: Mr. Alex B. Daspett.

Borchardt, Kurt, counsel, Surplus Property Subcommittee.

Senator O'MAHONEY. The committee will be in session, please.

This meeting has been called to give Surplus Property Administrator, W. Stuart Symington, an opportunity to make recommendations to the Congress with respect to the facilitation of the distribution of surplus property among veteran applicants. The committee has made public announcement of the hearing and has notified veterans' organizations and Government departments, including the Veterans' Administration, which are likely to have interest or views with respect to the problem.

The establishment of an efficient system for the disposal of Government property accumulated for the purposes of war and now no longer needed has, to state it mildly, not been without its difficulties. In the first place, there was unavoidable delay in the organization of the Surplus Property Administration. The law, as first enacted, provided for a Surplus Property Board. The appointment and confirmation of the members of this Board consumed considerable time and necessarily delayed the establishment of procedures. Thereafter, experience indicated the desirability of supplanting the Board by a single Administrator. This was done by act of Congress approved September 18, 1945, less than 3 months ago.

The first task of the Surplus Property Administration was to establish the over-all policies and to devise the regulations under which disposal should be undertaken. In addition, it was the duty of the Administrator to prepare and submit to Congress reports concerning the disposal plans for certain categories of Government property costing more than \$5,000,000. This task has now been substantially completed and, in recent months, the Administrator, Mr. Symington, has been giving close study to ways and means of handling the sale of consumer goods to the public generally and, particularly, to veterans.

Publicity about the tremendous volume of war property in the hands of the Government has not differentiated between consumers' goods and capital goods, nor have the figures indicated the proportion of the property which is not likely to be salable.

The result has been that when a statement appears that approximately \$10,000,000,000 worth of Government goods have been declared surplus, the impression is likely to be broadcast that a tremendous volume of material is available for individual consumer use. The truth is far different.

Of all of the Government property which has been declared surplus through 1945 to date, the estimated cost of which was \$10,900,000,000 to the Government, it is probable that less than \$1,000,000,000 worth can be classified as consumer goods.

Almost 50 percent of the total of all the property which has been declared surplus consists of aircraft and properties specially related to aircraft, most of which will not be salable at all. Of the war plants and industrial property which have to date been declared surplus, the value is approximately \$2,000,000,000. Then there are vast holdings of agricultural land, war housing, and ships, all of which measured in cost to the Government will aggregate more than \$1,000,000,000 and none of which would be desired by individuals.

Of the estimated less than \$1,000,000,000 worth of consumers' goods (measured in terms of cost to the Government), only about \$420,000,000 worth has been disposed of up to date. It will thus be seen that in terms of individuals, or individual demand, the amount of surplus Government property available for consumers is only a fraction of the total. It has been estimated that if all surplus consumers goods were desired by the

approximately 5½ million men and women, who have been discharged from the armed services, and were disposed of to them pro rata, each veteran would receive only about \$180 worth in terms of cost to the Government. The value to the consumer is something different. The most sought-after item among consumers goods is the motor vehicle, but between January 1 and October 31 of this year, the cost to the Government of the motor vehicles, which have been declared surplus, was only \$128,000,000. These vehicles included 15,000 passenger cars and 110,000 trucks. Obviously, 110,000 trucks and 15,000 passenger cars would not go very far among several million returned veterans.

Other surplus goods much desired by veterans include small arms and ammunition, radios, and communications and photographic equipment. Yet, during the first 10 months of this year only \$2,800,000 of small arms, \$77,000,000 of communications equipment and electronic devices and \$8,100,000 of photographic equipment were declared surplus. Thus, we find a great scarcity of these goods which has caused dissatisfaction among veterans and civilians.

On the other hand, in several instances where goods have been declared surplus, disposal has been extremely slow. Between January 1 and October 31, 1945, about \$60,000,000 worth of clothing was declared surplus but only \$9,000,000 was disposed of. Out of \$34,000,000 worth of textile products other than wearing apparel, only \$7,000,000 was disposed of. Out of \$19,000,000 worth of footwear, only \$2,500,000 worth was sold. There is small wonder that both veterans and civilians were disappointed when it came to the acquisition of coats, blankets, sheets, shirts, and shoes out of Government surpluses.

It is quite obvious that a great problem of merchandising is presented to the Surplus Property Administration. That is one of the problems the Administrator has been attacking during the 3 months of his tenure of office.

Construction materials are likewise extremely scarce. Four million nine hundred thousand dollars worth was on hand at the end of October after disposal of \$4,400,000 worth and a withdrawal by the owning agencies of \$6,800,000 worth.

Since I prepared this statement I have learned from Secretary Forrestal of the Navy that the Navy is now declaring surplus about 75,000,000 feet of lumber. Is that not right, Mr. Kenney?

Mr. KENNEY. Approximately correct, Senator.

Senator O'MAHONEY. And that declaration of surplus lumber is made in recognition of the fact that there is a great demand among veterans for materials with which to build homes?

Mr. KENNEY. We have a group on the Pacific coast at the present time giving specific instructions for expediting the declaration of that type of material.

Senator O'MAHONEY. Mr. Symington, as I have listened to the testimony today, the thought comes to my mind that one of the serious difficulties involved in this situation has arisen from the fact that there has been created in the public mind an impression that there is a practically inexhaustible supply of surplus material, which is not the truth.

The Government is no longer purchasing these materials. These commodities are no longer being made for the Army and the Navy, and the supply of materials that the veterans want is definitely and specifically limited by the amount which is declared surplus by the owning agency. That is the first bald fact that stares us in the face.

The second one, it seems to me, is this: From the applications which have been received—some you say were pouring into a

small office of the Smaller War Plants Corporation at the rate of 400 a day with four persons to handle them—that gives rise to some dissatisfaction because four persons could not begin to answer in a satisfactory way such an accumulation of requests for information. That must be multiplied all over the country, wherever the veterans are or wherever the veterans or Smaller War Plants or the RFC have their offices.

Then, these applications have made it clear that veterans are desirous of securing a certain limited type of goods. You said 80 percent of the applications are for transportation facilities. There are applications for firearms, there are applications for photographic equipment, there may be applications for furniture—I don't know.

Why wouldn't it be a sensible thing if necessary to amend the law, to require all of the owning agencies to declare a surplus within a given specified time the transportation facilities, photographic equipment, and small arms and ammunition that the veterans have been asking for in the 3 months you have been Surplus Property Administrator?

Then, with those things all declared surplus, provide by law, if necessary, for the disposition of those to the veterans and end it all, get rid of the surplus property, your consumer goods, by marketing them quickly and equitably throughout the country.

Mr. SYMINGTON. I think there is great merit in your thought, sir. We feel the veterans' part of this act is fundamentally unsound and organizationally wrong and should be changed.

You see, the Congress has limited what the veteran wants because the Congress only lets the veteran buy for the establishment or maintenance of a small business.

Senator O'MAHONEY. That is why I spoke of amending the law.

Mr. SYMINGTON. Of course, there would be a lot of other things the veteran would want—

Senator O'MAHONEY. Let's make the record clear here. The section to which you refer, the one which has created this obstacle is section 16:

"The Board shall prescribe regulations to effectuate the objectives of this act to aid veterans to establish and maintain their own small business, professional, or agricultural enterprises, by affording veterans suitable preferences to the extent feasible and consistent with the policies of this act in the acquisition of the types of surplus property useful in such enterprises."

That is obviously a very limited preference and since you and the disposal agencies all operate within the law, you are bound by this. It is the handicap which ties you down.

I have noted that Congress would be very ready and willing—in fact, very anxious—to liberalize this law, but in so doing it should not create an impression to the public that there is going to be an inexhaustible supply of surplus property turning up in the immediate future.

Can we not determine what is to be turned over to the veterans and then when will they get it? It could be specified that owning agencies should classify it—as spare material, trucks, jeeps—and indicate the equipment which requires rubber, and the equipment that is defective, of course.

Then, every veteran who would qualify under the new veterans' preference would be entitled to his part and the Government would be rid of the material, you would be rid of the headache and the surplus property would be distributed.

Mr. SYMINGTON. Senator, we are so close to this that we probably can't see the forest for the trees.

Senator O'MAHONEY. Senator Buck, who was here, was the author of a bill, S. 1435, providing for an amendment to section 16. His bill reads:

"That section 16 of the Surplus Property Act of 1944, as amended, is amended by inserting (a) after the section number and by adding a new subsection as follows:

"(b) Any veteran shall be entitled to purchase any surplus property offered for sale of the market value of \$2,500 or less, at purchase price not exceeding the cost to the Government of such property less depreciation."

When the Surplus Property Administrator reported on that bill, it was stated to the committee that a new regulation was under consideration and you preferred to have an opportunity to discuss that bill after your agency had had the opportunity to study the whole problem.

STATEMENT OF EDWARD E. ODOM, SOLICITOR,
VETERANS' ADMINISTRATION

Mr. ODOM. Mr. Chairman, I am appearing for Gen. Omar Bradley, the Administrator of Veterans' Affairs. And after talking with the chairman yesterday, I discussed the matter with General Bradley, and as I expressed to you privately, he is very desirous, of course, of cooperating with you and with the Congress in every possible way, and, of course, with the other governmental agencies to the extent that we can in solving this tremendous problem.

We realize that it is a tremendous problem and a difficult one. I may say in that respect that the Veterans' Administration has had enough difficulties of its own that it somewhat sympathizes with some other Government agencies that have similar difficulties, in the field of veterans, perhaps, particularly.

The Veterans' Administration is interested in this problem in a direct manner, and likewise in an indirect manner. By a direct manner I mean this: In administering the laws which the Congress has made us responsible for and with particular reference to certain portions of the Servicemen's Readjustment Act of 1942, more popularly and inaccurately known as the GI bill of rights, we find that this problem does affect us directly, with respect to:

First, veterans who are applying for and going into vocational rehabilitation under the Vocational Rehabilitation Act, and education and training under title II of the Readjustment Act. We find that there is a terrific housing shortage in the localities particularly where institutions of higher learning are located.

We feel that that problem may be helped considerably.

Senator O'MAHONEY. May I interrupt you to say that in the Appropriations Committee yesterday we provided, I think, \$161,000,000 for the National Housing Administration to move temporary housing from one spot to another.

Mr. ODOM. That is exactly what I was going to make reference to.

Senator O'MAHONEY. But I was going to point out, Mr. Odom, that that is recognized by the committee as being only a stopgap, because these trailers which have been used for housing in war industries were built with critical materials; they do not contain the sort of plumbing that they ought to have. And if the veterans are to be made dependent upon that sort of housing, we ought to recognize that all we are handing them is material for slums.

What the veteran needs and what he ought to have is first-class housing. So the mere fact that the Senate undoubtedly will pass that bill today should not be recognized or thought of as in any sense a solution of the problem. And that is why I have been pressing for the release of these construction materials that the Army and Navy may have on hand, so that they can be used for the building of the proper sort of housing in all the communities where the veterans are trying to settle.

(Friday, December 14, 1945)

SURPLUS PROPERTY SUBCOMMITTEE
OF THE COMMITTEE ON
MILITARY AFFAIRS,
Washington, D. C.

The subcommittee met, pursuant to call, at 10:30 a. m. in room 424, Senate Office Building, Senator JOSEPH C. O'MAHONEY presiding.

Present: Senator O'MAHONEY (presiding). Also present (the same as heretofore noted, with the following additions):

Veterans' Administration: Edward E. Odom, Solicitor.

Surplus Property Administration: Merritt Penticoff, Assistant Surplus Property Administrator, and Acting Director, Consumer Goods Division, RFC.

War Department: Brig. Gen. D. N. Houseman; Col. Edmund H. Daley; Col. A. K. Hagedorn; Col. E. J. Walsh; and Col. Tom Campbell.

Bureau of the Budget: James E. Scott, Assistant Chief, and Glen G. Wolf, budget examiner, Division of Estimates.

Navy Department: W. John Kenney.
Reconstruction Finance Corporation: H. Levy.

Senator O'MAHONEY. The committee is very grateful to all of you gentlemen who have assembled here again today to cooperate in trying to work out some legislation for the disposal of surplus property—consumer goods particularly—and to see that the veterans of World War II are properly recognized in that distribution.

It occurs to me to remark that everybody knows that one of the primary reasons why our Army and Navy did such a superlative job in the prosecution of the war was that they were skilled mechanics. Every GI knew how to run an automobile, every GI could at least tinker with an automobile. It made them effective, it made them resourceful in meeting emergencies. One thing outstanding about our soldiers over the soldiers of all other nations was their resourcefulness.

Now, these soldiers were handling jeeps and passenger cars of all kinds and bulldozers and trucks. They are familiar with them. I know of no better recognition of the mechanical resourcefulness of our men than to take steps immediately to make as many as possible of these jeeps and vehicles available to the soldiers.

The soldier would be the last person to ask that any needed property be taken away from the Army and Navy and disposed of as surplus. I am sure they want our military forces to be fully equipped. On the other hand, it is generally known that there are a great many machines of various kinds which are no longer necessary.

So one of the suggestions which was made at our hearing on this subject 2 days ago was that steps should be taken immediately by both the Army and Navy to declare surplus all the materials which are not needed. It seems that these materials could be determined without a great deal of trouble, and if they were so determined, then the Surplus Property Administration would know precisely how much was available. But more important than that, the returned veterans throughout the United States would also know what to expect, and we could get the job done.

We have been fortunate this morning to have not only the Army and Navy, but Veterans' Administration and Bureau of the Budget. Government agencies have hesitated because of the budget law to make recommendations of any kind to Congress unless those recommendations are formally cleared through the Budget. That rule is intended only to formalize and coordinate.

Here this morning we are trying to think out the situation. Mr. Smith was good enough to send Mr. Scott and his associate here with the understanding that there is a

complete freedom of the atmosphere. Consequently, let all speak up and make recommendations. Nobody will be bound by the recommendations that you make but all can know as much as there is to be known about this problem.

General Houseman of the Army Service Forces knows more about the property which was needed than any other division of the Army.

STATEMENT OF BRIG. GEN. D. N. HAUSEMAN

Senator O'MAHONEY. What about the property overseas, particularly by way of transport vehicles? It is clear to me that the returned veteran is thinking more of automotive transportation than of anything else. Mr. Symington testified on Wednesday that 80 percent of all applications that come from veterans are for automotive vehicles, but only 15,000 passenger cars have been declared surplus and 110,000 trucks. The question is how many motor vehicles are there overseas which are going to be brought back. How many motor vehicles does the Army have which can be declared surplus property here in the United States?

General HAUSEMAN. It is not our intention to bring back vehicles that are overseas and then declare them surplus here. If they are overseas we intend to sell them overseas. We only bring them back to fill military requirements and to avoid procurement.

Senator O'MAHONEY. None will be brought back for sale?

General HAUSEMAN. It is a question of care and handling, and expense of bringing them back.

Senator O'MAHONEY. Has that been surveyed?

General HAUSEMAN. As to the expense?

Senator O'MAHONEY. Yes.

General HAUSEMAN. We asked Mr. Symington that very question and I think the War Department must have a directive from higher authority to bring them back for sale as surplus.

Senator O'MAHONEY. You are talking to the highest authority—Congress. If it's necessary, maybe Congress can get it. We want your point of view.

General HAUSEMAN. We have declared 120,000 trucks in this country since January 1, 1944. And ever since VE-day—and especially last summer—to help in the harvesting and marketing of crops, we made a special effort to declare trucks in this country.

I have some figures. Between June 1945 and November 15, 1945, of this year there were 83,000 declared surplus.

Senator O'MAHONEY. How many trucks does the Army have? How many jeeps? And where are they?

General HAUSEMAN. Take trucks—the 2½-ton, 6 x 6, the Army has in all stocks 255,000 trucks scattered in the Pacific throughout the various islands, Europe and the Mediterranean, and in our stocks in this country.

On jeeps, the total stockage or assets is about 288,000. I would like to say something sir, if you will permit me to make a statement on the question of our declarations of our surpluses. Of course, I know from your opening statement that you recognize what we have declared up to the present time. It runs into considerable money value.

Senator O'MAHONEY. In terms of cost?

General HAUSEMAN. In terms of cost, that is right, sir, and in quantity.

We now have a policy which I should like to mention. Let us go back, say to VJ-day. In the last 90 days, the War Department declared \$4,100,000,000 worth of surplus. Of course, \$2,100,000 of that was aircraft or aircraft components.

Senator O'MAHONEY. You mean \$2,100,000,000 is aircraft.

General HAUSEMAN. That is right; \$2,100,000,000 was aircraft. Out of that \$4,100,000,000 there was \$861,000,000 of consumer goods. Now, this is just in the last 90 days;

\$226,000,000 of that was motor vehicles, and \$180,000,000 of automotive spare parts and equipment; \$37,000,000 of spare construction equipment; \$7,000,000 in photographic equipment. Then surplus capital goods was \$1,000,000,000.

Senator O'MAHONEY. It occurs to me to suggest, General, that when we undertake to measure surplus property in terms of the cost of the property, we give the public an altogether incorrect picture of what it amounts to, because there is no differentiation between the usable and the nonusable. There is no differentiation between the property which has never been taken out of its wrapper, so to speak, and property which has been almost worn out. So that before we can solve the problem, it seems to me we have to have some sort of an inventory, a classified inventory of this property.

Don't you think so?

General HAUSEMAN. Yes, sir; and we are proceeding to get that classified inventory.

In general, it recommends on civilian-type items that the War Department keep for its occupational forces and for its own operations sufficient civilian-type items for those purposes until June 30, 1949.

Mr. SCOTT. That is why, Mr. Chairman, if I may perhaps throw in a final remark, and maybe a little bombshell into this meeting, I wish to say this: I have been identified with this whole surplus-property problem since its inception in the executive and legislative branches.

Senator O'MAHONEY. Now, this is not an atomic bomb you are throwing in, is it?

Mr. SCOTT. It may be. But the point where I depart from Mr. Symington and the other gentlemen who are stressing this problem of outlets is right there. That is where I get off the track.

Ninety-nine percent of all the consumer-goods surplus which this Government owns is owned by the Army and Navy. If you were to put up a map of the United States and put a pin in it for every location at which this surplus is located and will be located, you would certainly cover every State of the 48, and I think you would cover most of the counties.

We have distribution, we have outlets. But we are not using them. We are building up in the RFC and elsewhere these huge distribution organizations, and we are letting the Army and Navy walk off from a job which they are best fitted to do.

They have the stuff; they know what it is; they know what it is for. And they could sell it where it is and get it over with.

Senator O'MAHONEY. Mr. Scott, may I say to you that I raised that same question at a conference with General Somervell, at which General Hauseman was present. He sat up when you threw your bombshell. Now he wants to talk.

General Hauseman.

General HAUSEMAN. Well, sir, it is true, of course, that surpluses are generated at 2,000 different places throughout the United States.

Mr. SCOTT. That is right. That is the place to sell them.

General HAUSEMAN. But the Army and Navy, first, are not sales organizations, never were intended as such. We know nothing about merchandising. We are confronted with a care and handling problem.

From the Bureau of the Budget standpoint, I would like to say now we need money just to handle this property. You put us in a position as warehousemen, and you are putting us every day more and more in a position as retailers. We just do not have the money to handle it.

Senator O'MAHONEY. General Hauseman, I think you may have overlooked another item, and that is that most of the men in the Army want to get out.

General HAUSEMAN. Yes, sir; I am glad you mentioned that. We cannot keep the GI in

service for an indefinite period to handle surplus property.

Senator O'MAHONEY. It is now almost 1 o'clock. You have all been very patient, and I want to thank you all for being here.

The chairman will undertake to have the staff of this committee get in touch with each of the agencies represented here. Let me ask you all now to select an individual who will act as your representative to consider the problem as it has been presented and as it will be presented in future hearings to sit down with the staff of this committee and see whether we cannot work out a legislative suggestion which will have the support of the Army and Navy, the principal agencies which have the goods, this Smaller War Plants Corporation, the Reconstruction Finance Corporation, and the Surplus Property Administration, with the Veterans' Administration sitting in an advisory capacity.

Mr. ODOM. Thank you, sir. We appreciate that very highly.

Senator O'MAHONEY. And, of course, we shall also have the Bureau of the Budget, and the Office of War Mobilization and Reconversion, which was represented here on Wednesday but which is not represented here today.

The purpose of this will be to come to grips with the problem. I think we have sketched out the lines of it today. Now we want legislative action which will be the next step.

I was about to say that the first element in this study will be the preparation of legislative remedies so as to provide a real veterans' preference that will be tangible, so that they will know what they can get and where they can get it.

Colonel Campbell, I am very sorry that we haven't had the opportunity of listening to you yet.

Colonel CAMPBELL. I think it would be better possibly for me to testify later.

Senator O'MAHONEY. We have not had time to call on all the veterans' agencies. They will be given an opportunity later on. Thank you very much for your cooperation. The committee will now stand adjourned.

(Whereupon, at 1:05 a. m., the committee adjourned.)

WAR ASSETS DISPOSAL POLICY AND THE VETERANS' PRIORITY

(Wednesday, February 27, 1946)

Lieutenant General Gregory, War Assets Corporation, appeared before the committee.

Senator O'MAHONEY. But you do not know how much of what the Government owns will at some future time be declared surplus?

Lieutenant General GREGORY. No. That is true.

Senator O'MAHONEY. It has been my experience that the chief difficulties causing great public confusion are unquestionably inquiries about the disposal of surplus property. We do not know how much is available and the public has been given to understand that there are practically unlimited quantities of almost everything that you can imagine. Take the case of the fire engines, for example. I assume it would be utterly impossible to distribute fire engines from the Government supply, surplus or not surplus, in sufficient number to accommodate all the communities in the United States which would like to have fire engines. Am I right on that?

Lieutenant General GREGORY. Yes, sir.

Senator O'MAHONEY. I know that as the principal cause for the confusion in the public mind regarding the disposal of property to veterans. When the newspapers began to talk about estimates of surplus property that has been distributed throughout the United States, to the extent of hundreds of billions of dollars' worth, the country got the idea that the Government of the United States had inexhaustible supplies of every imagina-

ble type of equipment and commodity, but as things have developed, we have found that only a very small proportion of what the public had been led to believe was available, is available now, and nobody knows where that is now, in large degree.

Lieutenant General GREGORY. Yes.

Senator O'MAHONEY. When we interrupted to start questioning you, you were discussing the increases of the authority of the field offices, as I understand it.

Lieutenant General GREGORY. Yes.

Senator O'MAHONEY. Prior to your assuming this task, the field offices were not able to dispose of surplus property of a value in excess of \$10,000?

Lieutenant General GREGORY. That is right.

Senator O'MAHONEY. And that, you felt, was a bottleneck?

Lieutenant General GREGORY. Yes, sir.

Senator O'MAHONEY. Which delayed the distribution of the goods?

Lieutenant General GREGORY. Yes, sir.

Senator O'MAHONEY. Do I understand that the War Assets Corporation wishes to increase that limit to \$25,000?

Lieutenant General GREGORY. That is correct.

Senator O'MAHONEY. So that the field offices of the War Assets Corporation have much broader authority in disposing of surplus property under the policies laid down by the Surplus Property Administration?

Lieutenant General GREGORY. That is right.

Senator O'MAHONEY. That is the purpose of it?

Lieutenant General GREGORY. Yes, sir.

Senator O'MAHONEY. What has been your experience, General, with respect to the activities of the owning agencies in disposing of property? When this law was written, because Congress did not want to throw too heavy a burden upon the disposal agencies, the Surplus Property Administration wanted to deprive the owning agencies of the authority to dispose of small and inconsequential amounts, and it was provided that items of a value, as I understand it, of less than \$300 could be disposed of without reference to the Surplus Property Administration. I am now told that some of the owning agencies have fallen into the habit of deliberately bringing surplus properties within that category so as to escape your jurisdiction. Have you heard of such? In other words, that they are splitting up surplus property of large value into items of less than \$300 in value, and then selling that without any preference to veterans or to anybody else.

Lieutenant General GREGORY. No; that has not come to my attention. My complaint is rather the other way around, that we get many surplus declarations of smaller value than \$300. I have been looking over a group of declarations lately, and one declaration will run, we will say, \$10,000. That will be headed by an item of \$8,000, and next an item of \$1,000, and then will follow a long list of anything, from \$10 down to 12 cents, even.

Now, the Army often has interpreted this provision to mean groups of items, not particular individual items, but groups of items, whose value is over \$300, for declaring them surplus.

I would say, in general, that my complaint would be that they have not taken enough advantage of the \$300 limit. There may be some instances where there has been abuse, but I do not know about that.

Senator MAYBANK. Mr. Chairman, may I ask the General one further question right here?

Senator O'MAHONEY. Yes.

Senator MAYBANK. The Navy, under the Lanham Act, offers the same 40 percent discount, does it not?

Lieutenant General GREGORY. That only applies to property which has been declared surplus.

Senator MAYBANK. Yes; I understand that, but does it not apply to everybody?

Lieutenant General GREGORY. Yes; as far as I know.

Senator MAYBANK. In other words, there is not any difference between what the Federal Works Agency might own and what the Army might own?

Lieutenant General GREGORY. No.

Senator MAYBANK. So far as the 40 percent is concerned?

Lieutenant General GREGORY. As far as I know; no.

Senator THOMAS. General, I wonder if we can make this request or if I can make this request—the others may disagree with me, but I believe it will do away with the bottleneck. We ought to reconsider the 40-percent readjustment.

Senator O'MAHONEY. Do you want to revise it upward or downward, Senator?

Senator THOMAS. The price should be revised downward. Especially with reference to public institutions. I think the conclusion reached by your advisers was reached because Congress had voted down 50 percent. But that is not very valid, unless you could get the reason why each Congressman voted that way. I just hate to see the poorest communities, the poorest institutions, put in a position where they cannot get benefits from this arrangement.

Senator MAYBANK. Senator, you said you might be out of order, because we may not all agree with you, but I thoroughly agree with you. You mentioned the fact that 40 percent was better than nothing, but I, myself, would like to see these poor communities get the material almost for nothing, provided it is a matter of public policy.

Senator THOMAS. It was on the assumption that there are certain things that they would get for nothing. I am really trying to be helpful, General.

Lieutenant General GREGORY. Yes; of course, we have to consider the collective action of Congress, rather than any individual.

Senator THOMAS. But this time you did not consider the collective action of Congress, except as indicated by the vote, which does not mean anything, because of the different theories involved. I vote "yes" and another one votes "no."

Senator MAYBANK. You have been speaking of specific illustrations. I might cite the experience in my district. There are some parks and playgrounds in my home town, and they are in the midst of some very good Government developments. They have been very good about it. At one time, they were to sell the ground to some people to put up some shacks and buildings, and they had to be told that to do that it would ruin that development in the town. In justice to the Surplus Property Board, I might say that they refused to permit any such thing as that. Your idea is that such things should be given to them? Is that your idea?

Senator THOMAS. Yes.

Senator O'MAHONEY. I am going to suggest to the members of the committee that we let General Gregory finish his prepared statement because in that way I think we can get a more orderly result. The general has enunciated in his opening here a very far-reaching suggestion of policy. Your statement at the head of page 2, General, is:

"At this rate surplus property will be with us for years. I feel that the national interest will be best served by disposing of surplus as a faster rate even if, in the process, other objectives in the interest of particular groups or individuals may be subordinated."

That really amounts to a statement that the priority of the States and municipalities for material of this kind, and even the priority for veterans, might well be subordinated to the objective of getting rid of the property more rapidly. As I understand it, you will want to develop that as you go ahead here?

Lieutenant General GREGORY. Yes.

Senator O'MAHONEY. That is a fundamental statement of policy here; is it not?

Lieutenant General GREGORY. Yes; that is correct.

Senator O'MAHONEY. You are aware, of course, that this committee has before it a bill introduced by Senator Maybank and myself, the purpose of which is to solve this confused situation by setting up at the earliest possible date a supply of surplus goods which can be distributed to the veterans for their personal use, as well as for business use, and I assume you will want to discuss that.

Lieutenant General GREGORY. Yes, sir.

Senator O'MAHONEY. Proceed, General.

Lieutenant General GREGORY. I did not mean to imply that the priority set up in the act would be disregarded, but there may be given a shorter length of time in which to exercise priorities. It seems to me it is up to the claimant agencies to keep very closely in touch with the situation and make their wants known in fairly reasonable time. Otherwise, this process of liquidation will be continued indefinitely.

Senator O'MAHONEY. Have you considered the possibility of a requirement that owning agents, in cooperation with the War Assets Corporation, should, let us say, every quarter or every 6 months make some sort of inventory disclosure, and then, within a given period after that, to have those who have the priority assert their priority within a given time, or lose it. In other words, if a municipality is not required—if all municipalities are not required—within a given time, to assert their prior claim, then that prior claim remains an impediment to the disposal, which you state here is, in your opinion, of such great importance from the national point of view.

Lieutenant General GREGORY. Yes; that is right.

Senator O'MAHONEY. Well, apparently, that has not been given consideration.

Lieutenant General GREGORY. That has not, no.

Senator O'MAHONEY. All right, General, if you care to proceed now.

Lieutenant General GREGORY. Almost a fourth of these items could have been sold immediately. To get such inventory on a national-sales program, through the Washington office, we have found, took 59 working days. Our answer is to move up the limit of the field officers' direct sales responsibility to \$500,000 and more, if necessary. I will say that has not been done. That is under consideration.

Senator MAYBANK. How many days do you think that will reduce it to, if you do not mind being interrupted again? Will you do as well as demobilization on that, when you start on it—48 hours?

Lieutenant General GREGORY. I do not think so.

Senator MAYBANK. It will do a lot of good, though.

Lieutenant General GREGORY. It will do a lot of good; yes.

The unit prices of the surplus items, of course, must still be approved by the Washington office.

Bottleneck No. 5 has been the procedure of taking up each item for disposal in its order on the declaration form. Several small items on one declaration can thus hold up one important, large-quantity item on the same declaration. Along with this, the period required for an item of surplus to be recorded in our confirmed inventory has been too long.

We found at the end of January that 40 percent of our inventory was in transit, a process requiring, in one office, an average of 66 working days.

Here our answer is not only to speed up the recording procedure but to adopt the "peeling" system. Instead of going through the entire surplus list, we "peel" off items of most importance and concentrate on getting them

sold. We have found that this peeling process will reduce paper work from 40 to 4 days.

It is important to remember that the War Assets Corporation is not set up on the scale of comparable private business. If War Assets attempted to merchandise on the scale followed by the two largest mail-order houses, we would need nearly 234,000 employees and well over 2,000 sales establishments. As it is, we have 42 main disposal offices and about 20,000 employees. That is only 10 percent of the number required by two of the larger mail-order houses.

Our sales methods are therefore of top importance. In this connection, I wish to take up two points: The satisfaction of the claim counts will be given for quantities, and for those who identify themselves as wholesalers, and so forth.

Senator O'MAHONEY. Of course, that raises a question which has repeatedly been asked with respect to the geographical preference, so to speak.

Lieutenant General GREGORY. That is right. Senator O'MAHONEY. Which is automatically granted to those who happen to be in the vicinity of "spot" sales.

Lieutenant General GREGORY. That is right. Senator O'MAHONEY. I take it your feeling is that the principal objective is to get the property sold?

Lieutenant General GREGORY. That is right. Senator O'MAHONEY. And that this geographical preference must be acknowledged? Lieutenant General GREGORY. Yes. I also have the feeling that the present distribution, the present broad distribution of the location of surplus property is such that it will provide an automatic broad distribution of this surplus property.

I have a map here which shows the location of Army depots and RFC warehouses, where surplus property is located, that may be of interest.

Senator O'MAHONEY. I think that will be of interest a little bit later.

Lieutenant General GREGORY. Yes.

Senator O'MAHONEY. You have followed this system, have you not, that sales that have taken place in localities distant from the spot at which the surplus property was located were made by description?

Lieutenant General GREGORY. That is right.

Senator O'MAHONEY. Now, that method makes it possible for communities and areas which are distant from any warehouse, or the equipment of any owning agency, to acquire much-needed material and this plan would not obviate that; would it?

Lieutenant General GREGORY. No, sir. For instance, this Port Hueneme sale had broad advertising in all communities west of the Rocky Mountains.

Senator O'MAHONEY. Which sale?

Lieutenant General GREGORY. Port Hueneme, Calif.

Senator O'MAHONEY. Well, there was a sale recently in my State, at Casper, Wyo., which the War Assets Corporation arranged for after conferences with the local representatives of the War Assets Corporation in Wyoming, and property such as tractors and dirt-removing machinery was sold there, although physically not present.

Lieutenant General GREGORY. Well, that program will not be abandoned.

Senator O'MAHONEY. I am very glad to hear that because I think that helps to bring about a wide and equitable distribution, which is so desirable.

Lieutenant General GREGORY. Yes, sir.

Senator O'MAHONEY. All right, General. I am sorry to have interrupted you again.

Lieutenant General GREGORY. The saving in administrative work and paper work is enormous. We provide a catalog, sample rooms showing price-tagged merchandise, a sales staff to complete transaction in 30 minutes at the outside and immediate shipping arrangements.

The central aim of these "look-buy" sales is to get rid of a large mass of property that is centralized in location and therefore salable with the least procedure, transportation, and so on.

Our plans are well ahead for 21 sales of the "look-buy" Port Hueneme type. These sales will be held all over the country—in California, Georgia, Massachusetts, Texas, Virginia, and other States, and other places.

The "aircraft parts clearance" or "depot clearance sales" are "look-buy" sales at Army sites. By an agreement with the Army Air Forces, we dispose of property—chiefly aircraft components and parts—at Air Force depots. Forty-seven sales of this type are now planned. Finally, we intend to use auctions as a means of getting rid of surplus property that is not otherwise salable.

These sales mark a turning point for surplus property disposal. They are direct attacks on bottlenecks. The attacks come at a critical time, when property is pouring into surplus inventory faster than it is flowing out. We propose to enlarge the outlet so that surplus property will pour out at least as fast, for the time being, as it is flooding in.

I have attempted to present only what I consider the fundamental factors in the surplus property picture as it exists today. But the scene shifts from day to day. The important thing is to keep an observing eye and an open mind and not to be too hide-bound in maintaining procedures that experience has shown to be outmoded and inapplicable.

Surplus property presents opportunities for us to supply current existing needs. Surplus machine tools and machines can raise the technological level of the country. Surplus civilian goods can help fill gaps in the civilian market and thereby help prevent inflation. Surplus materials can be used in building.

Surplus property is a national problem. Our war surpluses can be a boon to our economy during this transition period or they can be a blight resulting in glutted markets. The successful solution of this problem is of vital importance to our national welfare—to our veterans and to all other Americans. This solution, as I see it, lies in rapid liquidation of all surpluses on the basis of national, not particular, interest.

Senator O'MAHONEY. General, it has been my experience that the basic bottleneck in this problem has been that the public does not know what property is surplus, nor where it is, and I would say that the second bottleneck has been lack of sales facilities. In other words, the War Assets Corporation, as you have pointed out here, would have to employ almost a quarter of a million people to undertake a retail sales program comparable to that which is carried on by any large national merchandising corporation. Now, have you considered the possibility of utilizing the services of the Army and Navy for the purpose of disposing of this property?

Senator MAYBANK. Mr. Chairman, before the General answers that question, may I ask you to excuse me, because I have been called to the Appropriations Committee?

Senator O'MAHONEY. We are sorry to have you go, Senator, but we understand the pressure.

Lieutenant General GREGORY. If we could use the Army and Navy personnel at all the installations, it certainly would be a great help. It would, indeed.

Senator O'MAHONEY. My conferences with the Army and Navy have led me to believe that their attitude is very much opposed to using the personnel for that purpose.

Lieutenant General GREGORY. That is true, Senator O'MAHONEY. Do you care to express any opinion about the matter one way or the other, or is that too direct a question at the moment?

Lieutenant General GREGORY. Well, I know there has been some discussion about these items under \$300. There has been some in-

timization that maybe they have split up groups of items to the \$300 value. As I say, my impression has been that it has been the other way around, that the Army, in its desire not to get into the sales picture, has not taken full advantage of their authority to dispose of items under \$300. In looking over surplus declarations you will find items, as I have, where one was as low as 12 cents; you will find a number under \$1, and you will find a great number of items, these line items, not groups of items, whose total value is \$10, \$20, \$40. As a matter of fact, a great percentage of the paper work of inventory that is in our regional offices is taken up with a lot of comparatively small items, and I am very much of the opinion that if the Army should exercise its right, or responsibility, to put it that way, of disposing of these small-line items, then broad, rapid distribution could be secured and a great deal of paper work eliminated.

Senator O'MAHONEY. But you are not advocating that, I take it, in order to avoid the veterans' preference?

Lieutenant General GREGORY. Oh, no.

Senator O'MAHONEY. Of course, that would be charged. Recently, the charge was made to me personally between sessions of Congress, when I was in Florida; for a few days. Veterans told me that property which could have been used by men engaged in building operations was sold to the trade and not to the veterans, because it was under the \$300 limit. That same complaint has been made to Senator WILSON, of Iowa.

Lieutenant General GREGORY. Of course, there is no reason why the veterans' preference should not be extended to this type of sale.

Senator O'MAHONEY. That brings me to the bill, General, and the letter which the committee has received from Mr. Snyder, of the Office of War Mobilization and Reconversion, and which I should like to read into the record at this point. It is addressed to the chairman of this committee, under date of February 19:

"EXHIBIT 1"

"In further reply to your letter of January 19, I would like to take this opportunity to comment on an amendment to S. 1757, the Maybank-O'Mahoney bill, submitted to me for discussion purposes by the subcommittee counsel—"

That is, Mr. Borchardt.

"The amendment to section 16 consists of an additional subsection reading as follows:

"(b) Whenever the Administrator deems it necessary and desirable for the purpose of carrying out the objectives of subsection (a) of this section, he may, notwithstanding the provisions contained in sections 12 (a) and 13 (f) of this act, cause to be set aside for such period of time as he may determine, appropriate amounts of surplus property for exclusive disposal to veterans."

"It is my feeling that in view of the great need for speed in the disposal, particularly of consumer goods, increased use should be made of 'on site' sales."

That is a recommendation you have already made.

Lieutenant General GREGORY. Yes.

Senator O'MAHONEY (reading):

"It is my feeling that in view of the great need for speed in the disposal, particularly of consumer goods, increased use should be made of 'on site' sales. This sales procedure would require a different treatment of priority claimants, including veterans, in order to make the priorities extended effective. The suggestion contained in the draft amendment to set aside appropriate quantities for exclusive disposal to veterans, regardless of Federal or State priorities, would give authority to War Assets Corporation to select the type of goods most in demand by veterans and make them available in a manner which would assure their getting into the hands of veterans in the speediest possible manner."

"In conclusion, I wish to suggest that the draft amendment commented on in this letter should be regarded rather as a substitute for S. 1757 than as an additional section. The substitution of this amendment would avoid in large part the difficulties described in my letter of February 4. Technically this can be accomplished by substituting the words "sections 12 and 13 of this act" for the draft language that now reads "sections 12 (a) and 13 (f) of this act" and by renumbering section 16 of the act as section 16 (a).

"Sincerely,

"JOHN W. SNYDER, Director."

Now, Mr. Reporter, will you insert into the record at this point the previous letter from Mr. Snyder, to which reference was made in the letter that I have just read.

(The letter referred to follows:)

EXHIBIT 2

FEBRUARY 4, 1946.

MY DEAR SENATOR O'MAHONEY: Your letter of January 19, 1946, and S. 1757, the amendment to the Surplus Property Act which you and Senator MAYBANK have introduced, raise a number of important and difficult problems concerning veterans' preferences under the Surplus Property Act. In replying to your letter and commenting on the bill, I am endeavoring to furnish your committee with some analysis of the factors and considerations by which the value of various proposed solutions to these problems can be tested.

S. 1757 proposes in substance that (a) the level of the veterans' preference be raised above the priority now possessed by State and local governments, and (b) that the veterans' preference be broadened to permit purchase of surplus property for personal use, as well as for business, farming, and professional use. While both changes are intended to enhance the preferential position of veterans, the administrative problems they raise are very different, and I should like to discuss them separately.

I

Turning to the first provision proposed in S. 1757—raising the level of the veterans' preference—it would seem that the present administrative machinery would not be very greatly affected by such an amendment. Its effect, if enacted into law, would certainly be to increase the amount of surplus property acquired by veterans. On the other hand, the amount disposed of to State and local governments would be reduced accordingly. Benefits to State and local governments are, indirectly, benefits to many veterans, as well as to other citizens; but, on the other hand, the veterans, as a group are peculiarly in need of opportunities to reestablish their place in the economy. In any event, the exact grade of veterans' preference vis-à-vis that of State and local governments is essentially a social decision to be made by the Congress.

II

The second proposed provision—removal of the business-use restriction—has serious administrative implications which the Congress should weigh very carefully. If the business-use restriction is removed, the Government would, of course, want to make every effort to sell all possible surplus items to individual veterans for personal use, and it is doubtful that the Government could limit sales for personal use to minimum commercial quantities. If the amendment were adopted, veterans would expect the Government to make retail sales—sales, for example, of two pairs of shoes or three shirts or one package of razor blades, etc. The administrative machinery of the War Assets Corporation, the chief disposal agency, both as presently constituted and even strengthened and improved as we hope it will be, would be totally incapable of taking on the great task of retail sales of this sort. The personnel required would amount to many thousands and the necessary organization, which would in-

clude retail stores, would take many months to build. The mere problem of breaking down packages and repackaging for retail sales would impose upon War Assets a task completely beyond the powers of the staffs now available or contemplated. The expense would, of course, run into many millions of dollars.

It should also be noted that the Government's entry into the retail business in this way by making sales to veterans for personal use, would probably not come into full swing until the very time when the private retailers are receiving adequate quantities of merchandise and are actively in the market for customers. The Government would thus almost certainly be competing with old and new retailers, including many veterans, in a way that would tend to dislocate the normal processes of trade.

It appears to me that these considerations are of great importance. What we are concerned with is what we can actually do for the veteran—and words in a statute are only means to an end. The Congress should, I suggest, be particularly alert against the pitfall of legislating in such a fashion as to appear to confer large benefits on the veterans, if such benefits cannot be assured in practice.

III

You also suggest in your letter that veterans are receiving insufficient quantities of surplus property because of two practical difficulties which exist independently of any provision in the Surplus Property Act—unavailability of civilian type surplus property in sufficient quantities to satisfy demand, and insufficiency of outlets. There is no doubt that this is the case and every effort is being made to alleviate these two problems. Since in my opinion it is these practical considerations which constitute the major cause of the present difficulty, and since I am dubious as to the possibility of substantially bettering the veterans' position through changes in the statute itself, I should like to outline briefly the program which we are undertaking and which I believe will eliminate many of the difficulties which veterans, as well as others, have experienced in procuring surplus property.

(1) Making available greater quantities of desirable property: To a considerable extent, of course, the unavailability of the type of surplus property desired by veterans springs from the fact that the owning agencies do not have such property, or any substantial supplies thereof, in surplus. This is the real crux of the situation. Actually the veterans' wants seem to be centered on a comparatively small range of items. A large percentage of the veterans' requests have been for passenger cars, station wagons, and small trucks, items which have been taken over to a great extent by claimant agencies, and which have not been found and will not exist in surplus in any substantial volume. There is comparatively little clothing for sale. While there are some tools, the cost to the veteran of going to a place where these tools are stored would, in most cases, probably overbalance any saving in price, nor as a practical matter, could the tools be moved where they would be accessible to most veterans.

However, there are certain other types of surplus property available for which there is considerable veteran demand. Strenuous efforts are being made at the present time to improve the procedures for putting such property on sale and for publicizing its availability. A full report on steps that have been taken by the interested agencies in this regard will be in your hands in a few days. It is believed that the operation under these procedures will cure to a large extent the difficulties described by you, insofar as there actually is property available for declaration as surplus.

(2) Outlets: The problem of outlets has been alleviated somewhat by the consolidation of the Office of Surplus Property (Department of Commerce) with the War Assets Corporation and the transfer of certain functions of the Smaller War Plants Corporation to the Reconstruction Finance Corporation. It will be eased much further by an extensive program of on-site sales which is now in active preparation and which will enlist the full cooperation of the owning agencies, as well as of the War Assets Corporation, in the actual sale. It is believed that the intensification of this program and the opening up of certain additional field offices will provide a reasonably adequate solution to the outlet problem so long as the veterans' preference is limited as under the present act. However, if it becomes necessary for the Government to make sales to veterans for personal use and thereby to engage in retailing, the presently planned outlet program would be totally inadequate.

(3) Elimination of certifications: One of the time-consuming and tedious requirements facing a veteran who wishes to exercise his statutory preference is the necessity for obtaining certification as to his intended business use of the property he is obtaining. It appears desirable that this administrative step be eliminated and it is the intention of the WAC to remove this requirement in the immediate future. This removal will be tied in with the expansion of the on-site sale program. This should substantially reduce the red tape confronting the veteran who wishes to purchase surplus property.

(4) Set-asides: In certain cases the veteran is aided directly or indirectly by setting aside blocks of property for particular persons or uses. In the case of building material, for example, sales of such priority groups as State and local governments are severely restricted so that the balance of the materials will flow to residential housing in the procurement of which, as you know, the veterans have first preference. In the first major test of this procedure, the State and local governments voluntarily limited their purchases to far less than the allowed percentage. Again with jeeps, it was found possible to set aside a large percentage of those becoming surplus for exclusive purchase by veterans. A further extension of these set-asides into other types of surplus property appears feasible and will undoubtedly be adopted in many other instances.

I believe the steps I have outlined above, by increasing the supply of surplus materials, multiplying the outlets, and reducing the red tape confronting the veterans, should very substantially alleviate the present difficulties with which he is faced in obtaining surplus property. Many of these actions were initiated some months ago but their results are only beginning to become apparent and they will not be coming into full fruition immediately. While I am in complete sympathy with your desire to improve the status of the veteran in obtaining surplus property, I think you and the subcommittee will want to consider very carefully whether the actions to increase administrative efficiency we have already undertaken, and others of a similar nature, will not accomplish as much as is practical; and whether the extension of the veterans' preference to include items for personal use may not so retard and complicate disposal of surplus property as to actually worsen the veterans' present position.

Sincerely,

JOHN W. SNYDER, *Director.*

Senator O'MAHONEY. Do you care to make any comment about that, General?

Lieutenant General GREGORY. We had in mind, I think, particularly when this amendment was suggested, the categories of equipment which the veteran seems to most desire. That is automotive equipment and

office equipment, and by "office equipment" I mean technical equipment for doctors and dentists who are getting out of the Army.

Senator O'MAHONEY. I think that is most important. This amendment meets with your approval; does it not?

Lieutenant General GREGORY. Yes, sir. I do not think this can be applied to every category and I do not think it would be advisable to do it.

Senator O'MAHONEY. If this amendment should be recommended by this committee for the purpose of solving the confusion about veterans' preference, could we depend upon a speedy declaration by the War Assets Corporation of the types of surplus goods mentioned in this amendment?

Lieutenant General GREGORY. Yes, sir.

Senator O'MAHONEY. It will be, of course, under the direction of the War Assets Corporation.

Lieutenant General GREGORY. Yes, sir.

Senator O'MAHONEY. It is essential, if this is to work, that the surplus property accumulation be declared, so that the veterans will know what there is on hand.

Lieutenant General GREGORY. Of course, that is all that we can set aside, what has already been declared.

Mr. BORCHARDT. The Senator's question, as I understand it, was whether the War Assets Corp. would be able to exercise full authority so as to get a declaration of the surplus of those goods which are in most demand by veterans.

Lieutenant General GREGORY. Oh, I see.

Mr. BORCHARDT. In order to have a sufficient accumulation of surplus property available.

Senator O'MAHONEY. You see, this proposal is clear:

"Whenever the Administrator deems it necessary and desirable for the purpose of carrying out the objectives of subsection (a) of this section, he may, notwithstanding the provisions contained in sections 12 (a) and 13 (f) of this act, cause to be set aside, for such period of time as he may determine, appropriate amounts of surplus property for exclusive disposal to veterans."

Of course, you are right in saying that the owning agencies have to declare surplus.

Lieutenant General GREGORY. Yes.

Senator O'MAHONEY. But the Surplus Property Act gives the Surplus Property Administrator, and that now means the head of the War Assets Corp., under this Executive order, the authority to supervise the activity of the owning agencies in declaring surplus.

Lieutenant General GREGORY. Well, that is a very difficult affair.

Senator O'MAHONEY. You see, the thought I had in mind when I was discussing this matter was to write into the law a specific direction to the owning agencies to declare certain categories surplus, and I had in mind the categories of goods which experience has taught us the veterans most desire to purchase. Now, this, again, you see, is not specific.

Lieutenant General GREGORY. No.

Senator O'MAHONEY. This puts it up to the Administrator to make a selection out of surplus property.

Lieutenant General GREGORY. Yes, sir.

Senator O'MAHONEY. And what I am afraid of is that unless the War Assets Corporation and the Surplus Property Administrator are willing to go to bat on this thing and straighten this situation out and make it known publicly and quickly, we will be accused of giving the veterans another run-around, and that is what we do not want. Personally, I want to get this matter settled as quickly as possible.

Mr. Stein, you look as though you have a thought in mind that you would like to contribute to the hearing at this point.

Mr. HAROLD STEIN (Office of War Mobilization and Reconversion). You read my mind, Senator.

I would like to say two things, if I may; first, that I do not believe that there is any measure that could be adopted, either by the Congress or by the Administration, that will be a complete, total, final, and perfect solution of the veteran's problem. It is too complicated and too large to lend itself to complete and perfect solution.

Senator O'MAHONEY. The primary cause of that is that there is not enough surplus property to meet the veterans' demand.

Mr. STEIN. I think that is a most important cause but certainly not the only cause.

Secondly, in our opinion, as expressed in Mr. Snyder's letter to you, we had these men in mind when the matter was discussed with the War Department, which is the principal owning agency, and I am sure the Navy Department views it in the same light, which is this: If there is a short list of items, not a long list, it is possible for the owning agencies to do a really thoroughgoing job of turning up the inventory, and it should be fully declared on a phase basis, so that the surplus property disposal agency will know what it is going to get, how much, and approximately when. In order to make detailed and careful plans on the disposal of those items, the owning agencies cannot be loaded with lists containing thousands of items, because it takes too much manpower to run down such complete stocks.

If we take, for example, certain named types of trucks, the Army can find out in detail how many they have, where they are, and how many they are going to declare; but if you are going into the thousands of automotive parts, it cannot be done in the same way.

Mr. STEIN. Perhaps I can describe it in this way: The owning agencies face, I think, an insuperable task if they are asked to tell in advance how much and when they are going to declare hundreds of thousands of items that they own. That would require an assessment of their stocks and needs. That would be really almost impossible, but actually they will be able to do it on a decentralized basis, as you know.

On the other hand, if they are presented with a short list of items, they can determine their stocks and assess them. They can say, "Now, we are declaring so many; we will declare so many more at such and such a date, and so many more at such and such a date." With that information, it seems to us that the disposal agency could really plan on a set-aside program covering this specific and limited list of items, and do a thorough job of it, which they are not able to do now. They would not know in advance how many trucks were to be declared, and would only be successful if they were held down to a small list of items.

Senator O'MAHONEY. Under this proposed amendment, which was sent to Mr. Snyder, it delegates the responsibility of determining that list to the Administrator.

Mr. STEIN. That is right.

Senator O'MAHONEY. And this also was so drafted that the Administrator, except for the powers which are now vested in him by the Surplus Property Act, cannot require the owning agencies to release that type of material.

Mr. STEIN. Well, I think it only fair for me to say this on their behalf: That I found a very real spirit of cooperation in the owning agencies in releasing material and reducing their stock levels. If they can get through with this elaborate paper work, if that is sufficiently limited, they can do the job in a limited time.

Senator O'MAHONEY. Is there any agreement between the Office of War Mobilization and Reconversion and the War Assets Cor-

poration and the owning agencies on the items which would be included in this special veterans' category?

Mr. STEIN. We have as yet, I think, made no set-up and procedure whereby we have established a list of critical items. It goes beyond the veterans, as it happens, but there was a list that we compiled, which was placed on the requests filed by veterans for items they desire. This vast list would form a basis from which a smaller list of items would have to be prepared.

Senator O'MAHONEY. Can we get such a list for the files of the committee?

Mr. STEIN. We will be glad to submit it to you.

EXHIBIT 5

MARCH 22, 1946.

HON. JOSEPH C. O'MAHONEY,

United States Senate, Washington, D. C.

DEAR SENATOR O'MAHONEY: In accordance with your request at the hearing of the Surplus Property Subcommittee of the Committee on Military Affairs, I transmit herewith a list of items in surplus property which the records show are most in demand by veterans.

The quantities of the units indicated on this list are those now on hand. These quantities change from time to time as a result of the sales and of additional declarations of surplus but the list is believed to give a good indication of the relatively small quantities of the items most desired by veterans. While positive information in respect to future declarations is lacking, there seems to be little reason to expect large declarations of these items which are in greatest demand.

It should be pointed out that the applications we have received from veterans for this type equipment far exceeds the supply we have had available in surplus. The priority claimants have usually taken a large proportion of such items. However, even if the priority claimants had been subordinated to the veterans' preferences, the total number of these items available would have been but a minor fraction of the number applied for by veterans.

In spite of the unfavorable aspect of the inventories in this regard, I should like to call attention to the fact that during the month of February, over 17½ percent of all surplus property sales were made to veterans.

Sincerely yours,

E. B. GREGORY,

Lieutenant General, AUS, Chairman.

Quantities of articles most desired by veterans in WAC inventory

Automotive vehicles:	Units
Passenger cars.....	1,500
Passenger car (new).....	None
Trucks:	
Jeeps.....	2,934
All other, unclassified.....	32,167
Motorcycles, scooters.....	1,054
Trailers:	
Bomb truck.....	6,400
All other, unclassified.....	13,119
Tractors:	
D4 and R4 Caterpillar, 36-45 DBHP.....	437
D7 Caterpillar, 61-90 DBHP.....	901
D8 Caterpillar, 91-140 DBHP.....	357
TD9 International, 36-45 DBHP.....	155
TD14 International, 46-60 DBHP.....	139
TD6 International, 46-60 DBHP.....	223
Construction, mining, and excavating machinery (Feb. 21):	
Tractor-type scrapers.....	515
Air compressors.....	99
Batching plants.....	27
Crushing and screening plants.....	12
Ditching machines.....	75
Cranes, shovels, and draglines.....	477

Agricultural machinery:	Units
Land levelers.....	71
Flows.....	230
Medical, surgical, and dental apparatus and equipment:	
Major operating tables.....	641
Operating lamps.....	2,703
Field X-ray units.....	425
Diathermy machines.....	41
Dental units.....	311
Dental chairs.....	490
Dental cabinets.....	259
Typewriters.....	14,984

Senator O'MAHONEY. If we are to have legislation about this matter which is to be effective, it is a job of amending the law in such manner that there can no longer be any doubt about what Congress wants and so that the veterans throughout the country will know what items are available to them without restrictions or inhibitions of any kind. When that time comes we will be able to say, in justice to those veterans, "You will no longer have a run-around; the material is for you, and here it is; it is yours ahead of everybody else."

Now, you agree with that, do you not?

Mr. STEIN. I agree with that.

Senator O'MAHONEY. That is the position of Mr. Snyder?

Mr. STEIN. Yes, that is right. However, I think it is only fair to point this out. In some cases the total amount available will be far less than the veterans' demand.

Senator O'MAHONEY. Of course, I have been saying that from the beginning. At the conclusion of the last session, in order to get basic information on this, I asked Mr. Borchart, counsel for the committee, to call upon the War Department for information and I now have a letter from Brig. Gen. Donald P. Booth, which is dated February 15, 1946.

I am going to ask that the information accompanying that letter be inserted in this record at this point.

(The information referred to is as follows:)

EXHIBIT 6

WAR DEPARTMENT,

Washington, D. C., February 15, 1946.

HON. JOSEPH C. O'MAHONEY,

United States Senate, Washington, D. C.

DEAR SENATOR O'MAHONEY: The War Department was requested by the counsel for the Surplus Property Subcommittee of the Senate Committee on Military Affairs, to furnish answers to certain questions in which your committee was interested.

The desired information has now been compiled and you will find annexed hereto a copy of the questions suggested by the counsel, together with the War Department's answers.

It is hoped that the information furnished will be of material assistance to you and the members of your committee.

Sincerely yours,

DONALD P. BOOTH,

Brigadier General, United States Army,
Special Assistant to the
Under Secretary.

LIST OF QUESTIONS AND ANSWERS

Question. How many vehicles, broken down into passenger cars, trucks, and jeeps, does the War Department have? Where are these vehicles located?

Answer. The vehicles included in this answer are principal type, powered, wheeled vehicles which comprise the greater quantity of the War Department's vehicles. The information furnished below is based on data and reports reflected in Monthly Progress Report No. 20-Ord, dated October 31, 1945.

Quantities of War Department vehicles on hand by areas

Vehicles	United States depots	United States troops	ETO and MTO	Pacific-Asiatic	Miscellaneous bases	Total, United States	Total overseas	Grand total
Cars, sedans.....	5,338	16,577	1,614	2,961	982	21,915	5,557	27,472
Jeeps (truck, 1½-ton, 4 x 4).....	35,914	33,263	98,929	92,018	4,916	69,177	195,863	265,040
Trucks (other).....	80,271	82,344	178,912	188,419	12,940	162,615	380,271	542,886
Total.....								835,398

The "on hand" figures with troops in the United States are necessarily an approximation due to many changes now in progress. The "on hand" figures given for the overseas theaters and miscellaneous bases are taken from the latest reports made by them to the War Department. Some of the vehicles shown as "on hand" in overseas theaters have been authorized for disposal, but since definite information is not available as to the final disposal action, these vehicles have been retained in the total "on hand" figures.

Question. How many of these vehicles could be declared surplus and what basis is used for this calculation; that is, what size of the Army, what rate of consumption, what length of time covered, and similar factors?

Answer. The world-wide inventory of principal type, powered, wheeled vehicles is approximately 835,400. Against this figure must be applied a United States Army world-wide requirement for above type vehicles of approximately 539,400, which leaves an apparent surplus of 296,000 vehicles. To date, ETO-MTO has reported to the Chief of Ordnance that 41,431 vehicles have been declared surplus in that theater through December 1, 1945, and that 86,808 additional vehicles will be declared surplus in that theater. Although no reports have as yet been received from the Pacific areas, it is estimated that an additional 170,000 vehicles will be declared surplus in those areas. Later, of course, as additional vehicles are worn out overseas, they will be declared surplus in the theaters. The inventory in the United States and miscellaneous bases is approximately 272,400, and the requirements through June 30, 1949, are approximately 338,400. Under present plans only a negligible number of general-purpose vehicles are being returned to this country for United States Army use to meet the apparent shortage indicated

above. Despite the fact that the total requirements are greater than the total assets in the United States, it is estimated that there will be approximately 73,400 powered vehicles in the United States declared as surplus, these vehicles being unserviceable or not suitable for substitution for those vehicles in short supply.

The expected quantity of vehicles to be consumed through June 30, 1949, is established by the application of replacement factors to the quantities of vehicles authorized for use with troops. These replacement factors represent the expected and required replacement per month of the equipment in use, and vary to some extent by area and by type of vehicle. Such replacement factors presently in use for computation of expected replacement in occupied areas have been reduced from those found necessary in overseas theaters during the period of hostilities to a level approaching the rate of attrition in the United States during this same period. The replacement factor percentage rates range from 1 to 2 percent per month for various types of vehicles in hands of occupational troops and from 0.5 to 1.5 percent per month for vehicles authorized for use with other troops, including those in the United States.

Question. Can the War Department furnish an inventory of vehicles classified as to new or used or can it furnish an inventory of vehicles classified as to repairable or non-repairable located in the United States?

Answer. The information as to the on-hand quantity of equipment not economically repairable is not available at this time; however, it is believed that the on-hand quantity of equipment not economically repairable at Army standards is small, as this equipment is declared surplus as rapidly as possible.

Condition of "on-hand" quantities of principal types of War Department vehicles in the United States as of Oct. 31, 1945

Vehicle	New			Used			Total estimated new quantities and outside depots		
	RFI	NRFI	Total	RFI	NRFI but repairable	Total	Used in depots	In hands of troops used	Total
Car, sedan.....	1,041	33	1,074	1,812	2,452	4,264	5,338	16,577	21,915
Jeep (truck, 1½-ton, 4 x 4).....	18,509	14	18,523	13,050	4,341	17,391	35,914	33,263	69,177
Trucks (other).....	30,361	311	30,672	30,377	19,222	49,599	80,271	82,344	162,615
Total.....							121,523	132,184	253,707

NOTE.—RFI—Serviceable ready for issue. NRFI—Unserviceable not ready for issue.

Question. As to those vehicles overseas, why does not and could not the War Department bring them back to be declared surplus in this country?

Answer. Under the Surplus Property Act and regulations of the Surplus Property Administration, property is normally reported to the disposal agency having jurisdiction in the area in which the property is located. No property which has been determined to be surplus is brought back to the United States except by specific direction of the Surplus Property Administration. It is the general policy of the Surplus Property Administration not to direct the return of surpluses from overseas except as to items which the CPA certifies to be urgently required.

Question. Can the War Department see that the vehicles that are declared surplus are in operating order?

Answer. The War Department cannot make certain that the vehicles that are declared surplus are in operating order as there are not sufficient experienced personnel available to handle this problem. Further, it is believed that it would be an expenditure of funds for purposes of merchandising rather than for military purposes for which they were appropriated.

Mr. STEIN. Seventy-three thousand, four hundred vehicles unserviceable. Of course, they may be unserviceable from the point of view of the Army, but the veteran can make

them serviceable for his own use frequently. Obviously, that number and kind of vehicle is not going to solve the transportation difficulties of millions of veterans scattered throughout the United States; so this emphasizes again the importance of our determining the types of items and the quantities which shall be made available immediately for the veteran.

I think we should leave no doubt about that, General Gregory. I am sure you will agree with me on that; do you not?

Lieutenant General GREGORY. Yes. However, you must realize that there are declarations of surplus being made every day. We do not know exactly unless we interrogate the Army, and I do not think they could tell us sometimes how many more are going to be declared surplus between now and 6 months from now.

Senator O'MAHONEY. Of course, that is one of the serious troubles here, but whatever that may be, whatever the views of the Army and Navy may be, the fact remains that we can make a determination now and make it public. It seems to me we ought to do that. My theory in discussing this matter with Secretary Patterson was that the War Department and the Navy Department could very properly determine how much of the material on hand the Army will need for a given period in the future. I did not attempt to set down that period, because I did not feel I was qualified to do so; but let us say a year, and then declare surplus everything above that, upon the theory that a year hence the Army can contribute to the stabilization of our economy then by ordering anew any item which it may need. We will permit the surplus material that is not used now to get into active use by veterans particularly, and by others. So I am very anxious to have this list submitted to the committee so that it may be made a part of the report, and I am frank to say that the language which has been suggested by Mr. Snyder's letter is not very definite, and unless we back it up with a legislative history, we may easily fall back into the same unsatisfactory condition which now exists, namely, the War Assets Corporation would say, "Well, the material has not been declared surplus; we have not determined what the material is."

Mr. STEIN. May I ask a question, Senator, because I want to be quite sure that we prepare exactly what you want?

You want a list which is derived exclusively from, shall we say, important, easily handled items desired by veterans, looking solely to that, or do you want a list which takes into account the probability of supplying any large number of such items, in view of the Army stock position?

Senator O'MAHONEY. Let me answer that in this way: This amendment reads:

"Whenever the Administrator deems it necessary and desirable for the purposes of carrying out the objectives of subsection (a) of this section, he may, notwithstanding the provisions contained in sections 12 (a) and 13 (f) of this act, cause to be set aside, for such period of time as he may determine appropriate, amounts of surplus property for exclusive disposal to veterans."

Now, answering you, Mr. Stein, I might say to General Gregory and to you that I would like to have you please prepare and submit to this committee a list of the appropriate amounts of surplus property which you would now set aside if this were the law for exclusive disposal to veterans. Then we will know.

Lieutenant General GREGORY. Yes; that is not easy, but—

Senator O'MAHONEY. That is what I thought your answer would be. That is why I said that.

Mr. STEIN. Perhaps I should make this suggestion, subject to correction by General Gregory, who has to bear the burden of this, that a list could be prepared which would

be the list that would be made, if that were the law today; but I think it could be understood that any such list would be undoubtedly amended both as to quantity and the items from time to time in the future.

Senator O'MAHONEY. That is true, of course, and it might be that this amendment should be altered to make it necessary for the Administrator to set aside such a list every 6 months, for example, until the whole thing is exhausted.

Mr. STEIN. I think it would be even more desirable for the veterans to have the list amended whenever occasion arose, rather than to wait for a periodic revision.

I would like to know whether my answer makes sense, General Gregory.

Lieutenant General GREGORY. Yes. It would have to be amended. I would like to interpolate this, that one of the thoughts behind this amendment was for the over-all items which went largely to other claimant agencies which had a priority ahead of veterans. I refer particularly to doctors' and dentists' equipment, and so forth, which goes largely to the States and the Veterans' Administration.

I hesitate to bring this factor into the veterans' picture; I do so with reluctance, but we have had considerable evidence that the veteran has been used as a front, you might say, for people who are buying and who want to get this property. That is a thing which is very difficult to control, but we are trying to take steps to control it.

Senator O'MAHONEY. Well, of course, the law provides at present for the veterans' preference.

Lieutenant General GREGORY. Yes, sir.

Senator O'MAHONEY. For the veteran, for his use in setting up business or professional work.

Lieutenant General GREGORY. Yes, sir.

Senator O'MAHONEY. That, I think, is specific enough, so that it could be very easily controlled, and I rather imagine that only a very, very small proportion of veterans would lend themselves to any effort to secure property for others. The complaints that I get from veterans are from those who have not been able to get the equipment for their own use, and the bill which Senator MAYBANK and I have introduced extends the veterans' preference beyond business or professional purposes, to his own personal use. I see no reason why the veteran should not, for example, be able to buy a motion-picture camera, if such is surplus, for his own recreation. I do not think that right should be denied him merely because he doesn't want to use it for business purposes. Of course, the committee would agree with you that there must be a safeguard against any violation of the spirit and purpose of the act; but I rather feel that if we had what this proposed amendment seems to indicate that we all want to do, namely, to find out explicitly the appropriate amounts which shall be for the exclusive use of the veterans, then we will have some possibility of resolving this very complex and disturbing problem.

Mr. BORCHARDT. Mr. Chairman, do you have in mind giving the veterans the right to purchase material set aside under that amendment for their own personal use? If you do, the amendment would have to state that.

Senator O'MAHONEY. Yes.

Mr. BORCHARDT. It has not been stated, and would have to be stated.

Senator O'MAHONEY. Yes. I would like to refer to that and ask Mr. Stein about Mr. Snyder's letter, which advocates the substitution of this language for the entire bill introduced by Senator MAYBANK and myself.

Mr. STEIN. That is correct, sir.

Senator O'MAHONEY. That bill provides for personal use. Now, why do you wish to avoid that?

Mr. STEIN. That was set up in the same language in an earlier letter from Mr. Snyder.

Senator O'MAHONEY. Oh, yes.

Mr. STEIN. I will be glad to summarize it, if you want me to do it.

Senator O'MAHONEY. Yes; please do.

Mr. STEIN. Briefly, our feeling was this: The one great difficulty with the veterans' problem under the Surplus Property Act now is that the veterans feel they are entitled to all types of personal property, which in fact they are unable to get. It has been extremely difficult to adopt an educational program pointing out to them the limitation in the present act, and it has been extremely difficult to handle the applications which have been filed under the present act.

There is also this specific administrative difficulty, that the War Assets Corporation now, with 20,000 employees, is having a very hard job trying to catch up with its own sales problem, even though it makes no sales at retail, so to speak. It makes sales only, in practice, in minimum commercial lots. It does not sell one pair of shoes; it sells so many dozens or scores of pairs of shoes, and so forth.

If the act were amended to provide for the personal use of veterans, they would instinctively and immediately feel, and I think quite reasonably so, that that meant that they could go into a regional office of the War Assets Corporation and say, "I am a veteran; I want to buy one pair of shoes for my own personal use."

I find it very hard to believe that in any reasonable span of time, no matter what appropriations were made by the Congress, the War Assets Corporation could be set up to handle the flow of requests that would come in, and it would seem to me that would put us all in the difficult position of seeming to give something to the veterans that we physically will not be able to handle.

Senator O'MAHONEY. Well, it seems to me that that could be met completely by an announcement of the list of materials, and you can amend it to say not only categories but quantities.

Mr. STEIN. Well, I think this, Senator, that there is no doubt that if the personal-use amendment were not made a general personal-use amendment, but for personal use only for items already set aside, and within the quantities which shall be established by the Administrator, that would relieve a great deal of the problem. That would mean that the Administrator would then naturally take into account, and necessarily take into account, his ability to handle sales of the specific types. He would include such items as trucks, which can be sold truck by truck, and which are sold truck by truck. He would not be able to put in things like shoes, because he would not have enough people to sell them pair by pair.

Senator O'MAHONEY. Well, it is 20 minutes after 12 now and the Senate is in session. General Gregory has been very kind in submitting to a lot of questions here. Let me suggest that you, Mr. Stein, and General Gregory confer about this matter immediately, and confer, if necessary, with the War Department and with the Navy Department, so as to submit to us your best suggestion for making this explicit, and so that we may offer something definite to the veterans of the United States. I am sure from my conversations with Secretary Patterson and from replies that I have received that the War Department will be quite ready to cooperate, and you have indicated that yourself.

Mr. STEIN. I feel that the spirit is cooperative.

Senator O'MAHONEY. Will it be satisfactory to you, General, to consult with Mr. Snyder and his staff and let us know what your best judgment is for a practical solution of this problem?

Lieutenant General GREGORY. Yes.

Senator O'MAHONEY. Thank you very much.

Lieutenant General GREGORY. It is a very difficult problem at best.

Senator O'MAHONEY. I do not minimize the difficulty of it, sir, but at present there is a condition of great dissatisfaction among the veterans throughout the country, who feel that they are not being properly treated and we just cannot permit that; we have to be explicit about it.

Thank you very much, General. We appreciate your presence here; and we thank you also, Mr. Stein.

The committee is now in recess.

SETTLEMENT OF RUSSIAN-IRANIAN DISPUTE

Mr. CONNALLY. Mr. President, the press of today carries a statement with regard to the situation respecting the Iranian-Russian dispute pending before the United Nations Security Council at New York. I am highly gratified to note from the report of the situation by the New York Times that Russia's new stand is that she proposes, without any conditions whatsoever attached, to withdraw her troops from Iran by May 6. It is understood that this assurance will be acceptable to Iran, and it is confidently expected that at today's session the whole matter will be adjusted and the dispute laid aside, although the Council will still retain jurisdiction and leave it upon the agenda.

Mr. President, I think that those of us who have been interested in the development of the United Nations Council, and for that matter all our governmental agencies in the United States as well as those in other countries which are members of the United Nations, have just cause for great satisfaction that this first issue handled by the Security Council has resulted in a triumph for the principles of the United Nations Charter, and has demonstrated the strength which inheres in the Security Council when it takes jurisdiction of such matters, brings them out into the open, discusses them, analyzes them, and takes them apart in a forum where all the world may hear, and where all the world may look on and observe the transactions. This is one of the most powerful instrumentalities which the United Nations Organization possesses. It gives opportunity for the creation of a strong and dominating world opinion. No nation can withdraw into any kind of isolation into which the force of public opinion does not reach.

So, Mr. President, on behalf of myself and others similarly interested, I wish to express the greatest gratification at the trend which events have taken. To my mind, what has transpired is an augury of the continuing usefulness and increased strength of the United Nations through such experiences. It offers us great hope for the future as a vital instrument in the settlement of international disputes and in the prevention of another war.

EXPLOITATION OF MANDATED AREAS AND PEOPLES

Mr. PEPPER. Mr. President, so far as the action of the Security Council gives momentum to the world organization to preserve peace, and insofar as it

has diminished international friction and tended to deter war, all of us heartily share the views which have just been expressed by the able chairman of the Committee on Foreign Relations. We are hopeful that this matter, which has agitated the peace of the world, has now been amicably settled by the parties most directly affected, the Soviet Union and the Government of Iran.

But, Mr. President, in the past week there has been an announcement in the press which struck me as having considerable significance in the opposite direction. That announcement advised the world that there had been executed and negotiated between Great Britain and Trans-Jordan a mutual assistance pact, a mutual defense pact, an agreement by the Trans-Jordan and the British Governments relative to the joint conduct of foreign policy.

That simply follows a pattern which has been followed for a considerable time, and in numerous instances, by the Government of Great Britain. In my opinion it is just another example of exploitation of little countries by big countries, and is the very antithesis of the principle and philosophy of the UNO.

What happened was this: Trans-Jordan was a part of the Palestine mandate which was awarded by the League of Nations to Great Britain. Later Trans-Jordan was severed from Palestine and set up as an independent government. For any mandatory power to enter into a treaty with a mandated area and people, it seems to me, is analogous to a guardian entering into a contract with his ward, which is forbidden by all principles of equity and law. For a great power which has a mandate over a little area to enter into such a bilateral agreement and contract, it would seem to me, is obviously to impose a condition upon which independence is granted to that area by the mandate authority. It is a subterfuge for any such agreement to be entered into. In this particular case the agreement, as announced in the press, says that British troops may remain wherever they now are in Trans-Jordan. They also may be put in any other place in Trans-Jordan which may be agreed upon by the parties. In addition, the British will have the primary responsibility for the foreign policy of Trans-Jordan.

Mr. President, what is that except a big power retaining a strangle hold over a little power, except that it is put in the diplomatic phraseology of a smart lawyer?

The same situation exists in Iraq. Iraq was awarded to Great Britain as a mandate by the League of Nations. The people of Iraq rebelled, and finally the British said, "Very well; we will sponsor your admission into the League of Nations, freed of the mandate, as an independent power." But evidently there was a collateral understanding, that if the British did that, the people of Iraq would enter into a treaty with the British which would give the British the right to keep troops in their country as long as they wanted to keep them there. It would give them the power to direct the

foreign policy of Iraq. In other words, it was a dependency by treaty that they imposed upon a country which they professed to liberate and help to the status of a sovereign in the League of Nations organization.

Today if one goes to Iraq, he sees British troops all over the place. It is common knowledge that the British chargé d'affaires tells the Government what to do. The British selected the regent, and they sent to Washington with the regent a British doctor for the purpose of spying on the regent, even when he visited the President of the United States. A very amusing story was current in Baghdad when I was there last year. The story is to the effect that the doctor sent along with the regent, having the obligation to follow him everywhere he went, was included at a dinner at the White House, given by the President to the regent when he came to the United States as a guest of the President of the United States. After dinner the President, as he often does with other guests, invited the regent to go up to his private study to have a talk with the President of the United States. My understanding is that the American Secretary of State was present, and perhaps the Ambassador of Iraq was also present. But this doctor, sent along as a shadow for the regent, to hear what was said to him, was not invited upstairs, and he was the most miserable man in Christendom. The President of the United States was talking to the regent of Iraq, and the doctor could not hear what was said, so that he could go back and report it to the British Government.

Yet the British make the most sanctimonious pretense that they are for freedom for everyone in the world. To every Englishman in the world they offer freedom; and that is about as far as their record in many particulars goes. What I decry is the international hypocrisy, sham, and pretense. If the British people want the Russians to get their troops out of Iran, let the British get their troops out of Iraq. Let them get their troops out of Trans-Jordan. Let them get their troops out of Lebanon and Syria, and let them get their troops out of Palestine. The British mandate should have been revoked long ago, because it never was carried out in accordance with the spirit of the mandate. It never really seriously attempted to achieve the high purpose which was committed to that mandatory authority. Surely now the UNO is the juridical heir of the League of Nations, and every mandate awarded by the League of Nations should be revoked and redispensed by the United Nations Organization.

In the first place, no mandate should be given to any one power, whoever the power is. Any people not considered far enough advanced to be self-sustaining and self-governing should not be given to any one nation to exploit, no matter who that nation is. They should be placed under the Trusteeship Council, representing the international conscience of the world, and aided, assisted, and nurtured into independence and sovereignty by the collective authority representing the collective will of mankind.

Mr. President, I could tell a story about what France did in Lebanon and Syria that would turn your hair, almost. I had dinner one evening with the President of Lebanon and his family. His wife told me how troops came to their residence; how they took her husband out of the family bed; how they would not give him time to put his clothes on; how they denied him the right to go to his 10-year-old daughter in the adjoining room to tell her good-by; how, with Senegalese troops in the yard and other armed troops in the bedroom, they took her husband, the President of Lebanon, out of the house, carried him away, and kept him incommunicado for 8 days, while his wife and daughter thought he had been shot. Finally they turned him loose and let him go back to his family.

What had he done? What was his offense? He had opposed the retention of Lebanon as a mandated country by a great power, France, in spite of the fact that a promise had been made that she had been emancipated from that mandate, and the United States and Russia had recognized the Government of Lebanon and Syria. In Syria, in Damascus, all you have to do is go look at the capitol, the parliament house. Right across the street from it is the troop headquarters of a great power, and adjoining that is the residence of the commanding general of those troops. They opened fire with their guns—first machine guns and then 75's—and shot right through the front door of the parliament house, killed some of the police who were guarding it, and thought they were going to massacre a good many of the members of parliament who would be meeting in that parliament house. But the members of parliament got there early and found there was about to be an attack. A quorum was not present, and the presiding officer, who told me the story, dismissed them, and they got out before the shooting started. But several people who were in the building were killed, without having been guilty of any provocation except that those people wanted to be free.

When I was there—and this was after the British had come in and stopped the fighting and occupied the city of Damascus—to our minister and to me the Syrians made pleas for one American officer in American uniform to come out there and let the Syrian people see that America was trying to help them get and retain their freedom from the French and the British. They were begging both the British and the French to get out.

Who were in there? British and French troops. They were the ones who were there. Yet at the UNO meeting in London when they talked about getting British and French troops out of Lebanon and Syria, that did not seem to excite the delegations of the United States and Great Britain as much as the presence of Russian troops in Iran excited them.

Mr. President, Russia does not mean anything to me except as a nation of 200,000,000 people who are human beings upon the face of the earth, except as a nation that killed more Germans during the recent war than all the rest of us put together did, except as a nation that made more sacrifices during the recent

war than all the rest of us put together made, a nation that saved American boys in millions of American homes. That is what she means. She means a friend that can help us to keep peace and help us achieve prosperity in the world.

Oh, I realize that if anybody raises his voice in this Congress or in this country and says a decent word for Russia, he is called a Communist. Very well, we shall let history and time judge the accuracy of such accusations. I think there are a good many words that I could use, Mr. President, if I wanted to say some things about some other people. But name calling is not going to decide these issues.

All I want to see is the United States of America not become a guarantor of British imperialism. Today, that is what we are doing. We do not need a Churchillian compact with Great Britain. Every time there is an international conference it is the British-American twins that function and perform. Inevitably, that will lead to an anti-British-American bloc in the rest of the world. That is the only way they can counteract this Siamese-twin association that we have gotten ourselves into.

So far as I am concerned, I am not going to vote for selective service; I am not going to vote for war appropriations if we are going to use the forces we have to broaden and perpetuate the British status quo which exists in the world today; and if Secretary Byrnes means what he says—that he does not want us to maintain the status quo—he had better change his policy, or his actions will belie his words.

Oh, it was easy to gang up on the Russians, Mr. President, while the czars were fighting the people of the country with their perfidious policies and police. It was easy to gang up on the Russians during the days of the Russian revolution. It has been easy for the rest of us to gang up on them ever since. I do not want to be a party to such a process.

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

Mr. PEPPER. I yield.

Mr. HATCH. When the Senator from Florida says it has been easy to gang up on Russia ever since, does he think we have been ganging up on Russia during the war? The Senator from Florida is making some extremely extravagant statements which I do not think he should make.

Mr. PEPPER. I said it was easy to gang up on the Russians during the Russian revolution, and that it was easy to gang up on the Russians after the revolution, and that it has been easy to gang up on Russia ever since. And that is exactly what the Senator from Florida meant.

Mr. HATCH. Does the Senator from Florida mean to imply that this country and Great Britain ganged up against Russia during the war?

Mr. PEPPER. O Mr. President—

Mr. HATCH. That is what the Senator from Florida is saying.

Mr. PEPPER. I did not say "during the war." I said "ever since." What I mean, of course—

Mr. HATCH. Well, Mr. President, if the Senator will pardon me, let me say

I thought the war occurred between the time of the Russian revolution and today.

Mr. PEPPER. Yes; it did. I said it is easy to gang up on Russia. What I mean is that there is always a propaganda that is put up by a great many persons who hate the Russian system, and somehow or other they feel that if it exists anywhere in the world it is a danger to their property everywhere in the world.

Mr. President, I believe that the sounder opinion is that it is possible for communism and capitalism to exist peacefully in the same world. But a great many people, because they do not like Russia's government, are constantly the mouthpieces of anti-Russian propaganda for all purposes. That is what I mean. In any newspaper that we pick up we find from one to five articles which contain something that is anti-Russian in character. Either last October there was a plane shot at or something happened last November or there is some little something that happened over here or over there. Too many times there is a veritable barrage of propaganda which grows out of, in some cases, the sinister policies, and in some cases the exaggerated fears, of a great many of the people; and it is that propaganda which made the Senator from Florida say that it is easy to take hold of those animosities and to gang up on the Russians.

No, Mr. President; we did not gang up on them during the war. But there were a great many people who would have been glad to see Hitler destroy them, so that both Hitler and Russia would have disappeared from the face of the earth. Does the Senator from New Mexico deny that is the fact?

Mr. HATCH. Mr. President, if the Senator will further yield to me, although I do not wish to interrupt him, I do wish to deny strongly—strongly as I can—the implication contained in the words he has uttered, namely, that this country is ganging up with any other country against any other country in the world. I deplore that a Senator of the United States will stand here on the floor and make such a statement.

Mr. PEPPER. Very well. I ask the Senator, What has the American delegation done to get all foreign troops out of all foreign territories? What have they done in Indonesia? I have not seen the Secretary of State as a white knight on his gallant charger rushing to the liberation of Indonesia, when in some cases with American lend-lease equipment they have been shooting down people who did no more than what American Revolutionaries did. What have they done in regard to other parts of the world?

All I am asking for is an American policy that will say to everyone, "Get out of everybody else's country." That is all I am asking for. When we do that, then we shall have a typical, impartial American policy. I do not want this Government to be pro-Russian; I do not want our Government to be pro-British. I do not want our Government to be anti-Russian or anti-British. I want us to be pro-Americans. But I do not want us to give anyone the impression that if Russia is the culprit, then we rush to the

side of law and order; but if anybody else is the culprit, we always find a way to let our footsteps tread gently upon the situation.

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

Mr. PEPPER. I shall yield in a moment.

I happen to have been a student at Harvard for a while, and I remember that there were those who used to poke fun and say that it was all right to shout loud enough to be enthusiastic, but that one should not shout loud enough to be vulgar. When we say anything about many situations where others than Russia are involved, we shout loud enough to be enthusiastic, but not loud enough to be vulgar or really frightening.

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

Mr. PEPPER. I yield.

Mr. HATCH. The Senator is making so many statements with which I should like to take issue that I am unable to take issue with them all. But he has said that our footsteps were fairly quiet and easy when there were other culprits involved.

Mr. PEPPER. Yes.

Mr. HATCH. The footsteps of American soldiers in Germany against the culprit Germany were not quiet. They were heard round the world. The Senator does them a grave disservice by his statement, when it is true that we did fight another culprit side by side with the brave Russian people whom he extols.

Mr. PEPPER. Mr. President, the able Senator has been a distinguished judge in the highest court in his State, and I am sure he can distinguish between enemy powers and nonenemy powers. If I remember correctly, the tread of Russian footsteps also echoed around the world in fighting the Hitler culprit in Germany. The Senator knows that I am not talking about enemy countries. I am merely asking that at any international conference the delegation of the United States of America lay down a rule which will be applicable alike to everybody. But, Mr. President, I sent a telegram from Cairo to the President of the United States and asked that it be given out to the public by the Office of War Information. The telegram related that the British were undermining American interests in every country in the Middle East. I endeavored, after consultation with American Army officers, with members of our diplomatic corps, and American businessmen in various countries, to show that the British were trying to prevent American aviation companies from obtaining franchises in the Middle East. I was told by heads of various governments that what I have just stated was a fact. My record shows that I have been a friend of the British. I yield to no Member of the Congress in my record of advocacy of aid to Great Britain. But, Mr. President, I merely assert that when I asked that the telegram be given out to the public by the Office of War Information I received a cable reply from the Secretary of State to the effect that delicate negotiations with representatives of the

British were then taking place in Washington, and that those negotiations would be disturbed if the telegram were given out as having emanated from an American Senator, even on his own responsibility. I then wondered, Mr. President, what would have happened if I had proposed the issuance of a public statement with reference to what some of the Russians were doing in the Middle East. I wondered whether there would have been any hesitancy on the part of the State Department in publishing the telegram.

Mr. President, I do not believe in Mr. Churchill's plan of fraternal association, and I do not believe in Great Britain or any other power taking a little mandated territory like Trans-Jordan, and entering into a mutual defense pact with it. To do so is nothing but hypocrisy. A similar situation occurred with reference to Iraq. The pact served in no way but as an excuse for Britain to keep her troops in Iraq in maintaining a portion of her life line to India. If we are no longer to have bilateral alliances but, instead, the UNO, then let us stop entering into bilateral alliances and rely on the security of the UNO. If we are not to rely on the UNO in striving for an abiding peace in the world, then on what are we to rely?

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

Mr. PEPPER. I yield.

Mr. FULBRIGHT. Will the Senator tell us what is the relationship between Bulgaria and Rumania? Do they have bilateral pacts?

Mr. PEPPER. I do not know whether they do or not. To my knowledge, they do not. They may have. As I recall, they have entered into some kind of a commercial agreement.

Mr. FULBRIGHT. Does the Senator know whether or not there is any relationship between Russia and Poland of the nature to which reference has been made?

Mr. PEPPER. I believe there may be some understanding between Russia and Poland. But I must remind the Senator from Arkansas that Poland is adjacent to the Russian border, and that Bulgaria and Rumania are either adjacent to the Russian border or are in proximity to it. They are not 1,500 or 2,000 miles away from the Russian homeland.

Mr. FULBRIGHT. Then, is it the Senator's belief that the proximity of the territory of one nation to that of another has some bearing upon the relationship which may exist between the two countries?

Mr. PEPPER. I certainly do believe so. I believe it is one thing to defend one's homeland and another thing to defend a foreign country.

Mr. FULBRIGHT. In other words, a contiguous territory is necessary for defense, and for that reason Russia is entitled to seek a relationship with Iran.

Mr. PEPPER. Has the Senator from Arkansas ever heard of a doctrine called the Monroe Doctrine?

Mr. FULBRIGHT. I believe I have heard something about it. [Laughter.]

Mr. PEPPER. The Monroe Doctrine merely preempts for the United States of America the Western Hemisphere as a defense zone. If I recall correctly, it also

preempts the Atlantic Ocean and most of the Pacific Ocean as defense zones for the United States of America. I do not believe that to talk about defending our own territory is a new doctrine in American politics.

Mr. FULBRIGHT. Then, the Senator believes such a doctrine to be appropriate for Europe?

Mr. PEPPER. Yes; but I do not believe in the United States of America preempting against any foreign powers the Western Hemisphere, the western Atlantic, and most of the Pacific Ocean, and at the same time claiming that no other country has any right or authority to defend itself around its own homeland. All I am asking for, Mr. President, is the kind of consistency that squares with a single standard of international morals.

Mr. FULBRIGHT. The Senator believes that, in supporting the Monroe Doctrine in this hemisphere, we are asking for the exercise by Russia of the same principles and rights so far as Europe is concerned.

Mr. PEPPER. I should not want to answer the Senator's question without first calling as witnesses some of the countries who have experienced certain actions of the United States of America under the Monroe Doctrine as, for example, Nicaragua, and many other countries in Central and South America.

Mr. President, I am not decrying the past, but I am saying that inasmuch as we now have the Iranian controversy relatively reconciled, if we are really opposed to the maintenance of troops by foreign powers in the territories of other countries, then let us stand up in the UNO and defend that principle, and set a good example for others.

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

Mr. PEPPER. I yield.

Mr. BREWSTER. I regret that I did not hear the earlier part of the discussion. I came into the Chamber as the Senator was referring to the Trans-Jordan situation.

Has the Senator any information with regard to whether the State Department has taken any position with reference to the recent development which has taken place in the Trans-Jordan?

Mr. PEPPER. I regret that I do not have any information on that point. I understand that an agreement was proposed between Trans-Jordan and Great Britain which would permit Great Britain to maintain all of the troops she now has in Trans-Jordan and place other troops there which may be agreed upon.

Mr. BREWSTER. Has the Senator called the attention of the Senate to some of the unusual circumstances under which the Trans-Jordan became a state within the past 10 days?

Mr. PEPPER. I merely intimated it, and I wish the Senator would elucidate further.

Mr. BREWSTER. That matter was called very fully to the attention of the State Department more than 2 months ago when, apparently, there was being contemplated, I think rather curiously although perhaps incidentally, the creation of the state of Trans-Jordan to be a member of the Arab League, which was

announced a week ago last Friday, together with the contemporary announcement of mutual treaties of defense such as those to which the Senator has referred. I inquired of Mr. Clayton before the Finance Committee yesterday about the situation with regard to trade relations. He was not at that time informed about the situation, but it is my understanding—and I think it is a matter of high importance—that Britain has no power or responsibility in Trans-Jordan or Palestine itself—Trans-Jordan being a part of Palestine, embracing two-thirds of the territory—except under the mandate of the League of Nations, to which the United Nations presumably are the successors. We have entered into an Anglo-American commission of inquiry into Palestine. I think every one of the 50 nations composing the League of Nations, now the United Nations, have absolutely equal rights with us in this mandate and in this trusteeship. So during this transition period when the world is so much preoccupied with other matters to which the Senator has referred, when suddenly this new state is brought into being, without, so far as we are informed, any consultation with any responsible authorities of the other 50 nations, either Russia, or any other country, or America, it does seem to me that the matter invites most careful consideration. It has a profound impact upon the whole problem of Palestine, which is one of great concern to many people in this country. It involves the division of Palestine into two separate parts and the creation of an independent state in one of them. If it is the suggestion of the Senator from Florida that if the Russian difficulty is temporarily composed, there should be immediate inquiry by our Department of State as to the significance of this development, as to the authority for it, as to whether or not it has received the approval of any responsible body outside the Government of Great Britain, I think that by following such a course a great service would be rendered not only to all the peoples involved but to the cause of peace throughout the world.

Mr. PEPPER. Mr. President, I want to thank the able Senator from Maine for his usual and characteristically valuable contribution.

Now, Mr. President, just a last word. There was a time in the world when struggling peoples seeking independence and sovereignty could feel sure that here in the great heart of the United States of America, so recently admitted to the sovereignty of the nations of the world itself, there would be found a dynamic echo of all their hopes and aspirations. I hope that American foreign policy has not got hardening of the arteries; I hope we have not lost that spiritual resiliency which made us the friend of the down-trodden and the oppressed in every country and clime on all the face of the earth. I still like to think of America as personified in the Statue of Liberty at the entrance of New York harbor, a statue put there not by the American Government, not by the American people, but by the children of France, holding aloft a torchlight, indicating that we welcome to these hospitable shores oppressed peoples of all the world.

Now when upon the earth there are these anguished cries for independence and a new life, I want to see the strong hand of America stretched forth to every single one of them. Let us be embarrassed by no association, fraternal or otherwise, so that we may not extend that hand of friendship and that clasp of confidence to poor little peoples, who have their own George Washingtons, their own Patrick Henrys, and their thousands or millions aspiring to the great thrill and exaltation of the freedom which we enjoy here in America.

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

Mr. PEPPER. I yield to the Senator from Nebraska.

Mr. WHERRY. I did not want to interrupt the closing remarks of the distinguished Senator from Florida, but I should like to propound a question to him and advise him that I submitted a resolution proposing an investigation of the State Department. It is Senate Resolution 197. I am wondering, in the light of the very forceful statement made by the distinguished Senator from Florida, if he feels that the provisions of this resolution are not timely, and that it should be considered by the Foreign Relations Committee and be adopted by the Senate and thus cause an investigation to be made of the State Department of our own Government.

Mr. PEPPER. Mr. President, in the first place, I do not really think it is necessary to have a resolution. I am in no sense of the word opposed to the principle of the Senator's resolution, but I think that the State Department represents the American Government and the American people and the American Congress, and I consider that we are always in session in the Foreign Relations Committee and upon this floor and can bring out any dereliction that might appear on the part of the State Department. I have no objection whatever to a scrutiny of its conduct at all times, but whether it would be necessary to have an express resolution is a matter which I have not considered.

Mr. WHERRY. I wanted to call the attention of the Senator to the resolution and ask if he will not study it in the light of the remarks he has made and his feeling about some of the Department's policies. I should like to have the observation of the distinguished Senator later as to the resolution.

Mr. President, with the permission of the distinguished Senator from Florida, at the conclusion of my statement in this colloquy I ask to have the resolution printed in the RECORD.

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

The resolution (S. Res. 197) submitted by Mr. WHERRY on November 28, 1945, is as follows:

Resolved, That a special committee to be composed of five Senators to be appointed by the President of the Senate is authorized and directed to make a full and complete study and investigation with respect to the policies, operations, administration, and personnel of the Department of State, with particular emphasis on (1) any variance between the policies now being pursued and those expressed in the Atlantic Charter, the Potsdam Agreement, and the various agreements

entered into in recent years by the American Republics; (2) any intervention by personnel of the Department of State in the domestic policies or affairs of the Latin-American Republics or other action by such personnel tending to destroy or militate against the good-neighbor policy in the Western Hemisphere; (3) whether any of the personnel of the Department of State have shaped or influenced or have attempted to shape or influence our foreign policies or our operations in any foreign nations with a view toward the establishment of a Communist form of government in such nations; (4) any actions taken in any foreign nation by any personnel of the Department of State which were known by them to be contrary to the foreign policy of the United States or the instructions of our ambassadors or ministers to such nations; (5) the extent to which personnel of the Department of State are in sympathy with Communist ideology; and (6) any conflict between the policies being pursued by the Department of State and those being pursued by our Army or Navy in any territory now occupied by our military or naval forces. The committee shall report to the Senate at the earliest practicable date the results of its study and investigation, together with such recommendations as it may deem advisable.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Seventy-ninth Congress, to employ such experts, and such clerical, stenographic, and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$10,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

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

Mr. PEPPER. I yield.

Mr. FULBRIGHT. Before closing, in view of his violent attack upon the British, I think the Senator should mention at least the recent offer to India of freedom either within or without the commonwealth. Does not the Senator from Florida think in fairness that he should mention that? India is a much more important segment of the world than is Trans-Jordan.

Mr. PEPPER. Mr. President, I shall be glad to make a brief comment on the Indian situation, and I thank the Senator for suggesting it. I do not think there is any doubt, that American opinion for a very long time has had great difficulty in squaring what the British were doing in India with the professions which we made about democracy during the war, the democracy for which we were fighting. I do not think we need to conceal the disappointment of the people of this country when it was announced by Mr. Churchill, then Prime Minister of Great Britain, that the Atlantic Charter, which had aroused the hopes of the peoples everywhere, did not apply to India and to the Far East. I do not think I need conceal from my colleagues, Mr. President, the feeling of great dejection and disappointment on the part of many

people when that great warrior for democracy, upon whose words the hope of the world tenuously hung, when he announced one day that victory would be obtained in the common effort and then made the rather exultant announcement that he had not become the king's first minister to preside over the liquidation of the British Empire. If he had made any kind of limitation, if he had said there are some peoples we are going to emancipate, some now and more later, and all eventually, the feeling of dejection and alarm would have been dispelled; but it was not the great lion and spokesman of democracy who was talking that day when he said to the world, "I did not become the king's first minister to preside over the liquidation of the British Empire." It was the master of empire clinging to his own and defying all, even the oppressed. Mr. Churchill preceded that statement by saying, "We shall keep our own."

Later I sat in the gallery of the House of Commons and I heard Mr. Churchill ask the Prime Minister, "What are you going to do? Are you going to give away the British Empire?" He asked it with all the tenacity with which he had defended the tight little island against Hitler, thinking that they had a God-given right to hold a Damoclean sword over people's heads in the colonies, as they had a right to exercise their sovereignty over their own Great Britain.

What has happened to Hong Kong? To whom should Hong Kong belong? Would we permit any foreign power to have Charleston, S. C., Boston, New York, or any other American city on our coast? Why has not someone who believes in democracy stood up in the United Nations and said, "We are in favor of the Chinese having Hong Kong, since in China is where God put it in the geography of the world." Have we heard anything about the emancipation of Hong Kong? I have not heard any quarrel about the commercial rights held by certain powers in China.

I do recall how loath some powers have been to give up their extraterritorial rights in various parts of the world and that we have it to our credit that we have led in the relinquishment of such humiliating prerogatives.

Mr. President, I am glad the Senator mentioned India. I should like to know when the promise of the Prime Minister is to take effect. He said "We are willing to give India independence in or outside the Empire." Was his meaning like ours, as expressed in our resolution of the Congress with respect to the Philippines, that we would give them their freedom in 1946 Anno Domini? No. Let them say "this year"; let them say "by spring of next year"; let them say "by the following summer," or "by the coming autumn." Then the people of the world will have more confidence in the statement. But when the Prime Minister was pushed as to when the independence was to be given, he did not want to arouse too much hope, and he said a subcommittee of the cabinet was going to India to confer with the leaders. The reason why that remark has not aroused more optimism is that until they see it

fulfilled, many people think it is just another political promise.

I hope Great Britain is seeing the light. I believe she is. I have faith in the Labor Government. I do not think Ernie Bevin goes as far as the Prime Minister does in that respect. I am afraid he is beginning to fall for the coddling of the Tories in his own country, and to be a sort of a spokesman of the Empire. I do not believe Prime Minister Attlee, who built his career upon social service in a tenement district in London, feels that way.

I know it is going to be hard for our British friends to give up and abandon the old commercial and political interests they have had around the world, this boasted Empire "upon which the sun never sets." But, Mr. President, before God and the dead, do we not live in a new world, where we have to shake off the old method of thinking and be willing to be unselfish ourselves, if we are to have peace?

It is not possible to keep the present British and French Empires, the Dutch and Belgian Empires, intact, as they are today, to have peace or disarmament in the world, and that is what I was talking about here a few days ago when I spoke about the Big Three. If this is to be a world of power politics, Russia is human enough to want her part. If we are to exploit the oil of the Middle East, Russia is going to demand her share. It is human to do it.

The way to avoid such an imperial scramble is for all of us to get on our knees before the graves of the dead and say, "It is a new earth the dead have given us. Now let us remake it." Yet when you pinch the toe of one of these powers that has a far-flung empire, it is more sensitive than a toe with a rising on the end of it.

If the United Nations Organization really wants to carry out its obligation to mankind, let the nations go back to the council table and get away from picayunish things and discuss power politics, and ask each one what she is willing to give up. Let America be the first to say, "I will set the example. It will be the kind of America our people have always been in their hearts."

All this Organization is doing now is preserving the status quo. The member nations now have Russia in a hole. The other nations have their great empires. When Russia gets strong enough to begin to assert her own right, they say it is against the rules, that they must preserve the status quo.

Mr. President, we cannot have peace and keep this perfidious status quo that has grown up as a result of power politics in the world today. I want America to go to the council table with the white light of new purpose shining in her noble face. I want America to give up thinking in State Department language and diplomatic politics and protocol. I want America's spokesmen to speak with the voice of the people, which, after all, in this case is essentially the voice of God, because it is right.

And when America becomes that kind of a shining light for a new order on the earth, based upon righteousness by all nations, in concert, everyone to help

keep the peace, because it will be to nobody's interest to break it. Then the dead can sleep in peace, and their progeny can be assured they will not have to take their places in graves beside them.

VETERANS' PREFERENCE IN SALES OF SURPLUS PROPERTY

Mr. LANGER. Mr. President, I wish to speak in support of the bill introduced this morning by the Senator from New Mexico [Mr. HATCH] to give veterans first priority in the sale or transfer of surplus property under the Surplus Property Act of 1944.

Mr. President, from all over the Northwest, especially from the States of North Dakota, South Dakota, and Montana, continuous complaints are being received that the veterans cannot get farm machinery, that the preferences are, for all practical purposes, worthless.

I call the attention of the Senate to section 17 of the original act providing for the disposition of surplus property. Senator Chandler, of Kentucky, the Senator from Colorado [Mr. JOHNSON], and I finally secured the adoption of section 17, which provides as follows:

SEC. 17. The Board shall devise ways and means and prescribe regulations in cooperation with the War Food Administrator providing for the sale of surplus property in such quantities in rural localities and in such manner as will assure farmers and farmers' cooperative associations equal opportunity with others to purchase surplus property: *Provided, however,* That in cases where a shortage of trucks, machinery, and equipment impairs farm production, a program shall be developed by the Board in cooperation with the Agricultural Adjustment Agency whereby a reasonable portion of the surplus supply will be made available for sale in rural areas to farmers and farmers' cooperative associations.

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

Mr. LANGER. I yield.

Mr. AIKEN. I wish to ask the Senator from North Dakota if he thinks that merely giving ex-servicemen priority in the purchase of surplus material is going to help them? I ask the question because I have had many complaints about the inability of servicemen to purchase surplus goods. One of the complaints I have received is of this nature: A serviceman goes to the Army depot where the surplus material is at hand, and whoever is in charge says, "Oh, yes; you are a serviceman, therefore you have priority in the purchase of this material." The selling price set by the OPA is so much. It is more than the serviceman can pay, so he goes home without it. The next day it can be sold in the regular manner to speculators for perhaps one-third as much as the serviceman was asked to pay for it. So I am wondering if merely giving him a priority, which he does need, is going entirely to meet the problem which exists.

Mr. LANGER. The distinguished Senator comes from the eastern part of the United States, and therefore is not familiar with the situation in the Northwest.

Mr. AIKEN. I am sufficiently familiar with it from what I have learned from people who know the situation in the East and in the West to know that in the Sen-

ator's territory the sale of surplus property to veterans, farmers, and others is handled a great deal better than in my section of the country.

Mr. LANGER. Then, God pity the veterans in the eastern part of the United States. In my section a veteran has to go hundreds of miles before he can even see the article he wants to buy. He goes as many as 500 or 600 miles before he can even look at it. The whole theory of the amendment which I sponsored, being section 17, which was adopted and is in the original act, was, and I so stated upon the Senate floor, that the War Surplus Commodity Administration should, for example, send hundreds of tractors, jeeps, and farm machines to cities such as Fargo, N. Dak., or Billings, Mont., and even into the small towns, where they could be inspected and tried out by the farmer or veteran who wished to buy them. Instead of that being done, we find that section 17 has been ignored entirely—by whom? First, by the War Surplus Administration.

The distinguished Senator will remember that members of that Administration were appointed and confirmed by the Senate. The agency was headed by former Senator Gillette, of Iowa. Time and time again I accompanied other Senators to the office of the Administration in the hope of getting the War Surplus Administration to send machinery to the West. Former Senator Gillette's answer—and he spoke in behalf of the administration—was that they had too small a force, that rules and regulations had not been prepared, and so on. The first thing we knew former Senator Gillette resigned from that Administration. Then as successor to the War Surplus Administration we found the Surplus Property Board, and we had no better luck with that Board, although the junior Senator from Tennessee [Mr. STEWART], former Senator Chandler, of Kentucky, and I went there time and again. Then all of a sudden a new agency took over. In a little while along came a successor known as the War Assets Corporation. Lo and behold, today we have another successor called the War Assets Administration.

So, Mr. President, in a period since 1944 we have had five different outfits trying to administer war surplus, and of the five not one have given any satisfaction to the Northwest, nor has any administrator done so, with the exception of Mr. Stuart Symington. Mr. Symington went to the Northwest and met with farmers and veterans of the Northwest and for the first time, through Jerry Wadsworth, who was at the head of the veterans division, we received a little assistance.

So I believe the bill introduced by the Senator from New Mexico [Mr. HATCH] will be of some benefit, because today if a veteran goes to a place to buy a surplus article he is told "We cannot sell it to you because first of all the Federal Government may take it. If the Federal Government does not take it, a State may take it. If a State does not take it, a county may take it."

We find that the present administrative agency has given no more attention to the sale of surplus property to veterans and farmers than was given to the

amendment submitted by the Senator from Maryland [Mr. TYDINGS] and adopted as part of the Selective Service Act. Those administering that act ignored the so-called Tydings amendment in all parts of the country. There were farmers in my section of the country who had farm units of sufficient size to bring them under the provisions of the amendment, yet they were not given the benefit of its provisions.

If the bill which gives veterans a preference is passed, and veterans go to a place where surplus property is located, at least the one in charge of the surplus property will not be able to say to them, "Well, we would like to sell this property to you, but we have to give the Federal Government first choice, we have to give the State the second choice, and give the third choice to counties, and the fourth choice to school districts," and so on.

As I stated a moment ago, this preference is due to the veterans now, in view of the fact that the Federal Government, the States, and the counties, and so forth, have had months and months and months in which to buy what they need. Therefore the veterans ought to have the opportunity to buy some of this material now.

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

Mr. LANGER. I yield.

Mr. AIKEN. I hope the Senator from North Dakota is correct in believing that the bill will help the ex-serviceman who has not had a chance up to now. I have in mind the case of two young ex-servicemen who bought a couple of farms on which there was some timber. They wanted to get some sawmill machinery so they drove to Boston. From Boston they were sent to Washington. From Washington they were sent to Chicago. Finally they went home, as I am told, with one truck in not very good condition.

At the time this complaint came to me I was also advised by one who was in the best position to know in my State that more than 600 servicemen had tried to buy surplus property up to that time, and less than 30 had succeeded in getting anything. As I stated, they would go to the Army depot, or wherever the surplus property was kept, and would be told there that they had priorities next to the States and counties, and so forth, and the selling price was so much, but the selling price would always be more than they could afford to pay, and then, after they went home, the goods would be sold to speculators and traders at perhaps one-third of the price which was charged to servicemen.

Mr. LANGER. I might say to the Senator that my distinguished colleague, the junior Senator from North Dakota [Mr. YOUNG] and I tried repeatedly to get a square deal for the veterans of North Dakota. There, veterans have to travel to Minneapolis or Chicago. They simply have not been taken care of.

Mr. AIKEN. From all I can learn, the Senators from North Dakota were very successful, because it is my understanding that the area served from Minneapolis is by far the best handled of any area in the United States, and that my own area in the northeastern area of the United States is served very poorly.

I could name one or two other areas that have been served badly also.

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

Mr. LANGER. I yield to my colleague.

Mr. YOUNG. The senior Senator from North Dakota is absolutely correct as to the situation existing in our section of the country. I should go a step further, however, and state that in order to correct the situation some of the trucks would have to be transported to areas where there are none. For example, we hear that in Dallas, Tex., 7,000 trucks are to be sold. Prospective buyers in our part of the country hear that 200 or 300 may be available to them. They must go to Minneapolis to see them; but in order to get them they must go as far as Columbus, Ohio, or even farther. I believe that a veterans' preference would help somewhat.

Mr. LANGER. Mr. President, in conclusion I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial entitled "Speaking of Surpluses," published in the Washington Daily News of yesterday.

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

SPEAKING OF SURPLUSES

Do you know what the War Assets Administration is? It's the successor to the War Assets Corporation. That was the successor to the Surplus Property Administration. That was the successor to the Surplus Property Board. That was the successor to the Surplus Property Administration.

Do you still wonder why the public doesn't get a chance to buy surplus war goods?

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

Mr. LANGER. I yield.

Mr. TAFT. Night before last I received a call from a veteran in Florida, who stated that six road graders, or something of the sort, had been offered for sale with veterans' preference. This particular veteran wanted only one for the small contracting business upon which he was entering. They were sold to someone for \$115 or \$120 for all six. The veteran then went to see the person who had bought the articles to buy one, and the owner wanted \$100 for one. Obviously the method of selling all six at once eliminated any possibility of the ordinary veteran receiving any aid from the act.

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

Mr. LANGER. I yield.

Mr. AIKEN. I have in mind a young serviceman from my own town who thought he would get a surplus bulldozer and go into business for himself, with two or three other servicemen, digging cellars, which are in considerable demand, even though it is impossible to obtain anything to put on top of them. He wanted to go into business digging cellars, ponds, and things of that kind, for which there is a good demand. He learned of some surplus bulldozers offered for sale. He traveled a considerable distance to try to purchase one of them, and was told that he would have to buy eight or none at all. Of course, eight bulldozers for one young serviceman with perhaps three or four thou-

sand dollars saved up were out of the question, so he had to return home without any.

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

Mr. LANGER. I yield.

Mr. YOUNG. It seems to me that the whole policy is to deal with large operators, and that the administration has not established a fair policy toward the individual veteran or the small purchaser.

Mr. AIKEN. The speculators seem to be getting the goods. Anyone wishing surplus Army goods must buy them through a speculator. Not long ago the State of New York bought 50,000 pairs of surplus nurses' shoes. I was told by a very competent authority who had to do with the purchase that the shoes could not be bought direct at that time. They had to be bought from a speculator, at an advance of 30 cents a pair.

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

Mr. TAFT. Mr. President, what is the business before the Senate?

The PRESIDING OFFICER (Mr. STEWART in the chair). The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ERLENDER], for himself and other Senators, to the amendment offered by the Senator from Florida [Mr. PEPPER], for himself and other Senators, as amended.

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

The PRESIDING OFFICER. Does the Senator from Ohio yield for that purpose?

Mr. TAFT. I yield for that purpose.

The PRESIDING OFFICER. The clerk will call the roll.

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

Aiken	Gurney	O'Mahoney
Austin	Hart	Overton
Bailey	Hatch	Pepper
Ball	Hawkes	Reed
Bankhead	Hayden	Revercomb
Barkley	Hickenlooper	Russell
Bilbo	Hoey	Saltonstall
Brewster	Huffman	Shipstead
Bridges	Johnson, Colo.	Smith
Briggs	Johnston, S. C.	Stanfill
Brooks	Knowland	Stewart
Buck	La Follette	Taft
Bushfield	Langer	Taylor
Butler	Lucas	Thomas, Okla.
Byrd	McClellan	Thomas, Utah
Capehart	McFarland	Tunnell
Capper	McKellar	Tydings
Carville	McMahon	Vandenberg
Connally	Magnuson	Wagner
Cordon	Maybank	Walsh
Donnell	Mead	Wheeler
Eastland	Millikin	Wherry
Ellender	Mitchell	White
Ferguson	Moore	Wiley
Fulbright	Morse	Willis
Gerry	Murdock	Wilson
Gossett	Murray	Young
Green	Myers	
Guffey	O'Daniel	

Mr. BARKLEY. I announce that the Senator from Virginia [Mr. GLASS], and the Senator from West Virginia [Mr. KILGORE] are absent because of illness.

The Senator from Alabama [Mr. HILL] is absent because of illness in his family.

The Senator from Florida [Mr. ANDREWS] and the Senator from Georgia [Mr. GEORGE] are necessarily absent.

The Senator from Maryland [Mr. RADCLIFFE] is absent on public business.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], and the Senator from Nevada [Mr. MCCARRAN] are detained on official business.

Mr. WHERRY. The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness in his family.

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

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

BROADCASTING OF NONCOMMERCIAL CULTURAL OR EDUCATIONAL PROGRAMS—CONFERENCE REPORT

Mr. JOHNSON of Colorado. Mr. President, I move that the Senate now proceed to the consideration of the conference report on Senate bill 63, a bill to amend the Communications Act of 1934, as amended, so as to prohibit interference with the broadcasting of noncommercial cultural or educational programs.

Mr. TAFT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Ohio?

Mr. JOHNSON of Colorado. I yield.

Mr. TAFT. It seems to me that we should conclude action on the pending business. The conference report is a highly controversial matter. If we begin to consider it, the debate may take the remainder of the afternoon. I think it is exceedingly important that we proceed with consideration of the minimum wage bill, which has for so long a time been before the Senate, and which I hope can be disposed of this afternoon. I do not think the Senate should agree to a motion to take up some other controversial matter.

The PRESIDING OFFICER. Does the Senator from Colorado request unanimous consent or make a motion that the Senate proceed with consideration of the conference report?

Mr. JOHNSON of Colorado. No, Mr. President; I did not ask unanimous consent. I made a motion; and, as I understand, the motion is not debatable. I renew my motion. It is a privileged motion.

The PRESIDING OFFICER. The Chair understands that the motion is not debatable.

The question is on agreeing to the motion of the Senator from Colorado. [Putting the question.] The "noes" appear to have it.

Mr. JOHNSON of Colorado. Mr. President, I ask for a division, and first I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

Aiken	Brewster	Byrd
Austin	Bridges	Capehart
Bailey	Briggs	Capper
Ball	Brooks	Carville
Bankhead	Buck	Connally
Barkley	Bushfield	Cordon
Bilbo	Butler	Donnell

Eastland	McClellan	Shipstead
Ellender	McFarland	Smith
Ferguson	McKellar	Stanfill
Fulbright	McMahon	Stewart
Gerry	Magnuson	Taft
Gossett	Maybank	Taylor
Green	Mead	Thomas, Okla.
Guffey	Millikin	Thomas, Utah
Gurney	Mitchell	Tunnell
Hart	Moore	Tydings
Hatch	Morse	Vandenberg
Hawkes	Murdock	Wagner
Hayden	Murray	Walsh
Hickenlooper	Myers	Wheeler
Hoey	O'Daniel	Wherry
Huffman	O'Mahoney	White
Johnson, Colo.	Overton	Wiley
Johnston, S. C.	Pepper	Willis
Knowland	Reed	Wilson
La Follette	Revercomb	Young
Langer	Russell	
Lucas	Saltonstall	

The PRESIDENT pro tempore. Eighty-five Senators have answered to their names. A quorum is present.

Mr. JOHNSON of Colorado. Mr. President, I desire to withdraw the motion which I previously made that the Senate proceed to the consideration of the conference report on Senate bill 63.

The PRESIDENT pro tempore. The Senator has a right to withdraw his motion.

Mr. JOHNSON of Colorado. I have been assured by the majority leader that we may have all day tomorrow, if necessary, to consider the conference report. With that assurance, I am glad to get out of the way of the unfinished business which has been temporarily laid aside.

Mr. TAYLOR. Mr. President, I should like to urge Members of the Senate to read carefully the Lea bill, because it was originally introduced for the purpose of curbing Mr. Petrillo and preventing him from interfering with broadcasts of the Interlochen group. The bill was referred to a committee and thereafter practically a new bill was written without testimony being heard from persons in the entertainment field, such as musicians, composers, and so forth. In its present form the bill is a very vicious antilabor bill, and not directed at Mr. Petrillo, but instead at the whole musical industry. I have a telegram signed by Bing Crosby, Lawrence Tibbett, Dinah Shore, Art Obler, Eddie Cantor, James Melton, Norman Corwin, Frank Sinatra, Jean Hersholt, and Bob Hope. We know that when Bob Hope says something he is not "kidding"; he really means what he says. The persons whose names I have read are very much opposed to the bill. I hope that the Senate will look into the matter before the bill comes before the Senate for consideration.

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a telegram I have received this morning from Bing Crosby and others regarding the conference report on Senate bill 63. I think it is similar to the telegram referred to by the Senator from Idaho.

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

NEW YORK, N. Y., April 3, 1946.

Hon. WILLIAM LANGER,
United States Senate,
Washington, D. C.:

On behalf of 60,000 rank-and-file employees of radio industry, including actors, an-

nouncers, technicians, and directors we strongly urge that you vote against Conference Report 1824 on amendment of the House to S. 63. Although ostensibly a bill in the public interest framed to restrict specific action of James Petrillo bill in present form restricts labor rights of all radio workers. Most clauses of conference report bill have nothing to do with public interest and benefit only radio station employers at expense of their employees. Respectfully call your attention to fact that present bill was never debated on floor of Senate and that radio artist unions affected were never informed of original hearings on House bill or invited to attend and present above information. Your vote against this bill will prevent great injustice to group of union which has splendid record of labor relations.

Bing Crosby, Lawrence Tibbett, Dinah Shore, Art Obler, Eddie Cantor, James Melton, Norman Corwin, Frank Sinatra, Jean Hersholt, Bob Hope.

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

Mr. ELLENDER. Mr. President, I understand that now pending is the amendment which I proposed yesterday to the Pepper amendment.

Mr. LANGER. Mr. President, may we have the amendment read so that we all may understand what it contains?

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from North Dakota for the purpose of having the amendment read?

Mr. ELLENDER. I yield.

The PRESIDENT pro tempore. The amendment will be read for the information of the Senate.

The CHIEF CLERK. It is proposed by the Senator from Louisiana [Mr. ELLENDER] for himself and other Senators to amend the amendment proposed by the Senator from Florida [Mr. PEPPER], for himself and other Senators, to the committee amendment as follows:

On page 1 of said amendment, beginning with line 3, strike out down to and including line 17 on page 2 and in lieu thereof insert the following:

"Sec. 5. (a) Effective upon the expiration of 6 months after the effective date of this act, section 6 (a) of the act is amended by striking out all of such subsection through the figure '(5)' in the last paragraph and inserting in lieu thereof the following:

"Sec. 6. (a) Every employer shall pay to each of his employees who is engaged in commerce or in the production of goods for commerce wages at the following rates—

"(1) not less than 60 cents an hour;

"(2) in the case of employees in Puerto Rico or in the Virgin Islands, not less than the rate (not in excess of 60 cents an hour) prescribed in the applicable order of the Administrator issued under section 8;

"(3) "

Mr. ELLENDER. Mr. President, in order that any confusion may be eliminated, I may say that the pending amendment has nothing whatever to do with the so-called substitute offered approximately 2 weeks ago on behalf of myself and the distinguished Senator from Minnesota [Mr. BALL]. The pending amendment merely seeks to amend the Pepper amendment, which has as its purpose a vote by the Senate on section 6

of the pending bill. The effect of my amendment would be merely to strike from the Pepper amendment to section 6 all the language beginning in line 3 on page 1 and substituting therefor the wage scale which appears on page 2 of my amendment. Under the Pepper amendment the wage scale begins at 65 cents and is to continue for 24 months. Thereafter it is fixed at 70 cents, and at the end of 48 months it becomes 75 cents. The amendment proposed on behalf of myself and the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Minnesota [Mr. BALL], and the Senator from Ohio [Mr. TAFT] fixes a straight 60 cents-an-hour-rate effective 6 months after the law becomes operative. That is all there is to the amendment.

In addition to striking from the Pepper amendment the scale of 65 cents, 70 cents, and 75 cents, there is also stricken from the amendment the cover-all clause which would take under its wing department stores, and so forth.

The language to which I refer appears at the top of page 2, and reads as follows:

And every employer who is engaged in any activity affecting commerce shall pay to each of his employees employed in or about or in connection with any place of employment where he is so engaged.

The amendment now pending will, as I have just stated, strike from section 6 of the bill that language, and will restore to section 6 the language which is now included in the law.

Mr. President, that is all there is to it, and I am very hopeful that the Senate will vote favorably on the amendment.

Mr. PEPPER. Mr. President, the Senator from Louisiana has correctly stated the purport and the effect of his amendment. It accomplishes only two things, if adopted, as he has already pointed out. First, it proposes a wage of a flat 60-cent minimum. There is no provision for any raise in that rate by statute or by the action of industry committees.

The 60-cent minimum itself, it should be told to the Senate, would not become effective until 6 months after the effective date of the act, and 3 months, or 120 days, by the language of the bill, must elapse before the act becomes effective after it is passed. We would not wish to deceive anybody. The effect of the Senator's amendment would be to provide a wage scale of 60 cents an hour to take effect 9 months after the passage of the law. As the Senator has also said, the amendment would strike out of the pending amendment the extended coverage embodied in the language "affecting commerce."

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

Mr. PEPPER. I yield.

Mr. MOORE. Section 8, subsection (b) of the committee bill provides:

No employer who is engaged in commerce or in the production of goods for commerce or in any other activity affecting commerce shall employ any oppressive child labor in or about or in connection with any enterprise in which he is so engaged.

Does the Senator's amendment affect that provision?

Mr. PEPPER. There is nothing in the amendment of the Senator from Louisi-

ana about child labor. All it does is to amend the pending amendment, of which I was one of the authors, so as to substitute a minimum wage of 60 cents an hour for the 60, 70 and 75 cents contained in the pending amendment, and to delete the words "any activity affecting commerce" from the pending amendment.

Mr. CORDON. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. CORDON. I understand that the amendment now offered by the Senator from Louisiana strikes from the section of the bill prescribing the minimum wage scale the broader coverage found in the phrase "any activity affecting commerce."

Mr. PEPPER. That is correct.

Mr. CORDON. The same provision appears thereafter in sundry sections of the bill. If the Ellender amendment should be agreed to, and if that should conclude the amendments; that is, should no other amendment be adopted, I should like to have the Senator state what would be the effect of the use of the same terminology in other sections of the bill, particularly sections carrying a prohibition.

Mr. PEPPER. We are dealing only with the pending amendment. Let the Senator clarify his mind about the parliamentary situation. There is pending an amendment which, for better name, might be called the Pepper amendment, because I am one of the sponsors of the amendment. The so-called Pepper amendment is now pending, and to that amendment has been added the amendment of the Senator from Georgia [Mr. RUSSELL]. The amendment is still open to amendment. The Senator from Louisiana proposes to amend the first part of the amendment affecting the wage scale. If this amendment shall be agreed to, it will still carry along with it the Russell amendment, which was adopted to my amendment at a recent session of the Senate. All that is in question at the immediate time is the substitution of a wage minimum of 60 cents an hour, to take effect 6 months after the effective date of the act, instead of a wage scale of 65, 70, and 75 cents, as proposed by the committee.

If the amendment of the Senator from Louisiana shall be agreed to, I dare say he may have another amendment he will wish to offer, which would at a subsequent time take care of the matter the Senator from Oregon has in mind.

Mr. CORDON. My question went to the result in case of the eventuality that further amendatory action should be offered but not agreed to. In that event there would have to be some changes in the language of the Pepper amendment.

Mr. PEPPER. One of the comments I was about to make was that the Senator's fears are groundless that any such progress in extended coverage will be made.

Mr. TAFT. Mr. President, not only is the Senator from Louisiana likely to offer an amendment, but he has given notice that he will offer an amendment, to be considered once the pending amendment is disposed of, and that

amendment would strike out all of sections 2 to 9, inclusive, which contain all the words to which the Senator from Oregon refers.

Mr. ELLENDER. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. ELLENDER. I wish further to state that should the Senate agree to the pending amendment, I shall then ask unanimous consent to modify the so called Ellender-Ball substitute to conform with the wage scale provided in the pending amendment.

Mr. PEPPER. Mr. President, all of us wish to be fair to our colleagues about this matter. What the Senator from Louisiana is doing represents an effort on the part of a good many Senators on both sides of the Chamber to come to an area of agreement sufficiently large to enable us to have any kind of a bill at all. It is like all other compromises, it does not satisfy anyone altogether, and I am sure that there is no Senator more disappointed than I am that we are not extending the wage scale to a higher figure, that we are not extending the coverage, and that perhaps the net effect of our action will be to reduce the coverage.

I suppose one of the lessons we have to learn in life as we go along is the lesson of patience and compromise. Some of us have had difficulty in accepting the second part of that concept, at least we are happier when we are advocating than when we are compromising. But we are faced with the practical situation of having no bill at all unless we can arrive at an area of agreement sufficiently large to encompass possibly a majority of the Senate. The only way we could do that was to try to arrive at a figure which seemed to meet with general approval on the part of a large number of Senators on both sides of the aisle, and to progress at a later time when we might find it possible to do so.

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

Mr. PEPPER. I yield.

Mr. WALSH. Is the Ellender amendment acceptable to the Senators who are associated with the Senator from Florida in his amendment? Also, are they all agreed that the rates named in this amendment are the highest that can be successfully achieved at this time? Is it the opinion of the Senator that it is these rates or no bill?

Mr. PEPPER. Yes, I can say that it is. The chairman of the committee and the majority leader and others on this side of the aisle who have been very much interested in the proposed legislation have conferred with the Senator from Louisiana, the Senator from Ohio, the Senator from Minnesota, and other Senators, and we have tried to arrive at an area of agreement sufficiently large to include perhaps a majority of the Senators to enable us to pass any bill at all.

The net effect of the amendment, if it shall be agreed to, will be to raise the 40-cents-an-hour wage provided in the existing law to 60 cents an hour. I hope the amendment will be agreed to.

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

Mr. PEPPER. I yield.

Mr. OVERTON. The Senator has referred to the fact that there is a compromise. Is the entire compromise included in the pending amendment?

Mr. PEPPER. No; the Senator from Louisiana has another amendment to offer.

Mr. OVERTON. Is there any objection to a statement of what the full compromise is?

Mr. PEPPER. Since whatever else there might be would be included in the amendment of the Senator's colleague, he would probably best give any further statement about it. At the present time all the Senator is intending to do is to raise the hourly wage.

Mr. RUSSELL. Mr. President, as I understood the Senator from Florida, the pending amendment is not the gallows that has been contrived to hang the hopes of the farmer, but that will be offered in an amendment which will come at some later period?

Mr. PEPPER. The only execution we hope we have effectively postponed is the execution of all those who can benefit from any kind of a law at all, because if something is not done to unscramble the present scrambled situation we all will have to admit we will have no law at all.

Mr. OVERTON. Mr. President, I should like to ask my colleague the junior Senator from Louisiana [Mr. ELLENDER] if he will be kind enough to give us a full statement of the compromise entered into in order that we may more intelligently vote on the different amendments as they are successively brought up. If we can have the whole picture before us we will have a much better understanding of the situation.

Mr. ELLENDER. Mr. President, I may say that, in view of what happened a few days ago, several Senators met in order to try to agree on a minimum-wage bill. As was stated by the majority leader several days ago, who spoke for the President, if the Russell amendment should be retained the bill would be vetoed, which would mean no minimum-wage bill at all. In an effort to obtain a minimum-wage bill some of us representing the minority membership of the committee felt that we would be willing to go along with a reasonable wage bill along the lines suggested in the proposed amendment. There were two factors involved. First, we felt that there was no evidence justifying an increase of the legal rate from 40 cents to 65 cents overnight, as it were, and then to an ultimate increase by congressional action to 75 cents. The second objection was to the so-called cover-all provision. Those who signed the minority report felt that if the cover-all provision could be stricken from the bill and the proposed minimum rate could be reduced we could go along for a minimum-wage bill.

Now to come to the point about which the senior Senator from Louisiana wishes to know. There is an understanding among some Senators that when the Ellender-Ball substitute comes before the Senate, should the Senator from Georgia [Mr. RUSSELL] propose his amendment to the substitute every effort will be made to defeat it.

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

Mr. ELLENDER. I yield.

Mr. RUSSELL. I merely wish to relieve any doubts that may exist in Senators' minds as to my attitude. I intend to propose my amendment and give the Senate an opportunity to vote it up or down.

Mr. ELLENDER. I have anticipated that. As the Senator well knows, when he first proposed his amendment 2 or 3 weeks ago I made the suggestion to him that, so far as I was concerned, rather than vote for the bill as it came out of the committee, I would do anything within reason to kill it.

Mr. OVERTON. As I understand it so far, the compromise involves the following: First, it is proposed to eliminate the full coverage item.

Mr. ELLENDER. That is correct.

Mr. OVERTON. Its elimination is now provided for in the amendment that is about to be voted upon. Then, secondly, the wage scale is fixed at 60 cents an hour, no more and no less, to become effective within 9 months after the enactment of this measure into law.

Mr. ELLENDER. Six months after its enactment.

Mr. OVERTON. But the law is not to go into effect until 3 months after its enactment; therefore, it would hold back the application of the 60-cent minimum for a period of 9 months. Am I correct?

Mr. ELLENDER. Yes.

Mr. OVERTON. The third point agreed upon is the elimination of the Russell amendment. Has it also been agreed in the compromise that there will be support of the Ellender-Ball substitute amendment?

Mr. ELLENDER. That has been agreed.

Mr. OVERTON. The substitute amendment does not repeal, does it, any of the exemptions now existing in the law?

Mr. ELLENDER. The substitute, if adopted, will leave the law as it is now written, with all exemptions.

Mr. OVERTON. Is there anything else in the compromise?

Mr. ELLENDER. No.

Mr. OVERTON. Very well; I thank the Senator.

Mr. ELLENDER. As I indicated a moment ago, should the Senate adopt the pending amendment, it will then be my purpose to offer the same amendment to the so-called Ellender-Ball substitute.

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

Mr. ELLENDER. I yield.

Mr. REVERCOMB. I ask the able Senator from Louisiana if, under the compromise agreement, if it is finally adopted, the law as at present will be in force with the change of wage rates to a minimum of 60 cents? Does that sum up the situation?

Mr. ELLENDER. Yes.

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

Mr. ELLENDER. I yield.

Mr. AIKEN. When the Senator says we have agreed upon this and we have agreed upon that, to whom does he refer?

Mr. ELLENDER. Some of the proponents of the measure, including, as I recall, the Senator from Florida [Mr. PEPPER], and I think both Senators from Pennsylvania—

Mr. AIKEN. I should like to have the RECORD show when we come to a vote that as a member of the committee I have not agreed to any compromise of any kind whatsoever. In fact, other than what I had read in the newspapers, I had not known what it was until the Senators who have just spoken told what it was. So if I vote contrary to the agreement, I want it understood that I have not gone back on the agreement, because I have not made any agreement.

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

Mr. ELLENDER. I yield.

Mr. TAFT. I think that those of us who have spoken on the subject have not made any agreement which would preclude us from voting as we may wish to vote.

Mr. ELLENDER. The agreement with respect to the amendment was made only by those of us who have been trying to work out a minimum wage bill.

Mr. TAFT. Yes. I want to say that the 60-cent rate agreed upon is a 50-percent increase over the 40 cents now in the law. It seems to me to be a fair rate. I do not think it is an inflationary rate. It represents approximately for the low-wage earners the increase granted in most of the high-wage industries, and I believe it can be done without being inflationary. I think it is a sound settlement of the wage question.

Mr. PEPPER. Mr. President, I do not want to leave any misapprehension in the minds of Senators, in view of the statement made by the able Senator from West Virginia [Mr. REVERCOMB]. The agreement affects all parts of the bill except section 10, and at a later time I shall ask to modify that section in accordance with the request of the Secretary of Labor, as I gave notice I would do in the committee report. So we will wish to deal with that one other section, which is, I think, relatively unimportant. Except for that, it leaves the law as it is now.

Mr. CAPEHART. Mr. President, I should like to ask the Senator from Florida a question. Does a vote for the amendment proposed under the agreement referred to preclude a vote at any time on the question of the original 65-cent rate?

Mr. PEPPER. I will say to the able Senator that if he votes for the Ellender amendment now proposed as a substitute for the 65-70-75-cent scale in the Pepper amendment, he will not then have an opportunity to vote on the 65-cent or 75-cent rate unless some Senator offers that as an independent amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER] for himself, the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Minnesota [Mr. BALL], and the Senator from Ohio [Mr. TAFT], to the amendment proposed by the Senator from Florida [Mr. PEPPER], as amended.

Mr. AIKEN. On that question, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. BANKHEAD. I announce the absence of my colleague the junior Senator from Alabama [Mr. HILL] because of the illness of his father. If he were present, he would vote "yea."

Mr. BARKLEY. I announce that the Senator from Virginia [Mr. GLASS], and the Senator from West Virginia [Mr. KILGORE] are absent because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from North Carolina [Mr. BAILEY], and the Senator from Georgia [Mr. GEORGE] are necessarily absent.

The Senator from Maryland [Mr. RADCLIFFE] is absent on public business.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], and the Senator from Nevada [Mr. McCARRAN] are detained on official business.

The Senator from South Carolina [Mr. JOHNSTON] is unavoidably absent because of illness in his family.

The Senator from Texas [Mr. O'DANIEL] is detained on official business at one of the Government departments.

I wish to announce further that if present and voting, the Senator from Florida [Mr. ANDREWS], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Georgia [Mr. GEORGE], the Senator from South Carolina [Mr. JOHNSTON], the Senator from West Virginia [Mr. KILGORE], the Senator from Nevada [Mr. McCARRAN], and the Senator from Maryland [Mr. RADCLIFFE] would vote "yea."

I announce also that if present and voting, the Senator from North Carolina [Mr. BAILEY] would vote "nay."

Mr. WHERRY. The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness in his family. If present he would vote "yea."

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

The result was announced—yeas 76, nays 6, as follows:

YEAS—76

Austin	Gurney	O'Mahoney
Ball	Hart	Overton
Bankhead	Hatch	Pepper
Barkley	Hawkes	Reed
Bilbo	Hayden	Revercomb
Brewster	Hickenlooper	Saltonstall
Bridges	Hoey	Shipstead
Briggs	Huffman	Smith
Brooks	Johnson, Colo.	Stanfill
Buck	Knowland	Stewart
Butler	La Follette	Taft
Byrd	Langer	Taylor
Capehart	Lucas	Thomas, Okla.
Capper	McClellan	Thomas, Utah
Carville	McFarland	Tunnell
Connally	McKellar	Tydings
Cordon	McMahon	Vandenberg
Donnell	Magnuson	Wagner
Eastland	Mead	Walsh
Ellender	Millikin	Wheeler
Ferguson	Mitchell	White
Fulbright	Moore	Wiley
Gerry	Morse	Willis
Gossett	Murdock	Young
Green	Murray	
Guffey	Myers	

NAYS—6

Aiken	Maybank	Wherry
Bushfield	Russell	Wilson

NOT VOTING—14

Andrews	Glass	O'Daniel
Bailey	Hill	Radcliffe
Chavez	Johnston, S. C.	Robertson
Downey	Kilgore	Tobey
George	McCarran	

So Mr. ELLENDER's amendment to Mr. PEPPER's amendment, as amended, was agreed to.

Mr. ELLENDER. Mr. President, I now ask unanimous consent to have the so-called Ellender-Ball substitute—that is, the wage scale—amended so as to conform with the action of the Senate just taken.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The question now recurs on the amendment offered by the Senator from Florida [Mr. PEPPER] (for himself and other Senators), as amended. The Chair is informed that the yeas and nays have been ordered on this question.

Mr. TAFT. Mr. President, I ask unanimous consent that the order for the yeas and nays be vacated. In effect, the Senator from Florida is merely correcting a part of the bill which is sought to be stricken out by the Ellender-Ball amendment. I believe that his amendment should now be adopted as a matter of course, including the Russell amendment, without further debate. Then the Ellender-Ball amendment will be offered, to strike out that section of the bill which the Senator has now corrected. Am I stating the parliamentary situation correctly?

Mr. PEPPER. Mr. President, my impression as to the parliamentary situation was that the Pepper amendment has now been amended in certain particulars and is the pending amendment.

Mr. TAFT. Yes; and I ask that the order for the yeas and nays be vacated in order that it may be adopted without opposition. There is no reason to oppose it, because the opposition to it will now arise on the Ellender-Ball amendment, which seeks to strike out all the language which has now been corrected.

Mr. PEPPER. It seems to me that the proper procedure would be to vacate the order for the yeas and nays on that question; but the question should now be presented on the substitute, as to whether the Senate wishes to adopt the Ellender substitute for the Pepper-Ellender amendment as amended.

Mr. BARKLEY. Mr. President, that does not militate against cancellation of the order for the yeas and nays.

Mr. PEPPER. I think we should vacate the order for the yeas and nays.

Mr. TAFT. I ask unanimous consent that the order for the yeas and nays be vacated.

Mr. RUSSELL. Mr. President, reserving the right to object, I should like to have the Chair clarify the parliamentary situation. Several Senators have stated their views, and I ask for an official ruling from the Chair as to the parliamentary situation.

The PRESIDENT pro tempore. The amendment just adopted of the Senator from Louisiana [Mr. ELLENDER] offered on behalf of himself and other Senators to the so-called Pepper amendment as amended, applies only to the Pepper amendment as originally submitted, and does not affect the status of the so-called Russell amendment, which was agreed to on the 29th of March. The question is now on agreeing to the so-called Pepper amendment as amended.

Mr. RUSSELL. Mr. President, if the pending amendment, which is the Pepper amendment as amended by the farm-parity amendment and the Ellender amendment, be agreed to, will the question recur on the so-called Ellender-Ball-Taft substitute?

The PRESIDENT pro tempore. The question would recur on the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT] on March 20 to that amendment.

Mr. RUSSELL. I have no objection, if the amendment is to be agreed to, to vacating the order for the yeas and nays.

Mr. TAFT. Mr. President, did the Senator say that he objects?

Mr. RUSSELL. I did not.

The PRESIDENT pro tempore. Without objection, the order for the yeas and nays on the Pepper amendment as amended is vacated.

Mr. REVERCOMB. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. REVERCOMB. In order that the situation may be clearly understood, let me inquire whether I am correct in my belief that the adoption of the amendment now pending would not preclude a vote on the Ball-Ellender amendment.

The PRESIDENT pro tempore. It would not.

Mr. JOHNSON of Colorado. Mr. President, I hope it would not preclude other amendments. I have pending an amendment which I wish to bring up at the proper time. I hope my amendment will still be in order.

The PRESIDENT pro tempore. The first question is the disposal of the Pepper amendment as amended. Then the Ellender-Ball amendment will be taken up and other amendments may be offered.

Mr. HATCH. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HATCH. I understand that the Ball-Ellender amendment is in the nature of a substitute, and that after it is—

The PRESIDENT pro tempore. It is in the nature of a substitute for sections 2 to 9 of the bill.

Mr. HATCH. Sections 2 to 9?

The PRESIDENT pro tempore. Yes.

Mr. HATCH. The bill itself would be open to further amendment after the adoption of the Ball-Ellender substitute, would it?

The PRESIDENT pro tempore. Before the vote is taken on that question, it will be open to amendment.

Mr. BARKLEY. Mr. President, in order that the matter may be clearly understood, let me inquire whether it is the ruling of the Chair that prior to a vote on the Ellender-Ball substitute for sections 2 to 9, any amendment which is in order may be offered, but that after a vote is had on the substitute for those sections, no other amendment to those sections will be in order.

The PRESIDENT pro tempore. If the amendment is agreed to; yes.

Mr. BARKLEY. Yes; if the amendment is agreed to.

Mr. TAFT. Mr. President, the Ellender-Ball amendment is an amendment to strike out sections 2 to 9 of the bill, and to insert something else. But after that amendment is adopted, will it not be true that other amendments may be offered to the original wages-and-hours bill, so far as the parliamentary situation is concerned?

The PRESIDENT pro tempore. Not to sections 2 to 9, but to any others.

Mr. TAFT. Sections 2 to 9 are sections of the pending bill, not of the wages-and-hours law. But it seems to me that after the Ellender-Ball amendment is adopted, it will be in order to offer any amendment which is not absolutely identical with something which has been stricken out.

The PRESIDENT pro tempore. Amendments to the Fair Labor Standards Act could be offered, of course.

The question is on agreeing to the amendment of the Senator from Florida [Mr. PEPPER], as amended.

The amendment as amended was agreed to.

The PRESIDENT pro tempore. The question now recurs on the amendment of the Senator from Arkansas [Mr. FULBRIGHT] to the Ellender-Ball amendment.

Mr. FULBRIGHT obtained the floor.

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

Mr. FULBRIGHT. I yield.

Mr. HATCH. Mr. President, I inquire if the Ellender-Ball amendment is formally before the Senate at this time?

The PRESIDENT pro tempore. It recurs at this time.

Mr. HATCH. When was it offered, Mr. President?

The PRESIDENT pro tempore. It was offered on the 14th of March.

Mr. HATCH. Mr. President, I should like to inquire about the parliamentary situation. I am thinking of offering an amendment which would go to the provisions of the committee bill, but which are covered by the Ellender-Ball amendment. My amendment would apply to those sections. Would such an amendment be in order?

The PRESIDENT pro tempore. Yes; such an amendment would be in order, and would take precedence over the others—just as the Ellender-Ball amendment took precedence over the other amendments.

Mr. HATCH. Very well.

Mr. FULBRIGHT. Mr. President, the amendment I have offered is a very simple one. Its purpose is to exempt messengers under 18 years of age from the increased minimum-wage requirements of Senate bill 1349. It provides that such messengers shall be paid 55 cents an hour—the rate which they are now paid, incidentally—and it also contains provision for continuation of the right now existing under the Fair Labor Standards Act for persons under 18 years of age to be employed as telegraph-company messengers.

The great controversy over this matter is with the Children's Bureau of the Department of Labor, and it is as to the question whether the messenger service is a hazardous occupation. The Children's Bureau has held that it is.

The effect of adoption of the amendment on the employment of children, particularly those under 16 years of age, would be to leave to the States the right to determine the question whether such messenger service is a hazardous occupation within the respective States.

I think there is a great deal of evidence with respect to the effect of the proposed increased wages on the Western Union Co. I may say that only recently the War Labor Board returned a decision which cost the Western Union Co. in retroactive increases of pay approximately \$31,000,000. It is estimated that the wage boost in the sum of \$25,000,000 annually in coming years will bring the total cost to the Western Union Co., even after its combination with the Postal Telegraph & Cable Co., up to \$202,000,000, as opposed to its estimated income, at present rates, of \$83,000,000. I am not here simply to try to plead the case of the Western Union Co., as such. However, it has been very severely penalized by the recent decision to which I have referred, and I believe that, with the proposed added increase, it will have to have a very substantial increase in its rates. It has not had one since 1919.

However, of even more importance than that, it seems to me, is the question of the opportunity for children under 18 years of age, particularly boys, to have part-time employment. That is what the amendment amounts to.

Mr. President, the statistics show—

Mr. STEWART. Mr. President, will the Senator yield to me, before he refers to the statistics?

Mr. FULBRIGHT. I yield.

Mr. STEWART. Sometime ago the Senate passed a measure, of which, as I recall, the Senator from Arizona had charge, authorizing a merger of the Postal Telegraph & Cable Co. and the Western Union Co. Can the Senator from Arkansas advise me whether that union was ever effected?

Mr. FULBRIGHT. Yes; it has been.

Mr. STEWART. So today the Western Union Co. has completely taken over the Postal Telegraph & Cable Co. as a service; has it?

Mr. FULBRIGHT. That is my understanding.

Mr. STEWART. Does the Senator's amendment provide for the employment of children? What is the age limit as to messengers that is provided by the Senator's amendment?

Mr. FULBRIGHT. The amendment exempts messengers under 18 years of age from the wage provisions of the main bill, and it would permit them to be paid wages at the rate of 55 cents an hour.

Mr. President, perhaps I should read my amendment. It is very short:

(b) The provisions of subsection (a) of this section shall not apply with respect to any messenger under 18 years of age employed principally in picking up and delivering letters and messages or performing errand services, if such messenger is paid wages at a rate not less than 55 cents an hour.

That is all that section does.

The second section of the amendment is as follows:

On page 3, line 2, before the period, insert a colon and the following: "Provided,

That this subsection shall not apply with respect to messengers employed principally in picking up and delivering letters and messages or performing errand services."

That section would exempt such messengers from the jurisdiction of the Children's Bureau of the Department of Labor, which has held that such an occupation is a hazardous service, and has prohibited the employment in it of children under 16 years of age.

Mr. STEWART. Can children under 16 years of age be employed now?

Mr. FULBRIGHT. That depends on the State. But the proposal of the bill was to extend the minimum-wage provisions so as to cover all children, including those under 16 years of age, and to give jurisdiction to the Department of Labor.

Mr. STEWART. If a child under 18 years of age were employed by the Western Union Telegraph Co., under the provisions of the amendment could he be paid as little as 55 cents an hour?

Mr. FULBRIGHT. Yes.

Mr. STEWART. That would be the minimum; would it?

Mr. FULBRIGHT. Yes.

Mr. STEWART. But if the company employed children over 18 years of age, would it have to comply with the 65-cent minimum provided for by the bill?

Mr. FULBRIGHT. That is correct. The amendment applies only to children under 18 years of age.

Mr. STEWART. Mr. President, I do not know whether that would improve the service rendered by the Western Union Co. I have complained several times about the lack of efficient service of that company.

I believe that the Senator from Arkansas has read an excerpt from a newspaper to the effect that the Western Union Co. operated at a loss last year. If so, I do not see how it managed to operate at a loss. That company has been robbing the old folks' homes and the cradles for delivery messengers and delivery boys and delivery girls. Almost anybody who can ride a bicycle can get a job delivering telegrams. Of course, there is never any certainty whether the telegrams will be delivered, but we have to pay for them regardless of whether they are delivered.

I do not think that type of service is entitled to any particular consideration at the hands of this body.

The amendment simply authorizes the Western Union Co. to employ children at a wage lower than that which may be paid anyone else who may be employed. So far as I am concerned, I am always on the side of reasonably high wages when I can be. I am disposed to support the 65-cent minimum wage which is provided by the pending measure.

I have no quarrel with the Senator from Arkansas; but I think his amendment does two things: First, it interferes with the minimum wage provided by the pending measure; and in the second place, it authorizes the employment of children to perform a service that is highly important.

The delivery of telegrams is important to the Congress. We have to depend a great deal on telegrams, because we have

to pay for all telephone calls we make in excess of approximately 100 minutes a month, or something of the sort; we must pay for any excess out of our own pockets, and that costs most of us a good many dollars and cents each month. However, we do have the use of the service of the Western Union Co., and we do not have to pay for it when we send messages on Government matters.

On the whole, in view of the more-or-less haphazard way in which the Western Union Co. seems to handle telegrams, I suppose it has done very well financially. But I do not wish to see anything done to impair further the poor service it has been rendering. I think it should be improved.

So, so far as I am concerned, I am opposed to the amendment.

Mr. McMAHON. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. McMAHON. I should like to ask the Senator if this proposal would give to the Western Union, for example, more privileges than the newspapers now have in respect to deliveries.

Mr. FULBRIGHT. Newspaper companies or publishers have not been covered, because their business has not been held by the Government to be of a hazardous nature.

Mr. McMAHON. What is the difference between delivering a newspaper and delivering a telegraph message?

Mr. FULBRIGHT. I do not think there is much difference. It certainly is not my intention to bring newspaper boys under the jurisdiction of this act. I think there is every reason why such employment of children should be allowed in connection with the delivery of telegrams, as well as in connection with the delivery of newspapers.

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

Mr. FULBRIGHT. I yield.

Mr. LUCAS. I was wondering whether there is anything in the act which covers newspaper boys who are carriers.

Mr. FULBRIGHT. They have not been covered in the past. According to the statement of the attorney for the Department, made by him before a meeting of the committee, the bill in the form in which it was reported by the committee is not intended to cover persons engaged in the delivery of newspapers.

Mr. LUCAS. Is it correct to say that newspaper boys who are engaged in the delivery of newspapers in various cities are not covered by the bill?

Mr. PEPPER. Mr. President, the Ellender amendment would strike from the bill the language "activities affecting commerce in or about or in connection with such establishments." That language would emphatically include the newspaper boys. Although I believe it would, I do not know for sure whether the language in the Ellender amendment which prohibits the employment of oppressive child labor in the production of goods for commerce, or in commerce itself, could be extended to include a newspaper boy. However, generally speaking, a newsboy who receives his papers at a street corner away from the newspaper plant has been regarded as outside the reach of the child-labor provisions of the

present act because he does not come in or about the establishment where the goods are produced.

Mr. FULBRIGHT. My understanding is that it was stated positively in the committee that newsboys would not be covered.

Mr. PEPPER. Newsboys who receive their papers away from the newspaper plant are not considered covered by the child-labor provisions of the present act.

Mr. LUCAS. Am I to understand the Senator from Florida to state that under his bill newspaper boys would be covered, but in the event the Ellender amendment were adopted, the coverage would not be extended at all to newspaper boys, and that they would not be covered?

Mr. PEPPER. The language of the bill which would have covered all the newsboys beyond any peradventure of a doubt, is proposed to be stricken by the Ellender amendment.

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

Mr. FULBRIGHT. I yield.

Mr. BRIGGS. Many things take place in the United States Senate upon which I cannot speak with authority, but I do feel that I can set the Senate right on the matter of newsboys being covered under the present act, and under the proposed amendment.

Newsboys employed by newspapers at the present time—I may say that my newspaper is one of the newspapers about which I am speaking—are under the Wages and Hours Act, and have been so declared by the Department. We are forced to pay the minimum wage in employing newsboys who carry newspapers. When a newspaper publisher contracts with an outside carrier to deliver its newspapers, the carriers are not under the act.

Mr. PEPPER. Mr. President, I may say that the method which has been followed by newspapers in connection with the delivery of papers, is to deliver the papers to the carrier at a point away from the plant itself. If the newsboy comes into the plant, and, perhaps, picks his papers up inside the plant, he is deemed employed in or about the newspaper establishment where the goods are produced and thereby covered by the child-labor provisions of the present act. But, if he receives his newspapers at some distant point away from the plant, he is not considered to be employed in or about the producing establishment and so is excluded from the protection of the act's child-labor provisions. If he does not receive his papers at the plant where the newspaper is produced, he is not covered.

Mr. HAWKES. Mr. President, will the Senator from Arkansas yield so that I may propound a question to the Senator from Florida?

Mr. FULBRIGHT. I yield.

Mr. HAWKES. Does not the Senator believe that the exception which he has stated warrants something being done to correct the situation? Is the ruling not absurd that if a boy goes inside the door of a newspaper plant and picks up a bundle of papers, he is under the law, but that if he picks them up on the front porch, for example, he is not under the law?

Mr. PEPPER. I thoroughly agree with the Senator. I would go further and say that we should make it clear that all newsboys should be covered by the law. I do not see any reason for referring to newsboys, as some of our newspaper publishers do refer to them—as "these private contractors" or "these noble little independent merchants." As a matter of fact, it seems to me that we should deal with the question of child labor in a way which will protect child labor and make all persons who employ child labor amenable to the safeguards which are thrown around those boys and girls by the law and the regulations of the Children's Bureau. I thoroughly agree with the Senator from New Jersey. But I think it is proper for us to leave the question of wages which the newsboys are to receive to the Wage and Hour Administrator after consultation with the Children's Bureau.

Mr. HAWKES. Mr. President, I am very heartily in accord with the Senator's amendment. I think that when we sometimes try to do good we do injury. I can conceive of the enactment of a 60-cent-an-hour minimum-wage law, applied to all under 18 years of age who are employed as messenger boys by telegraph companies having the effect of precluding many boys from working who would be delighted to work and help their parents make a living and earn money for their own education. I understood the Senator from Arkansas to say that the present rate of pay for that class of work is 55 cents an hour.

Mr. FULBRIGHT. Yes.

Mr. HAWKES. I further understand that the question of who under 18 years of age may be employed is left to the State boards of child welfare. Am I correct in that understanding?

Mr. FULBRIGHT. Yes. The question of the right to employ children under 16 years of age is dealt with by the State laws.

Mr. HAWKES. I am very strongly in favor of what the Senator is advocating. I believe in an improved service, such as that referred to by the distinguished Senator from Tennessee. But I think if the group to which reference has been made is not excluded from the provisions of the act, serious injury may be done to thousands of boys who otherwise would be in position to help their parents earn a living. I went to a newspaper office when I was 10 years of age—not 15 years of age—got my papers at 5 o'clock in the morning, took them to the depot in Evanston, Ill., and sold them until it was time to go to school, and the experience did not do me any harm. I believe that in our effort to be great humanitarians we can go so far as to do a great injury to the youth and to the old people. I do not feel the same as does my friend, the Senator from Tennessee, with reference to old people whom we see delivering telegrams about this building. I think that we are doing a tremendous good in allowing them to pursue such activities.

Mr. FULBRIGHT. Mr. President, I thank the Senator for his contribution. I am in agreement with the sentiments which he has expressed.

Mr. McFARLAND. Mr. President, reference was made by the Senator from

Tennessee to the merger of the Postal Telegraph Co. and the Western Union. I ask the Senator if it was not brought out in the hearings that the Postal Telegraph Co. was losing approximately \$300,000 a month at the time the merger was being discussed, and that such loss was the reason for the necessity of the merger?

Mr. FULBRIGHT. I was not on the committee at that time, but I understood that what the Senator has stated was true.

Mr. McFARLAND. The evidence so showed. The evidence showed that the company was losing at the rate of \$300,000 a month, and Jesse Jones wanted to get rid of the Postal Telegraph Co., which owed the RFC approximately \$9,000,000. The sum increased to approximately \$12,000,000 before the merger was effected.

Mr. STEWART. Mr. President, I should like to propound a question to the Senator from Arizona. Does he mean that the Western Union took over the Postal Telegraph Co. while they, the Postal Telegraph Co., were losing \$300,000 a month?

Mr. McFARLAND. I may say to the Senator from Tennessee that there was a duplication of effort with respect to the two companies. Each company had offices and wires. It was thought that a much stronger company would result by a merger of the two companies. For that reason the Western Union was willing to take over the Postal in order to achieve one strong company. However, I believe the evidence showed that practically all the surplus money which the company made during the war was wiped out by the increase in wages which was ordered retroactively.

Mr. STEWART. Has the Western Union lost less money since taking over the Postal than it lost prior thereto?

Mr. McFARLAND. I am not familiar with what the company has made since the merger went into effect, because I have not studied it. But, as I understand the situation, it is this:

These retroactive wages have wiped out all their surplus, and now they are in about the same condition in which they were at the beginning of the war. If the telegraph companies raise their rates, no one will use the telegraph, all will use the telephone. The telegraph company finds itself sandwiched between the air mail and the telephone. It has to modernize its plant, in my opinion, and find other ways of delivering messages, but it has not had the opportunity, since it could not get new equipment. I will ask the Senator if this is not the situation: If the company has to pay its messengers too much, will it not be unable to deliver messages at all?

Mr. FULBRIGHT. I have figures here, which I started to read, which show the gradual decrease in the number of messages in the past 2 years. The company has cut delivery service out because it cannot afford it.

Mr. McFARLAND. In other words, it is the opinion of the Senator from Arkansas that the evidence shows that if the company has to pay its boys too much the boys will be without work?

Mr. FULBRIGHT. That is correct.

Mr. McFARLAND. And the Senator from Tennessee will be without any delivery service at all.

Mr. FULBRIGHT. That is correct.

Mr. STEWART. Which would not make a great deal of difference. [Laughter.]

Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. STEWART. I wish to make an observation with respect to what was said by the senior Senator from New Jersey [Mr. HAWKES]. I will say to the Senator from Arkansas that I do not mean to intimate that the old people referred to should not have employment. He speaks very feelingly about it being a very fine thing to give employment to the old people who go about the corridors of the Capitol earning a living. I think it is a reflection on the Government that these old people, who should be retired, are not paid social-security benefits so that they would not have to work. At the same time, if they are able to work and perform efficiently, that is all right, but I think we should turn our attention in this case more to efficiency of service to ourselves and to the people of the country than to the cutting of wages below the minimum which should be paid.

It is said this service gives employment to boys. That is all right; I want them to be employed. I am one of those who believe that youth should be given an opportunity to work, and should be employed. But we have been splitting hairs about the difference between delivery of newspapers and delivering telegrams. The delivery of telegrams is, as a rule, a great deal more important than the delivery of a newspaper, I imagine, because it usually carries with it some important message that should be delivered within a reasonable time. All of us have had experience which I think justifies us in saying that the Western Union Telegraph Co. has not rendered the type of service it should render in the delivery of telegrams. Perhaps they cannot do it. It is said they are losing money.

I realize the importance of the delivery of newspapers. Of course, it hurts one's feelings early in the morning, when one has a cup of coffee, if he cannot have his newspaper. That is quite personal, and is quite understandable. But in this case I think we should turn our attention to doing what is necessary to improve the efficiency of the service which we here in the Congress of the United States use for the benefit of the Nation and of our constituents. I do not think that reducing the rate of pay will improve the situation.

It is said the company operates at a loss. I do not know whether it would be proper to suggest it—I would not advocate it without making further study—but if we are to continue to use this service, it might be well to give consideration to subsidizing the company, at least to the extent of seeing that it does not lose any money.

I know the Western Union took over the Postal Telegraph Co., their only competitor in their field, a year or so ago, and we have the word of the Senator from Arizona—and I am sure he is cor-

rect, because I remember something about the debate here at the time—that the Western Union Telegraph Co. is sustaining a monthly loss running into the hundreds of thousands of dollars. So the Western Union, despite its decrepit condition then, took over an organization that was losing money, and now asks us to reduce the wages of the boys and men and women delivering telegrams. I want to see the type of service improved, and I think that is more important than is the matter of considering a reduction of wages.

Incidentally, since it has been brought to the attention of the Senate that there is a distinction between the types of newspaper delivery—thanks to the Senator from Missouri, who is a newspaper publisher—we might give attention to that. I do not understand how a lad 12 or 14 years of age, or 10 or 11 years of age, could be held to be an independent contractor, when, as a matter of law, he cannot make any kind of a contract.

Mr. REVERCOMB. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. REVERCOMB. While the Senator's amendment deals with telegraph carriers, there has been injected into the discussion of the question of newsboys and boys who deliver papers. I am very much interested in that, and may sum up my own feelings by saying that I hope nothing will be done which will preclude the employment of boys in the delivery of papers. Many of them are under 16 years of age. I do not know of any case in which any boy who has the energy and the interest to get this kind of a job has been injured by it. I think it a very wholesome thing, particularly for the boy.

If the able Senator from Arkansas will permit me, I wish to read a telegram, one of many I have received, which I think sums up the situation on the point regarding the newsboys:

An amendment pending in the Senate to Fair Labor Standards Act inserting the words "or in connection with" as an addition to the words "in or about" would deny to all young boys of America under 16 years of age the proven character-building advantages of a newspaper carrier route. One of my own sons is now a newspaper boy and I strongly feel he has received considerably more than the monetary gain from his endeavors and experiences. I, therefore, protest loudly against the enactment of this amendment and trust you will expend all your efforts to bring about its defeat.

In other words, Mr. President, while in many cases the remuneration received by the boy contributes much to the support of his family, in most instances the money goes to the boy. The employment is character building. It is helpful to him. I hope that the Congress will not see fit, particularly in the case of the newspaper carrier boy, to deprive him of a job by fixing an age limit.

I am just as much interested as any other Senator, or as anyone in the country, for that matter, in protecting what we know as child labor and preventing children who work from being abused and being taken advantage of, and from being required to work under unwholesome conditions, but that does not apply to the newspaper boy.

Mr. President, I ask at this time, if the able Senator from Arkansas will yield, to insert in the RECORD as a part of my remarks some telegrams and letters which I have received upon this subject. I thank the Senator.

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

WEIRTON, W. VA., April 3, 1946.

Senator CHAPMAN REVERCOMB,
United States Senate,

Washington, D. C.:

An amendment pending in Senate to Fair Labor Standards Act inserting words "or in connection with" as an addition to the words "in or about" would deny to all young boys of America under 16 years of age the proven character-building advantages of a newspaper carrier route. One of my own sons is now a newspaper boy and I strongly feel he has received considerably more than the monetary gain from his endeavors and experiences.

I, therefore, protest loudly against the enactment of this amendment and trust you will expend all your efforts to bring about its defeat.

C. J. DENNE,

General Manager, Weirton Daily Times.

WHEELING, W. VA., March 30, 1946.

Hon. CHAPMAN REVERCOMB,
United States Senate,

Washington, D. C.:

We wish to protest vigorously against the enactment into law of the amendment to the Fair Labor Standards Act now pending in the Senate, which inserts the words: "or in connection with," as an addition to the words "in or about." Such legislation would eliminate all newspaper carrier boys under 16 years of age. Many years have proven carrier routes to be character building to the young boys of America. To deprive these youngsters of this opportunity to gain independence and a sense of responsibility through partial self-support would be unpardonable. We trust you will do everything within your power to bring about the defeat of this amendment.

AUSTIN V. WOOD,

Vice President, Wheeling News-Register.

ELKINS, W. VA., March 30, 1946.

Senator CHAPMAN REVERCOMB:

We earnestly request you to use your best influence to bring about the defeat of the amendment to the Fair Labor Standards Act now before the Senate which inserts the words: "or in connection with" as an addition to the words "in or about."

This legislation would result in the elimination of all newspaper carrier boys under 16 years of age. For many years it has been generally agreed that newspaper carrier routes are character building and afford youngsters valuable business experience, as well as providing means of partial self-support. We believe that it would be not only unfair but unpardonable to deprive these energetic and ambitious lads of this experience and opportunity.

We sincerely hope that you will do everything within your power to bring about the defeat of the amendment.

JAMES W. WILVERDING,

Manager, Elkins Intermountain.

THE CHARLESTON DAILY MAIL,

Charleston, W. Va., April 2, 1946.

Senator CHAPMAN REVERCOMB,
Senate Office Building,

Washington, D. C.:

DEAR SENATOR REVERCOMB: Through changing of words in the present Wages and Hours Act, reading "in or about" to "or in connection with," as contained in the proposed amendment to the act, there will result, in

my opinion, conditions making it extremely difficult, if not impossible, to continue successful distribution of daily newspapers. Such redefinition affecting minors is designed to include carrier boys. And with provisions of the act controlling them, it is seen that their normal functions will of necessity be terminated.

With recognized authorities on juvenile conduct in complete accord on the benefits to our youth through basic training of good citizenship had from daily serving of a newspaper route, it would appear to any good citizen as a catastrophe if legislation were enacted canceling out such benefits to our Nation.

May I ask your earnest study of this problem? If you see the danger I see, may I ask that you use your influence toward its elimination?

Respectfully,

FRED M. STAUNTON,
Publisher.

HUNTINGTON, W. VA., March 29, 1946.

Hon. CHAPMAN REVERCOMB,
Senate Office Building,

Washington, D. C.:

We wish to call to your attention amendment pending in Senate to Fair Labor Standards Act which would, if enacted into law, subject newspaper boys under 16 years of age to control of Department of Labor by regulations of children's department, and to express hope that as Representative of free people of West Virginia you will do all in your power to defeat this amendment. We are unalterably opposed to proposed insertion in amendment of four words "or in connection with," this being an addition to present wording "in or about." At risk of being accused of selfish motive, we wish to point out that it is dismaying to consider what could happen to hundreds of thousands of finest youths in our country as result of arbitrary regulations that would throw them into nonactivity, prevent them and their families from enjoying monetary fruits of honest and healthful labor, and deny them benefits of training and education. It seems shameful that with so much effort being expended to curb juvenile delinquency a body of thinking men would even consider legislation to eliminate one of the biggest bulwarks against it.

WALKER LONG,

General Manager,
Huntington Publishing Co.

HINTON, W. VA.

CHAPMAN REVERCOMB,
United States Senate,

Washington, D. C.:

We would appreciate cooperation in defeating proposed amendment to the Fair Labor Standards Act now pending in the Senate which inserts the words "or in connection with" as an addition to the words "in or about." If made law this would eliminate all newspaper carrier boys under 16. Carrier routes are proven character builders, and have long been the source of partial self-support and early business training. We believe legislation removing this opportunity would be decidedly unjust, and that you will agree and do what you can to defeat any such plan.

GORDON MEEKER,

The Daily News.

WILLIAMSON, W. VA., March 30, 1946.

Senator CHAPMAN REVERCOMB,
Senate Office Building,

Washington, D. C.:

We urge you to oppose amendment pending in Senate to Fair Labor Standards Act which, if enacted into law, would subject newspaper boys under 16 years of age to control of Department of Labor by regulations of children's department. We feel this change in

law may ultimately deprive thousands of boys from honest and healthful labor, and deny them benefits of training and education and monetary fruits they are receiving as newsboys. We trust you will see fit to use your good offices to oppose this proposed amendment.

WILLIAMSON DAILY NEWS,
OTTO K. REUTER, Manager.

POINT PLEASANT, W. VA., March 30, 1946.

Hon. CHAPMAN REVERCOMB,
Senate Office Building,

Washington, D. C.:

We wish to call to your attention amendment pending in Senate to Fair Labor Standards Act which would, if enacted into law, subject newspaper boys under 16 years of age to control of Department of Labor by regulations of children's department, and to express hope that as Representative of free people of West Virginia, you will do all in your power to defeat this amendment. We are unalterably opposed to proposed insertion in amendment of four words "or in connection with," this being an addition to present wording "in or about." We wish to point out that hundreds of thousands of our fine youth of our country would be deprived of the right of learning to take over responsibilities, and from enjoying monetary fruits of honest and healthful labor as a result of arbitrary regulations that would throw them into nonactivity. It seems a shame that with so much effort being expended to curb juvenile delinquency, a body of thinking men would even consider legislation to eliminate one of the biggest bulwarks against it. We earnestly solicit your cooperation to defeat this amendment.

RICHARD STARTZMAN,

General Manager, Point Pleasant Register.

FAIRMONT, W. VA., March 30, 1946.

Hon. W. CHAPMAN REVERCOMB,
United States Senate:

On behalf of the Fairmont Times and the West Virginian, Marion County's two daily newspapers, we wish to enter a vigorous protest against the enactment into law of the amendment to the Fair Labor Standards Act now pending in the Senate. This amendment would insert the words "or in connection with" as an addition to the words "in or about." Such legislation, if passed, would eliminate not only ours but all newspaper carrier boys under 16 years of age. Over a period of many years experience has proven these carrier routes to be character building to the young boys of America. Many of our most substantial citizens got their start in life as a newspaper carrier boy; it has made possible for them to have part-time employment while attending school, gain independence, and develop a sense of responsibility through partial self-support. To deprive these youngsters of these opportunities would be unpardonable in our estimation. We trust that you will do everything within your power to bring about the defeat of this amendment.

ARLO B. DEBURCQUE,

General Manager, the Fairmont Times.
THE WEST VIRGINIAN.

MARTINSBURG, W. VA., March 30, 1946.

Hon. CHAPMAN REVERCOMB,
United States Senate,

Washington, D. C.:

We herewith vigorously protest against the enactment into law of the amendment to Fair Labor Standards Act now pending in Senate which inserts the words "or in connection with" as an addition to the words "in or about." This legislation would do away with newspaper carrier boys under the age of 16 years. Thousands upon thousands of boys would then be deprived of the opportunity to earn money for themselves in good clean character building employment

and lose valuable business experience. Please do everything you can to defeat this amendment.

MARTINSBURG JOURNAL,
C. W. MORRISON, *Publisher*.

PARKERSBURG, W. Va., March 30, 1946.
HON. CHAPMAN REVERCOMB,
United States Senator, West Virginia,
Washington, D. C.:

Please consider a determined protest from us against the enactment into law of the amendment to the Fair Labor Standards Act now pending in the Senate which carries the words "or in connection with" as an addition to the words "in or about." We deem legislation of this kind would eliminate newspaper carrier boys under 16 years old engaged in the valuable business training of carrying newspapers; many of our boys earn their way through school and save for education in later years. It is proven for so long a time that carrying newspapers helps build character among young boys of America. To take away from them this opportunity would be indeed a tragedy. We believe you realize this tremendous advantage to young boys. That of selling newspapers, and you will do everything within your power to bring about the defeat of this amendment.

W. E. INGERSOLL,
Business Manager,
Parkersburg Sentinel Co.

BECKLEY NEWSPAPERS CORP.,
Beckley, W. Va., March 30, 1946.
HON. CHAPMAN REVERCOMB,
Senate Office Building,
Washington, D. C.

DEAR SENATOR REVERCOMB: It has long been accepted as a truism that the conduct of a newspaper delivery route by boys of 13 to 16 is training and experience that combats juvenile delinquency and makes for self-reliance and success in after life.

Yet among the proposed amendments of the Fair Labor Standards Act is one designed to deny that opportunity to boys. It lies in four innocent appearing words "or in connection with."

I urge your opposition thereto and hope you will do all in your power to bring about elimination of that phrase.

Cordially yours,

CHARLES HODEL,
General Manager.

WEST VIRGINIA NEWSPAPER
PUBLISHING CO.,
Morgantown, W. Va., March 30, 1946.
HON. CHAPMAN REVERCOMB,
Washington, D. C.

DEAR MR. REVERCOMB: I wish to call your attention to the amendment now pending to Fair Labor Standards Act which vitally affects the activities of many thousands of young newspaper carrier boys in this country.

I feel that the substitution of the words "or in connection with" as an addition to the words "in or about" could be interpreted in such a manner as to make it almost impossible for the many young boys in the country to continue their present newspaper work.

Such restrictive legislation would only hamper the development of the youth of the country in their efforts to learn at an early age the value of practical work and training that a newspaper route gives them.

The boys have done a good job all during the war and should be permitted to continue to do so. In the face of rising juvenile delinquency what better solution to the problem is a part-time job that enables the boys to develop character and a sense of responsibility?

Under the circumstances I hope that you can see your way clear to oppose any change,

no matter how small, in the present legislation.

Very truly yours,

H. C. MINOR.

ELKINS, W. Va., April 2, 1946.
HON. CHAPMAN REVERCOMB,
United States Senate,
Washington, D. C.:

Supplementing the views expressed to you by a number of publishers of the State as to certain amendments reported to the Senate by the Senate Committee on Education and Labor which will result in material expansion of coverages by bringing under the Fair Labor Standards Act for the first time activities "affecting commerce," and "in connection with," as an addition to the words "in or about." The West Virginia Publishers' Association composed of daily and weekly newspapers of the State joins with the individual publishers from whom you have heard in opposing the proposed amendments which will have the effect of bringing within the purview of the act not only newspaper-carrier boys who are independent contractors but newspapers and others specifically exempted as for instance, in section 13-A-(8) which has been virtually nullified by the Wage and Hour Division under prevailing administrative interpretations which hold that the exempt or nonexempt status of "any employee" must be determined by the time spent by a particular employee during each workweek on noncovered and covered work viz: Fifty-one percent on the newspaper or job printing. The proposed amendments referred to, if adopted, will have the effect of bringing all within the purview of the act whether actually engaged in interstate commerce or not, whether employees or not for the language of the proposed amendments is such that the Wage and Hour Division can bring under the act anyone it chooses, even farm workers. Even though under existing law, weekly newspaper plants are plainly exempted under section 13-A-8 when the circulation is 3,000 or less, the Wage and Hour Division in 1941 reversed a 1939, ruling without any explanation and held that where employees were engaged in any week on job work 51 percent of their time for that week they were in interstate commerce which is an absurd ruling on the face of it, and not in conformity with the intention of Congress. The general effect of the amendments will be to bring under the act all plants and establishments, their employees and all upon whom they are dependent for services or marketing, whether such plants and establishments are selling to local customers only or not and even if they are engaged in purely intrastate business.

JAMES W. WEIR,
Secretary,
West Virginia Publishers' Association.

Mr. FULBRIGHT. I thank the Senator from West Virginia. I hope the Senator understands that my amendment does not specifically cover newsboys. I understood newsboys were not covered by the amendment. The Senator from Missouri [Mr. BRIGGS] has said that they are covered. I may be mistaken, but I was proceeding on the assumption that they were not covered. I am in complete agreement with the view of the Senator from West Virginia.

Mr. REVERCOMB. I did not intend to inject this into the argument on the able Senator's amendment, but it had already been injected, and I thought it was proper to discuss it.

Mr. FULBRIGHT. The argument was very germane.

Mr. REVERCOMB. The inclusion of the words "in connection with" brings it into the bill of the majority now pending. That is, if a newsboy delivers a paper in connection with the publication of the newspaper which might be said to be in interstate commerce, he may come under the provisions and control of the so-called child-labor section of the Fair Labor Standards Act.

Mr. AIKEN. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. AIKEN. I understand very well why the Senator from Arkansas feels that children 14 to 18 years of age are not worth as much as adults when they are being hired for any particular job, but I cannot understand why the amendment proposed by the Senator from Arkansas singles out for exemption from the law children employed in one of the more hazardous employments. I know that in thinking of a telegraph messenger we have in our minds a boy taking a message from the office and running a couple of blocks down the street on a sunny afternoon to deliver it; but as a matter of fact a large part of the telegraph messenger's work is in inclement weather, some of it comes after dark, streets may be icy, it may be storming, and, all in all, it is not a safe occupation.

The annual reports for 1941 submitted to the Federal Communications Commission by the major telegraph, cable, and radio-telegraph companies showed that accidents to messengers, practically all of them telegraph messengers, comprised 75 percent of all the injuries occurring to their employees, although messengers formed only 36 percent of the employees as of December 3, 1941, the season of peak employment. In other words, the work of a telegraph messenger boy was twice as hazardous as the work of other employees of the same company.

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

Mr. FULBRIGHT. I yield.

Mr. STEWART. I merely wish to make the observation that that is all the more reason for paying them a higher wage.

Mr. AIKEN. I agree with the Senator from Tennessee in that statement. It seems to me that if I had a 16-year-old boy who wanted to work after school, I would rather see him go with a wholesale grocery concern and unpack merchandise and work in a good, safe place than to be out on the icy streets on his bicycle delivering messages. So far as that goes, I believe the telegraph companies would prefer to hire 16-year-old or 18-year-old boys at 60 cents an hour than to hire for the same wage persons of the age of Members of the Senate. I think the boys probably would deliver more messages in less time. I do not see why we should single out one of the more hazardous child occupations for exemption from the law.

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

Mr. FULBRIGHT. I yield.

Mr. McFARLAND. The Senator from Tennessee made the statement, I believe,

that the Western Union had a monopoly. I hold no brief for the Western Union Telegraph Co., but I call the attention of the Senator from Tennessee to the fact that the A. T. & T.—and I ask the Senator from Arkansas if I am not correct in my statements—transmits more written messages by teletype than does the Western Union. The A. T. & T. is entirely in competition with the telegraph company in the matter of teletype messages. The Western Union is in competition with the air mail, it is in competition with the A. T. & T. telephone messages, and it is in competition with the A. T. & T. teletype messages. So the Western Union does not hold the monopoly which has been pictured here.

Mr. FULBRIGHT. With regard to a remark made by the Senator from Tennessee, I wish to read from a telegram which has come to me, which should clear up the financial question. The telegram is from the Western Union Telegraph Co., T. B. Gittings, vice president. I read:

The minimum wage bill (S. 1349) will further increase a staggering wage burden recently imposed on Western Union by the National War Labor Board in awarding back pay of \$31,000,000 plus annual wage increases totaling \$25,000,000. This annual increase represents \$5,000,000 more than—

Mr. STEWART. Mr. President, will the Senator state the figure again?

Mr. FULBRIGHT. The telegram says: This annual increase—

Which Mr. Gittings says is \$25,000,000—

represents \$5,000,000 more than our total net income in 1945 before taxes, the best year in our history.

That is the increase which has already been imposed, I think, by the War Labor Board.

Mr. STEWART. Increase in the payment of wage?

Mr. FULBRIGHT. Increase in the payment of wages, yes. The War Labor Board awarded back pay of \$31,000,000, plus annual wage increases totaling \$25,000,000. Then Mr. Gittings says the annual increase, that is to say \$25,000,000, is \$5,000,000 more than the company's total net income in 1945, before taxes, the best year in its history.

Mr. STEWART. How much was the loss then in that year?

Mr. FULBRIGHT. The other statement which I had, which I took from a recent publication, shows that the company estimated in 1946, under the new wages, a cost of \$202,000,000 and an income under present rates of \$183,000,000, or \$19,000,000 less than the cost for this year.

Mr. STEWART. Is there included in that loss the increase of \$5,000,000 in wage scales?

Mr. FULBRIGHT. \$25,000,000.

Mr. STEWART. \$25,000,000?

Mr. FULBRIGHT. Yes.

Mr. STEWART. Without the increase in wages then they would have lost about \$7,000,000, and would still be operating at a loss?

Mr. FULBRIGHT. No; the wage increase is \$25,000,000.

Mr. STEWART. I beg the Senator's pardon. That is correct.

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

Mr. FULBRIGHT. Yes, I yield.

Mr. HATCH. I have not studied the Senator's amendment carefully, and I have not been able to follow the line of debate, but I wonder if I correctly construe it. The language of the Senator's amendment is in effect that the act shall not apply if the messenger is paid wages at the rate of not less than 55 cents an hour. Then, in effect, the only difference is whether the minimum wage for messengers should be fixed at 55 cents an hour rather than at 60 cents an hour. Is that correct?

Mr. FULBRIGHT. In view of the new agreement made here, yes. It sets the minimum wage for messengers at 55 cents an hour.

Mr. HATCH. That is all it does in substance?

Mr. FULBRIGHT. Yes, in the first section. There is another section, but that particular section, the first section—

Mr. LA FOLLETTE. But the effort of the amendment is, if the Senator will yield—

Mr. FULBRIGHT. I yield.

Mr. LA FOLLETTE. As I understand it—and I should like to be corrected if I do not correctly understand it—the effect of this amendment is that if the Western Union Co. pays its messengers under 18 years of age 55 cents an hour, then they do not come under the protection of the child-labor provisions?

Mr. FULBRIGHT. That is the other section of the amendment. I was speaking of the one the Senator from New Mexico referred to.

Mr. LA FOLLETTE. But it is all one amendment.

Mr. FULBRIGHT. I did not understand that the Senator from New Mexico was speaking of the whole amendment. I understand him to refer only to the first part of it.

Mr. HATCH. Two amendments have been offered by the Senator from Arkansas. I have in my hand two amendments offered by him.

Mr. FULBRIGHT. We are talking about the one dated March 20.

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

Mr. FULBRIGHT. I yield.

Mr. GUFFEY. On my last trip to Pittsburgh I had the pleasure of meeting the former president of the Western Union-Postal Telegraph Co., who is now in Pittsburgh as president of the Switch & Signal Co. He told me there were 160,000 telegraph offices in the United States. He did not discuss the wage question. He said, "We are in a fearful position. I doubt if we can break even next year because we have not been able to cut the expenses or reduce the number of offices." He said, "We may have to make an experimental try at raising the cost of messages." That is all he could see that could be done, but he said, "We cannot raise the cost of messages much or we will lose the business."

Mr. FULBRIGHT. Yes; that would result in losing the business.

Mr. GUFFEY. That is the situation they are up against, and that is the problem they have to solve.

Mr. FULBRIGHT. Yes.

Mr. GUFFEY. I want to say that, in my judgment, the Government will have to take over the telegraph company's business before the company becomes insolvent or we will not get good service. I do not like to say such a thing, but that is what is going to happen.

Mr. FULBRIGHT. If we continue to raise wages, as has been done, that is the only and the ultimate outcome. I should hate to see that happen.

Mr. President, I disagree heartily with the Senator from Tennessee that the service of the Western Union has been so bad. I think on the whole it has been very good, particularly between here and my State. Here in Washington some of our messengers are a little slow of foot, that is true, but I think on the whole Western Union has done an exceptionally good job. I know of no other country that has anything comparable to it.

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

Mr. FULBRIGHT. I yield.

Mr. GREEN. I should like to supplement, if I may, the remarks made by the Senator from Vermont, who replied to the statement that this work was a fine thing for the boys. Well, is it? The Senator from Vermont adduced some facts concerning the dangers of delivering messages. I should like to supplement them by calling attention to the fact that the hazards to the telegraph messengers were emphasized during a Senate investigation on conditions in the wire communications industry on June 6, 1938, and they have not become any better since. The representative of the American Communication Associations, after mentioning the number of children employed as messengers at the time the testimony was given, stated that messengers—

Must carry on under conditions which are even more hazardous than those which have gained the admiration of the public for United States mail employees summed up in the slogan "The mail must go through."

According to the annual reports for 1941—that is 3 years later—submitted to the Federal Communications Commission by the major telegraph, cable, and radiotelegraph companies, accidents to messengers—and practically all of them are telegraph messengers—caused 72 percent of all the injuries occurring to their employees, although messengers formed only 36 percent of the employees as of December 31, 1941, a season of peak employment.

If we provide in the law a minimum of 5 cents less, I admit that it would save the Western Union 5 cents.

Mr. STEWART. What would be the total amount—

Mr. GREEN. Let me finish my statement. What is the effect? The effect is that it is to the advantage of the Western Union to displace all employees over 18 years of age, and employ an even greater number of minors than would otherwise be employed. So the employment of minors for an extra hazardous service would be encouraged. It seems to me that that would be an undesirable exception to the general trend of our legislation to protect minors.

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

Mr. FULBRIGHT. I should like to finish my statement.

Mr. STEWART. I dislike to interrupt so much. I believe the Senator from Rhode Island has made a very valuable contribution; but I should like to ask the Senator from Arkansas if he has the figures to show how much would be saved to the Western Union annually if the minimum were made 5 cents less?

Mr. FULBRIGHT. According to the figures I have, \$1,100,900.

Mr. STEWART. Under the present arrangement?

Mr. FULBRIGHT. As between a minimum of 55 cents and a minimum of 60 cents.

Mr. STEWART. Does that mean that the company would save that much, assuming the correctness of the statement which the Senator from Rhode Island has just made, that the company would hire 16-year-olds instead of 18-year-olds?

Mr. FULBRIGHT. I do not understand the difference. It makes no difference whether they hire 16-year-olds or 18-year-olds. The provision would apply to all who are 18 years of age or under.

Mr. STEWART. Then the company would employ persons under 18 years of age. How are those figures arrived at?

Mr. FULBRIGHT. I presume they multiply 5 cents by the number of their messengers.

Mr. STEWART. That is based on the assumption that there would be a complete conversion, that is, that the company would discharge all those over 18 years of age and employ in such positions only those under 18.

Mr. FULBRIGHT. Not all of them. The company already has its own policy. It does not under any circumstances hire anyone under 18 years of age to drive a car. The most hazardous trips and the longest trips are by car. The company prohibits the use of motorcycles. It does not permit boys under 18 to work after 7 o'clock in the evening. Under its own voluntary regulations, it does not permit boys under 18 years of age to work between 7 at night and 7 in the morning. The company has done a great deal in that direction.

I should like to make a few comments on the hazard involved in this work, if I may have an opportunity.

Mr. STEWART. I apologize to the Senator for interfering with his opportunity. I am interested to the extent that I have stated, and to this further extent: There would be a saving of less than \$2,000,000 a year.

Mr. FULBRIGHT. According to these figures, the saving would be \$1,100,900.

Mr. STEWART. A little more than \$1,000,000.

Mr. FULBRIGHT. That is correct.

Mr. STEWART. That is a very small saving compared with the loss which the company is sustaining annually.

Mr. FULBRIGHT. I call it a substantial amount to the Western Union.

Mr. STEWART. How would it help the situation to save a mere \$1,000,000 out of its \$19,000,000 loss?

Mr. FULBRIGHT. The Western Union is not the Federal Government;

\$1,000,000 is a very substantial sum to a private corporation.

Mr. STEWART. I believe the Senator said that the company lost \$19,000,000 last year.

Mr. FULBRIGHT. That was due to the order of the War Labor Board.

Mr. STEWART. It required back payments, did it not?

Mr. FULBRIGHT. Yes. The back payments went back as far as 1943.

Mr. STEWART. In addition, the company still lost \$7,000,000, representing the difference between \$19,000,000 and \$25,000,000.

Mr. FULBRIGHT. With the new increase in wages, during the coming year, if it did not receive an increase in rates it would suffer a loss. The statement is as follows:

The annual increase represents \$5,000,000 more than our total net income in 1945, before taxes.

I take that to be the measure of the loss.

Mr. STEWART. If we should vote for this 5-cent reduction, that would not be the answer to the annual deficit.

Mr. FULBRIGHT. Not the sole answer, but it would be a very substantial contribution toward remedying the situation.

Mr. STEWART. What else can we do to save the company?

Mr. FULBRIGHT. I call that a very substantial contribution.

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

Mr. FULBRIGHT. I yield.

Mr. HAWKES. I should like to correct some of the figures. I know that the Senator wants the figures to be accurate.

Mr. FULBRIGHT. Certainly.

Mr. HAWKES. The Senator from Arkansas stated to the Senator from Tennessee that there would be a saving of \$1,100,900.

Mr. FULBRIGHT. That is the information which I have before me.

Mr. HAWKES. But if the Senator will observe the note below, he will see that the saving in connection with messengers who are under 18 years of age would be only \$300,000, and that is what the Senator from Tennessee is talking about.

Mr. STEWART. That is the figure I was after.

Mr. HAWKES. The saving would be only \$300,000.

I do not know what the past experience of the Senator from Tennessee in business has been, but I know what mine has been. I know that when a company is losing a great deal of money it does not expect to make up all the losses in one place, or one department. Nevertheless, if it can pick up \$200,000 or \$300,000 by doing something which is not injurious in any way, that represents a substantial saving.

So far as I am personally concerned, I feel that we should be doing a great benefit to the youth of America by making it possible for them to continue to be employed in this business at 55 cents an hour. I do not agree with what has been said about the hazard involved in delivering messages.

Mr. STEWART. Why could they not continue at 60 cents?

Mr. HAWKES. That is a debatable question; but let me finish my observations on this point.

I do not agree with what has been stated about the hazards of delivering messages. If we carry this thing too far, we shall make everyone in the United States feel that he should not even run the risk of crossing the street. Mark Twain once said something which all of us should remember. He said that after all, bed is the most dangerous place in the world to be, because more people die there than anywhere else. [Laughter.]

Mr. FULBRIGHT. Does not the Senator from New Jersey believe that playgrounds, with all the contraptions they contain, are probably much more hazardous to a boy of 14 or 15 than carrying messages?

Mr. STEWART. They are not paid for playing in the playgrounds.

Mr. HAWKES. I believe that playgrounds are 10 times more dangerous.

Mr. FULBRIGHT. Perhaps we should prohibit the playing of football.

Mr. HAWKES. I believe that there are very few occupations in life which are less hazardous and more beneficial to the youth of America than delivering telegraph messages or newspapers.

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

Mr. FULBRIGHT. I yield.

Mr. McMAHON. I should like to hear an explanation as to why carrying a bundle of newspapers is any less hazardous than carrying a handful of Western Union messages. I should also like to hear from the opponents of the amendment why the newspaper business should be exempted. It involves the carrying of great bundles of paper. Why should that occupation be placed in a different class than the occupation of carrying a little handful of envelopes? When I hear that argument, I shall begin to make some sense out of it.

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

Mr. FULBRIGHT. I yield.

Mr. AIKEN. In response to what the Senator from New Jersey said about hazards, let me say that the figures which I have are furnished by the communications companies themselves. They show that 36 percent of their employees were messengers, and that 72 percent of the accidents were among 36 percent of the employees. In other words, there were twice as many accidents among messengers alone as there were among the total number of employees, including messengers.

Mr. FULBRIGHT. All of us know that children under 18 years of age, whether they be on the playground or around the home, get their fingers mashed and suffer burns. There is no disputing the fact that they are injured more often than are adults, who have reached the age of discretion. But I do not believe that that fact has any real pertinence to this question. I would not challenge those figures.

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

Mr. FULBRIGHT. I am glad to yield. I should like to yield the floor, if I may have an opportunity to say a few words.

Mr. DONNELL. Is it not true that the primary purpose of the bill is to guarantee a minimum wage in justice to all labor affected?

Mr. FULBRIGHT. I believe that is the purpose.

Mr. DONNELL. Is there any reason to think that a boy who is engaged in delivering messages is not just as much entitled to 60 cents an hour as is a boy engaged in some other kind of work?

Mr. FULBRIGHT. It is my understanding that the committee and the sponsors of the bill arrived at these figures on the theory that an average family of four was involved, and that this minimum would be perhaps not sufficient, but a proper minimum for such a family. Here we are considering young, independent boys. I have no statistics showing how many of them are married and have families, but my guess is that very few of them are. In my opinion a minimum wage of 55 cents is much more adequate for a youngster without responsibilities than a wage of 60 or even 75 cents an hour would be for a family of four. I believe that it is out of line; it is too high.

Mr. DONNELL. Is it not true, however, that the provisions of the bill would apply to persons who do not have families, and that they would likewise be guaranteed a minimum wage of 60 cents, or whatever figure may be ultimately agreed upon?

Mr. FULBRIGHT. That is true.

Mr. DONNELL. If that be true, is there any reason, from the standpoint of justice, why a boy engaged in delivering messages for the Western Union Telegraph Co. should be guaranteed any lower wage than is guaranteed to a boy engaged in some other kind of work?

Mr. FULBRIGHT. I think it is perfectly proper to take into consideration the various factors which distinguish an average boy under the age of 18 from a responsible man of 25 or 30. If the Senator wishes to have me elaborate, in the first place, this work is usually part-time work. A youth of that age is not as conscientious or determined about his work. He will loaf a little, and so forth. This is an opportunity to give him some employment which I think has a very great value to him in training him for responsibilities. I do not know that I would reduce the question to terms of abstract justice. I am not sure that everyone ought to be treated exactly alike, regardless of his ability to produce.

Mr. DONNELL. On the other hand, if a boy 17 years of age is engaged in a factory, and the law guarantees a minimum wage of 60 cents an hour, is there any reason, from the standpoint of justice, why his brother, who is engaged in the delivery of messages, should not have the same amount guaranteed to him?

Mr. FULBRIGHT. If the Senator is coming to the question of whether or not this would be an unconstitutional discrimination, I am not prepared to defend it on that ground.

Mr. DONNELL. That is not the point.

Mr. FULBRIGHT. As we all know, there are very few children—that is, to say, persons 16 or 17 years of age—employed in plants. I doubt whether there are many in the employ of the Ford Mo-

tor Co., General Motors, or other large concerns. But traditionally messenger boys and newspaper boys have been children. That is an old practice in this country. I do not believe that the problem suggested has arisen. At least it has not been called to my attention. I do not know what the statistics would show as to employment in heavy industry or manufacturing plants, but I doubt if there are many children employed in such plants. Does the Senator have any figures on that question?

Mr. DONNELL. Mr. President, if the Senator will yield for a further observation, I shall not interfere with the continuity of his argument, except to observe that it seems to me that the primary purpose of the bill is to guarantee the same minimum, just wage to every person engaged in the types of labor embraced within the terms of the bill.

Second, there is no reason, from the standpoint of justice, why a boy who is engaged in the delivery of telegraphic messages should not have the same minimum wage guaranteed to him as is guaranteed to his brother, who may be working in a plant or factory near at hand.

In the third place, unless the effect of the 60-cent minimum as applied to the Western Union boys would be to decrease employment of those boys, there is no reason why the bill should not permit the Western Union boys to have the benefit of the same minimum wage.

Finally, as I understand, the Senator from Tennessee [Mr. STEWART] argues that there is no showing under the figures presented here that a saving of 5 cents an hour with respect to messenger boys would place the Western Union on the basis of earning money rather than losing money. Therefore, so far as I can see, there has been no showing that if the boys engaged in the delivery of messages are guaranteed 60 cents an hour, there will be a decrease in the number of boys employed. I wished to make that point for the consideration of the Senate.

Mr. FULBRIGHT. Mr. President, on the last point let me say there is no pretense at all that this amendment is the solution of all the troubles of the Western Union Co.; I think the amendment has a bearing and will make a substantial difference, that is all. Obviously the Western Union Co. must have other relief.

With respect to the question of employment and opportunities for employment, I hold in my hand some figures which were submitted by a vice president of the Western Union Co. They show that the percentage of the total traffic delivered by messengers in 1936 was 74 percent, or three-quarters of all the messages delivered. That percentage dropped, successively, in 1938 to 71 per cent, in 1940 to 66 per cent, in 1942 to 64 per cent, and in 1944 to 51 per cent. In other words, there was a decrease of not quite 25 per cent during that period.

In respect to the messages picked up by messengers, the percentage decreased from 47 percent in 1936 to 25 percent in 1944.

I also hold in my hand comparative figures as to the decrease in the actual number of messengers. In 1945 there were approximately 12,000 messengers

on the company's pay roll. Had messengers been used in the same proportion and extent as they were used in 1936, it would have been necessary to employ 19,250 messengers in 1945. Therefore, employment in the messenger field can be said to have been reduced by 7,250 jobs.

I think it is perfectly obvious and common sense that if the company has a choice between employing a youngster and employing a mature man, if the company is required to pay each of them the same amount, it obviously will use the mature man. That is not a matter of proof; I think it is a matter of common sense.

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

Mr. FULBRIGHT. I yield.

Mr. GREEN. Is not the converse necessarily true—namely, that if the company is able to pay low wages to the younger employees, that will result in depriving the older men of the jobs, and giving them to the younger employees, because they will be able to work at lower wages.

Mr. DONNELL. Mr. President, I am not so sure that the Western Union Co. would not prefer to have the boys, rather than the mature men, because of the young boys' alertness, quickness, and youth.

Mr. FULBRIGHT. I cannot prove that.

I certainly do not have the idea that a fair wage for a youngster would be the same as a fair wage for the head of a family of 4 persons. That is the first objection I have.

I agree with the sentiments expressed by the senior Senator from New Jersey. In other words, I would hate to see any opportunities for the young boys of this country denied them; I would hate to see those opportunities destroyed. I cannot quite understand the apparent feeling of the sponsors of the bill—and I think it runs throughout the bill, in this connection—that child labor must be protected and coddled and brought up in a very safe atmosphere.

I had one little experience with the Children's Bureau. Two years ago, during the war, I asked the Children's Bureau to relax the regulations in regard to the employment of children under 18 years of age in canning factories. The canning factories in my section of the country are not the large factories such as those operated by large companies like Van Camp or Heinz. The factories in my State operate only in canning tomatoes. In other words, they operate approximately 3 months of the year, beginning in June or July, and they run during the summer. They use sheds which are in the open; the buildings do not even have sides. The typical canning factory has a boiler and some machinery, and the only machinery which amounts to anything is that which is supplied by the American Canning Co. to seal the cans. The Children's Bureau refused to do what I requested. I am positive that no great danger or hazard was involved, and the work would have been done only during the summer months, when the children were on vacation from their schools. But the Chil-

dren's Bureau said it was impossible; that they could not relax their regulations for any purpose, regardless of a food shortage or anything else. They also were greatly concerned over the physical welfare of the children; they did not wish them to be subjected to oppressive child labor. I think they carried that point very far, indeed. I think the old conditions of real sweatshop labor which occurred 50 or 100 years ago are still in the back of their minds.

But, to my knowledge, the amendment does not deal with that situation. I know of no real sweatshop—and there was no evidence of any—not the way children used to be worked for 10, 12, or 15 hours a day at 5 cents an hour, and all that. That is not involved at all.

Mr. President, I do not wish to take up any more of the time of the Senate.

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

Mr. FULBRIGHT. I yield.

Mr. LUCAS. The debate with respect to news carriers was rather interesting to me, in view of what the junior Senator from Missouri [Mr. Briggs] said. Newspaper boys seem to be under the act, and yet through a subterfuge they were removed from under it.

I do not know what the Senate will do with this amendment. But if the Senate adopts the amendment exempting the messenger boys of the Western Union Co., but still leaving the newspaper boys under the act, it strikes me that it would be an injustice to the newspaper boys.

I suggest that both groups should be either included or excluded.

Perhaps the Senator will modify his amendment so as to include all those engaged in the delivery of letters, newspapers, and messages or the performance of errand service. That would place all of them in the same category.

Mr. FULBRIGHT. Mr. President, I may say to the Senator that I thought they were excluded. But since I drew the amendment, in thinking of it I wondered whether, if we included newsboys carrying newspapers, that would mean that they, too, would have to be paid 65 cents an hour. Would that be the effect of such an amendment?

Mr. LUCAS. It might be.

Mr. FULBRIGHT. In other words, I still am not clear about it. I am sure the Senator's statement of his personal experience is correct, but I know of newspapers with respect to which that is not true. I am familiar with one or two cases in my old district which do not come under the act. So there is that difference. But I am afraid that if we included such an amendment in the pending measure it would hardly work.

Mr. LUCAS. I think the Senator from Arkansas is correct.

Mr. FULBRIGHT. Mr. President, I do not wish to take any further time. I hope the Senate will adopt the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. Fulbright] to the so-called Pepper amendment.

Mr. LA FOLLETTE. Mr. President, I am opposed to the amendment offered by the Senator from Arkansas. It is true

that the Fair Labor Standards Act, as it now stands on the statute books, does not cover the carrier boys of newspapers who are so-called independent contractors and are not employed directly by the newspaper companies or the companies publishing newspapers. The fact remains that the committee, or at least a majority of it, sought to amend section 12 of the act in such manner as to give coverage to all newspapers and other industries by incorporating or attempting to incorporate the philosophy of affecting interstate commerce.

But, Mr. President, as I view the situation, the fact that the committee has been unable to obtain a majority vote of the Senate for its proposal is no justification for removing the protection of the child-labor provisions which the Ball-Ellender amendment would give to the employees of the Western Union Co. and other companies which are engaged in interstate commerce and are doing a messenger business.

It is all very well for Senators to make light of the hazards which are involved in the employment of minors in the delivery of telegrams. But any person who has witnessed Western Union messengers treading their way through traffic in metropolitan cities during congested hours knows that riding a bicycle under such circumstances is a hazardous occupation.

Mr. FULBRIGHT. What is wrong with the States, particularly those States which have laws covering the situation about which the Senator complains?

Mr. LA FOLLETTE. Oh, I will ask the Senator a question. Why should we have ever passed the child labor law if we were going to leave the matter to the various States?

Mr. FULBRIGHT. Has not a substantial number of the States, States containing approximately half of the population of the country, adopted laws actually prohibiting the very thing to which the Senator refers?

Mr. LA FOLLETTE. In the decision of the Supreme Court in the case of Western Union against Katharine Lenroot the Court held five to four that persons within the ages to which I have referred were not covered by the then existing law, and since then the issuance in States of permits for the employment of such employees has increased 180 percent.

Mr. HAWKES. Mr. President, does the Senator consider that to be a bad thing for the American people?

Mr. LA FOLLETTE. I think it bad to permit minors 18 years of age, and under, to be employed in the delivery of messages on bicycles in metropolitan cities. I believe such an occupation to be a hazardous one. I believe that such minors are just as much entitled to the protection of the child-labor provisions of the Fair Labor Standards Act as are any other minors who are employed in occupations which are equally hazardous.

Mr. President, what does this matter come down to? It comes down to an appeal made on the ground only that the Western Union Telegraph Co. is not operating as a successful corporate enterprise. Therefore, we are asked by the proponents of this amendment to allow the Western Union to employ minors un-

der 18 years of age in order to help bail the company out of a bad financial situation. It has already been made evident here that the sacrifice which is to be asked of minors 18 years of age and under will not be sufficient, even if we consider it on a dollars-and-cents basis, to rescue the company from its present financial difficulties. Reference has been made to the financial condition of the company, although Congress enacted a law which enables the company to have a monopoly pure and simple, of the telegraphic business of the United States. I assert, Mr. President, that such an appeal as is made in this instance could be made on behalf of any other company in this country if such company were in similar financial difficulties. If we establish the precedent of helping to bail the Western Union out of its present financial difficulties by removing the protection which the Ellender amendment and, it was believed, the original act gave to employees 18 years of age or under, the same relief could be requested in behalf of any other company, manufacturing or otherwise.

Mr. McFARLAND. Mr. President, the Senator has stated that the Western Union has a monopoly. Does not the Senator regard the A. T. & T., which does a greater volume of business in the delivery of teletype messages, a competitor of Western Union?

Mr. LA FOLLETTE. I said that the Western Union has a monopoly on the delivery of telegraph messages, and my intended meaning was that the Western Union is now the only company engaged in a person-to-person service.

Mr. McFARLAND. The point which has been made by the Senator from Arkansas is that there will not be any company engaged in that business if the pending proposal is adopted.

Mr. LA FOLLETTE. In that event, Mr. President, I feel very sorry for the Western Union and for the persons who invested money in it. The Congress went a long way by permitting the Western Union to absorb its only rival in the business, commonly known as the telegraph business, by enabling it to absorb the Postal Telegraph Co. and establish a monopoly. Having gone that far, Mr. President, so far as I am concerned I will not go further by permitting the company to be exempt from the provisions of the Child Labor Act in order to help it out of its financial difficulties.

Mr. HAWKES. Mr. President, I am sure that the Senator, who is one of the best informed men in the United States Senate, knows that the Western Union did not ask for the act permitting the merger.

Mr. LA FOLLETTE. The fact remains, however, that the merger was permitted by the Congress, and the Western Union was permitted to absorb the Postal Telegraph Co. The fact also remains that now, as a result of the action taken by the Congress, the Western Union enjoys a monopolistic position.

Mr. HAWKES. Mr. President, I wish to say to the Senator from Wisconsin that I think it is unfair for him to create the impression that the monopoly to which he has referred was something beneficial to the Western Union, because

I assert very frankly that it was something very much against their interests. They know it, and every businessman in the country knows it. The company knows that the merger was forced upon them. I happened to be on the committee which considered the merger bill, and the Western Union hoped that it would not be enacted. They accepted the merger because they were compelled to do so. They took over a defunct institution which was losing from two to three hundred thousand dollars a month. I am not pleading for the Western Union. I am pleading for the youth of America in order that they may have a right to a job paying them 55 cents an hour. I think it is well for boys 15 or 16 years of age to have jobs paying them 55 cents an hour.

Mr. LA FOLLETTE. Then, the Senator from New Jersey is opposed to the protection which the Child Labor Act gives to minors in the United States, and I do not share that position.

Mr. STEWART. Mr. President, I wish to make an observation concerning the statement made by the Senator from New Jersey to the effect that the merger was forced on the Western Union. That statement is not correct. The act gave to the Western Union the right to take over the Postal if it desired to do so. The Western Union was not compelled to take over the Postal. We could not have forced the company to take over the Postal. The company took Postal over voluntarily and with its eyes wide open. Western Union took over a company which was acknowledged to be defunct. Western Union took over the employees who were working for Postal. That probably accounts for one of the difficulties in which Western Union finds itself today. Perhaps it wishes to get rid of some of its employees. Perhaps it has on hand a double force. But the act which Congress passed merely gave to Western Union the right to take over the Postal if it wanted to do so.

Mr. McFARLAND. Mr. President, I should like to state that there is more truth in the statement made by the Senator from New Jersey than may appear. Western Union was confronted with the necessity of taking over Postal or going into competition with the United States Government, because the Government practically owned the Postal Telegraph Co. Eventually Jesse Jones would have had to take over the company and operate it.

I repeat that I do not agree that Western Union has a monopoly. It is in competition with the A. T. & T. in sending out telegraph messages. I may submit, Mr. President, that if Western Union ever did have a monopoly it is not enjoying it now.

Mr. LA FOLLETTE. Mr. President, I do not think it is really very important, but it was my impression, though I am not a member of the Interstate Commerce Committee, that the action on the part of Congress permitted Western Union to absorb the Postal Co. The Postal Co. was the only competitor which the Western Union had in the business in which it was engaged, and Western

Union did absorb the Postal Co. So far as I know, there was no prodding on the part of Congress in causing the Western Union to absorb the Postal Telegraph Co.

Mr. HAWKES. Mr. President, I wish to say that the Senator from Wisconsin made a very unfair statement a moment ago when he said that the Senator from New Jersey was opposed to the protection of child labor. I am just as much in favor of the protection of child labor as is the Senator from Wisconsin or any other Member of the Senate, and my record will show that I never employed child labor. Therefore, I cannot allow the statement of the Senator from Wisconsin to remain in the RECORD unchallenged.

Mr. LA FOLLETTE. Mr. President, I assumed from what the Senator said that he thought it was a good thing for boys 15 and 16 years of age to be employed in a hazardous occupation, and that he was opposed to the protection which the Federal statute originally gave them, and which the Ellender-Ball amendment will give them in the event the Fulbright amendment is defeated. I certainly would not willingly misrepresent the position of the Senator from New Jersey.

Mr. HAWKES. I know that the Senator would not intentionally do so, and that is why I wish to have the RECORD corrected. There is only one difference between what the Senator believes with regard to boys 15 or 16 years of age and what I believe. The Senator believes that it is hazardous for them to deliver telegraph messages when riding through traffic, and I believe it is just as hazardous for them to be out playing and fooling around in one way and another, and taking chances by riding on bicycles over the same streets while they are not earning any money.

Mr. LA FOLLETTE. Mr. President, I am surprised that the Senator from New Jersey would advance with sincerity such an argument. The idea that the delivery of messages for telegraph companies during congested hours of traffic in streets can be compared to playing on playgrounds or riding bicycles in some suburban area, is too ridiculous to require consideration by this body. The testimony shows that the delivery of messages is a hazardous occupation. My point, Mr. President, is that if such an argument can be made to help the Western Union out of its present difficulties, the same argument can be made for any employer of labor in the mines or in the factories of this country, on the ground that such employer is in financial difficulties and should be given the privilege of exploiting the labor of children and minors under 18 years of age.

Mr. President, I am very much surprised that the Senate of the United States should give this matter serious consideration. We talk about full employment, we talk about trying to encourage education, we talk about trying to provide an opportunity for children to get an education, and then we are asked to remove the protection of the child-labor provisions of the law for this one particular company.

Mr. President, the argument can be made, if it is desired, that this gives an opportunity for children to help their parents, or for children to help educate themselves, but the same argument can be made for employment in other hazardous industries. I do not think that at this time we should take a backward step. On the contrary, I think we should reject the amendment, and we should give the protection to minors under 18 years of age which we thought the law originally intended to give them, which the Supreme Court by a 5 to 4 decision took away from them, and which the Ball-Ellender amendment will restore to them, if the Fulbright amendment shall be defeated.

Mr. McMAHON. Mr. President, has the Senator an amendment on his desk to cover the newspapers?

Mr. LA FOLLETTE. No, Mr. President. I am somewhat discouraged about increased coverage, in view of the reception which the committee's bill has received in this body, but I should certainly be very much disappointed if the Senate, in an effort to decrease the coverage of the bill generally, should not seize this opportunity to restore the protection of the law, insofar as we can, under the terms of this amendment in the nature of a substitute, which the majority of the committee has been forced by the majority of the Senate to accept as a compromise.

Mr. AUSTIN. Mr. President, will the Senator yield for a question?

Mr. LA FOLLETTE. I yield.

Mr. AUSTIN. I am not clear about what the amendment would do. Does the Senator construe the amendment as affecting newsboys, boys peddling papers, boys delivering papers to regular subscribers? Does the Senator think that the language before me, "or service," includes newsboys?

Mr. LA FOLLETTE. No; I do not, as their business is now set up; I do not think it includes them.

Mr. AUSTIN. Where the amendment provides that the provisions of subsection (a) of this section shall not apply to a certain group, does the Senator interpret it to mean that the wage scale contained in section 6 (a), or implied in section 6 (a), shall apply? Section 6 (a) as contained in the Ellender amendment, to which this amendment is an amendment, reads:

Every employer shall pay to each of his employees who is engaged in commerce or in the production of goods for commerce, wages at the following rates.

Mr. LA FOLLETTE. That has been changed to 60 cents an hour.

Mr. AUSTIN. That is all there is to it, is it not? In other words, the Fulbright amendment is one relating to the wage scale, is it not?

Mr. LA FOLLETTE. No; the amendment which the Senator has offered does two things. It provides that persons under 18 years of age engaged in messenger service, picking up and delivering letters, and so forth, shall be paid at the rate of 55 cents an hour, instead of the rate of 60 cents an hour, which would be required if the Ellender-Ball substitute

were agreed to. Then the amendment proceeds to say:

On page 3, line 2, before the period insert a colon and the following: "Provided, That this subsection shall not apply with respect to messengers employed principally in picking up and delivering letters and messages or performing errand services."

It excludes them from the protection of the child-labor provisions of the Fair Labor Standards Act.

Mr. AUSTIN. The Senator derives that, I judge, from this language in the original amendment which is proposed to be amended, namely:

No employer shall employ any oppressive child labor in commerce or in the production of goods for commerce.

Mr. LA FOLLETTE. That is the provision which gives the protection to the messengers covered in the amendment of the Senator from Arkansas, and which would be extended to them unless his amendment, which provides for an exemption, were agreed to.

Mr. AUSTIN. Does the Senator say this is the only part of section 3 which is affected by that proviso? The amendment is, "on page 3, line 2, before the period insert a colon and the following: 'Provided, That this subsection shall not apply,'" and so forth. That means, does it not, subsection (b)?

Mr. LA FOLLETTE. That is the way I understand it, and that is what would take them out from under the protection of the child-labor provisions if the amendment were agreed to.

Mr. PEPPER. Mr. President, I merely wish to say that Miss Catherine Lenroot, the able head of the Children's Bureau, Department of Labor, is very much opposed to the amendment. She believes that it would have a very detrimental effect on her efforts to preserve and safeguard the children of this country. All it would save in the way of money would be 5 cents an hour for an average of 22 hours a week in the case of 2,000 employees under 18 years of age now employed by the Western Union Telegraph Co., and that amounts to only about \$100,000 a year.

If this amendment shall be defeated, under the law as it will be if the Ellender-Ball-Taft amendment shall be agreed to, as I hope it will be, all persons under 18 years of age will get the protection of the Children's Bureau, but those engaged in the delivery of letters and telegrams can still, by the Wage and Hour Administrator, be allowed a lesser wage than the statutory minimum if he feels that the statutory minimum will curtail employment. I feel that would not be fair to the country, and I hope we will not taint the bill with oppressive child labor.

Mr. AUSTIN. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. AUSTIN. Does the Senator understand that the effect of the amendment would be such that the Children's Bureau could locally apply one decision to one territory, or one village, we will say, whereas the representative of the Children's Bureau in the city of New York, a thickly populated and congested area, could apply another judgment

there to a messenger boy serving in that area? Is that the interpretation to be placed on this proposal?

Mr. PEPPER. I am not quite sure what the geographical effect would be, but the general effect would be that the Children's Bureau would not have any jurisdiction to protect these children as to hours of labor, kind of labor, or conditions of labor, because this would not be the oppressive child labor that would give them jurisdiction. Therefore, the Bureau would not have the power to protect them in any part of the country.

Mr. AUSTIN. Mr. President, the reason why I am in doubt about this is that I have not in mind clearly the other parts of the statute giving authority to the Children's Bureau, and that is why I inquire of the learned Senator from Florida about his understanding of it.

It seems to me that fundamentally it is a good thing for youth to be employed, to have some sort of gainful employment. There are hazards in any employment. But where the hazard is exceedingly great, and one which the child should not risk, that is a place where the judgment of the Children's Bureau should be applied.

If under the existing law it can be applied with respect to the circumstances surrounding the employment of the child then I would follow, I think, the reasoning of the distinguished Senator from Wisconsin, to which I listened with great interest. But if this is an arbitrary thing, which would prevent such gainful employment as the distribution of messages in relatively safe communities, I certainly would support the amendment, as I shall try to support an amendment with respect to newsboys.

Mr. PEPPER. Let me see if I can clarify the matter in the Senator's mind.

Under the present law, in section 12 (a), child labor is forbidden in or about any business situated in the United States which is engaged in the production of goods for shipment in commerce. The United States Supreme Court held, in the case of Western Union against Lenroot, that the Western Union was not engaged in the production of goods to be shipped in commerce, and that therefore they were not covered. Therefore, the Children's Bureau has not jurisdiction over these Western Union employees at all. So, at the present time the Children's Bureau has no jurisdiction over these messengers and is therefore not able to protect them. The Ellender-Ball-Taft amendment would prohibit oppressive child labor. Oppressive child labor is that labor which we may say is employed inconsistently with the regulations of the Children's Bureau. So under the Ellender amendment the Children's Bureau would have authority to prescribe the hours these messengers could work and the conditions under which they could work, so as to protect them.

If the amendment of the able Senator from Arkansas were adopted, that provision in the Ellender amendment would be cut out and the Children's Bureau would have no power to protect the children.

Mr. AUSTIN. Mr. President, will the Senator yield for a further question?

Mr. PEPPER. Yes.

Mr. AUSTIN. Does the Senator draw that inference from this language, "No employer shall employ any oppressive child labor," and so forth?

Mr. PEPPER. In the Ellender amendment, yes. That is correct. And the Fulbright amendment would somewhat qualify that language in the Ellender amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Arkansas [Mr. FULBRIGHT] to the Ellender-Ball amendment.

Mr. LA FOLLETTE. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. BANKHEAD. I announce that my colleague the junior Senator from Alabama is necessarily absent because of the illness of his father. If present, he would vote "nay."

Mr. BARKLEY. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from West Virginia [Mr. KILGORE] are absent because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from North Carolina [Mr. BAILEY], and the Senator from Georgia [Mr. GEORGE] are necessarily absent.

The Senator from Maryland [Mr. RADCLIFFE] is absent on public business.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Nevada [Mr. MCCARRAN] are detained on official business.

I wish to announce further that if present and voting, the Senator from Florida [Mr. ANDREWS], the Senator from Georgia [Mr. GEORGE], and the Senator from Nevada [Mr. MCCARRAN] would vote "yea."

I also announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ] and the Senator from West Virginia [Mr. KILGORE] would vote "nay."

Mr. WHERRY. The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness in his family.

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

The result was announced—yeas 16, nays 69, as follows:

YEAS—16

Bilbo	Fulbright	McClellan
Bushfield	Gurney	McFarland
Butler	Hawkes	McMahon
Byrd	Hayden	Maybank
Capehart	Hoey	
Eastland	Johnston, S. C.	

NAYS—69

Aiken	Ferguson	Millikin
Austin	Gerry	Mitchell
Ball	Gossett	Moore
Bankhead	Green	Morse
Barkley	Guffey	Murdoch
Brewster	Hart	Murray
Bridges	Hatch	Myers
Briggs	Hickenlooper	O'Daniel
Brooks	Huffman	O'Mahoney
Buck	Johnson, Colo.	Overton
Capper	Knowland	Pepper
Carville	La Follette	Reed
Connally	Langer	Revercomb
Cordon	Lucas	Russell
Donnell	McKellar	Saltonstall
Downey	Magnuson	Shipstead
Ellender	Mead	Smith

Stanfill	Tunnell	Wherry
Stewart	Tydings	White
Taft	Vandenberg	Wiley
Taylor	Wagner	Willis
Thomas, Okla.	Walsh	Wilson
Thomas, Utah	Wheeler	Young

NOT VOTING—11

Andrews	Glass	Radcliffe
Bailey	Hill	Robertson
Chavez	Kilgore	Tobey
George	McCarran	

So Mr. Fulbright's amendment to the Ellender-Ball amendment was rejected.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House insisted upon its amendments to the bill (S. 1907) to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. VINSON, Mr. DREWRY, Mr. LYNDON B. JOHNSON, Mr. IZAC, Mr. COLE of New York, and Mr. BATES of Massachusetts were appointed managers on the part of the House at the conference.

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

Mr. RUSSELL. Mr. President, I desire to offer on behalf of myself and the Senators from South Carolina [Mr. MAYBANK and Mr. JOHNSTON] an amendment to the pending Ellender-Taft-Ball substitute.

The PRESIDENT pro tempore. The amendment will be stated.

Mr. RUSSELL. Mr. President, the amendment is well understood and has been widely discussed. It has already been adopted by the Senate to another amendment, and I offer it now merely in view of the change in the parliamentary situation. Therefore, I ask unanimous consent that reading of the amendment may be dispensed with and that it may be printed in the RECORD at this point.

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

The amendment offered by Mr. RUSSELL is as follows:

At the end of the Ellender-Taft-Ball substitute insert the following new section:

"Sec. 201. Section 301 (a) (1) of the Agricultural Adjustment Act of 1938, as amended, be, and the same is hereby, amended by striking out the following in the first sentence of said section and paragraph, to wit: 'and in the case of all commodities for which the base period is the period August 1909 to July 1914, which will also reflect current interest payments per acre on farm indebtedness secured by real estate, tax payments per acre on farm real estate, and freight rates, as contrasted with such interest payments, tax payments, and freight rates during the base period,' and inserting the following in lieu thereof: 'and, in the case of all commodities, which will also reflect current interest payments per acre on farm indebtedness secured by real estate, tax payments per acre on farm real estate, freight rates, and the cost of all farm labor (on the basis of the national average and including hired workers, farm operators, and members of the families of farm operators engaged in work on the farm, computed for all such labor on the basis of wage rates for hired farm labor),

as contrasted with such interest payments, tax payments, freight rates, and costs of all farm labor during the base period.'

"Sec. 202. The first sentence of paragraph (1) of section 2 of the Agricultural Adjustment Act of 1933, as amended, and as re-enacted and amended by the Agricultural Marketing Agreement Act of 1937, approved June 3, 1937, as amended (7 U. S. C., 1941 ed., sec. 602 (1)), be, and the same is hereby, amended by changing the period at the end thereof to a semicolon and by adding the following: 'and, in the case of all commodities, which will also reflect the cost of all farm labor (on the basis of the national average and including hired workers, farm operators, and members of the families of farm operators engaged in work on the farm, computed for all such labor on the basis of wage rates for hired farm labor), as contrasted with the costs of all farm labor during the base period.'"

Mr. RUSSELL. Mr. President, due to the unusual parliamentary situation which has developed, growing out of the so-called compromise, it is necessary for the Senate again to vote upon the so-called farm parity amendment, unless we are to be precluded from having a fair up and down vote on the amendment in connection with the pending bill.

I wish to refer briefly to the so-called compromise. So far as the farmers, the lowest paid group in the Nation, are concerned it was a heads-I-win, tails-you-lose compromise. In other words, a nickel was chiseled off the minimum wage of the next lowest income group in the country as a quid pro quo for selling the farmers down the river and excluding them from sharing in any degree in the broadening distribution of the national income for the benefit of the underprivileged people of this country.

This is the identical amendment which the Senate supported by a vote of 43 to 31 on Friday last. I submit that if it was a good amendment on Friday last it is a good amendment today. There has been no change whatever in the economic condition of the country. There has been no change whatever in the status of the farmer's, except to place them at a still greater disadvantage by increasing the minimum wage 50 percent, as is proposed by the pending bill.

Mr. President, I do not wish to reiterate all the arguments which I have made in the course of the debate upon this measure. I wish to say again to those whose hearts bleed, according to their words, for the low income groups, for the underprivileged, that statistics show—and they have not been challenged—that the average annual income per capita of the farmers is \$570, as compared with a non-farm per capita income of \$1,290 a year. Those figures are for the year 1945, and do not take into consideration the great wage increases which have been allowed since the end of the war, or the wage increases which are provided for other groups under the terms of the pending bill.

I wish briefly to advert to the testimony of Mr. Murray, of the CIO, before the House committee on a bill to increase the salaries of Government employees. Mr. Murray submitted certain figures to the House committee. He stated that the average straight-time hourly earnings

from January 1, 1941, to October 1945 had increased 33 percent. He stated that the pattern now developing of granting workers in private industry from 15 to 17 percent on top of previous increases showed that in private industry there had been since 1941 an across-the-board increase of between 53 and 55 percent. Members of the Senate may say that they have not voted for such increases; but I invite attention to the fact that they have just voted for a 50 percent increase in wages of those who are not in the higher skills and the higher-paid brackets in private industry.

When we come to Government employees, we find that under the bill which was passed by the House of Representatives this week affecting the postal workers, an increase of 54.5 percent in their average wage has been voted for that group of Federal employees.

There is pending in the House of Representatives—and it will probably be voted upon this afternoon—a bill dealing with the compensation of other Government employees. I predict that before the Senate concludes action on that bill we shall have given to all the other employees of the Government a wage increase of from 50 to 55 percent, over and above the 1941 rate.

The amendment offered by me, even according to the biased reports and the colored figures of Mr. Bowles and Mr. Anderson, would increase the wages of the farmers only 33 percent. Any man who knows a corn stalk from a dandelion is aware that the only wage which the farmer has is the return when he sells his product in the market place.

We have heard about the good things of life being denied to many of our underprivileged groups. Because they live on the farm and because they toil in the field is no reason why the farmers should not enjoy the better things of life to the same extent as do those who work in other industries. We know that farm boys returning from the service are not going back to the farms. How can anybody blame them when they see the advantages which accrue to those who work in other vocations in life? The other day I received a letter about the housing problem. The writer stated that it was severe in the cities, but that there were vacant houses on the farms because farming was being made so unattractive that men would not return to the farms.

The pending bill also provides a maximum workweek of 40 hours. I ask Senators to bear that in mind when they compute the income for the groups which they seek to aid as compared with that of the group whose interests I seek to advance. Everyone knows that the farmer works more than 40 hours. Wage earners provided for in the bill will receive time and a half, or 90 cents an hour, when they work more than 40 hours. The farmer works 70 or 80 hours a week, and yet it is sought to deny him this modest increase in his wage when he sells his products.

In our Government time and a half is paid for all time over 40 hours, and double time for certain classes of work, just as overtime is paid to those who toil in industrial plants. Members of the Appropriations Committee will bear me

out in the statement that we have been compelled to pass deficiency appropriation bills carrying appropriations of hundreds of millions of dollars to pay overtime to Government employees. The figure of approximately 55 percent, representing the increase in the income of all nonfarmers, does not take into consideration the overtime pay which they gain, but the farmer is not paid for overtime.

I shall not again advert to the statement which was made, that the President would veto this bill if the pending proposal were attached to it. I reiterate that I do not believe that that should influence the vote of any Member of the Senate. The President of the United States has his responsibility. We, as Members of the Senate, ambassadors from sovereign States, on our own oaths, have our own responsibility. I wish to say, however, that I have faith that the President of the United States will not veto this bill if there is placed in it some provision tending to equalize the economic lot of the farmer with that of other groups. This bill must go to the House of Representatives. The House will have an opportunity to pass upon it and make adjustments. It will then go to conference, where other adjustments and equalizations can be made to see that the farmer shall not by our action be relegated to oblivion, as we are asked to do in the vote which will be had in a few minutes.

I believe that the President has been badly advised about this matter. He has been advised by the same persons who told him that wages could be increased without increasing prices. The same persons who made that statement are today being compelled to consent to increased prices in order to pay the increased wages; and the farmer must pay the increased prices. The same persons advised him that from six million to eight million would be unemployed by this time after the end of the war. The inaccuracy of their statement is attested by the fact that today those who are unemployed in this country are idle because they do not care to take the jobs which are available. The slightest attention to the help-wanted columns of any newspaper in the land will show that there are jobs available, and the wages of those who will take such jobs have been increased.

Mr. President, I believe that when the President has an opportunity to analyze the situation with his own good, hard, common sense, uninfluenced by the exaggerated figures which have been submitted by Mr. Bowles, the economic dictator of this country, he will say that the farmer should not be altogether oppressed and held down at a time when we are increasing wages and distributing a higher level of national income to all other groups.

The farmer has been shunted aside in the past, even as we are asked to shunt him aside in the vote which will soon be taken. In 1942, when the act establishing the Office of Price Administration was pending, the Senate voted to include a provision to insure that the farmer would be protected in case of rising adjustments with respect to other groups.

When that measure went to conference that provision was eliminated, or supplanted by some form of language which provided that changing conditions on the farm should be considered by the Office of Price Administration. I challenge anyone to point to a single time when the Office of Price Administration has used that provision to allow the farmer an increased price. The administration has taken the position, in and out of season, that we must hold the line on the farmer, at all events, but that we could allow bulges, breaches, and breaks to take care of the other groups.

Mr. President, I hope that the Congress of the United States will no longer persist in a program to benefit every other group besides those who till the soil. As I have stated heretofore in this debate, there is a great value to our country in having a strong and independent—and prosperous, if you please—farm population, and that value cannot be computed in dollars and cents. I do not see how any Senator can change his vote on this amendment and can tell the farmers of the United States that he tried to hold the line for them, and at the same time advocated a bulge in the line by increasing minimum wages.

Let us deal fairly with all our people, wherever they may be, whatever may be their vocation. Let us not say that those who are engaged in nonfarming employment shall receive all the benefits of increasing incomes, whereas the farmers must be held and pinned down to that which the OPA allowed them in 1942.

Mr. President, I hope the Senate of the United States will, by its vote on this amendment, say to the farmers of the United States, "You are still American citizens; you still have rights, even as other groups have rights," and that the Senate will allow them the increase which this amendment would provide.

We cannot in justice say that we will allow increases in prices in order to add to the incomes of other groups, but that the farmers must be pinned down to the prices obtaining in 1942.

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

Mr. TAFT. Mr. President—

Mr. RUSSELL. I yield first to the Senator from Iowa.

The PRESIDENT pro tempore. The Chair thought that the Senator from Georgia had yielded the floor.

Mr. RUSSELL. I was about to do so; but inasmuch as the Senator from Iowa has asked that I yield to him, I do so at this time.

Mr. HICKENLOOPER. Mr. President, I desire to call the attention of the Senator from Georgia to the rather peculiar situation, as I view it, we face with respect to parity prices.

With accelerated industrial wages and the high floor under industrial wages, the parity formula cannot operate without the so-called Pace bill or the amendment of the Senator from Georgia. In a comparatively free economy it probably would be possible to take advantage of the fluctuations in supply and demand in such a way as to equalize the prices the farmer must pay for what he buys with the prices he receives for the products he sells. However, it seems to me that

at the present time we are attempting to do the following rather peculiar thing: We are attempting to jump up 50 percent, as an irreducible minimum, the industrial wage floor. By any kind of economics, that is bound to be reflected directly in the prices of everything the farmer has to buy in order to conduct his normal farming operations. That also constitutes a 50-percent profit for the industrial workers. By profit, I mean it arbitrarily adds 20 cents an hour to the basic minimum legal income of industrial workers, and that is a profit in anyone's language. It may not be a great profit; I do not mean to say it is an exorbitant profit. But the parity formula, with its fluctuations up and down, contemplates no increase whatsoever in the profit received by the farmer even though the prices of farm products go up in the parity formula. It merely contemplates an adjustment so that the farmer may buy the same binder, although under a different price today, that he could buy yesterday with the prices allowed him for farm products; or so that he may buy, under the adjustment of the parity formula, the same plow today at a higher price which he could buy yesterday at a lower price. The parity formula does not contemplate an adjustment enabling him to buy a plow and a half today as compared to the one plow which he could buy a few years ago on the basis of his buying power at that time.

There will be no increase in the profits of the farmer unless we include the amendment of the Senator from Georgia in connection with the approach to the entire program. Unless we do include the amendment of the Senator from Georgia in the formula, we shall relegate the farmers further into serfdom, further to the mercy of an arbitrary, fluctuating industrial economy which never has, except when the protection of law has been thrown around him, given two whoops in a rain barrel, as we say in Iowa, about the farmer and his economy. If the amendment of the Senator from Georgia is not included in connection with the 50-percent or other percentage increase in the mandatory wage floors provided for industry, our entire farm population will suffer, because it will be pushed farther down in the production economy; and instead of even maintaining itself on what is now a parity basis, it will actually be placed below the contemplation of parity, as the Congress believed it was writing it when it enacted the original parity law.

Let me make another point: In the last several days I have heard a great many statements about what this farm organization says about the Russell amendment and about what some other farm organization says about it. I should like to call the attention of the Senator from Georgia—and I believe he will agree with me; at least, I hope he will—to the fact that the criticisms of the so-called Pace bill or the criticisms of the amendment now offered by the Senator from Georgia were offered by farm groups themselves at a time when the parity formula, as it was written, was sufficiently resilient in an open economy so as to be able to "roll with the

punch," as we may say, and to keep itself equalized with the economic levels of prices, as supply and demand and other conditions would regulate them in a free economy.

Now we are not proposing a free economy. We are proposing a frozen, supported industrial economy, so far as wages are concerned. But without the Russell amendment we would leave the farmer to "roll with the punch," and usually downward in this process, because now he has no protection against an advancing economic wage in industry and must take the price he is given in an open and an unprotected market.

I think that is what the Members of the Senate—whether they come from farm areas or whether they come from city areas—must bear in mind; because, as the Senator from Georgia so aptly stated a few minutes ago, Mr. President, no civilization has very long survived and maintained its integrity when its farm and raw material plant has atrophied from an economic viewpoint. We may well consider that situation. We must protect our agricultural economy, or else the very industrial economy we have heard so much about in the last few days will in itself eventually wither and suffer mightily, because the agricultural and raw material economy upon which any industrial economy must live will have become weakened to the point where it will be virtually in serfdom.

So, Mr. President, I hope that Members of the Senate who heretofore, under different conditions, have been induced to vote against the principles of the amendment offered by the Senator from Georgia will now consider it in the way we are considering it today, namely, upon vastly different economic conditions than those upon which the amendment has ever before been considered by the Congress, except during its consideration 2 or 3 days ago under identical conditions.

Mr. RUSSELL. Mr. President, I wish to thank the Senator from Iowa for his splendid contribution. The argument he has stated is absolutely unanswerable.

In addition to the argument he has made about the changing economy, I am sure he will agree that during the past 6 years we have had the finest seasons for the production of crops that we have had in all our history. We know that the farmer has the longest hours of work and does the hardest work. We know that his income is subject to more hazards in the way of weather and grasshoppers, boll weevils, and other insects which attack his crops than is the income of any other worker. We know that today the farmer constitutes the only group in the United States which does not have the benefit of unemployment compensation. All those factors handicap him. Now, in addition, it is proposed to sell him down the river by some sort of a compromise. I do not believe the Senate of the United States should do it.

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

Mr. RUSSELL. I yield.

Mr. CONNALLY. I assume that the Senator from Georgia has in mind the point that when we help all members of our economy except the farmers by

increasing wages, we not only are lifting up everyone but the farmer, but we are actually pushing the farmer further down than he has been before.

Mr. RUSSELL. Exactly.

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

Mr. RUSSELL. I yield.

Mr. REVERCOMB. I should like to address a question to the Senator from Iowa. I have listened with interest to his able argument in support of his views. Do I correctly understand that he has advanced the argument that the present formula was sound until the 50-percent increase in wages was made?

Mr. HICKENLOOPER. Not exactly. What I mean to say is this: The so-called Pace bill, which has been before the Congress for a number of times, was proposed when the economy as between what the farmer had to buy and sell was more or less an open economy regulated by the law of supply and demand. The proponents of the Pace bill proposed to include as a part of the cost of production a reasonable allowance for wages, such as prevailed in the community, at rates to be established for the time involved in the production of agricultural products. Many very strong farm groups at that time took the position that in an open economy they believed it would be unfair to the rest of the economy to establish arbitrary standards of wage scales for all the hours which go into farm production, because they were afraid it would eliminate industrial ability to purchase, and that various other things would also happen.

However, as between that situation and the one now confronting us, I may say that, if we do not put a floor under industrial wages, I shall vote against the amendment of the Senator from Georgia, because I believe that in the absence of a high floor under industrial wages we would not be justified in including all these elements and contingencies of farm wages in fixing the parity price. But circumstances are now different, and I have consulted with representative members of farm organizations who feel just as I feel. They say, in effect, that, if we are now undertaking to raise industrial wages to a high level, a floor below which we cannot go, which is a 50-percent increase over the present more or less nominal minimum wage, we must, in fairness to the agricultural economy of this country, consider the cost of farm labor which goes into the production of farm products or else, as the Senator from Texas has stated, and as I have pointed out, and as reference was made by the Senator from Florida, we automatically push down farm economy below the position it occupied under an open economy and under the parity formula existing heretofore.

Mr. REVERCOMB. If the parity formula has been satisfactory under the 40-cent minimum-wage level, and that wage level has been raised 50 percent by the Congress, why would it not be fair to include within the parity formula of the farmer a 50-percent factor of the wages which he pays and the wages which he earns for himself?

Mr. HICKENLOOPER. I do not believe that would be fair.

Mr. REVERCOMB. Why would it not follow?

Mr. RUSSELL. Mr. President, I can answer the question. In the proposal before the Senate, the wage of farm labor which would be figured in the parity formula would be only 32 percent, which is considerably less than 50 percent.

Mr. REVERCOMB. If the increase in the floor of industrial wages is to be 50 percent, why add the whole of 100 percent in the formula of the farmer's price?

Mr. RUSSELL. It is not added. Only 32 percent of the parity formula will be considered as being affected by wages. There is reflected only 32 percent of the 100 percent to which the Senator refers. It amounts to less than 50 percent.

Mr. HICKENLOOPER. Parity is made up of a number of elements and a number of calculations. As the Senator from Georgia has aptly pointed out, wages is not a specific item, going in as one element, but it goes into the component parts of several of the elements. I did not know that it was 32 percent, but I will take the Senator's statement on that point.

Mr. RUSSELL. That is the information which I have received from the Bureau of Agricultural Economics.

Mr. HICKENLOOPER. Mr. President, with the highest farm income which agriculture has had in our history—not necessarily the highest price, but the highest farm income which agriculture has had in our history, referring to the years 1942, 1943, 1944, and 1945—the average net return per hour for farm labor after taking out expenses for farm operations, is substantially less than 40 cents. That situation prevails right now when the farmer is supposed to be prosperous.

Mr. REVERCOMB. Mr. President, if the amendment which has been offered by the able Senator from Georgia is adopted, will it raise the price of the farmer's product out of line and beyond the raise of the floor for industrial wages?

Mr. HICKENLOOPER. I do not think it will raise the price of farm products out of line with the floor for industrial wages. It will raise the price of the farmer's product, although it will not, in my opinion, have the effect of maintaining as much of a floor under the farmer's product as would equal the increase in industrial wages.

Mr. RUSSELL. Not even Mr. Bowles or Mr. Anderson can raise the cost of farm products as much as industrial wages have increased since 1941.

Mr. BANKHEAD. Mr. President, I wish to invite the attention of Senators to the fact that by increasing parity in regard to a commodity we do not necessarily increase its price. Parity has no significance except with regard to a ceiling price. Parity does not constitute a floor under prices.

Mr. HICKENLOOPER. The Senator is correct. Conversely, an increased dollar price in parity does not increase the price to the farmer.

Mr. BANKHEAD. That is correct.

Mr. HICKENLOOPER. It merely means that a farmer may buy the same plow which he bought before.

Mr. BANKHEAD. Yes.

Mr. CAPEHART. Mr. President, so far as I am concerned, I shall vote for the Russell amendment. A moment ago I voted for the 60-cent-an-hour amendment, and if given an opportunity to do so, I shall vote for the 65-cent-an-hour amendment, and for another amendment to correct what I consider to be certain inequities in the original bill.

Mr. President, I wish to invite the attention of the Senate to the fact that the farmer is the only businessman or the only individual of whom I know in the United States who, upon buying an article, has the price of such article set for him by someone else, and who, when he has something to sell, likewise has the price set for his article by someone else. I am not so certain but that is one of the reasons for my leaving the farm as a young man. I recall, as a boy, gathering a few old chickens for my mother, driving the horse to town, and seeing my mother walk into the grocery store. She would ask, "How much are you paying today for old hens?" The groceryman would tell her. Then she would say, "How much is calico today? How much is this, that, and the other?" Today we have our great unions which protect the interests of their members. We have set a ceiling of 60 cents an hour for workers who are unorganized. I see no reason in the world why we should not likewise in the case of the parity system do that for which the Russell amendment calls. I hope that the Russell amendment will be adopted. I hope that the 60-cent-an-hour minimum and the 65-cent-an-hour minimum will remain in the bill, that the bill will be passed by both Houses of Congress, and that the President of the United States will sign it, and not veto it, as he has threatened to do.

Mr. REVERCOMB. Mr. President, I wish to address a question to the able Senator from Indiana. Does he think that if the amendment which has been offered by the able Senator from Georgia is agreed to, the parity price will be raised to such a level as to necessitate appropriating for Government subsidies in order to meet the level?

Mr. CAPEHART. Does the Senator refer to a subsidy for the farmer?

Mr. REVERCOMB. Yes.

Mr. CAPEHART. I presume the able Senator from West Virginia is proceeding on the premise that if we pass this bill it will raise farm prices more than the 50 percent which wages have been raised.

Mr. REVERCOMB. I do not know. I am inquiring. I want to be advised.

Mr. CAPEHART. I do not know that I can tell the Senator. I have not figured out the amount to the penny, and I do not know that anyone else has. All I know is that anyone who does not feel that the cost of labor on a farm is an item which should be figured in the cost of producing food in America seems to me to be working on the wrong premise. I was not a Member of the United States Senate or of the Congress when the Agricultural Adjustment Act was passed, but it seems to me farm labor should have been included in the first place.

Mr. TAFT obtained the floor.

Mr. RUSSELL. Mr. President, will the Senator from Ohio yield for one suggestion?

Mr. TAFT. The Senator has had a good deal of time; but I yield to him.

Mr. RUSSELL. I merely wish to state that Mr. Bowles' letter, which was read by the Senator from Florida, in opposition, claimed only that the amendment would raise the price 20 percent. That is the only claim he made. I insist that his figure is far too high, but even Mr. Bowles states it will raise the price only 20 percent.

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

Mr. TAFT. I yield.

Mr. BARKLEY. I rose to ask the Senator to yield to me to suggest that the amendment now pending is the most controversial amendment to be considered, I assume, and that will be voted on in connection with the bill, and I hope we may dispose of it promptly, and dispose of the bill. We have a matter to consider which will take a considerable part of tomorrow, if we have the day free, and I hope we may remain in session today until we can dispose of the bill.

Mr. MAYBANK. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. MAYBANK. I merely wish to say that whatever may happen to the pending amendment, I have a very important amendment which I expect to discuss for some time, and four other Senators are sponsoring the amendment with me.

Mr. BARKLEY. Regardless of that, I still hope we may conclude the consideration of the bill today.

Mr. MAYBANK. I shall be glad to remain here.

Mr. WHERRY. Mr. President, does the Senator from Kentucky mean by his remarks that he would like to have a vote on the bill tonight?

Mr. BARKLEY. Yes.

Mr. WHERRY. On the amendment?

Mr. BARKLEY. On the whole bill.

Mr. WHERRY. The Senator is not objecting to giving time to those who would like to discuss the amendment?

Mr. BARKLEY. No. I am merely asking Senators to remain here and vote on the bill, if possible, before we conclude our session today.

Mr. RUSSELL. I share the hope of the Senator from Kentucky that we may be able to remain here and finish the consideration of the bill.

Mr. PEPPER. We have a good attendance of Senators now, Mr. President, and I think we should continue in session.

Mr. TAFT. Mr. President, I feel that inflation is the greatest danger this country faces today, and I do not think that to the extent anything is inflationary it helps the farmer. In the constant jockeying for position there are arguments that can be made one way or another, and we can figure as we wish, but it seems to me that so long as we can maintain the economy approximately as it is, it should be so maintained.

Let me point out that the increase in the minimum wage, so far as industry is concerned, is only from 55 cents to 60

cents after 9 months. The War Labor Board has fixed 55 cents as the minimum in industries all through the war. So, in answer to what the Senator from Iowa said regarding industrial wages, the bill provides for fixing them only at the end of 9 months, at an increased rate of 5 percent.

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

Mr. TAFT. I should prefer to make a comprehensive statement, and then I shall yield, but if I begin to yield in connection with all these figures throughout, I am afraid it will take all night.

As a matter of fact, Mr. President, there are a number of different comparisons on wages and prices, and they may work out different ways. Ordinarily we go back to the first of January 1941, in making computations. That was the beginning of the Little Steel formula, and it was after some increase in wages and prices.

The wholesale price of farm commodities since that date has increased 72 percent already, without the additional 20 percent. It may be 20 percent, it may be 15, I do not know what it may be.

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

Mr. TAFT. I decline to yield at the moment.

Insofar as the wholesale prices of farm commodities are concerned, the index was 75 on the first of January 1941, and it is now 130, approximately. So that farm prices have increased 72 percent. Let me say that that compares with less than 15 percent increase in the prices of all commodities other than farm commodities. Farm commodities have risen, but other commodities have been rigidly held down, and the total increase has been only 15 percent since the first of January 1941.

As to wages, wage rates have increased. Mr. Murray, of the Bureau of Labor Statistics, is incorrect, I think. Wage rates have increased from 66.4 cents an hour to 95 cents an hour, an increase of 43 percent, plus whatever increase may be brought about by recent increases which are not recorded in the labor statistics.

I estimate, however, that wage rates will have increased approximately 60 percent after the increase of 18½ cents an hour which has been granted by many industries, but is somewhat shaded down and is somewhat balanced by down-grading and other things.

I think it is fair to say that farm prices have increased about 72 percent and wage rates have increased about 60 percent. I think we had better stop there, and I oppose the high-wage rate in the minimum-wage provision, although it is not popular to try to hold it down.

I suggest to those who voted for the Russell amendment that I think the 65 to 75 percent rate was inflationary—that it would increase prices. The 55-60-cent rate will not increase prices and it is not inflationary. It seems to me the farmer himself can well afford to sacrifice something to hold things approximately where they are.

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

Mr. TAFT. I yield to the Senator from Georgia.

Mr. RUSSELL. How does the Senator regard the other wage increases? Would the Senator regard the wage increase of 18½ cents an hour in the steel industry, to \$1.24 an hour, and increasing the price of steel to \$5 a ton, as inflationary?

Mr. TAFT. If the Senator wishes to ask me that question, I will say that I think the most inflationary thing that has been done is the action by the administration in advocating, in effect, a general wage increase of 18½ cents, which was inflationary, and which has increased prices to some extent. But let me point out that the increase in prices will also be reflected somewhat in an increase in the farmer's parity, because those things do affect the prices the farmer pays, and parity has certainly increased throughout the war. To the extent the wage increases are inflationary and produce higher prices there will also be some increase in the farmer's parity.

Let me point out one other thing. Congress has guaranteed the farmer 90 to 95 percent of parity for 2 years after the end of the war. That means for the entire year 1947 and for the entire year 1948. So far as I am concerned, I propose to keep that promise which we have made. Sometimes promises have not been kept, but I think we should keep that promise. Let me suggest, however, that if the farmer is guaranteed those prices, I believe there will be very large farm production. Certainly that was the effect of the guaranteed price for wheat after the last war. The farmer will continue in a very prosperous condition. We do not guarantee the wage earners anything. Many of them might be thrown out of work. There is no guaranty, necessarily, that they will have work. Of course, the farmer has the weather threat, I realize, and he may not get a crop.

Mr. LANGER. He has the grasshoppers and the chinch bugs also.

Mr. TAFT. Today the farmer is not a serf. I think the administration policy has been unduly favorable to the wage earner, but it does not seem to me that the farmer gains anything by pushing up farm prices again, pushing up the cost of living again, resulting in another wage increase, with another increase in the price that the farmer has to pay, and a steadily rising spiral.

The wage earner may have been somewhat favored, but certainly the farmer is way ahead of the businessman. It seems to me the prices of all other products are way down, and have been held down. Many businessmen have been forced out of business. I am in favor of giving the farmer what the commodity is worth. I will vote with the Senator from Georgia to take the price ceiling entirely off cotton and cotton goods. I do not believe prices are going to be any higher when we get through with them than they are at present. I do not think the average consumer's payment for cotton clothing is going to be any greater than it is today. I am willing to take the price ceiling off and let the farmer have the economic price of cotton. But the increase in parity means that the Government will have to pay 90 or 95

percent of the increase. The increase in the parity guaranty by the Government will mean payment by the Government of billions of dollars in addition to raising the price to the consumer, thus starting a steady spiral of inflation.

Mr. President, I am perfectly impartial. I am against increases in wages and I am against increases in prices. The President has said that the increase in the wage level resulted in somewhat of a bulge in the line against inflation. I claim that so far as this bill is concerned we are not making a bulge in the line against inflation because of the increase in the wage level. The effect of the 55- and 60-cent minimum will not in my opinion throw anyone out of work. I do not believe it will result in increased prices. There are no figures to show that it will result in an increase in prices. It merely takes care of the lowest paid workmen there are today in the United States.

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

Mr. TAFT. I yield.

Mr. RUSSELL. The Senator has referred to the fact that there is a guaranty for 2 years after the war of commodity loans at 90 percent of parity. There is no provision in this minimum wage bill that it is to expire at the end of 2 years, and the Senator knows quite well that no Congress would ever repeal it. The Senator knows that once passed it is permanent legislation. I am sure the Senator knows that with the enormous national debt we now have and with the tremendous economic and political power of the labor organizations, the possibility is very remote that there will ever be any reduction in industrial wages. I hope there will not be any. I do not see how we can permit them to recede. But if they do recede there will be unemployment. We have given industrial workers a guaranty that we will dip into the Public Treasury and give them employment at the going wages if there should be any unemployment.

Mr. TAFT. No; the Senator is wrong. The measure I spoke of contains no such guaranty. I objected strenuously to making such a guaranty and that provision was taken out of the bill by the Senate. It was kept out of the bill when it was passed. There is no guaranty of permanent employment in the United States, because there cannot be. There is no way by which it can be done.

Mr. President, I do not wish to take any further time of the Senate. Whether the laborer is a little better off than the farmer or the farmer a little better off than the laborer, it seems to me we should not compound one inflation by putting on another inflation. I believe very strongly, and frankly I will say it now, that if the President vetoes the bill with the 75-cent rate in it and the Pace amendment in it, I certainly cannot do otherwise than approve his action, and I think the people of the country as a whole will approve his action, because with those provisions in it, the measure would simply result in all prices going up for everyone and no one would be any better off than he is today.

Mr. REED. Mr. President, I desire to speak for about 5 minutes on this ques-

tion and take exactly the opposite position to that taken by the Senator from Ohio. It is true that we placed a floor under farm prices for a period of 2 years after the war ends, but that was done in order to secure increased production, and it was the only way to secure an increase of production, and at that it did not increase production enough.

In the First World War the wheat farmer had a floor of \$2.20 a bushel under his wheat price. His parity price at this time, as I recall, is in the neighborhood of \$1.50 or \$1.55. Wages in this country during the present war were at least 50 percent higher than they were during the First World War. Yet, farm prices are less than they were during the First World War.

Mr. President, the Senators who have dealt actively with this question know that I have been one of those who have refused to undertake to change the parity formula. It is not perfect, but, after all, we were getting along with it. What has happened is that everything the farmer uses has increased in price. Wages have gone up, not only as they would naturally have gone up, but by invitation of the administration last September. There has been a constantly inflationary pressure which has increased wages beyond what anyone conceived would be the case.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. REED. I will conclude in a moment. The Senator from Kansas has been sick. He has no business being here this afternoon, but is making an effort to obtain some measure of justice for the people he represents.

Mr. President, who would have thought 12 months ago that we would be faced with such requests for wages that for working 40 hours the take-home pay would be equivalent to the amount the workers received for working 48 hours, including overtime? That is because of the inflationary factors that not only have been permitted but have been invited by the present administration. The pending amendment is inflationary. Of course it is. But are we going to inflate everyone and do nothing for the farmer? I warn my colleagues on this side of the aisle, I warn those who favor free enterprise, I warn those who favor capitalism, that when those who do favor free enterprise and favor capitalism lose the support of the farmers of the country, North, South, and West, then the capitalistic system, the free enterprise system, will collapse. There has been more favoritism displayed here in favor of the wage earner and more prejudice against the farmer than there has been to my knowledge in any period during my public life.

Mr. President, for these reasons, and because I feel it is necessary to obtain the production desired, because it is necessary that justice be done and that the situation be balanced I stand here and support the Russell amendment.

Mr. EASTLAND. Mr. President, the charge has been made that the Russell amendment is inflationary. Nothing is inflationary that returns to the producer merely a reasonable profit, and that is all the amendment attempts to do.

Under the old parity formula the price of farm labor was not included. I submit that there are not 10 percent of the farmers of the United States who do not have to employ labor. Has the price of farm labor gone up? The figures from the Department of Agriculture show that the farmer's labor cost has increased 340 percent since January 1, 1941.

What is the further picture with respect to the farmer? He cannot buy equipment. He cannot buy machinery. He has an old worn-out, broken-down agricultural machine with which to produce the crops. The cost of repairs for that machine, the cost of parts, the cost of maintenance have climbed sky high until today there is practically no profit in agriculture in the United States. There is certainly no profit today for the producers of wheat, cotton, corn, and the other basic agricultural commodities.

I saw a statement made by Mr. Morgenthau a few days ago in which he said that heroic efforts must be made to get the grains from the farms of the West in order that we may meet our commitments to relieve starvation in Europe. Why was it that those grains were not going to market? It was because those commodities were not profitably produced, and because the men who produced them were holding them in an attempt to get a reasonable profit for their production.

Inflationary? There is no inflation in any measure which simply gives a reasonable profit to the producer of any commodity. I submit that because of the additional cost of maintenance, and the increased labor cost—and the official figures show that the increase in the labor cost in the past few years has been 347 percent—there is nothing inflationary in this amendment.

The Senator from Ohio [Mr. TAFT] stated, in order to damn this amendment, that farm prices had increased since January 1, 1941, to the extent of 72 percent. That is true; but the Senator from Ohio forgot that before January 1941 American agriculture was in a depression. I hope that the farmers of this country will never have to return to the conditions of poverty which they faced during the thirties and in the period preceding this war.

Inflationary? There is nothing inflationary about this amendment. It is simply a sincere attempt to give to the agricultural producers of this country a reasonable profit for their labor. It will not permit them to earn a wage comparable with the wages earned in industry. If we were to guarantee a cotton grower 60 cents an hour, the price of his commodity would have to be increased to 60 cents a pound, according to the figures of the Government.

Farmers represent the lowest income group in the country. What are we doing, Mr. President? We are stabilizing our economy at the expense of the farmer. We are grinding him down. We are discriminating against him. We are placing him still lower in the economic level in order to appease and cater to certain industrial groups which are well organized and which desire that their wages be increased, and that the prices of farm products be held down in order

to increase the standard of living of the wage earner, the CIO man, who is well organized and powerful in this Government.

I submit that that is the whole story. There is an attempt to hold down the farmer's income and increase the income of industrial labor, thereby increasing the real wage which goes to the industrial worker.

I submit that the pending amendment should be adopted.

SEVERAL SENATORS. Vote! Vote!

Mr. WHERRY. Mr. President, I am sorry to detain the Senate for a few moments; but at least I should like to state my views for the Record.

I come from an agricultural State. Eighty-five percent of the people whom I represent earn their livelihood from the farm. I know that we have been discussing this measure for many days, but this is the first time I have risen to say a word about any amendment or about the provisions of the bill. Inasmuch as it affects the farmers of the country, I believe that, even though the hour is late, we should thoroughly debate it and have an opportunity to be heard. It is in that spirit that I ask the patience of Senators for a few moments, at least.

The distinguished Senator from Ohio [Mr. TAFT] says that this is an inflationary measure. It is a strange thing that Senators will rise on the floor and talk about inflation when we are trying to do something for the farmer; but at the same time will vote billions of dollars in subsidies to help housing and other projects. If one activity is inflationary, so is the other. I am not saying that such projects are right or wrong. I am against subsidies; but I cannot understand why a Senator should say, because we wish to help the farmer by giving him the increased costs of labor in the parity price, that that is inflationary, and at the same time vote billions of dollars for subsidies for industry. I say that if one is inflationary, so is the other. That does not prove the point at issue in this debate at all.

If it is inflationary, what about it? I have just returned from Nebraska where I have been for 2 weeks. I have called upon many farmers. Senators may submit all the highfalutin statistics they wish, but the practical facts are these: In my section of the country, in Nebraska, farm labor costs have doubled, and in most cases trebled, since 1941. Senators can investigate the truth of that statement in their own States. They will find that farm labor costs have greatly increased, and that farmers are paying the increased wages every Saturday night.

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

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Mississippi?

Mr. WHERRY. I yield.

Mr. EASTLAND. Is it not a fact that the Senator found on his recent trip to Nebraska that the agricultural producers there are not prosperous?

Mr. WHERRY. The agricultural producers are not prosperous, and they cannot be prosperous on the present scale. If we pass this bill and increase the mini-

mum wage the farmer must increase the wages which he pays. That is all there is to it. It is as simple as that two and two make four. The farmers are actually paying the increased wages. They must pay those wages, and I say they should pay them. Men who work on the farm must live in the community, and farm labor is entitled to just as much consideration as is labor in the cities. I am in favor of paying increased wages. I want the farmers to pay them, and I want the farmers to have a chance to pay them.

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

Mr. WHERRY. I yield.

Mr. SHIPSTEAD. Everyone must recognize that the wages of labor in industry add to the cost of the product.

Mr. WHERRY. That is correct.

Mr. SHIPSTEAD. Let anyone go out and see what he can buy farm machinery for now, as compared with prices before the war. There is inflation in the prices of all farm machinery. In the first place, there is scarcity; and if one can find a new machine, he will find that it costs him from 25 to 40 percent more than it cost before the war.

Not only is there an increase in the price of farm machinery, but there is an increase in the price of farm labor. The farmer's costs go up along with everyone else's costs. We are giving to industry the income with which to pay increased wages of labor in industry. The farmer has never been permitted to include the cost of farm labor in the computation of the parity price of his product.

Mr. WHERRY. That is correct.

Mr. SHIPSTEAD. The only way he can remain in business is to employ his wife and children throughout the summer and winter.

Mr. WHERRY. That is correct. I thank the distinguished Senator from Minnesota for his contribution. What he has stated has been the history of farm labor ever since I can remember. Farmers have had to utilize the labor of their wives and children in order to try to make both ends meet on the farm.

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

Mr. WHERRY. I yield.

Mr. LANGER. The Senator knows, too, that every once in a while we give the farmer a little pittance, such as the \$5 an acre for flax last year. As soon as it was thought that there was enough flax, the \$5 was immediately taken off.

Mr. WHERRY. I thank the distinguished Senator. I know from my own experience what he is referring to.

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

Mr. WHERRY. I am glad to yield to my distinguished colleague.

Mr. BUTLER. I think everyone knows that ordinarily when any business is profitable it attracts people. Does my colleague know how the population on the farms has been going down during the past few years?

Mr. WHERRY. That is one of the points which I wish to make, and I thank the distinguished Senator for suggesting it.

If Senators feel that the farmer is so prosperous, and has made so much money, and submit figures showing what the increase has been, and how many mortgages have been paid, if they think it is such a profitable industry, let me ask them, Why is it that we have fewer people on the farms of Nebraska now than we have had since I can remember? Today we have only four Representatives in Congress from Nebraska. When the population of our State was at its highest level we had seven. That is the situation in Nebraska today. If farming is so profitable, why do we not all go into the farming business? Why do we not all take advantage of the great profits to be made on the farm?

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

Mr. WHERRY. I yield.

Mr. REED. I invite attention to the official figures, which show that since 1940, 5,000,000 people have left the farms of this country. In the census of 1945 the farm population was 5,000,000 less than it was in 1940.

Mr. WHERRY. That is correct.

Mr. REED. If agriculture is such a prosperous industry, if everyone engaged in it is making so much money, how does it happen that one-sixth of the farm population in 1940 has moved off the farm and probably gone after higher industrial wages?

Mr. WHERRY. I thank the distinguished Senator for his contribution.

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

Mr. WHERRY. I am glad to yield to the distinguished Senator from Ohio. I am always glad to yield to him, although at times he does not yield to me.

Mr. TAFT. The obvious reason is that the average productivity of the man on the farm has increased manifold, and that farm income and production today are much higher. With fewer people on the farms, the farm income is divided among a smaller number. That is an indication of the prosperity of the farming industry, rather than otherwise.

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

Mr. WHERRY. I yield.

Mr. REED. I beg the indulgence of the Senator from Nebraska so that I may answer the Senator from Ohio.

How in the world can the Senator from Ohio distort logic and reason so as to consider a loss of 5,000,000 people from the farm, leaving the total farm income to be divided among fewer people, as an evidence of prosperity? Yet 5,000,000 people have left the farms. The Senator from Ohio has a peculiar sense of logic if he can find in that situation any reason to support his belief that the farmer enjoys increased prosperity because 5,000,000 people have left the farms.

Mr. WHERRY. I thank the distinguished Senator from Kansas.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. WHERRY. I yield.

Mr. EASTLAND. The Senator from Ohio has said that the fact that there have been fewer people on the farms in the past 5 years shows that the productivity of the farms has increased. The Senator should know that the farmers of

the United States have not been able to buy the machinery he has talked about. That certainly cannot be the reason.

Mr. WHERRY. Mr. President, I wish to cite some accurate figures. These figures are not taken out of a sack. They are figures obtained from operations in which I am interested.

In 1942, the highest price that fed AA steers sold for was \$17.50 a hundred. That was in 1942. At that time a neighbor of mine gave me his labor figures on his farm. I know what ours were.

In 1946, on the 1st of April, we sold a consignment of cattle—out of the same cows, fed the same length of time, with the same rations, by the same men—for less than \$17.50 a hundred. That is the difference between the price in 1942 and the price in 1946. But, Mr. President, today the labor costs are three times as much as they were in 1942. The price of corn has gone up until we cannot even get it at the ceiling price. We are lucky to buy it at any price, if we can get it at all. All the other costs which have gone into that operation have increased to such an extent that today they are not only double, but in some cases triple what they were in 1942. Yet Senators claim that the farmer is prosperous and that the amendment is inflationary, and they argue that they are willing to provide an increase in wages for everyone else except the farmers, but that they will "hold the line" on the farmers, keeping them down almost to serfdom.

Mr. President, I tell you that is discrimination. I am at a loss to understand it. I shall be glad to go along with an increase in wages, certainly. I wish to see everyone paid what his labor is worth. But if there has been any class in the United States that has been underpaid, it is farm labor. The only way we can enable the farmers to obtain the labor they need is by permitting them to put on their products prices which will enable them to buy the things they need in order to operate. That is all they are asking for. The farmer is asking for nothing more than that. He is simply asking that as increases occur—and they are bound to occur when the minimum wage is increased—he shall be allowed to sell his products at prices which will enable him to pay the increased costs.

Mr. President, I have heard Mr. Bowles cite figures time and time again in the committee. But we have found that his figures are unreliable; and I am not even going to pay attention to the figures which come from the Department of Agriculture, because last fall the Department of Agriculture said that the agricultural production of the United States was greater than it had ever been before and that there would be surpluses in agricultural production throughout the United States and throughout the world. However, within 3 months we find that people are starving all over the world, and we find that in this country we shall not produce enough food to feed ourselves. Just think of that situation.

I have given some practical figures. If Senators will go home and will check with the farmers in their States, they will find that what I have said is absolutely true. The farmers' costs have increased. But

the prices they receive for their products have not increased, because they are established under the 1942 ceilings. That is the situation today. The conditions which exist today are not those which existed in 1941 when parity was out of line or out of balance in terms of the prices farmers had to pay for what they purchased in comparison with the prices they received for what they sold.

After all, the only question is whether the proposal is fair. It does not make any difference what the parity price was in 1939 or at some other time. The question is whether today the prices for which the farmer sells his products enable him to buy at comparable prices the things he must have. I wish to say, as a farmer—and my father and uncle before me were farmers—that the facts I have given today are absolutely reliable and true, and that if we are going to provide for an increase in minimum wages, we must permit the farmers to have sufficient increases to enable them to pay the increased costs arising from the comparable, increased wages paid to industrial workers.

I do not see why discrimination should be made against the farmer. Why is not the farmer given the same consideration as that which is given to the laborers in industry?

Mr. President, I should like to say one other thing, and then I shall conclude. There has been a great deal of talk about a compromise. The only fellow who got compromised out of any consideration was the farmer. Certainly if the pending proposal was right last week when it was adopted, it is right now. I am telling the Senate that I shall look with a great deal of interest to those who may vote against the amendment tonight but voted for it before.

I am not going to compromise the farmer out of the picture. I am going to stay here and fight for the farmer, to see to it that he receives justice.

Some say that the President will veto the bill if the pending amendment is adopted. Well, let him veto it. What the President does is his business and his responsibility. What the Senate of the United States does is our business. I am not afraid of what the President will do. If he studies this matter and goes over this bill carefully, certainly he will give to one class the same fair consideration which he gives to another. He is an American. However, regardless of whether he does or does not, that is his responsibility.

The job of the Senate of the United States is to see to it now, this afternoon, that the farmer is not discriminated against, but that he is given the same chance and opportunity that are given to industrial labor, so that he can take care of the labor costs on the farm.

Mr. LUCAS. Mr. President, some time ago I made a speech in the Senate relative to the agricultural problems of the Nation. That speech was based primarily on what I knew about agriculture in Illinois.

Much to my surprise, I received a letter from a farmer far out on the western plains in Montana. I read it into the Record at that time. I believe it is appropriate again to call the attention of

the Senate to what that farmer had to say. I received his letter not very long ago. It reads as follows:

BROCKTON, MONT.

Senator SCOTT W. LUCAS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR LUCAS: I commend very much your recent speech in the Senate. The speech wherein you show that the farmer of today is doing well. That he is in the best financial position that he has ever been in.

I've sold hogs for 2½ cents and cattle for 3 cents. The loss was staggering. The last 3 years the same class of hogs have sold for \$13.45 a hundred. Cattle at \$14.25 a hundred.

I've been able to pay all debts, taxes, gotten bonds, and I've got money in the bank.

I'm a homesteader in eastern Montana, Richland County. Lived continuously on my farm since 1913.

I am, very respectfully,

WILLIAM A. ALEXANDER.

Mr. BALL. Mr. President, I shall be very brief. I have a great deal of sympathy with the objective sought by the Senator from Georgia, which is a revision of the parity formula to bring it up to date. I have very serious doubt whether that would actually be accomplished by the Russell amendment. I think one of the great defects in the formula is that it is based on a relationship between agriculture and industry which existed 30 years ago, and the relationship has changed greatly in the meantime.

The pending amendment appears to be more of a device simply to increase farm ceilings about 20 percent at this time. Insofar as it does that, it is clearly inflationary. I voted for the amendment last week when it was proposed to the Pepper amendment which provided for a minimum wage rate up to 70 and 75 cents. I voted for it on the basis that if it was wrong to have inflation for the benefit of farmers, it was equally wrong to have inflation for the benefit of a certain group in labor, and, if the amendment were incorporated in the bill, I intended to vote against the entire bill when it came to a vote on final passage. The rates in the pending bill are a flat 60 cents an hour to take effect 9 months after the enactment of the law. I do not believe that to be an inflationary rate, and I do not believe the Russell amendment to be sound.

Mr. DONNELL. Mr. President, I appreciate the lateness of the hour, but I consider this matter to be important, and I wish to present some views even at the risk of the presentation being to the slight discomfort of other Members of the Senate.

Mr. President, to my mind there is a great deal of justice in the amendment, or at least in the thought behind the amendment offered by the Senator from Georgia [Mr. RUSSELL]. In my judgment, Senate bill 1349, the minimum-wage bill, will increase to some extent, or at least will have the tendency to increase to some extent, the cost of the commodities which the farmer must buy. In my judgment, the farmer is entitled to some revision in the parity provisions of the law. It appears to me that the Russell amendment sets forth an improper basis on which to provide the protection to which

the farmer is entitled. I think the distinguished Senator from Minnesota, in the few sentences which he uttered, hit the nail precisely on the head when he stated that the Russell amendment goes back to and relates to a period approximately 30 years ago.

Mr. President, as I see it, the fact is that Senate bill 1349 will or may affect the farmers of this Nation in two ways: First, it may increase the price of commodities which the farmer must purchase. In the second place, it is possible that the farmer himself may be required to pay, on the average, somewhat higher rates of wages to his own farm labor than he would be required to pay if the bill should not become law.

Mr. President, the second fact to which I have referred follows not because farm labor is covered in the bill, for in fact it is excluded. However, in some localities farmers are compelled to compete with manufacturing enterprises and other industrial concerns in the acquisition of labor. Therefore, a bill which would raise the minimum guaranteed wage paid to an employee in a plant or in a manufacturing establishment may result in the farmer being compelled to pay somewhat higher wages in order to secure the labor which he must use on his farm.

So, Mr. President, in two respects, first, the possible increase in the price of commodities, and, second, the possible increase in the price of the labor which the farmer himself must employ it is possible that the farmer may be injuriously affected if Senate bill 1349 is enacted into law.

Mr. President, as I see the situation with respect to an increase in the price of commodities which the farmer consumes, the existing law already protects him because section 301 of the act pertaining to parity describes it, in part, as follows:

Parity, as applied to prices for any agricultural commodity, shall be that price for the commodity which will give to the commodity a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of such commodity in the base period.

It is possible that an amendment should be made to the provision which I have suggested so as to bring down the base period of 30 years ago to the period which followed the enactment of the Fair Labor Standards Act. To my mind, the farmers are very largely protected by the definition of parity, so far as the increased price of commodities is concerned. But, Mr. President, there is no protection afforded the farmer under the parity guaranty as it now exists, insofar as the farmer will find it necessary to pay higher wages. However, and I invite attention to the point stated a while ago by the distinguished Senator from West Virginia, we have not found it necessary under the existing Fair Labor Standards Act, which went into effect, I believe, on June 25, 1938, to make any provision for incorporating among the items entering into parity, any consideration of labor. Therefore, Mr. President, it appears to me that the Russell amendment should be changed so that

instead of going back to the cost of farm labor during the period from August 1909 to July 1914, or, as in the case of tobacco, from August 1919 to July 1929, and giving a definition of parity, we should simply return to the parity associated with the period since the Fair Labor Standards Act took effect, namely, June 25, 1938. There should be an amendment which would give to the farmer the excess of his future wage payments over what they were on June 25, 1938.

Mr. President, to my mind the objective of the Senator from Georgia could be achieved by changing the amendment, in line 5, on page 2, after the word "thereof" and the colon, by inserting the following:

And in the case of all commodities which will also reflect current interest payments per acre on farm indebtedness secured by real estate, tax payments per acre on farm real estate, and freight rates, as contrasted with such interest payments, tax payments, and freight rates during the period of August 1909 to July 1914, and as will also reflect such portion of the cost of all farm labor (on the basis of the national average and including hire workers, farm operators, and members of the families of farm operators engaged in work on the farm, computed for all such labor or the basis of wage rates for hired farm labor) as the current cost of such farm labor exceeds the average cost of farm labor during the period between June 25, 1938, and the effective date of this act."

Mr. President, if the amendment of the distinguished Senator from Georgia were modified to the extent which I have suggested, I think it would be logical and would effect, at least in large part, the justice which the Senator desires to secure. I am unable to support his amendment in its present form. I can not vote for it, but I suggest that the principle behind the amendment is, in large part, a correct one, and that farmers are entitled to some protection. I believe that the amendment which I have suggested would afford such protection.

Mr. REED. Mr. President, I wish to correct the logic of the Senator from Ohio, as well as the logic of the Senator from Minnesota. The Senator from Minnesota takes the position that an increase in the minimum wage from 40 to 65 cents would be inflationary, but that an increase in the minimum wage of 50 percent to 60 cents would not be inflationary. I am sorry the Senator is not present. If he were present I should like to call his attention to the grotesque logic of his position.

Mr. AIKEN. Mr. President, I rise merely to make a statement. We need a new parity formula, but we should not undertake to write it tonight. I wish to say that if the amendment offered by the Senator from Georgia, which would include the cost of farm labor in the parity formula, should be agreed to without changing the base period, it would result in a marked increase in price for the wheat and cotton farmers, but it would freeze the dairying, fruit growing, poultry raising and other branches of agriculture in a relatively more unfavorable position in regard to these other crops than the formula which we have today.

My reason for saying this will be found on page 2812 of the CONGRESSIONAL RECORD, which is the RECORD for last Friday.

Mr. REVERCOMB. Mr. President, I do not desire to detain the Senate longer; but I wish very much, in view of the statement which has been made by the Senator from Missouri, that this question would not be voted upon tonight, because while I see in the amendment offered by the Senator from Georgia a principle which appeals to reason, yet the formula contained in it does not address itself to me as sound when we are raising the price of farm products upon a basis going back many years before the base suggested by the Senator from Missouri, that of 1938.

I wish it could be agreed that this matter might go over, that the suggestion made by the Senator from Missouri could be considered by the author of the pending amendment, and that we might take this question up in the morning tomorrow, when we convene, as we must take up other amendments at that time.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL] to the amendment of the Senator from Louisiana [Mr. ELLENDER].

Mr. TAFT and Mr. LANGER demanded the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. WHEELER (when Mr. McCARRAN's name was called). On this question I have a pair with the senior Senator from Nevada [Mr. McCARRAN]. If he were present, he would vote "yea." If I were permitted to vote, I would vote "nay."

The roll call was concluded.

Mr. THOMAS of Utah (after having voted in the negative). On this vote I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the Senator from Alabama [Mr. HILL], who, if present and voting, would vote as I have voted. I, therefore, permit my vote to stand.

Mr. BARKLEY. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from West Virginia [Mr. KILGORE] are absent because of illness.

The Senator from Alabama [Mr. HILL] is absent because of illness in his family.

The Senator from Florida [Mr. ANDREWS], the Senator from North Carolina [Mr. BAILEY], and the Senator from Georgia [Mr. GEORGE] are necessarily absent.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Nevada [Mr. McCARRAN] are detained on official business.

I also announce that on this question the Senator from North Carolina [Mr. BAILEY] is paired with the Senator from West Virginia [Mr. KILGORE]. If present and voting, the Senator from North Carolina [Mr. BAILEY] would vote "yea," and the Senator from West Virginia [Mr. KILGORE] would vote "nay."

I announce further that on this question the Senator from Georgia [Mr. GEORGE] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Georgia [Mr. GEORGE] would vote "yea," and the

Senator from New Mexico [Mr. CHAVEZ] would vote "nay."

I also announce that if present and voting, the Senator from Florida [Mr. ANDREWS] would vote "yea."

Mr. WHERRY. The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness in his family. If present he would vote "yea."

The Senator from New Hampshire [Mr. BRIDGES] is detained on official business.

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

The result was announced—yeas 46, nays 38, as follows:

YEAS—46

Bankhead	Gossett	Radcliffe
Bilbo	Gurney	Reed
Brewster	Hawkes	Russell
Brooks	Hickenlooper	Shipstead
Buck	Hoey	Stanfill
Bushfield	Johnson, Colo.	Stewart
Butler	Johnston, S. C.	Thomas, Okla.
Byrd	Langer	Tydings
Capehart	McClellan	Wherry
Capper	McFarland	White
Carville	McKellar	Wiley
Connally	Maybank	Willis
Cordon	Millikin	Wilson
Eastland	Moore	Young
Ferguson	O'Daniel	
Fulbright	Overton	

NAYS—38

Aiken	Hayden	O'Mahoney
Austin	Huffman	Pepper
Ball	Knowland	Revercomb
Barkley	La Follette	Saltonstall
Briggs	Lucas	Smith
Donnell	McMahon	Taft
Downey	Magnuson	Taylor
Ellender	Mead	Thomas, Utah
Gerry	Mitchell	Tunnell
Green	Morse	Vandenberg
Guffey	Murdock	Wagner
Hart	Murray	Walsh
Hatch	Myers	

NOT VOTING—12

Andrews	George	McCarran
Bailey	Glass	Robertson
Bridges	Hill	Tobey
Chavez	Kilgore	Wheeler

So Mr. RUSSELL's amendment to Mr. ELLENDER's amendment was agreed to.

Mr. THOMAS of Oklahoma. I move that the vote by which the amendment was adopted be reconsidered.

Mr. RUSSELL. I move to lay that motion on the table.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Georgia to lay on the table the motion of the Senator from Oklahoma.

The motion to lay on the table was agreed to.

Mr. MAYBANK. Mr. President, earlier in the evening I suggested to our distinguished leader that I had an amendment which I desired to have considered by the Senate. In view of the fact that the Russell amendment has been adopted overwhelmingly I have no desire to offer my amendment. I wish to say, however, that I should have liked to have the opportunity of saying a few words in behalf of the Russell amendment and in behalf of the farmers and the agricultural population of the Nation. I shall not detain the Senate to do so. The reason I did not speak before was that it was my hope that action on the bill might be taken today.

Mr. MURRAY. Mr. President, I have an amendment on the table which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following new section:

SEC. —. Section 13 (a) of the act is amended by striking out clause (2) thereof and inserting in lieu thereof the following: "(2) any employee employed in any retail or service establishment the greater part of whose selling or servicing is in intrastate commerce and not more than 25 percent of whose gross annual income is derived from the sale of goods to, or the performance of repair and maintenance services upon goods for, other than ultimate consumers to meet personal or household uses, or farmers."

Mr. BALL. Mr. President, a point of order.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BALL. Is not the Ellender-Ball amendment the pending amendment? And is the amendment of the Senator from Montana in order?

The PRESIDENT pro tempore. The amendment offered by the Senator from Montana is an amendment to the Ellender-Ball amendment and is in order.

Mr. MURRAY. Mr. President, my amendment is intended as a clarifying amendment. Under the provisions of the law as they now are it could be construed that a small garage or automobile dealer who happened to sell a truck to a farmer or to a grocery store in the community could be held to be a wholesaler. I have consulted the counsel for the Wage and Hour Section of the Department of Labor, and the amendment has its approval.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. MURRAY. I yield.

Mr. EASTLAND. Would the Senator's amendment exempt farm implement dealers?

Mr. MURRAY. Yes; it would exempt farm-implement dealers, or small repair establishments that may happen to perform services on articles intended for other than personal or household use.

Mr. EASTLAND. I think the Senator's amendment should be adopted.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Montana [Mr. MURRAY] to the Ellender-Ball amendment.

The amendment to the amendment was agreed to.

Mr. RADCLIFFE. Mr. President, I offer an amendment which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 26, line 5, beginning with the word "any", it is proposed to strike out through "\$500,000" in line 8 and insert in lieu thereof the following: "any employee engaged in any retail establishment or service establishment the greater part of whose selling or servicing is in intrastate commerce."

Mr. RADCLIFFE. Mr. President, this amendment is merely a clarifying amendment. If adopted it would not change the present interpretation of the existing law. The point has been raised however that retail establishment or

service establishment really means retail or retail service establishment. The point has not been pressed successfully, that if, we will say a laundry which renders a service to individuals should chance to give some service to a hotel, therefore it might be considered as a wholesaler, and might not be excluded from application. That interpretation however has not been accepted by the courts or by anyone in authority. Since the point has been made that such an interpretation might apply, I now offer an amendment which is really nothing more than a clarifying amendment, and would carry out the law in the manner now intended and so interpreted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maryland [Mr. RADCLIFFE] to the Ellender-Ball amendment.

The amendment to the amendment was agreed to.

Mr. RADCLIFFE subsequently said: Mr. President, the amendment which I offered a short time ago, which was approved, would apply to the pending committee amendment. It should, however, apply instead to the Ellender-Ball amendment which, as I understand, was not before the Senate when I offered my amendment. I ask unanimous consent that the amendment be considered as applying to the Ellender-Ball amendment when before us for action, instead of being applicable to the committee amendment.

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

The question now recurs on agreeing to the so-called Ellender-Ball amendment, as amended, as a substitute for sections 2 to 9, inclusive, as amended, of the committee amendment.

Mr. HOEY. Mr. President, I have an amendment which I wish to offer. I do not know whether it is appropriate that it be considered at this time, but if it is, I should like to have it stated.

The PRESIDENT pro tempore. Is the Senator's amendment an amendment to the Ellender-Ball amendment?

Mr. HOEY. It would be applicable.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 26, before the semicolon in line 20, it is proposed to insert a comma and the following: "or any employee employed as a learner or an apprentice for not to exceed 4,000 hours of employment in connection with the publication of any newspaper with a circulation of less than 10,000."

Mr. HOEY. Mr. President, I should like to modify my amendment by striking out the words "with a circulation of less than 10,000."

The PRESIDING OFFICER. The modification requested by the Senator will be made.

Mr. HOEY. I will state the purpose of the amendment. Presently there is no exemption for learners or apprentices in newspaper businesses. There is a very great demand for such workers. A great many returned soldiers wish to work in newspaper offices. No newspaper can afford to pay a minimum wage of 60 cents an hour, or even 50 cents an hour, for apprentices and learners, for the reason

that the attention of experienced craftsmen who receive more than \$1.50 an hour for their services is required to give instruction to learners and apprentices, and therefore newspapers cannot afford to employ them.

The printing business needs new men. Many men wish to enter that service, but under the law they cannot do so. This amendment would simply exempt learners and apprentices from the minimum-wage requirement during the period of their apprenticeship. The Newspaper Association of the United States especially urges this amendment. It does so particularly because of the smaller weekly, semiweekly, and daily newspapers throughout the United States.

It might be asked, Why could they not operate under the other provisions of the law, which provide for apprentices and learners? The reason is simple. It requires a long time to obtain authority to employ an apprentice or learner. Several weeks must elapse. A petition must be filed, giving the name and all the necessary information; and before the authorization comes through for the employment of such workers they have already obtained jobs somewhere else, because they have become tired of waiting.

This amendment would not do anything except to give newspaper offices the opportunity of employing apprentices and learners to be instructed in their shops and be taught this valuable trade, without the necessity of complying with the minimum-wage provisions.

The PRESIDENT pro tempore. Does the Senator desire to offer his amendment as an amendment to the Ellender-Ball amendment?

Mr. HOEY. Yes, Mr. President.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from North Carolina to the so-called Ellender-Ball amendment as amended.

The amendment to the amendment was agreed to.

Mr. FERGUSON. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. FERGUSON. Would an amendment to the bill itself be in order?

The PRESIDENT pro tempore. An amendment within sections 2 to 9 would be in order.

Mr. FERGUSON. The amendment I have in mind is to section 10.

The PRESIDENT pro tempore. It is not in order at this time.

Mr. CAPEHART. Mr. President, I offer an amendment to the Ellender-Ball amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Indiana to the so-called Ellender-Ball amendment as amended will be stated.

The CHIEF CLERK. At the proper place, it is proposed to insert the following:

SEC. 4. Section 13 of the act is amended by adding at the end thereof the following new subsection:

"(a) No employer shall be deemed to have violated any provision of sections 6 and 7 by using a piece-rate scale to determine the wages of his employees if such piece-rate

scale returns to 85 percent of the employees to whom it is applicable an average hourly wage during a pay-roll period equal to or greater than that required by section 6 or section 7, as the case may be."

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

Mr. CAPEHART. I yield to the Senator from Florida.

Mr. PEPPER. Does the able Senator have any estimate as to how many workers now covered by the act would be removed from coverage by his amendment?

Mr. CAPEHART. Every manufacturer who works his employees 100 percent on piecework would be covered. The only workers who would not be covered would be those working alongside other employees who are working on a piecework basis at from 60 cents to \$1 or more an hour, if they failed or refused to turn out, say, more than 30 cents' worth an hour. The employer would be forced to pay such a worker an additional 30 cents an hour simply because he sat there and refused to make 60 cents an hour on the piecework basis. I took this provision from the Wisconsin law.

Mr. PEPPER. Mr. President, we have already taken out of coverage several classes of workers. We shall not be able to make much progress toward improving the present law if we continue to exempt workers who are already covered.

Mr. CAPEHART. It would work no hardship on the employee to give the employer who is working his people 100 percent on piecework this protection, because if he does not have it he has no way of forcing perhaps half of his workers to do a day's work. On a piecework basis, some of his workers might say, "We will get 60 cents an hour even though we turn out only 30 cents worth." The amendment provides that the piecework rate must return to 85 percent of the employees to whom it is applicable an average hourly wage not less than the minimum. The other 15 percent might be stragglers, or people who refuse to work, and do not care about earning more money.

I believe that the amendment is fair, and that it would work no hardship on the employee. If I thought it would I would not recommend it. I cannot see how an employer can operate a 100-percent piecework factory without a little protection of this kind. Otherwise his workers might lay down on the job, and none of them might turn out 60 cents worth of work an hour. He might be forced to pay a premium or bonus of 30 cents an hour if they were turning out only 30 cents worth of work. It may be said that he could discharge them, but he might be doing that continually.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART] to the so-called Ellender-Ball amendment, as amended.

Mr. MORSE. Mr. President, I wish to speak very briefly in opposition to the pending amendment. I urge the Senate to give much greater consideration to this amendment than I am sure will be given to it tonight. I wish to point out that when we start dealing with piece rates we are dealing with one phase of labor relations which deserves the most

careful consideration of Congress before it enacts legislation upon the subject. Do not forget that it is the employer in industries in which there are very low-paid pieceworkers who sets the piece rate.

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

Mr. MORSE. I yield.

Mr. HATCH. Was this amendment considered by the committee?

Mr. MORSE. The amendment was not considered by the committee.

Mr. HATCH. Were any hearings held on the subject?

Mr. MORSE. Not to my knowledge.

I wish to point out in closing that in my judgment, with such an amendment as this, the employer having the power which he has to fix the rates in piecework shops where employees receive very low pay, would in my judgment obtain an undue advantage over the employees by being allowed the so-called 15-percent leeway. I believe that this is a very unwise amendment.

I also wish to point out that piece workers are entitled to the same minimum wage standards as are applied to all other workers, and I think it most unfair to give to an employer the discretion to deny to 15 percent of his workers the minimum wage of 60 cents an hour provided in this bill. I am frank to say that in my judgment too many employers would abuse such a discretionary power. I strongly urge that the amendment be defeated.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART] to the so-called Ellender-Ball amendment as amended. [Putting the question.] The Chair is in doubt.

Mr. WHERRY. Mr. President, I ask for a division.

On a division the amendment was rejected.

Mr. MITCHELL. Mr. President, I send to the desk an amendment to the Ellender-Ball amendment, and ask that it be stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Washington will be stated.

The CHIEF CLERK. At the proper place it is proposed to insert the following:

Subsection (a) of section 13 of the act is amended by striking out the words "or (3) any employee employed as a seaman" and by inserting at the end of subsection (b) of section 13 the words "or (3) any employee employed as a seaman."

Subsection (m) of section 3 of the act is amended to read as follows:

"(m) 'Wage' paid to any employee, except any seaman, includes the reasonable cost, as determined by the Administrator to the employer of furnishing such employee with board, lodging, or other facilities, if such board, lodging, or other facilities are customarily furnished by such employer to his employee."

Mr. MITCHELL. Mr. President, the proposed amendment would place seamen under the Fair Labor Standards Act as it applies to the minimum wage, but would not place seamen under the act as it applies to overtime. I think the seamen of this country have done a marvelous job in the war effort. They

have done it at a wage which a great people can hardly consider to be adequate or suitable. At the present time they are working long hours, doing a tremendous job. I can see no reason why they should not be protected by the Fair Labor Standards Act as to minimum wages.

Mr. TAFT. Mr. President, there are some six or seven different respects in which the committee bill attempted to remove the exemptions which have existed in the present act. The minority of the committee have felt very strongly that those exemptions should stay as they are. There are various reasons why they were put into the act in the beginning. I think all those reasons are still perfectly good.

This amendment proposes a complication which is rather difficult to judge. Of course, seamen are entirely different from any other class of workers. To some extent they are covered by the LaFollette seamen's bill. It seems to me that if they are to be further regulated, they should be regulated by that bill.

If seamen work in three shifts a day, they must work 56 hours a week, for the work goes on day and night, all week long. The actual question of the minimum wage for them is one which is rather difficult to determine. The attempt of the Senator from Washington is to say that food furnished them cannot be counted in determining their wage. That would place the seamen in a class entirely different from every other class in the United States, because for every other class the Wage Hour Administrator determines what the food is worth, and it can be included in the minimum wage.

If we are to conclude action on this bill tonight and if we are not to debate every one of these attempted exemptions, I think this amendment should be rejected, and that we should return to the exemptions which were stated in the original bill.

Mr. MAGNUSON. Mr. President, I simply wish to point out to the Senate that all the amendment offered by my colleague from Washington does is to put the bill back in the same shape it was in when it came from the committee, insofar as its treatment of seamen is concerned. I understand that the committee recommended that seamen be placed under the minimum wage; but due to the various legislative processes and the Ellender-Ball amendment, the seamen again were left out.

All the amendment does is to concur in the opinion of the majority of the committee, and to place seamen under a minimum wage.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Washington [Mr. MITCHELL] to the Ellender-Ball amendment as amended. [Putting the question.]

The "noes" appear to have it.

Mr. MAGNUSON. I ask for a division.

On a division, the amendment was agreed to.

Mr. HATCH. Mr. President, I desire to propound a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HATCH. Would an amendment to the language of the committee bill, on page 16, beginning in line 19, be in order at this time?

The PRESIDENT pro tempore. Such an amendment would be in order.

Mr. HATCH. Mr. President, I submit an amendment, which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 16, line 19, before the period, it is proposed to insert a semicolon and the following: "but no employer shall be deemed to be engaged in an activity affecting commerce unless such employer (1) has four or more establishments where he is engaged in such activity, or (2) has a total annual volume of business in such activity of \$500,000 or more."

Mr. HATCH. Mr. President, I realize the hour is very late. But the amendment I have just offered is very important. It would affect several hundred thousand employees, who are commonly termed white-collar employees, about whom the Congress of the United States has talked so much, but for whom it has done so little.

It had not been my intention to raise the issue presented by the amendment, especially at this hour of the day and in view of the temper and mind the Senate is now in, because I should like to have the amendment receive most serious consideration.

Mr. President, I am confident that if this amendment is considered and if it is understood, it will be adopted by the Senate. It extends the coverage of the present law. It extends it by using a phrase which I have not liked—namely, the expression "affecting commerce." But in this particular amendment that expression is decidedly limited, so that it would not affect any business or establishment doing less than \$500,000 in total volume of business in any one year. It would also affect activities in which there are four or more establishments in the chain.

In short, Mr. President, this amendment would bring within the minimum-wage law the retail chain stores of the country. That is what it is intended to do. It would do that without doing violence to any other provision of the bill, as it is now before the Senate; but it is not included in the bill or the substitute Ellender-Ball measure.

The reason why I have not offered the amendment before this time is that I was informed that a compromise had been agreed upon, by which the minimum wage fixed at 65 cents an hour in the committee bill would be reduced to 60 cents an hour. That compromise has thus far been carried out and agreed to. But I also understood that as a part of the consideration for the transaction, if I may use that term, the so-called parity amendment would not be included in the bill, and that the bill as it would eventually leave the Senate would not include the farm clause, but would include only the minimum provision as to 60 cents an hour.

Mr. President, I charge no bad faith on the part of anyone. One of those things happened that sometimes do hap-

pen when an effort is made to work out a compromise between 96 men, nearly all of whom have different points of view.

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

Mr. HATCH. I yield.

Mr. TAFT. There was no understanding with regard to the parity amendment except that the whole matter was contingent upon the amendment being rejected. It was assumed that if the amendment were agreed to the bill would be dead in any event. There was no agreement with regard to the amendment. The agreement which was entered into related to provision for a rate of 60 cents an hour in the event the parity amendment was eliminated.

Mr. President, I wish to propound a question to the Senator from New Mexico. The Senator has offered an amendment to a section of the bill which would be stricken out by the Ellender-Ball amendment. If the Ellender-Ball amendment is adopted there will be no words in the bill affecting commerce?

Mr. HATCH. The Senator is correct.

Mr. TAFT. If the Ellender-Ball amendment is agreed to, there will be no need for the Senator's amendment. Am I correct?

Mr. HATCH. I think the Senator is entirely correct. Perhaps the proposal is wasted effort. I am not sure at the present time how I shall vote on the Ellender-Ball amendment. I had intended to vote for it, but very likely I shall vote "no" on it. It is possible that I shall vote "no" on the entire bill.

Mr. President, regardless of what may happen to the Ellender-Ball amendment, this particular amendment is the one which is before the Senate at the present time. The question which Senators are about to vote upon is: Do we want to continue the present inequity of allowing thousands of white collar workers who are employed in the chain stores, to remain without protection under the minimum wage law of the country? That, Mr. President, is the whole question. On that question I ask for the yeas and nays.

The PRESIDENT pro tempore. Is the request sufficiently seconded?

Mr. HATCH. Mr. President, I hope that Senators will agree that the yeas and nays may be had on an amendment of this importance.

Mr. BARKLEY. Mr. President, early in the afternoon I expressed the hope that we might conclude consideration of the pending bill today. I based such hope on the information which I had received that after the vote on the Russell amendment there would not be many other amendments, and that they would not consume much time. I rather fear that at this late hour of the day we may as well recess until tomorrow. There is no way by which we can compel Members of the Senate to remain longer in the Chamber. I think that we might as well recess until tomorrow and vote on the amendment then.

Mr. PEPPER. Mr. President, if I were in the State of Florida I think I might perform some useful function, at least for myself, by keeping a speaking engagement. I do not believe that I could

perform any useful function here, because all that remains of the pending measure is its final interment. During my absence, if a vote should carry disposing of the measure, I merely wish to leave the suggestion that an appropriate hymn to be sung would be In the Sweet Bye and Bye.

Mr. CORDON. Mr. President, I ask unanimous consent to submit an amendment to the pending bill, and request that it be printed and lie on the table.

The PRESIDENT pro tempore. Without objection, the amendment will be received, printed, and lie on the table.

LEAVE OF ABSENCE

Mr. TAFT. Mr. President, I ask unanimous consent to be excused from the session of the Senate tomorrow and, if one is held, on Saturday.

The PRESIDENT pro tempore. Without objection, leave is granted.

RECESS

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

The motion was agreed to; and (at 6 o'clock and 38 minutes p. m.) the Senate took a recess until tomorrow, April 5, 1946, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 4, 1946

The House met at 12 o'clock noon.

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

O Lord, our gracious Father, accept us as we bow before Thee, and in Thy great mercy forgive our infirmities and prepare us for the service of this day. In this moment of prayer, grant that we may pledge ourselves to clean living, to justice and sympathy and good will. O Thou Christ, the holy link between heaven and earth, as the sense of sin is with us, we are most grateful that there is One who will save us from its power. He who suffers from the pangs of ingratitude needs a new heart of forgiveness; he who hates needs a new heart of love; and the one who lives for self needs a new heart of self-surrender. Grant that we may feel the bond of union that unites us to one world, and be found in the ranks of our Lord, giving of our intellect, our wisdom, and our earthly store for the sake of man and for Thy glory. O reveal unto us the secrets of true discipleship, and Thine shall be the praise forever. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate disagrees to the amendments of the House to the bill (S. 1907) entitled "An act to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WALSH,

Mr. TYDINGS, Mr. GERRY, Mr. TOBEY, and Mr. SALTONSTALL to be the conferees on the part of the Senate.

PERMANENT APPOINTMENTS IN THE REGULAR NAVY AND MARINE CORPS

Mr. VINSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1907) to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes insist upon the House amendments and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. VINSON, DREWRY, LYNDON B. JOHNSON, IZAC, COLE of New York, and BATES of Massachusetts.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a eulogy on the late Hon. William F. Shanahan, register of probate of the State of Massachusetts.

Mr. OUTLAND asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Washington Post.

Mr. ROGERS of Florida asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter from the American Veterans Committee, Inc., endorsing terminal leave pay for GI's.

THE LIVESTOCK INDUSTRY IN KANSAS CITY AND ST. LOUIS

Mr. SLAUGHTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. SLAUGHTER. Mr. Speaker, a week ago today I took the floor to report to the House what is happening to the livestock industry in Kansas City and Chicago, where only 10 percent of the cattle are being slaughtered today which were slaughtered a year ago, due to the conflicting and confusing regulations of OPA. Since that time four small packing houses in Kansas City have closed. As a typical example of a small packing plant in St. Louis, I have the figures from the American Packing Co., which in the first 4 days of this week would normally have killed 700 cattle. They were only able to purchase and kill 33 cattle. Unless this condition is remedied and unless the OPA will admit its mistakes in this regard, the time is not far distant when beef will be one of the things of the past.

EXTENSION OF REMARKS

Mr. KEOGH asked and was given permission to extend his remarks in the RECORD and include an address delivered by Rear Adm. Giles G. Stedman upon relinquishing his command at the United States Merchant Marine Academy.

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

RECORD in two instances, in one to include a telegram and in the other a news item.

PERMISSION TO ADDRESS THE HOUSE

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

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

There was no objection.

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

DALE R. FOWLER

Mr. GRIFFITHS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

Mr. GRIFFITHS. Mr. Speaker, when Dale R. Fowler, a junior in Caldwell (Ohio) High School, was inducted into the United States Army this past week, he became the seventh son of Mr. and Mrs. Charles Fowler, of Belford Street, Caldwell, Ohio, to enter the armed services.

Five of his brothers are now at home, all having been discharged after overseas service. They are Homer W., William H., Carl E., Benny F., and John D. Fowler. A sixth brother, David Fowler, is now serving with the occupation forces in Germany.

I take this opportunity to publicly and officially pay tribute to the Fowler family for the great and patriotic contribution they have made and service they have rendered to our country in its time of greatest need.

It is families like the Fowlers who have made America both great and strong. We rejoice that five of their sons have returned home safely and hope the other two may complete their service and return to them safe and sound.

I am sure my colleagues in the Congress join with me in an official expression of gratitude to the Fowlers—mother, father, and seven sons—for their great and unusual service to our beloved country.

FARM HELP

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Speaker, the farm help situation in the farming areas of the Nation is the worst it has ever been. Each and every man or boy who is taken off the farm by the draft during the next 2 months represents approximately 100 acres of land that will not be seeded during this crop year. That is the word that comes to me from my area. I know personally that farms adjacent to mine, including my own, are trying to begin the spring work today with only a half crew. Such a situation

can have only one result and that is, a drop in production.

Mr. Speaker, something should be done immediately toward seeing to it that these boys are left on the farms for the next 2 months in order to try to get these crops into the ground. Schoolboys and businessmen from our villages can help in the summer to harvest the crops but no such help is available in April and May. Farm equipment is almost impossible to buy.

I repeat, Mr. Speaker, the situation is serious and Selective Service should, at the very least, refrain from drafting anybody working on farms until June 1. Farm boys who went to war are not returning as was expected to the farms. Farm help that normally was in our farm belt areas have gone to the higher-paid jobs in industrial centers. It all adds up to one thing—and that is—the production of food, already hampered by strikes in farm equipment plants, will suffer a still further decline. Is it necessary to produce food? If so, labor and farm machinery must be made available. Continued drafting of farm boys, accustomed to working on farms, means less food to spare to the starving peoples of other lands.

EXTENSION OF REMARKS

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

Mr. CHURCH asked and was given permission to revise and extend the remarks he expects to make in the Committee of the Whole or in the House today and include certain compilations and a letter to one of the Government agencies, the subject being red tape of Government agencies.

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

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD and include two quotations and an article.

Mr. HARTLEY asked and was given permission to extend his remarks in the RECORD and include a statement on the subject of price control by J. Howard Pew.

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

Mr. TALBOT asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. SCHWABE of Missouri asked and was given permission to extend his remarks in the RECORD in two instances, and to include in one an article by Samuel B. Pettengill, entitled "Free Prices and Full Employment."

Mr. ARNOLD asked and was given permission to extend his remarks in the RECORD and include an editorial on OPA.

Mr. BUFFETT asked and was given permission to extend his remarks in the RECORD in two instances and to include in one a study by Rogers Dunn.

PETROLEUM INDUSTRY

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. GAVIN. Mr. Speaker, I am glad to see that the Banking and Currency Committee of this House has made a start toward providing for the removal of price controls on commodities and goods whose supply is equal to demand therefor. The amendment to the price act which has been approved needs correction but it is at least an expression of a principle.

My previous remarks on this subject were illustrated by the statement that the petroleum industry is one which is now in the position of adequate supply. The OPA has long since demonstrated that it is not the proper agency to deal with the conditions which exist in this industry.

Other problems of petroleum confront the industry and the American public but they should not be left to any agency with authority to act in the determined manner which the OPA has on petroleum throughout its existence. Oil producers throughout the Nation sought relief in vain. The effect of the OPA policy was to drive hundreds of the producers from the business.

Certainly, this agency is not constituted to deal with one of the critical problems of the oil producers—the problem of the stripper wells. A Federal subsidy has been paid on oil produced by the small wells of the country since August 1, 1944. It was paid under a plan worked out by OPA, which acted under a directive issued by the Director of Economic Stabilization in whose office it originated. Since July 1, 1945, it has been paid by authorization and with appropriations by Congress.

The problem of the stripper wells is an acute one but it will not be solved by OPA. It is a matter of conservation of natural resources and is one of broad policy beyond the scope of a temporary agency, or any one agency for that matter. It will finally be a question for the Congress to decide. Purely as an administrative detail, this subsidy has been tied to price ceilings, but it is essentially unrelated to price control. Whatever conditions and policies are ultimately created to deal with this conservation question can best be created under a free economy.

HAWAIIAN TIDAL WAVE DISASTER

Mr. FARRINGTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the Delegate from Hawaii?

There was no objection.

Mr. FARRINGTON. Mr. Speaker, the people of Hawaii have suffered the worst peacetime disaster in their history.

The tidal wave which struck the north shore of each of the principal islands at 6:45 a. m. on Monday morning, April 1, has been attended by a loss of life and property that is without precedent in Hawaii.

The loss of life probably will exceed 100 persons as 84 are already known to

be dead, and at least 80 more are still missing.

Loss of property apparently will reach staggering figures that includes serious damage to breakwaters, harbor facilities, shipping, railroads, bridges, and highways.

Many buildings have been destroyed. School houses, business establishments, and several thousand private homes were either completely washed away or destroyed.

Five thousand persons are homeless.

The needs for immediate relief apparently are being adequately met by the prompt response of the Red Cross and the cooperation of Army and Navy with officials of the Territorial government.

The Interior Department has been very effective in enlisting the cooperation of all Federal agencies concerned. The response has been extremely gratifying.

Reports now available make it plain that immediate steps should be considered for relief.

I have requested the Disaster Loan Corporation to make its facilities available to the people of the Territory.

I am presenting, in addition, to Congress today a bill authorizing appropriations up to \$50,000,000 for the relief of those who have suffered from this disaster.

I am sure that prompt consideration of this request will go a long way toward encouraging the people of the islands, who suffered so severely in this disaster, to face their losses with new hope and courage.

THIS HAPPENED IN THE GOOD OLD UNITED STATES

Mr. HILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. HILL. Mr. Speaker, the writer of this short article is one of the oldest and most respected newspaper columnists in the State of Colorado. His column is used by a great many daily and weekly papers throughout the State. His reporting is of such a nature that his statements are never doubted. This is not an unusual happening and probably could be duplicated in many communities.

THIS HAPPENED IN THE GOOD OLD UNITED STATES

The author of this column eats his dinner in Kreyer's restaurant. Wednesday evening, Mrs. Kreyer came to our table and asked us if we had eaten salmon for dinner Monday evening. We told her we had. She handed us a nickel and said that the OPA had checked and claimed she charged 5 cents too much for the dinner. She had charged us 55 cents and the OPA told her it should only have been 50 cents. They had ordered her to give a nickel back to 10 customers who had been overcharged. We took the nickel and signed a paper about 16 inches long that had been signed by four other people. She kept on until she got the 10 signatures. Later in the evening, when we went back for a cup of coffee, she said that the OPA had told her she should not have returned the nickel to us but that she should give it to them and they would send us a check for the 5 cents. We offered her the nickel but she

said she had given them the 50 cents. We told her when the check came to us we would endorse it and give it to her. Mr. and Mrs. Kreyer have been in the restaurant business in this city for over 25 years. If they ever overcharged anyone it was not intentional.

PERMISSION TO ADDRESS THE HOUSE

Mr. BENNET of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

[Mr. BENNET of New York addressed the House. His remarks appear in the Appendix.]

HON. ADOLPH J. SABATH

Mr. COX. 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 Georgia?

There was no objection.

Mr. COX. Mr. Speaker, this is the birthday of one of the most extraordinary men I ever knew, a man who loves his country and his party with a passion unexcelled. I refer to none other than our long-time and devoted friend, the gentleman from Illinois, ADOLPH SABATH. As one who has served with him peaceably and also belligerently, yet in genuine appreciation of his deep sincerity, I wish in behalf of his fellows, and in behalf of the country to salute him and wish him many, many happy returns.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

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

Mr. MARTIN of Massachusetts. In behalf of those of us who sit on this side of the aisle, may I say that we join with the gentleman from Georgia in extending our sincere good wishes to the distinguished gentleman from Illinois. While he belabors us frequently, and sometimes we think his partisanship is a little extreme, we are all fond of him and join in this tribute of our regards. I extend my cordial felicitations upon his eightieth birthday and wish for him many years of happiness, good health, and prosperity.

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

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

Mr. MICHENER. As a member of the Committee on Rules, I know the gentleman from Illinois well. I speak with knowledge as to the kind of chairman he is. He has a difficult task and he does it well. I simply want to say amen to that which has been so well said by the gentleman from Georgia. Few men in the Congress are so active and efficient. His accomplishments are only exceeded by his good nature. May he live long and serve well.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

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

Mr. BROWN of Ohio. Mr. Speaker, as a member of the Committee on Rules,

and the youngest member in point of service, I join in the felicitations to our chairman and express the wish that he may be with us another 40 years and enjoy another 80 years of life.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield to the gentleman from Illinois.

Mr. ALLEN of Illinois. As a member of the Committee on Rules also, I join in the splendid tribute that has been given to our distinguished chairman.

Mr. LESINSKI. 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 Michigan?

There was no objection.

Mr. LESINSKI. Mr. Speaker, it certainly gives me great pleasure to join my colleagues in congratulating our friend, the dean of the House of Representatives, our distinguished colleague from Illinois, on his eightieth birthday.

I do not need to tell you that the name of the gentleman from Illinois, ADOLPH J. SABATH, stands always for a good cause, and it is certainly a pleasure and an honor to be associated with a man of his moral integrity.

Being myself born in this great country of ours, but being a son of parents born abroad, I wish to point out that our distinguished friend from Illinois is a living symbol of what America does to people born abroad who became adopted sons of our great democracy. Millions of them have proven that both in peace and in war they know how to work, live, and die for their country. Just as they are proud to point out the names of their heroes fallen in the fight for human freedom and democracy—they point to the name of the gentleman from Illinois, ADOLPH J. SABATH, a staunch fighter for democracy, who has served in this House as a champion of every liberal and progressive cause.

May I once again most sincerely congratulate my friend from Illinois on his eightieth birthday and wish him many, many returns.

Mr. DE LACY. Mr. Speaker, under permission granted me I include the following statement sponsored by American Committee for Protection of Foreign-Born, 23 West Twenty-sixth Street, New York, N. Y.:

HON. ADOLPH J. SABATH,
House Office Building,
Washington, D. C.

We join in extending to you best wishes on the celebration of your eightieth birthday and in paying tribute to your outstanding service as a Member of the House of Representatives for the past 40 years.

We commend your spirit and work as a leader and a fighter for progressive and humanitarian causes on the floor of the Congress of the United States. We respect your independence and vigilance in the cause of the people whom you have so capably represented these past 40 years as a Member of Congress.

We look forward to your continued service in the interest of the people for many years to come. We know that you will always be found fighting on the side of progress and democracy. We wish to express our deep appreciation for your important contributions to the welfare of the American people.

Members of the United States Senate: HARLEY M. KILGORE (West Virginia), WARREN G. MAGNUSON (Washington), JAMES E. MURRAY (Montana), FRANCIS J. MYERS (Pennsylvania), CLAUDE PEPPER (Florida), ROBERT F. WAGNER (New York).

Members of the House of Representatives: SOL BLOOM (New York), MICHAEL J. BRADLEY (Pennsylvania), EMANUEL CELLER (New York), JOHN M. COFFEE (Washington), HUGH DE LACY (Washington), HELEN GAHAGAN DOUGLAS (California), HERMAN P. EBERHARTER (Pennsylvania), WILLIAM J. GALLAGHER (Minnesota), NED R. HEALY (California), THOMAS G. LANE (Massachusetts), VITO MARCANTONIO (New York), ELLIS E. PATTERSON (California), ADAM CLAYTON POWELL (New York), LEO F. RAYFIEL (New York), ALEXANDER J. RESA (Illinois), CHARLES R. SAVAGE (Washington).

Prof. Edith Abbott, Chicago University.
Judge William A. Anderson, Minneapolis.
Russell W. Ballard, director, Hull House, Chicago.

Zlatko Balekovic, president United Committee of South-Slav Americans.

Elmer A. Benson, president, National Citizens Political Action Committee.

Leonard Bernstein, New York.

Mrs. Francis Biddle, Washington, D. C.

Dr. A. A. Brill, New York.

Van Wyck Brooks, Westport, Conn.

Edward Chodorov, New York City.

Dr. Rufus E. Clement, president, Atlanta University, Georgia.

Rabbi J. X. Cohen, the Free Synagogue, New York.

Mrs. John Montgomery Cooper, Washington, D. C.

Rev. Henry Hitt Crane, Detroit.

Jo Davidson, chairman, Independent Citizens Committee of the Arts, Sciences, and Professions.

Dr. Herbert Davis, president, Smith College, Massachusetts.

Prof. Peter Debye, Cornell University, New York.

Judge Luigi De Pasquale, Providence, R. I.
James A. Dombrowski, executive secretary, South Conference for Human Welfare, Nashville, Tenn.

Hugo Ernst, acting president, Hotel and Restaurant Employees International Alliance, AFL.

Howard Fast, New York.

Galen M. Fisher, member, national board, Young Men's Christian Association.

Prof. Joseph Fletcher, Episcopal Theological Seminary, Massachusetts.

Guy Stanton Ford, executive secretary, American Historical Association.

Edmonia W. Grant, American Missionary Association.

Charles C. Haas, president, American Hat Co., Connecticut.

Oscar Hammerstein II, Doylestown, Pa.

Rt. Rev. Henry W. Hobson, Cincinnati, Ohio.

Libby Holman, New York.

Crockett Johnson, Norwalk, Conn.

Robert W. Kenny, president, National Lawyers Guild.

Dr. Alexander Meiklejohn, Berkeley, Calif.

Hon. Fiorello LaGuardia, Director, United Nations Relief and Rehabilitation Administration.

A. A. Liveright, director, American Council on Race Relations.

Joseph Martinek, executive secretary, Czechoslovak National Council of America.

Bernard V. McGroarty, Printing Pressmen's Union, AFL, Cleveland.

Lewis Merrill, president, United Office and Professional Workers, CIO.

Rt. Rev. Walter Mitchell, San Antonio, Tex.

Paul Muni, Hollywood.

Grant W. Oakes, president, United Farm Equipment Workers, CIO.

Judge Patrick H. O'Brien, Detroit.

Judge Nathan D. Perlman, Court of Special Sessions of New York.

Rev. Dr. David de Sola Pool, New York.

Lee Pressman, general counsel, Congress of Industrial Organizations.

Judge George L. Quinl, municipal court, Chicago.

Eleanor Roosevelt.

Carl Sandburg, Harbert, Mich.

William Jay Schieffelin, president, Huguenot Society of America.

Dr. Bela Schick, New York.

Joseph P. Selly, president, American Communications Association, CIO.

Fabien Sevitzy, Indianapolis.

A. E. Stevenson, secretary, Cleveland Industrial Union Council.

Donald Ogden Stewart, Massachusetts.

Judge Edward P. Totten, Minneapolis.

Hon. Henry A. Wallace, Secretary of Commerce.

Courtney Ward, president, Painters District Council No. 6, AFL, Ohio.

Max Weber, Great Neck, N. Y.

Rabbi Jacob J. Weinstein, KAM Temple, Chicago.

Prof. Frank W. Weymouth, president, Palo Alto Teachers Union, AFL.

A. F. Whitney, president, railroad brotherhoods.

Dr. Mary E. Woolley, Westport, N. Y.

Mr. BIEMILLER. Mr. Speaker, it is a great privilege and pleasure to join my colleagues in showering felicitations upon the dean of the House, the distinguished chairman of the Rules Committee, ADOLPH SABATH, on the occasion of his eightieth birthday. For the good of our country I hope he lives another 80 years and continues to serve in this House. His youthful vigor surpasses that of many of us half his age. His devotion to the sound liberal traditions of our country is unquestioned. So long as men of his views and caliber are Members of the Congress I do not fear for the future of the United States. ADOLPH SABATH is a great American and his contribution to tolerance and understanding are of the highest order. I salute him and wish him long and continued good health.

Mr. MAY. Mr. Speaker, it is a source of extreme gratification to me to have the opportunity at this time to speak briefly upon the long career in public life of my distinguished colleague and friend, the able and always obliging chairman of the Rules Committee, the Honorable ADOLPH SABATH. Today he reaches the eightieth milestone along the highway of life. Long and memorable as it has been, he has spent exactly half of it as a Member of this notable and august legislative body. His career as a legislator has been brilliant and useful; his conduct as a public official and Member of this House has never, in the long 40 years he has served here, been questioned or referred to in other than the most laudable and commendable manner. That in itself is commendable enough if I were to utter not another word, but I wish to point out that only a few men as Members of the Congress of the United States, has served 40 years in public life, and none, so far as I know, have ever served that long in the House of Representatives, so the distinguished gentleman from Illinois occupies the unique position, not only of being the dean of the House of Representatives, but the one Member who has served longest as a Member of this body. The gentleman from Illinois, in the course of his long service here, has seen many changes in the economic conditions of our country and many changes in the

legislative trends of the Congress of the United States. He has seen able and distinguished colleagues come and go. He has served, as all of us do, by virtue of the will of his constituents, and from the same congressional district from the beginning of his long service to this happy day. No people in any congressional district know their Congressman any better than the people of the Fifth District of the State of Illinois, and the fact that they have continuously and repeatedly reelected him for 20 consecutive terms emphasizes far more than any words of mine can, his high standing among his neighbors and acquaintances, and with his constituency. It is a tribute to any man that he can continue to succeed himself from the same district for the long number of years that our distinguished friend has been able to do, and finally, Mr. Speaker, with all the arduous and difficult responsibilities of the high office he has held so long, it is a tribute more effective than words that during all this long career of public service there has never been a hint or intimation that he has been influenced in his decisions as a Member of this body by any consideration other than the common welfare of our common country. He is vigorous, robust, and in perfect health at the advanced age of 80, and it is my devout hope, as well as that of all of us, that he may continue his gallant and faithful service here for the remainder of his natural life, and that it may be long and enduring. He is a great statesman, a great patriot and a great American.

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

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SABATH. Mr. Speaker and my colleagues, I have made many wishes in my life, and most of them have come true. There is one wish, however, that has never come true, and that is the wish that I could use words and possess a command of language that would enable me today to better express to you, to each and every one of you, my sincere appreciation of your many kindnesses, your forbearance, and the splendid friendly treatment you have accorded me while I have been a Member of the House of Representatives.

I appreciate more than I can possibly express the graceful sentiments of the gentleman from Georgia [Mr. Cox] with whose views on some matters I differ, and with whom I have come to grips on some issues; but I am grateful that he recognizes my sincerity as I recognize his. And I appreciate equally the kind words by the majority and minority leaders, by members of my own committee, and by many other gentlemen.

I was born abroad. I have seen misery and want. When I came to this country, the hope of being able to improve the conditions of myself and my people, who have suffered so much, rose strong in my breast. I have always had it in my mind that it is my duty, if I should be in a position to help others, to do so to the best of my ability. I have always tried

to do so. I give you my word that the main object of my life has been to help others who need aid and assistance. That is the reason you have so frequently heard me on this floor pleading for those underpaid and oppressed people, always with the view and with the hope that I might, insofar as one man can, help them, and better their condition and improve their lot.

Some Members at times have felt I have been a little too extreme in my expressions. I state to you it was never with the intent to hurt the feelings of anyone; but not having that gift of expression most of you possess, I have had to content myself with words which perhaps did not sound so pleasant to the ears of some at times.

Therefore I hope, in view of your friendly and kindly expressions, if I have at any time said anything that may have offended anyone, I will be forgiven. I assure you that in the future I will try to be a little more guarded; but, nevertheless, I shall continue to express my views and to aid the American people, and especially the common people, the underprivileged, and those who need aid and assistance. It is my fervent hope that we in this House and in the country henceforth will live in peace and in harmony, so that we may set an example to all the peoples of the world, and bring about that peace, happiness, and prosperity for all who have suffered so much for so many years, and who have not been so fortunate as we have been.

I hope that our world cooperation and our help to those downtrodden, suffering, hungry and even starving people abroad will come back to us twofold, and those who come after us can look back with pride and satisfaction at what we have done here and now. We have the opportunity of proving what real brotherly love means.

And so, Mr. Speaker, in conclusion, I must extend to you and to all my colleagues my heartfelt thanks and appreciation, and express the fervent hope that I may be spared to urge and advocate and bring about that unity and understanding which will eliminate all intolerance and fear and discord, so that we may actually achieve happiness, contentment, and prosperity.

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

EXTENSION OF REMARKS

Mr. KOPPLEMANN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the Record and include an editorial from the Washington Post on the most important legislation before the House, the atomic energy legislation.

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

There was no objection.

Mr. VOORHIS of California asked and was given permission to extend his remarks in the Appendix of the Record and include an article and, secondly, to revise and extend the remarks he expects to make in committee today and include some tables.

Mr. DE LACY. Mr. Speaker, I ask unanimous consent that following the remarks of the gentleman from Michigan [Mr. LESINSKI] I be permitted to include in the Record a statement of greetings to the gentleman from Illinois, Hon. ADOLPH J. SABATH, on his eightieth birthday, from 84 distinguished Americans.

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

There was no objection.

Mr. STIGLER asked and was given permission to extend his remarks in the Appendix of the Record and include an oration.

Mr. BIEMILLER. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the Appendix of the Record and include an editorial and also to add my felicitations to those of my colleagues to the Honorable ADOLPH J. SABATH on his eightieth birthday.

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

There was no objection.

THE MEDLEY LINGERS ON

Mr. O'TOOLE. 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 New York?

There was no objection.

Mr. O'TOOLE. Mr. Speaker, since it has become apparent that it is much easier to get out of the District of Columbia jail than it is to get into it, I suggest that the District of Columbia Committee instruct the Commissioners that keys will be given to all prisoners upon their admission. This would eliminate a great deal of the property damage which has been done lately by escaping convicts.

Also, I believe that Chief of Police Callahan should instruct his men to keep their pants on. If they cannot do this, they should be given card lessons so that in the future they might do better in the strip-poker games.

There is a rumor going about that the motto of the jail is "Get all of the boys out by Christmas."

DISTRICT OF COLUMBIA JAIL

Mr. MURPHY. 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 Pennsylvania?

There was no objection.

Mr. MURPHY. Mr. Speaker, I have just listened with interest to the remarks of the distinguished gentleman from New York [Mr. O'TOOLE]. May I say I hope all of the Members in this body will pay more keen interest and attention to the affairs of the District of Columbia.

Our committee had a meeting this morning. We approached this question intelligently. Our distinguished chairman will name a committee this afternoon to go into the entire matter. It is an unfortunate incident. I am sure our committee will find the answer.

EXTENSION OF REMARKS

Mr. WASIELEWSKI asked and was given permission to extend his remarks in the Record in three instances and include in each a newspaper article.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the Record and include a copy of a resolution.

Mr. McDONOUGH asked and was given permission to extend his remarks in the Record on the question of England granting independence to the Trans-Jordan area.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

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

EXTENSION OF REMARKS

Mr. CANFIELD asked and was given permission to extend his remarks in the Appendix of the Record and include a statement on Navy rocket ships.

Mr. CASE of South Dakota asked and was given permission to extend his remarks in the Appendix of the Record and include a statement on Arlington Cemetery.

Mr. HINSHAW asked and was given permission to extend his remarks in the Appendix of the Record and include a statement before the graduating class of the basic officers training school at Quantico, Va.

Mr. MCCORMACK asked and was given permission to extend his remarks in the Appendix of the Record and include an article recently appearing in the Washington Star.

CALL OF THE HOUSE

Mr. ALLEN of Illinois. Mr. Speaker, I make a point of order that no quorum is 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. 75]

Adams	Douglas, Calif.	Luce
Andrews, Ala.	Doyle	Murdock
Baldwin, Md.	Dworshak	Norton
Baldwin, N. Y.	Elliott	O'Brien, Ill.
Bell	Elsasser	Peterson, Fla.
Bender	Engel, Mich.	Poage
Bishop	Fellows	Powell
Bolton	Fernandez	Price, Fla.
Brumbaugh	Fisher	Price, Ill.
Bunker	Gardner	Rains
Byrnes, Wis.	Gearhart	Reece, Tenn.
Cannon, Fla.	Gibson	Rich
Cannon, Mo.	Gifford	Robertson,
Chapman	Halleck	N. Dak.
Chipperfield	Hancock	Roe, N. Y.
Clippinger	Hendricks	Sadowski
Cochran	Jarman	Shafer
Cole, N. Y.	Kean	Sikes
Colmer	Kelley, Pa.	Simpson, Pa.
Courtney	Kerr	Summers, Tex.
Curley	Knutson	Talbot
Dawson	LaFollette	Thom
Domenegeaux	Lanham	Tibbott
Doughton, N. C.	Lea	

The SPEAKER. On this roll call, 360 Members have answered to their names; a quorum.

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

EXTENSION OF REMARKS

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include the legislative program of the Grange. I have an estimate from the Public Printer that it will cost \$130. I ask unanimous consent that the extension may be made notwithstanding the additional cost.

The SPEAKER. Notwithstanding, and without objection, the extension may be made.

There was no objection.

FEDERAL EMPLOYEES' PAY ACT OF 1946

Mr. RANDOLPH. 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. 5939) to increase the rates of compensation of officers and employees of the Federal Government, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 5939, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

Be it enacted, etc.—

SHORT TITLE

SECTION 1. This act may be cited as the "Federal Employees Pay Act of 1946."

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

Mr. Chairman, I ask it not for myself as an individual but as the spokesman for a certain viewpoint which we believe to be right, that my colleagues, insofar as convenient, will give me their attention for the next few minutes.

Yesterday, during the general debate on this legislation, my friend, the gentleman from Kansas [Mr. REES], an able legislator, repeatedly told the members of this committee that the passage of the amendment which he will propose would mean that the low-income bracket employees of this Government would be the individuals who would receive the benefits under the proposal which he would make.

Now, let us look at that contention in the light of the facts. We find that the rates of pay operate from the \$1,200 basic salary on the lower bottom to \$9,000 on the upper level. You will find that under the proposal of the gentleman from Kansas that the \$1,200 basic bracket would receive \$1,740. Under the committee proposal they would receive \$1,706, or approximately \$35 less than that given them under the Rees amendment. But I ask you, within the 1,200,000 persons to be affected by this legislation how many fall within the category? The great plea is made for the lower-bracket workers—the \$1,200 people. There are a little fewer than

25,000 individuals who would receive that increase.

The next bracket is \$1,440. Under the Rees amendment these individuals would receive \$2,023.20. Under the committee bill we would give that group \$2,019.24, or a difference of \$4 in favor of the Rees proposal. How many are in that group? I am informed there are a little over 220,000 persons. So, out of a million, two-hundred-thousand-odd, very close to that figure, the Rees amendment would touch approximately 240,000 or 250,000 employees. I remind you that from there on in the classes of \$1,620, \$1,800, \$2,000, \$2,300, \$2,400—those are the lower-income brackets—the committee bill would give the greater increases. So it is absolutely wrong to stand upon this floor and urge the Members of the House to pass the Rees amendment on the grounds that the persons employed in the Government in the lower brackets are the ones who will receive the merited raises.

I would recall to your minds also that those individuals are the single persons, both men and women, workers who are replaceable in Government, who go from one job to another. It is to these individuals getting \$1,800, \$2,100, \$2,200, \$2,400, \$2,600, \$2,900, \$3,500, \$3,800—those people, the ones who are attempting to make ends meet in the lower brackets and middle brackets and upper brackets that we give the increase to which they are entitled. All workers are properly aided.

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

Mr. RANDOLPH. I yield.

Mr. WHITE. Right on that subject, did the committee give any consideration to these people who are on the pay roll at \$8,000 and who have their wives on the roll for \$4,000 or \$5,000?

Mr. RANDOLPH. The gentleman is referring to people employed in the executive departments?

Mr. WHITE. Yes. It is a general practice here in Washington—Government civil-service employees. I am talking about the practice where a man and his wife are both on the pay roll.

Mr. RANDOLPH. I have no comment to offer except to say that we do know that condition applies in all branches of Government.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

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

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

There was no objection.

Mr. RANDOLPH. I may say that the placing of wives or members of families on the Government pay roll is not confined to the executive branch of the Government; we find it in all branches of our Federal system.

Mr. WHITE. I thank the gentleman.

Mr. RANDOLPH. Some would say that the committee in recommending 18½ percent has gone too high. We

have not done that. The proposal embraced by the President of the United States is for a 20-percent increase, which is higher than our 18½ percent. And let us remember that those individuals who cry out against the raising of salaries in the upper income brackets, that is percentage-wise, should keep in mind that the responsibilities increase—we know it—commensurate with the additional obligations of family, home, and taxes, and other items.

Let me read to you what the President of the United States said in his message sent to the Congress on January 21, 1946, as follows:

The elimination last autumn of overtime work for nearly all Federal employees meant a sharp cut in their incomes. For salaried workers, the blow was softened but by no means offset by the increased rates of pay which had become effective July 1. Further adjustments to compensate for increased living costs are required. Moreover, we have long needed a general upward revision of Federal Government salary scales at all levels in all branches—legislative, judicial, and executive. Too many in Government have had to sacrifice too much in economic advantage to serve the Nation.

Adequate salaries will result in economies and improved efficiency in the conduct of Government business—gains that will far outweigh the immediate costs. I hope the Congress will expedite action on salary legislation for all Federal employees in all branches of the Government. The only exception I would make is in the case of workers whose pay rates are established by wage boards; a blanket adjustment would destroy the system by which their wages are kept aligned with prevailing rates in particular localities. The wage boards should be sensitive now, as they were during the war, to changes in local prevailing wage rates and should make adjustments accordingly.

I hope also that the Congress may see fit to enact legislation for the adequate protection of the health and safety of Federal employees, for their coverage under a system of unemployment compensation, and for their return at Government expense to their homes after separation from wartime service.

That is the President speaking.

In his message of September 6, 1945, the Chief Executive stated:

The most important impediment to obtaining efficient administrative officials in the Federal Government has been the pitiful wage scale. During the war many able and experienced men were obtained for Federal service on purely patriotic grounds. Some of these men who are unable to continue at the present salary scales would be willing to remain at adequate salaries.

In most of the various classifications of Federal employees, the wage scales, with few exceptions, are obsolete and inadequate. This is particularly true of the Federal judiciary.

I sincerely hope that the Congress will take early steps to provide decent wage scales for its Members and for the executive and judicial branches of the Government.

Mr. Chairman, it should be clearly understood that insofar as I shall act in the capacity of chairman of the House Civil Service Committee, and others in that group, that we will oppose crippling, damaging, and unfair amendments which will be offered. In our opinion, we bring to you a bill that is equitable and sound on all fours. We are prepared to fight it through along those lines. If

we lose, we lose; if we win, we win; but, lose or win, we believe we are right.

Mr. REES of Kansas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REES of Kansas: Beginning on line 7, page 1, section 2—

Mr. WHITTINGTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WHITTINGTON. Mr. Chairman, as I understand it, we have not read section 2, and it is not open for amendment at the present time.

The CHAIRMAN. The gentleman is correct.

Mr. WHITTINGTON. I then make the point of order that the amendment is not in order at this time.

The CHAIRMAN. The gentleman is correct and the Chair sustains the point of order.

Mr. REES of Kansas. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I would like to call attention to an amendment that I will submit at the proper time to this legislation. I shall appreciate it if the Members will give most careful consideration to the amendment. I have the highest respect and great regard for the distinguished chairman of my committee. I know that he is sincere. He believes this bill ought to pass in its entirety without amendment. He does not want it changed in any respect. He feels that we ought to allow increases in pay in accordance with the terms of the bill, which, among other things, provides that those in the higher brackets will get a considerably greater amount of money than Members of Congress. In my judgment, it is far out of line.

The CHAIRMAN. Will the gentleman indulge the Chair just a moment? Is the gentleman from Kansas seeking to offer a substitute for the entire pending bill?

Mr. REES of Kansas. Mr. Chairman, I am not. I will offer an amendment to the bill.

The CHAIRMAN. Of course, the bill is being read by sections. If the gentleman is seeking to offer a substitute for the entire pending bill it would be appropriate for him to offer it at the end of section 1, but if he wants to offer amendments to different sections of the bill they should be offered after the reading of each section.

Mr. REES of Kansas. May I say to the Chairman that my amendment begins immediately after the words and figures "section 2 (a)" on the first page, line 7. But it does not take out the entire bill, and, for that reason, it is an amendment.

The CHAIRMAN. It will be offered as an amendment.

Mr. REES of Kansas. That is correct.

The amendment that I shall propose is the one that we discussed yesterday, with the exception of a slight change in one item, and that is, under the proposal I have submitted we apply a 45-percent rate on the first \$1,200, 18 percent from \$1,200 to \$3,400, but eliminate the additional 9 percent allowed in top brackets.

There was considerable criticism yesterday relating to the huge increases that would be granted to those who are now getting high salaries. Of course, my amendment will also limit the salaries of those who receive \$10,000 or more. My amendment, you will observe, will apply the formula to the salaries allowed prior to the passage of the act of July 1, 1945.

The distinguished gentleman from West Virginia [Mr. RANDOLPH] called attention to the question of increases in salary. I am not increasing these salaries in huge amounts above the present bill, but I am giving them, under my amendment, pretty good-sized increases, but not nearly as much as under the pending bill.

The \$1,200 base-pay man, as of last June, under my bill, will get \$1,740. The \$1,440 man will get \$2,023.20. The \$1,620 employee will get \$2,235.60. The \$1,800 man will, under my formula, get \$2,448, and under his formula he will get \$2,488.50.

Let us go down to the \$6,000 men. The \$6,000 man on the base pay a year ago was increased to \$6,650. What are you doing with him in this bill? You are giving him \$7,880.25; my proposal would pay \$7,152.

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

Mr. REES of Kansas. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

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

There was no objection.

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

Mr. REES of Kansas. I yield to the gentleman from Michigan.

Mr. DONDERO. There seems to be considerable confusion in the minds of many Members as to what happens to the total pay now being received, let us say, by the secretaries in the offices of the Members, in that they get 18½ percent increase on that total amount. Do we add 10 percent under the gentleman's amendment on top of that?

Mr. REES of Kansas. My amendment will put the employees in the congressional offices on the same base as other employees. If you have an employee in your office who is now getting \$3,800 he will, under this bill, get \$4,808.

Mr. DONDERO. Take the employees in the departments of the Government. Do they receive under the gentleman's amendment the total amount they now receive plus 18½ and then 10 percent on top of that?

Mr. REES of Kansas. No; they do not.

Mr. DONDERO. Then what is the difference between the gentleman's amendment and the committee bill?

Mr. REES of Kansas. The difference between the amendment the gentleman from Kansas proposes and the committee bill is this: Under the 1945 act, the gentleman will recall, the salaries were increased on a percentage basis of 20, 10, and 5 percent. Under this amendment I propose to go back to that base pay before July 1945 and provide an increase of 45 percent on the first \$1,200, then 18 percent on all amounts up to

\$3,400, and then we take out the 9 percent that is proposed in the Senate bill. In other words, it follows the measure passed by the Senate except in two respects. In place of 36 percent as being the first bracket, I increase that by 9 percent to 45 percent to apply on the lower base pay, and take out the 9 percent that goes to the top base pay.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Referring to the question the gentleman from Michigan [Mr. DONDERO] asked, Is it not true that the 10 percent which was proposed in the committee bill with reference to legislative employees was designed on the theory that legislative employees receive no overtime, and the 10 percent was proposed in lieu of the overtime of the executive branch?

Mr. REES of Kansas. I beg the gentleman's pardon. I thought he was talking about those employed in congressional offices.

Mr. DONDERO. I did inquire about that in the first instance.

Mr. CASE of South Dakota. Let us follow this point through and get it clear. The gentleman proposes to offer an amendment at the end of section 2 (a). Is a separate amendment to be offered later that will deal with legislative employees?

Mr. REES of Kansas. No; there will not be. They are considered in the amendment that will be offered.

Mr. CASE of South Dakota. In the first amendment that the gentleman offers he will take care of the legislative employees as well as change the percentage applicable to the employees in the executive departments?

Mr. REES of Kansas. We provide under this amendment for 10 percent for overtime, just as we do in the present bill.

Mr. CASE of South Dakota. The bill provides for 10 percent overtime for executive branch employees, as the bill is now written. Does the gentleman propose to apply an overtime-pay feature to the legislative employees?

Mr. REES of Kansas. That is correct, 10 percent.

Each officer and employee in or under the legislative branch entitled to the benefits of section 501 of this act shall be paid additional compensation at the rate of 10 percent of the aggregate of the rate of his basic compensation and the rate of additional compensation received by him under section 501 of this act, as amended.

Mr. CASE of South Dakota. Will the language the gentleman has just read be applicable to the employees of the executive branch, or does that apply to the legislative branch?

Mr. REES of Kansas. It applies to employees in the legislative branch.

Mr. CASE of South Dakota. Therefore the gentleman preserves the feature of providing a 10-percent allowance for employees in the legislative branch in lieu of the overtime which is paid to the employees in the executive branch?

Mr. REES of Kansas. That is correct.

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

Mr. REES of Kansas. I yield to the gentleman from Washington.

Mr. JACKSON. In further reference to the question propounded by the gentleman from Michigan to the gentleman from Kansas, I believe the gentleman from Michigan may have been of the opinion that the 10 percent in lieu of overtime also applied to the executive branch. May I make it clear for the purpose of the Record that that merely applies to the employees of the legislative branch of the Government. It does not apply to the employees in the executive branch. It is paid on the theory that the people on the Hill work on Saturdays, as we all know they do, and that they are being paid 10 percent in lieu of actual overtime. If the people working downtown put in 8 hours on Saturday, they do not get 10 percent, they get 30 percent, which is time and a half.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. REES of Kansas. Mr. Chairman, I ask unanimous consent to proceed for two more minutes.

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

There was no objection.

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

Mr. REES of Kansas. I yield to the distinguished gentleman from Wisconsin.

Mr. KEEFE. I would like to get the parliamentary situation cleared up with respect to the amendment which the gentleman proposes to offer. I went to the Clerk's desk and read the amendment which the gentleman indicates he proposes to offer as soon as section 2 of the bill is read. The bill is being read for amendment, as I understand it, by sections. The amendment that the gentleman proposes to offer is not an amendment only to section 2, but is an amendment that carries over, including section 7.

Mr. REES of Kansas. That is correct.

Mr. KEEFE. If at the conclusion of the reading of section 2, the gentleman propose an amendment which is an amendment to all of the succeeding sections down to section 7 and beyond, I am wondering whether or not the gentleman is going to find himself in a parliamentary tangle and find that his amendment must be split up so as to make separate amendments to each section as it is read.

Mr. Chairman, will the gentleman yield so that I may make a parliamentary inquiry concerning that question?

Mr. REES of Kansas. I yield.

The CHAIRMAN. The gentleman will state the parliamentary inquiry.

Mr. KEEFE. May I ask the Chairman, who is familiar with the amendment as it is proposed to be offered by the gentleman from Kansas, must the amendment, if it is to be considered an amendment to various sections of the bill, be offered to each section as the section is read, or can the gentleman from Kansas offer an amendment at the conclusion of the reading of section 2, which in

effect changes subsequent sections in the bill? Must he offer an amendment which will affect each specific section as the section is read?

The CHAIRMAN. The Chair will state that if the gentleman from Kansas offers an amendment to section 2 which applies to other sections of the bill, a point of order can be made against it unless the gentleman secures unanimous consent to have it considered when offered by him, notwithstanding the fact that other sections have not yet been read. If objection should be made to the unanimous-consent request, then amendments would have to be offered to each section of the bill as they are read.

Mr. REES of Kansas. Then, Mr. Chairman, I ask when the bill is read that I may have the unanimous consent of the Committee to submit my amendment in its entirety.

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

Mr. RANDOLPH. Mr. Chairman, reserving the right to object, the point raised by the gentleman from Wisconsin [Mr. KEEFE] is pertinent and was already in the minds of the committee members. We were going to make the point that the amendment of the gentleman from Kansas [Mr. REES] referred to covered sections which had not been read, and for that reason would make a point of order against the amendment as drafted. We realize the issue which has been drawn. There is no desire to get into a parliamentary snarl. I personally have no objection to the request of the gentleman from Kansas because the question is a basic one. The line is clean-cut between the two philosophies. I shall not object.

Mr. TARVER. Mr. Chairman, reserving the right to object, there will be perfecting amendments offered to the sections which the gentleman from Kansas by his amendment proposes to strike. I think those perfecting amendments will raise an issue here upon which the House will desire to pass. They propose to substitute a \$400 across-the-board raise for the raise proposed either in the amendment of the gentleman from Kansas or in the committee bill. For that reason, I think it is necessary that these sections be considered one at a time. Therefore, Mr. Chairman, I object to the request of the gentleman from Kansas.

Mr. REES of Kansas. Mr. Chairman, if the gentleman from Georgia will withhold his objection, may I say that the question involved here is whether we are going to consider the committee bill or the proposal submitted by the gentleman from Kansas or the proposal that will probably be submitted by the gentleman from Georgia or someone else with respect to the \$400 proposal. I am just asking the gentleman would it not be agreeable, after the gentleman from Kansas has submitted his amendment, if he desires to do so, then he could submit a substitute for the amendment offered by the gentleman from Kansas. It seems to me that would be the proper way.

Mr. TARVER. If the gentleman will couple with his request the further request that perfecting amendments to all of the seven sections be considered and

acted upon by the Committee of the Whole before his substitute for those sections is voted upon, I would have no objection to the request.

Mr. REES of Kansas. Mr. Chairman, I have no objection.

The CHAIRMAN. Does the gentleman desire to modify his request?

Mr. REES of Kansas. Yes, Mr. Chairman. I will modify the unanimous-consent request accordingly.

The CHAIRMAN. Is there objection to the modified unanimous-consent request of the gentleman from Kansas?

Mr. HERTER. Reserving the right to object, Mr. Chairman, the amendment being offered by the gentleman from Kansas [Mr. REES], as I understand it, contains two substantially different proposals. The first has to do with the sliding scale of pay to the substitute for the fixed pay. The second proposal, which appears at the end, makes this bill non-applicable to anyone receiving \$10,000, or to statutory salaries. Those are two entirely separate proposals. I am wondering if the gentleman would be willing to make his unanimous-consent request to have those sections that deal with the sliding scale of pay substitution as one, and the other proposals as a separate amendment.

Mr. REES of Kansas. Mr. Chairman, I modify my request further, that my amendment with respect to the \$10,000 limitation not be included in the present amendment. I will submit that proposal in a separate amendment.

The CHAIRMAN. Is there objection to the further modified unanimous-consent request of the gentleman from Kansas?

Mr. CASE of South Dakota. Reserving the right to object, Mr. Chairman, I should like to ask the gentleman from Kansas whether or not in his amendment as it is pending it includes a complete substitution for all of the remaining sections in the bill after section 2.

Mr. REES of Kansas. It does not.

Mr. CASE of South Dakota. How far does it go?

Mr. REES of Kansas. Down to and including section 6. It did include section 7.

Mr. CASE of South Dakota. It occurred to me that it would be in order for the gentleman to have offered the amendment as a substitute for the bill, and add to this amendment the remaining sections of the bill, or that he might consider offering a new section following section 2, which would be a part of his original amendment. It might be that the best solution is that suggested by the gentleman from Massachusetts [Mr. HERTER], one amendment raising the issue on the sliding scale of pay, and a separate amendment raising the issue on the \$10,000 limitation.

Mr. REES of Kansas. In my opinion, we should decide the particular issue now, but it will come in a separate amendment.

Mr. KEEFE. Mr. Chairman, reserving the right to object, may I have the proposal of the gentleman from Kansas stated, so that we may know what this unanimous-consent request really is. With the additional addenda and amendments that have been offered, I

am certain I do not know just what the unanimous-consent request now is.

The CHAIRMAN. The Chair will make an honest effort to state it. The gentleman from Kansas [Mr. REES] asked unanimous consent to offer his amendment after the reading of section 2, although it affects several other sections of the pending bill, with the understanding that the gentleman from Georgia [Mr. TARVER] may offer perfecting amendments to those sections, and that they shall be acted upon before action on the amendment offered by the gentleman from Kansas [Mr. REES].

Mr. TARVER. Mr. Chairman, I shall not personally offer the amendments. They will be offered by another Member.

The CHAIRMAN. That type of amendment mentioned by the gentleman from Georgia shall be in order and shall be acted upon before action on the Rees amendment. And further that that part of the Rees amendment relating to the removal of salary ceilings shall be considered separately.

Mr. KEEFE. That states it clearly.

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

There was no objection.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I believe it is a very fine idea that we have clarified the issue by the unanimous-consent request that has just been agreed to, because that will enable the two theories involved to be brought before the Committee of the Whole: One, the bill as reported out by a large majority of the members of the committee; and, two, as advocated by the gentleman from Kansas [Mr. REES]. I have just a few observations to make as to what I think and hope the course taken by the Committee of the Whole and later by the House will be.

It seems to me that the amendment offered by the gentleman from Kansas [Mr. REES], as we look at the over-all picture, does not go as far as the conditions and circumstances warrant. We have a situation where the committee has considered this for a long period of time. We have a bill that came over from the Senate which I think most Members feel as amended in the Senate was, as applied to the over-all picture, entirely inadequate. We have this bill before us reported out, as I remember, by a vote of 14 to 3. If I am mistaken in that, I wish to be corrected. On a bill of this kind that is a pretty convincing majority, and from that vote it is apparent that members on both sides of the Committee on the Civil Service to the number of 14 favored the bill as reported out.

The argument that some employees of the executive branch of the Government will receive a salary larger than Members of Congress if the bill as reported by the committee is passed does not impress me as a fair one or a sound one. Certainly I am not going to vote against any increase in salary for any man because that person, as the result of my vote, if I think he is entitled to it, will get a salary larger than I am receiving. As far as I am concerned I am prepared to vote to increase the salaries of Members of Congress to \$20,000 a year.

I voted for the retirement bill; I voted against the repeal; I voted for the rule to consider it the last time. As a member of the Massachusetts Legislature on two occasions I had an opportunity to vote for an increase of my salary, and on two occasions I voted for it. I feel that Members of Congress are inadequately paid, and while I recognize that the \$20,000 a year salary that I personally would vote for probably will not go through, I do not see any reason why Members of Congress should have any hesitancy in voting a substantial increase for themselves. I am prepared to do it. I voted for the \$2,500 expense account and spoke for it. I am willing to assume the full responsibility to the people of my district; I have no apologies to offer. So I would not vote against someone else getting a higher salary than I if I felt they were entitled to it, just because I am not getting more than \$10,000, because that is within the control of a majority of this body and a majority of the other body to take care of.

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

Mr. McCORMACK. I yield.

Mr. RANDOLPH. As far as the so-called \$10,000 ceiling is concerned, this House has allowed more than \$10,000 to be paid to certain of its legislative employees. This House has allowed certain individuals within the Veterans' Administration to receive more than \$10,000; this House by its action in connection with the postal pay increase bill has ratified, in effect, salaries above \$10,000 because literally a score of postmasters are receiving far in excess of \$10,000 and would receive the increases. So that in at least three categories, a ceiling which some say has never before been broken has, by the action of this Congress, been raised.

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

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

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

There was no objection.

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

Mr. McCORMACK. I yield to the gentleman from Illinois.

Mr. MASON. I want to correct the statement that there are scores of postmasters receiving \$10,000 or more. There are not scores of postmasters receiving \$10,000 or more. There are only two postmasters in the United States, as I understand it, who receive \$12,000.

Mr. McCORMACK. The basic statement made by the gentleman from West Virginia is confirmed by my friend when he says there are some in the executive branch who get more than \$10,000 a year.

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

Mr. McCORMACK. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I note this bill is one to increase the rates of compensation of officers and employees of the Federal Government, and for other purposes. Do I

understand the distinguished majority leader is going to offer an amendment to this bill to increase the compensation of Members of Congress?

Mr. McCORMACK. No; I have no intention of so doing, but the gentleman from Massachusetts would have no hesitancy, I may say, in supporting it.

Mr. KEEFE. It could be done to this bill; could it not?

Mr. McCORMACK. I may say that we have one of the greatest parliamentarians in the chair who ever sat in this body, the gentleman from Tennessee [Mr. COOPER], and I would say that if anyone raised a point of order against such an amendment a very powerful argument on the germaneness of the amendment could be made.

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

Mr. McCORMACK. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. The matter of an increase in the payment to Members of Congress is not, under our parliamentary situation, referred to the Civil Service Committee of the House; therefore, we could not deal with it directly. That goes to another committee. An amendment, if offered to this bill, would not be germane, I am informed.

Mr. McCORMACK. The gentleman from Wisconsin did not raise that question. We have a bill before us, and he asked the question as to whether or not in substance an amendment would be in order. Of course, the character of the bill before the House would determine that. I said that if a point of order were raised against such an amendment, a powerful argument in favor of its germaneness could be made.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

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

Mr. CASE of South Dakota. Section 502 of the bill carried on page 4 says:

Each officer and employee in or under the legislative branch entitled to the benefits of section 501 of this act shall be paid additional compensation at the rate of 10 percent—

And so forth. It occurs to me an amendment is always in order to strike, and if the language were stricken, "entitled to the benefits of section 501 of this act," then the language of the bill would be "each officer and employee in or under the legislative branch shall be paid additional compensation at the rate of 10 percent," and so forth.

May I ask the gentleman whether or not a Member of Congress is an officer in the legislative branch?

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

Mr. McCORMACK. I yield to the gentleman from Washington.

Mr. JACKSON. The answer to the gentleman's question is that employees of Congress are specifically exempted under the provisions of the Employees' Pay Act of 1945.

Mr. McCORMACK. Mr. Chairman, there is one closing observation I want to make and that is in connection with the salary of Members of Congress. I think we ought to face the situation squarely ourselves on a bill brought in

here confined to ourselves. Let us vote for an increase in salary on that straight issue. So that whether or not an amendment would be germane to this bill, I feel it would be inadvisable and unwise to have the question injected into this matter. We ought to meet it squarely and head-on by having a bill introduced. If it is reported out by a committee, I shall bring it up as quickly as possible, with that one question only involved.

There is one further thought I want to leave with the Members. The Rees amendment, to me, seems to be too low, as we look at the over-all picture. I think the wise thing for us to do is to support the committee report. The bill will then go to conference. When this bill goes to conference there will be disagreement to the provisions of the bill as passed by the House and the bill as passed by the Senate, and there will be plenty of leeway for the conferees of both branches to get together and adjust the differences in a fair and equitable way and in a manner that will probably be more satisfactory than if we adopt the Rees amendment, and then send the bill as amended to conference with the Senate amendment, which is too low. The Rees amendment in the middle brackets is entirely too low.

On that broad question, feeling that the committee has done a fine job on the whole, and that it is going to conference, and that there is broad latitude for the conferees to pass upon any differences, I hope that the Rees amendment will be defeated.

Mr. BENNET of New York. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I want to address myself to three subjects in which I think the Members are interested. In the first place, everybody, I think, is more interested, generally speaking, in the lower-paid employees than in the higher-paid ones. I do not want to go into a lot of detail, since there has been some reference made to it already, but I wish everybody would look at the table on page 10 of the report, and you will see that the Committee on the Civil Service in bringing this bill to the House has made an effort to do the very thing you want to do, and that is to reward the lower-paid employees. You will see that there were larger increases provided for the lower brackets than for the higher ones to cope with living increases as reported by the Bureau of Labor Statistics. If you will do that, it will do more good than a long speech by me on that subject. You can look at any grade you want and see the percentage increase and determine for yourselves whether or not justice is done.

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

Mr. BENNET of New York. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. But it refers to percentages and not dollars and cents, does it not?

Mr. BENNET of New York. It refers to both. It gives both figures. If you look at the higher brackets, you will see that this proposed bill provides increases in the higher brackets of 27½ percent, or thereabouts, a good deal less than the increased cost of living.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BENNET of New York. I yield to the gentleman from Missouri.

Mr. COLE of Missouri. I notice that those whose base pay is now \$9,000 per annum would under this bill draw \$11,613. That amounts to an increase of \$2,613 a year.

Mr. BENNET of New York. That is correct.

Mr. COLE of Missouri. I understand that there will be an amendment offered to increase all Federal employees' salaries \$400 per year. I would like to ask the gentleman if \$400 will not buy as many groceries for the man whose basic pay is \$9,000 as it will for the worker whose basic pay is \$1,200?

Mr. BENNET of New York. I suppose the only answer to that question is "Yes." If you go to a grocery store, \$400 will buy the same amount of groceries.

Mr. COLE of Missouri. Then why would not a \$400 increase be sufficient?

Mr. BENNET of New York. I do not think that that is a proper approach to this question. Even the gentleman from Kansas does not suggest that. He suggests a graduated pay scale here which he thinks would be better than a flat increase across the board.

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

Mr. BENNET of New York. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. May I call attention to the fact that the \$400 across the board is inequitable, but in the total cost it would run approximately what the committee bill would cost, approximately \$400,000,000, so there is no saving, and it is an inequitable adjustment of the salaries.

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

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

Mr. MASON. If it is an inequitable adjustment of salaries, why did three hundred and eighty-some odd Members of the House day before yesterday vote for an inequitable adjustment of salaries and only one vote "no"?

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

Mr. BENNET of New York. I yield to the gentleman from Washington.

Mr. JACKSON. I believe I can answer the gentleman from Illinois by saying that the \$400 formula obviously was equitable for the postal employees because most of them are in one group. They are mostly mail carriers and clerks. Here we are dealing with people receiving all the way from \$900 to \$10,000. It is an entirely different situation than we have presented in the postal employees pay bill.

Mr. MASON. The postal employees pay bill dealt with people in all brackets from \$1,500 up to \$10,000.

Mr. JACKSON. The gentleman knows that, taking any post office in any community in the country, there are not very many in that post office that make more than \$2,700—very, very few. Of course, there are postmasters that are getting more than \$10,000 a year now, and we called that to the attention of the House,

Mr. BENNET of New York. The distinguished majority leader stole a good deal of my thunder unintentionally, not knowing what I was going to say. I want to dwell briefly on the point he raised. I dislike to see injected into this debate the question of what Members of Congress are paid or what the Doorkeeper is paid. We have both these matters under our control. If it is fair to raise other employees, that is the only basis on which we should determine this bill, not what we are paying ourselves. I bring up the question of the Doorkeeper's salary because I know there is some interest in it. It is reported in this morning's newspaper under the heading "The Answer to the \$64 Question." With your permission, I will read it. It is very brief:

Would that 18.5 percent Government pay-rise bill give the House Doorkeeper more pay than a \$10,000 Congressman?

Yesterday House Members were told that it would. However, the House Disbursing Office says it wouldn't. Doorkeeper Ralph R. Roberts now gets \$6,939.96 per year. Under the pay bill, he would get an extra \$375 in lieu of overtime pay, with the 18.5 percent in addition. Total pay, \$8,668.23.

On the other hand, there's the House reading clerk. He now gets \$8,370. Add an extra \$518 for overtime, plus 18.5 percent, and you make a lot of Congressmen smoking mad.

That is what the newspaper said.

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

Mr. BENNET of New York. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

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

There was no objection.

Mr. BENNET of New York. Mr. Chairman, we fixed the Doorkeeper's salary, we fixed the salary of the reading clerks, we fixed the other legislative salaries when we passed the pay bill. If these salaries were fair when we fixed them—and I think they were—then just adding on an increase to take care of the cost of living in the meantime is also fair. That element should not be injected into the situation.

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

Mr. BENNET of New York. I yield.

Mr. JACKSON. Is it not true that the Committee on the Civil Service has no jurisdiction over the salaries of the employees the gentleman has mentioned? Is it not further true that those people are covered in the legislative appropriation bill and some of the salary provisions were amended on the floor of the House and some in committee?

Mr. BENNET of New York. I remember one of the first things I did as a Member of Congress was to vote for the bill to which the gentleman refers. I will say I did not know much about the items that went into it, but I voted for the bill.

Mr. MASON. The gentleman's committee took jurisdiction over the legislative salaries by including them in this bill.

Mr. BENNET of New York. If the gentleman wants to make a point of order he may do so.

Mr. JACKSON. The committee never took jurisdiction over a change in the

basic salaries of those people. It simply applies the percentages. The basic salaries are fixed by the Legislative Appropriations Subcommittee and by the Committee on Accounts. I think we ought to be fair about it and not try to confuse the issue.

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

Mr. BENNET of New York. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I want to be corrected, and I ask the attention of my friend the gentleman from Illinois [Mr. MASON]. Instead of a score of postmasters, as I said, it should have been 13. There are 13, and that is a figure higher than the gentleman presented; so we are both in error.

Mr. MASON. No; I beg the gentleman's pardon but I have to differ with him. I did not say there were only two at \$10,000, I said two with \$12,000, and it was fewer than twoscore that received \$10,000. So I am still correct, according to my interpretation.

Mr. RANDOLPH. I think 13 is a little closer to 20 than 2 is to 13.

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

Mr. BENNET of New York. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BENNET of New York. Mr. Chairman, I would like to conclude my statement by saying that, like the majority leader, I voted for the expense account last year. I am glad I did. I certainly have no apologies for it. I believe that this body, practically the board of directors of the biggest business in the world, should be more adequately compensated. I believe if we stood up on our hind legs and said so and brought in a bill to pay what the majority of the Members felt is adequate compensation, we would be applauded by the people whose respect we want, and those are the intelligent people of our districts; and in my district, and I am sure in your districts, they constitute the majority.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BENNET of New York. I yield.

Mr. COLE of Missouri. Did the gentleman say that to the voters of his district when he first ran for office?

Mr. BENNET of New York. That question did not come up and, if it had, I can tell the gentleman that I would have told them that I would vote for an increase in salary. I am saying it now, and I am going to run for reelection this fall.

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

Mr. Chairman, I have worked all my life in the lower-paid brackets. I have worked as a white-collar man and I have worked where I got calluses on my hands. In both categories I have worked in some places where I knew more than the man who was directing my services. There is nothing more unpleasant that takes the ambition out of persons and keeps them from doing their best than

incompetent overseers. As a man who tries to look out after the interests of the common man and the people in the smaller brackets, I want to say there is nothing more essential for pleasant working conditions and for the development of ambition to advance than capable overseers and directors. It is just as much to the interest of the worker to see that competent men are placed over him in directing his services so that his talents can be used and so that he will have a chance to advance as it is for him to get a raise. We know times are pretty good in this country. The war is over. Before the war, competent men were taken from the Government on account of inadequate salaries. Now we have as scientists and directors of personnel some of the ablest men the Government has ever employed. I hope we do not lose them and thus lose efficiency in government and make it so that the common, ordinary employee of the Government does not have a chance to advance because his talents cannot be judged properly by incompetent superiors. I am for the bill as written.

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

Mr. TARVER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I am a Democrat of the horse-and-buggy days. I am rather proud of that fact. I believe that the only way to economize is to economize. I regret that more people in this country are not in accord with that principle.

Until last year I voted consistently against increasing the salaries of anybody connected with the Federal Government. I was one of four Members of this House who voted against a bill, passed 2 years or more ago, which proposed to give an increase in salary to the employees of the Post Office Department. Yet I have realized that, with the increases which have come about in the cost of living, the Congress can no longer ignore the right, especially the right of the lower-paid employees, not only in the Post Office Department but in other departments of the Federal Government, to an increase in pay which will afford them at least the same type of living that they had before the present inflationary trend began. I realize further that if this trend continues—and as far as I can see there is nothing in the wind to stop it—there must be further increases in salaries for these lower-paid employees of the Government, whether in the postal or other service of the Government within the not-distant future.

The thing I want to try to impress upon you is that if you enact either the pending bill or the substitute provisions which will be proposed by the gentleman from Kansas [Mr. REES], you will have departed from the pattern which you laid down in the passage of the bill 2 days ago for the benefit of the employees of the Post Office Department. I know it is said by the gentleman from Washington [Mr. JACKSON] and others that the other Federal employees not in the postal service received an increase in pay last year which was out of proportion to the increase in pay accorded to the employees of the postal service. But presumably

the Congress last year in enacting those two items of legislation, the one dealing with the Post Office Department and the one dealing with the other branches of the Federal service, did what it thought was the right and fair thing to do as affecting all these various types of employees of the Government. So that when you go along as you did 2 days ago—and I helped do it—and pass a bill which provides for giving a straight-across-the-board increase to all employees of the Post Office Department, without regard to the salary which they now may be receiving, and then come in 2 days later and undertake to adopt a system of increases for the employees of other branches of the Federal Government which begins with increases of about \$270, or some similar amount, and increases to perhaps \$1,850 or \$2,000 to those in the higher-paid brackets, you are, in my judgment, inconsistent, and you are making fish of one and fowl of the other. I think we should apply a straightedge to legislation of this type, and that those who are in the other branches of the Government ought to be given exactly the same type of treatment which we have accorded those who are employed by the Post Office Department.

The primary reason for giving increases in salaries to anybody is to enable them to defray the increased cost of living. A man who is making a salary of nine or ten thousand dollars a year is not suffering as far as his ability to meet the increased cost of living is concerned. The man who is suffering is the fellow in the lower grades, the man making \$1,200 or \$1,500 or \$2,000 a year. He is the man who is having difficulty in meeting his living obligations in these days of high prices. Any legislation which we may pass ought to be enacted for his benefit. It was for that reason that while I might have differed with the recommendation of the Committee on the Post Office and Post Roads as to the amount of their proposed increase for postal employees, yet I was willing to go along with it because it primarily affected the lower-paid employees.

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

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

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

There was no objection.

Mr. TARVER. The justice of the demand represented by this legislation consists in the higher living costs of those lower-paid employees of the Government, not in the claim of the \$9,000- and \$10,000-a-year men for additional compensation, because in these troubled days those men, if they are of the right caliber, ought to be willing to make some sacrifice to continue to serve their Government until this period of emergency is over; and the Lord knows it is far from over.

Mr. ROBSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. I assume that the gentleman has found out or estimated the difference in cost to the Treasury between the bill proposed by the committee and the amendment proposed by the gentleman from Kansas [Mr. REES].

Mr. TARVER. I have not made any calculation of my own, but if the gentleman will examine yesterday's RECORD he will find that the gentleman from Washington [Mr. JACKSON] said that the straight-across-the-board raise of \$400 would not cost any more than the committee bill. The gentleman from Kansas said his proposal would cost \$80,000,000 less than the committee bill.

Mr. ROBSION of Kentucky. That is what I had in mind.

Mr. TARVER. That is correct.

Mr. ROBSION of Kentucky. I got the impression that it was claimed that the \$400 annual increase straight across the board would cost as much as, or more than, either one of these bills.

Mr. TARVER. That is correct. The difference is it would go to the lower-paid employees.

Mr. ROBSION of Kentucky. Yes; but if the gentleman will look at this list he will find that it does not exceed the \$400 for the lower-paid people.

Mr. TARVER. That may be possible in some cases.

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

Mr. TARVER. I yield.

Mr. WHITTINGTON. Is it not true that sooner or later there must be an adjustment with respect to the equality of salaries paid to comparable Federal employees and that that is a question that will be pending in the conference between the two bodies?

Mr. TARVER. I am glad the gentleman from Mississippi asked that question. I conceive this situation coming about: In the beginning of the next Congress if you pass the committee bill your Federal employees not in the postal service will come to Congress and say: "Why, last year you granted the postal employees a salary increase of \$400 a year, but you granted us only \$250 or \$270. We ought to be placed upon the same basis as they in the same grades."

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

Mr. TARVER. Not at this moment. I will as soon as I have completed my thought.

The higher-paid employees of the Post Office Department—and they are not all \$2,500-a-year men, they get as high as \$12,000, as you heard, I believe, today—they will come to Congress saying: "Last year you granted all of the employees in the Federal Government in the other services an 18½-percent increase, but you granted us only \$400. We are entitled to be placed on a parity with them."

And both groups of employees will be right, and the succeeding Congress, in my judgment, the Eightieth Congress, will pass legislation which will carry into effect their claims. So why not adjust the matter now? Why make fish of some and fowl of the rest? Why not place them all on the same basis and

adopt the amendment to be proposed by the gentleman from Texas [Mr. LYLE], as a perfecting amendment to this section which will propose a straight-across-the-board increase of \$400, just as we did for the postal employees?

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

Mr. TARVER. I yield to the gentleman from Washington.

Mr. JACKSON. Let me explain to the gentleman that actually in the two bills the percentages are the same. The reason the postal employees asked for this bonus was because they thought it was a more equitable way of making the adjustment to their employees. If you applied a flat percentage increase they would not benefit as much as they did from the straight-across-the-board increase. The net effect from the standpoint of cost and percentage is exactly the same in the two bills.

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

Mr. TARVER. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

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

There was no objection.

Mr. TARVER. Mr. Chairman, the net effect is that under your bill the men who are getting the higher salaries will receive an increase of 18½ percent, as I understand it. If they are getting \$10,000 that would be \$1,850, while the fellow who is getting \$1,500 receives the same rate of increase, which is about \$270. The justification for this bill is that you are going to aid the employees to meet the increased cost of living. Now, who is more entitled to get this increase to meet the increased cost of living, the man getting \$1,500 or the man getting \$10,000? Why not give the same type of increase to all of them? If you are right in doing that for the postal employees why would you not be right in doing it here?

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. RANDOLPH. Mr. Chairman, we have not gone beyond section 1 of this bill. We want to get to section 2 so that the gentleman from Kansas may offer his amendment.

Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto do now close.

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

There was no objection.

The Clerk read as follows:

INCREASE IN CLASSIFICATION ACT PAY RATES

SEC. 2. (a) Each of the existing rates of basic compensation provided by section 13 of the Classification Act of 1923, as amended and supplemented, is hereby increased by 18.5 percent. Such augmented rates shall be considered to be the regular rates of basic compensation provided by such section.

(b) The increase in existing rates of basic compensation provided by this section shall not be construed to be an "equivalent increase" in compensation within the meaning of section 7 (b) (1) of the Classification Act of 1923, as amended.

Mr. REES of Kansas. Mr. Chairman, I offer an amendment.

Mr. LYLE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LYLE. Mr. Chairman, I propose to offer an amendment which will be in the nature of a perfecting amendment. I would like to know whether or not I would now be in order at this time to offer the amendment, prior to the consideration of the amendment about to be offered by the gentleman from Kansas?

The CHAIRMAN. In reply to the parliamentary inquiry, the Chair will say that under the unanimous-consent agreement the gentleman from Kansas will offer his amendment and have it pending. The gentleman from Texas can then offer his amendment as a perfecting amendment. The amendment offered by the gentleman from Texas under the unanimous-consent agreement will be voted on first.

The Clerk will report the amendment offered by the gentleman from Kansas.

The Clerk read as follows:

Amendment offered by Mr. REES of Kansas: "Beginning on line 7, page 1, strike everything after 'Sec. 2 (a)' on that page, also strike everything on pages 2 and 3, and also strike everything up to and including the word 'repealed' on line 21, page 4; and insert the following:

"The first sentence of section 405 (a) of the Federal Employees Pay Act of 1945 is amended to read as follows: 'Each of the existing rates of basic compensation set forth in section 13 of the Classification Act of 1923, as amended, except those affected by subsection (b) of this section, is hereby increased by 45 percent of that part thereof which is not in excess of \$1,200 per annum, plus 18 percent of that part thereof which is in excess of \$1,200 per annum but not in excess of \$4,600 per annum.'

"(b) Each of the existing rates of basic compensation provided for in subsections 405 (b) (1) and (2) of the Federal Employees Pay Act of 1945 is hereby increased by 17.5 percent. Such augmented rates shall be considered to be the regular rates of basic compensation, and such increase in said rates of basic compensation shall not be construed to be 'an equivalent increase' in compensation within the meaning of section 7 (b) (1) of the Classification Act of 1923, as amended.

"INCREASE IN PAY RATES IN THE LEGISLATIVE BRANCH

"SEC. 3. (a) The first sentence in section 501 of the Federal Employees Pay Act of 1945 is amended to read as follows: 'Except as provided in section 503, each officer and employee in or under the legislative branch to whom this title applies shall be paid additional compensation computed as follows: Forty-five percent of that part of his rate of basic compensation which is not in excess of \$1,200 per annum, plus 18 percent of that part of such rate which is in excess of \$1,200 per annum, but not in excess of \$4,600 per annum.'

"(b) Section 502 of such act is amended to read as follows:

"'ADDITIONAL COMPENSATION IN LIEU OF OVERTIME

"SEC. 502. Each officer and employee in or under the legislative branch entitled to the benefits of section 501 of this act shall be paid additional compensation at the rate of 10 percent of the aggregate of the rate of his basic compensation and the rate of additional compensation received by him under section 501 of this act, as amended."

"INCREASE IN PAY RATES IN THE JUDICIAL
BRANCH

"Sec. 4. (a) The first sentence of section 521 of the Federal Employees Pay Act of 1945 is amended to read as follows: "Each officer and employee in or under the judicial branch to whom this title applies shall be paid additional basic compensation computed as follows: Forty-five percent of that part of his rate of basic compensation which is not in excess of \$1,200 per annum, plus 18 percent of that part of such rate which is in excess of \$1,200 per annum but not in excess of \$4,600 per annum."

"(b) The second sentence of such section 521 is amended by inserting after "section 405 of this act" the following: "and section 2 of the Federal Employees Pay Act of 1946."

"(c) Section 522 of such act is hereby repealed.

"INCREASE IN PAY RATES FOR CUSTOMS CLERKS
AND IMMIGRANT INSPECTORS

"Sec. 5. The first sentence of section 602 (a) of the Federal Employees Pay Act of 1945 is amended by changing the semicolon which follows the words "of this act" to a comma, and inserting after the comma the following: "as amended by the Federal Employees Pay Act of 1946;"

"INCREASE IN STATUTORY PAY RATES IN THE
EXECUTIVE BRANCH NOT UNDER CLASSIFICA-
TION ACT

"Sec. 6. The first sentence of section 602 (b) of the Federal Employees Pay Act of 1945 is amended by changing the semicolon which follows the words "of this act" to a comma, and inserting after the comma the following: "as amended by the Federal Employees Pay Act of 1946;"

Mr. RANDOLPH (interrupting the reading of the amendment). Mr. Chairman, the amendment that is being read was placed in the RECORD yesterday by the gentleman from Kansas [Mr. REES]. I ask unanimous consent that the further reading be dispensed with and that it be printed in the RECORD at this point.

Mr. WHITTINGTON. Mr. Chairman, reserving the right to object, I do not understand about section 7. Under the unanimous-consent agreement I believe there was to be separate treatment of section 7, and the gentleman's proposed substitute includes section 7.

Mr. REES of Kansas. Under the agreement, section 7 is left out of my present amendment.

Mr. WHITTINGTON. But it was read in the gentleman's present amendment. It ought to conclude at the end of line 18 instead of line 21.

Mr. REES of Kansas. In any event, the proposal, under my amendment, omits section 7.

The CHAIRMAN. Without objection, the amendment will be modified to read "down to and including line 18 on page 4," so as to leave section 7 in the pending bill.

There was no objection.

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

There was no objection.

Mr. REES of Kansas. Mr. Chairman, I think the issue with respect to this legislation now is fairly well drawn. The question is whether this Committee wants to adopt the provisions reported in the bill now before the Committee or whether it wants to adopt the provisions that I have submitted which are, after

all, a modification of the bill that passed the other body, or, thirdly, whether the Committee expects to support legislation that will provide \$400 for every Federal employee included under this legislation.

Mr. Chairman, the proposal I have submitted, in my judgment, is just about as fair and equitable as can be arranged. Last year this Congress passed an act by which it increased the salaries of Federal employees on a graduated scale. That scale, by the way, if you are not familiar with it, provides a formula that a 20-percent increase is granted on the first \$1,200 or fraction thereof, 10 percent on \$1,200 up to \$4,600, and 5 percent above that amount. The proposal I have submitted goes back to the base pay in effect in June 1945, and increases the base pay of \$1,200, or fraction thereof, by 45 percent, and provides for an increase of 18 percent on the next \$3,400 or fraction thereof.

I have prepared extra copies of a table showing comparative figures showing comparisons between the committee bill and the proposal I have submitted. I suggest you examine it carefully.

You will observe that under the pending bill the \$5,200 employee of a year ago is increased to \$6,884 under this bill. My proposal would pay him \$6,352, which is \$1,684 above the \$5,200.

Then if you go up to the employee receiving \$6,000 a year ago, my proposal would pay him \$6,650. The pending bill gives him \$7,880.25, a \$1,880 increase.

The \$8,000 man under the increase last year got \$8,750. Under my amendment he would be increased to \$9,152. Under the present bill he would get \$10,368.75, or a \$2,368 increase.

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

Mr. REES of Kansas. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

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

There was no objection.

Mr. REES of Kansas. The \$2,500 man last June got \$9,275 in the increase. I increase that a little and give him \$9,652. Under the present bill he would get \$10,990.87.

Mr. Chairman, the proposal I have submitted starts at an increase of 20.6 percent on the first few grades, but it is an over-all increase of 15.5 percent. My statement yesterday was that it was 15.6 percent, but the Civil Service Committee officials have advised it is 15.5 percent. The larger percentage are in the lower-paid groups, the larger incomes get much smaller percentages. The cost of my bill on the basis of 978,000 employees will be \$354,000,000. It is less in total amount but does provide for equitable adjustments favoring the lower-income groups. Of course, on the basis of the employment we have today, which is approximately 1,300,000, the cost of all proposals would be increased accordingly. I direct your attention to the fact that even with these conservative figures, this bill costs less money than the proposal submitted by the committee. It

gives more to those in the low brackets and gives less, considerably less, to those in the high brackets. In my judgment, the proposal is fair and equitable. I trust you will consider the matter carefully. In my humble judgment, it is equitable and entitled to your approval.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. Is it true, on the basis of employment as it is today, your bill, which costs less than the other, would cost over half a billion dollars?

Mr. REES of Kansas. No.

Miss SUMNER of Illinois. How much would it cost?

Mr. REES of Kansas. It would cost \$35,000,000.

Miss SUMNER of Illinois. Does that include the payments the Government makes toward the retirement of these people?

Mr. REES of Kansas. No; these are salary payments.

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

Mr. REES of Kansas. I yield to the gentleman from Washington.

Mr. JACKSON. For the purposes of the RECORD, assuming the figure of nine-hundred-and-some-odd-thousand is reached, as proposed by the Bureau of the Budget, the actual cost of taking care of the pay roll for the Federal employees will probably be reduced in the over-all cost. I think that ought to be clarified. If you can cut down the number of employees, the amount we are appropriating for this purpose will actually be less than what we now pay.

Mr. REES of Kansas. I agree, we should be realistic, but we have 1,300,000 at the present time who come under this bill. Therefore, what reduction will come about has yet to be determined. We hope, of course, the reduction will be considerable. I pointed out yesterday that up to the present time in 44 of our old-line agencies the figures of the Bureau of the Budget indicate an increase rather than a decrease, and as of January this year the decrease was only 2,500 employees. Therefore, it does not seem to be a very favorable outlook so far as reductions are concerned. I intend to propose an amendment to the pending bill that would make it effective only when the number of employees has been reduced to the 900,000 indicated by the gentleman from Washington. Let me direct your attention to the fact that my proposal will save more than \$80,000,000 annually over any other proposal that has been submitted. Why not give some consideration to the overburdened taxpayer against whom you are charging this bill.

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

Mr. ROGERS of Florida. Mr. Chairman, I ask unanimous consent that the gentleman from Kansas [Mr. REES] may proceed for one additional minute.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. Can the gentleman state how many of these employees out of the 1,250,000 receive salaries of less than \$4,000?

Mr. REES of Kansas. The estimate is about 60 percent I am informed. We have had difficulty in getting anywhere near exact figures. I believe it is about 60 percent. It may vary one way or the other.

Mr. ROGERS of Florida. Then the proposal for a \$400 across-the-board increase would benefit at least 60 percent more people than would be benefited under the present bill?

Mr. JACKSON. Mr. Chairman, I yield to the gentleman from Texas [Mr. LYLE] for the purpose of offering an amendment.

Mr. LYLE. Mr. Chairman, I offer an amendment, and I ask unanimous consent that the amendments, written in five parts, all dealing with the same philosophy, be considered at one time.

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

There was no objection.

The CHAIRMAN. The Clerk will report the amendments offered by the gentleman from Texas.

The Clerk read as follows:

Amendments offered by Mr. LYLE:

On page 1, line 10, strike out the figures and words "18.5 per centum" and insert in lieu thereof the figure and words "\$400 per annum."

On page 2, line 16, strike out the figures and words "18.5 per centum" and insert in lieu thereof the figures and words "\$400 per annum."

On page 3, lines 4 and 5, strike out the figures and words "18.5 per centum" and insert in lieu thereof the figure and words "\$400 per annum."

On page 3, line 16, strike out the figures and words "18.5 per centum" and insert in lieu thereof the figure and words "\$400 per annum."

On page 4, line 12, strike out the figures and words "18.5 per centum" and insert in lieu thereof the figure and words "\$400 per annum."

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

Mr. LYLE. I yield.

Mr. WHITTINGTON. I would understand that in the event your perfecting amendment is adopted you would follow up with an additional amendment or a unanimous-consent request to perfect the remaining language by striking out the word "percentage" and inserting in lieu thereof the word "sum."

Mr. LYLE. That would be necessary, yes.

Mr. Chairman, I certainly do not intend to step into the shoes of this splendid committee that reports this bill. I do say, however, I am not altogether unfamiliar with the question of pay increases because I sat on the Committee on Post Offices and Post Roads and heard the testimony.

I believe I express the philosophy of many Members of this House that the time is not opportune to consider a reclassification or a general salary increase. However, I am sure that every Member

recognizes the necessity of providing additional money to Federal employees so that they may compensate themselves for the increased cost of living. I cannot convince myself, however, that the cost of living has increased for one man \$300, and for another man \$1,000 or \$2,000 or \$3,000.

I believe it is wiser at this time to permit you to express the philosophy that you did express recently on the post-office bill, that is a more or less bread-and-butter bill.

The difficulties that people are having now do not come to people in the \$10,000 bracket. I can well remember when I made \$15 a week, and I well know the difference between that and \$10,000 a year. You do not have nearly as many difficulties on a \$10,000-a-year income as you do on a \$15-a-week income or a \$2,000-a-year income. Certainly, I would be the last to say that the splendid employees of the Federal Government are not worth what they are being paid. Perhaps they are worth a great deal more. I shall certainly at the proper time and under the proper circumstances support a reclassification and perhaps salary adjustment for those people.

For instance, I think the splendid Parliamentarian of this House is worth a great deal more money than he is getting, and I do not know how much it is. But it is not just the proper time, in this world all messed up. Money does not mean a great deal. How much it will buy is very difficult to determine. The House day before yesterday presented to the postal employees each \$400. I am sure that will be helpful to them, I am sure it will be helpful to all Federal employees. I think it is just, but I do not believe I can reconcile my position with the philosophy that \$400 was proper for postal employees but that the other Federal employees should be treated on a different basis.

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

Mr. LYLE. I yield.

Mr. SMITH of Ohio. What would be the total annual cost of the program under the gentleman's proposal?

Mr. LYLE. It would depend upon how many Federal employees there were who got the raise, but it would be \$400,000,000 on the basis of a million employees.

Mr. SMITH of Ohio. But with 1,250,000 employees would it not be nearly \$500,000,000?

Mr. LYLE. If there are another 250,000 employees it would mean another \$100,000,000 cost.

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

Mr. LYLE. I yield.

Mr. RANDOLPH. I know the gentleman in presenting his \$400 across-the-board amendment has not attempted to bring to the thinking of his colleagues that there would be any substantial saving over the formula contained in the bill in the actual over-all cost.

Mr. LYLE. The gentleman is correct.

Mr. DONDERO. Mr. Chairman, will the gentleman yield for a question?

Mr. LYLE. I yield.

Mr. DONDERO. Does the gentleman's amendment provide that this increase shall not apply to those receiving a salary of \$5,000 a year or more?

Mr. LYLE. No; it does not.

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

Mr. LYLE. I yield.

Mr. JACKSON. I assume that the gentleman in view of his position, which I understand is to treat on an equal basis these employees for whom we are legislating today, to treat them on the same basis as the postal employees, will be willing to make it retroactive to the 1st of the year as was done in the case of the postal employees.

Mr. LYLE. Yes; I would accept that, speaking for myself. I do not, however, know what the other Members will do.

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

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that the gentleman from Texas may proceed for three additional minutes.

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

There was no objection.

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

Mr. LYLE. I yield.

Mr. WHITTINGTON. It is true, however, that the gentleman's amendment does not provide for retroactive pay, does it?

Mr. LYLE. That is correct.

Mr. WHITTINGTON. And neither does it deal with the ceiling of \$10,000.

Mr. LYLE. That is correct.

Mr. WHITTINGTON. Because that is covered by section 7 to be considered later.

Mr. LYLE. That is correct.

Mr. Chairman, I do not flatter myself that I can at all influence the membership of this House; I would not do that; each Member has a responsibility which he must meet. I feel that this would be fair and equitable to every Federal employee. I shall not get angry if you refuse to adopt my amendment, I shall not vote against the bill, I will vote for it; but it occurs to me that those people who need help the most are those in the low, very low income brackets; and I am not nearly so concerned at this time with the \$8,000, \$9,000, or \$10,000 man as I am with people trying to get along on \$2,000 a year. In other words, I am reliably informed that approximately 67 percent of the people affected by this proposed pay increase are now earning \$2,100 or less. That means that of the million and a quarter Government employees who would come under this bill, roughly 820,000 would receive more money at a flat \$400 increase than they would at 18½ percent, while something over 400,000 in the higher income brackets would receive less, the difference being graduated from the top down. To give a clearer idea of the effect of my proposal, as compared with the original bill, Federal employees in the lowest income bracket affected would receive a 25-percent increase; those making \$2,100 would get an increase of 19.2 percent. At the other extreme, however, a man now making

\$10,000 would receive a 4-percent increase, while one farther down the income line, making \$3,970, would be increased approximately 10 percent.

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

Mr. LYLE. I yield.

Mr. WHITTINGTON. I have no desire to interrupt the gentleman but with respect to the question of cost, I think it is fair to say that if the gentleman's amendment is figured on the basis of 900,000 employees, which was the base taken by the gentleman from Kansas in arguing for his amendment, the cost would be around \$350,000,000 or substantially the same as the Rees amendment.

Mr. LYLE. That is correct.

I must in all fairness to the membership say that I do not offer this amendment in an effort to save anything for the Government, because we do not seem to feel concerned with that in the consideration of these two bills; I am offering it because I consider it is more to the benefit of the lower paid employees, the ones I feel deserve the greater increase.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. LYLE. I yield.

Mr. COLE of Missouri. Based on the statement just made by the gentleman from Mississippi [Mr. WHITTINGTON], the Lyle amendment would be a saving over the cost of the bill as reported from the committee.

Mr. LYLE. I think there is some question about that. I am not sure and I would not care to be specific.

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

Mr. LYLE. I yield to the gentleman from Iowa.

Mr. LECOMPTE. Does the gentleman's amendment raise the salaries of all employees, even those in the \$1,200 and \$1,500 class?

Mr. LYLE. Yes.

Mr. LECOMPTE. Four hundred dollars a year?

Mr. LYLE. It raises the salary of every employee covered by H. R. 5939 by \$400.

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

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

Mr. WHITTINGTON. Is it not true that if the Committee of the Whole desires to leave that ceiling at \$10,000, or any other high amount, all you would have to do would be to modify section 7, which is not being considered now, so that section 7 would reenact existing law? That would make this inoperative as to salaries of \$10,000 or more. A vote for this amendment is not a vote to increase the \$10,000 ceiling if the Committee did not desire to do so.

Mr. LYLE. That is correct.

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

Mr. JACKSON. Mr. Chairman, I rise in opposition to the amendments submitted.

Mr. Chairman, I want to commend the gentleman from Texas for his fairness. He has given to the House a very fair statement of his position and has indi-

cated very frankly, and I know he is sincere about it, that the cost of the two proposals runs about the same. His position is that we ought to adopt the same formula for the group we have before us as we did for the postal employees.

I pointed out to the members of the committee yesterday that 61 percent of all of the employees of the Federal service receive \$2,100 and less. That is where the bulk of your cost comes in connection with this legislation. We are all interested in trying to reduce the number of people on the Federal pay roll. Frankly, if we are ever going to have a reduction, we will have to have better administrators at the top and in key positions.

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

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

Mr. CURTIS. When the gentleman says that 61 percent of the employees receive \$2,100 or less does he refer to their basic salary as \$2,100, or is that the actual amount they are getting at the present time?

Mr. JACKSON. That is the actual amount they are getting at this time. I received those figures from the Civil Service Commission.

Mr. Chairman, the key to this thing is to get good people in these top positions. The cost of accomplishing that is practically negligible.

Let us be fair about this and get the facts. I pointed out yesterday that raising the ceiling beyond \$10,000 would only cost \$2,300,000 out of a total cost involved here of around \$400,000,000. Do you not think that is a fair investment in getting good personnel and administrators in the Federal service? Some of the Government corporations and agencies have a tremendous job to do. We all know that in private industry they have to pay their men more in order to get a real job done. We certainly should not limit the pay of outstanding administrators and scientists just because we will not adjust our own salaries. Just the other day we recognized the need in the Veterans' Administration for increases, and what did we do? We raised the salaries of doctors and some other people down there beyond \$10,000.

We are facing a very serious situation, Mr. Chairman, in connection with scientific research relating directly to the national defense. For the benefit of the Members of the Committee let me quote some of the testimony that was given to the subcommittee.

This committee considered this matter very carefully for over a week. Quite a voluminous record of the hearings is available to the Members of the House. No Member of the House appeared before the committee in opposition. Frankly, our subcommittee came in with a different proposal. The proposal of the subcommittee was for 17 percent and for a ceiling of \$10,000; in other words, a \$10,000 limit, except for the setting up of two new classifications beyond \$10,000, namely, \$12,000 and \$14,000. We felt that that would be more workable.

After full consideration by both the subcommittee and the committee all of

us except three felt that it ought to apply equally to all branches, because it is very hard to limit the particular agencies involved in research and issues relating to national defense.

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

Mr. JACKSON. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. After we had discussed the matter thoroughly, the gentleman and the other members of the subcommittee joined with the members of the full committee in believing that we could not legislate for a certain group without making it class legislation, and we believed that the administrators were just as important as were the scientists or perhaps the research personnel in the over-all upper brackets of the Federal Government.

Mr. JACKSON. The gentleman is correct, and I made the motion to make the adjustment to 18½ percent.

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

Mr. JACKSON. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. I believe the gentleman stated a while ago that 61 percent of the Federal employees are receiving \$2,100 or less; is that correct?

Mr. JACKSON. That is correct. At the present time that is where the bulk of your cost is.

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

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

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

There was no objection.

Mr. ZIMMERMAN. Mr. Chairman, if the gentleman will yield further, for my own information, how much of the proposed increase that it is estimated will go to our Federal workers will this 61 percent get, and how much will the 39 percent get of the proposed increase under the bill?

Mr. JACKSON. I can only do a little guessing. I might put it this way to the gentleman: For those beyond \$10,000 and above, the cost will be \$2,300,000. Obviously, out of this total cost of \$420,000,000, well over half of that cost is in the category ranging from \$2,100 on down. As a matter of fact, as I recall, about 80 percent of all the employees in the Federal service receive \$3,000 and less.

Mr. ZIMMERMAN. It seems to me the conclusion is the other way. I think the lower-income brackets are going to suffer far the lesser amount of this increase.

Mr. JACKSON. The percentage is the same.

Mr. ZIMMERMAN. Another question for information. How much increase will the man who gets \$2,100 a year receive under this bill?

Mr. JACKSON. Eighteen and one-half percent of that.

Mr. ZIMMERMAN. Well, figure it out in dollars.

Mr. JACKSON. Someone said \$2,-488.50. I will take their word for it. It is all set out in the report.

Mr. ZIMMERMAN. I have not had a chance to see that.

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

Mr. JACKSON. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. The gentleman should point out, and I know he will, that the pay-increase bills for 1945 and prior to that date gave a greater percentage to the lower-income brackets, and this time they are going simply across the board; and, taking all of the increases, we find that the lower-income brackets have properly received the greater amounts; is that not correct?

Mr. JACKSON. The gentleman is absolutely correct. The bill we passed last year, the so-called Federal Employees Pay Act of 1945, provided 20 percent on the first \$1,200, 10 percent on \$1,200 to \$4,600, and 5 percent on \$4,600 and up.

Mr. ZIMMERMAN. It is conceded here that the \$400 increase for all Federal employees will cost about as much as your bill?

Mr. JACKSON. That is right.

Mr. ZIMMERMAN. If, as the gentleman says, the 61 percent would get approximately that much or more, then I do not see how you can say that they would get as much when we admit that some of these others will receive over \$2,000. I do not see how that will figure out.

Mr. JACKSON. Under the \$400 increase proposition, everybody would just get \$400.

Mr. ZIMMERMAN. I know that, but why should not the low-paid people be as well off under this bill as under the \$400 increase?

Mr. JACKSON. In certain categories they would not be; that is correct.

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

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

Mr. JENKINS. Answering the question of the gentleman from Missouri, there are thousands and tens of thousands who would not get a \$400 increase. The gentleman's position is absolutely right.

Mr. ZIMMERMAN. That is what I am trying to say to the gentleman.

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

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

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

There was no objection.

Mr. JACKSON. Mr. Chairman, I want to read a telegram sent to all Members of Congress today from William Green, president of the American Federation of Labor. We all know he has a keen interest in the lower-paid white-collar group. In this telegram he said:

The American Federation of Labor will greatly appreciate and respectfully request your support today of H. R. 5939 as reported by the Civil Service Committee, which is a

bill carrying much-needed and deserved increases of salaries for classified Federal employees.

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

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

Mr. VORYS of Ohio. Will the gentleman give the committee the names of some of the Federal employees who receive over \$10,000 a year and who would leave if their salaries stay as they are now but would stay if the committee bill went through?

Mr. JACKSON. Their names?

Mr. VORYS of Ohio. Yes. A committee from the Federal Employees Union called on me, and there was not one of them who intended to leave, whether his salary was changed or not. One of the things we must think of is what valuable people we are going to lose from the Federal service if we fail to pay enough.

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

Mr. JACKSON. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. The facts are that each and every day we are losing key personnel of the class mentioned by the gentleman. We are also losing men within the House of Representatives. We do not need to call the names. You know men who have retired voluntarily from this body and who have said themselves they were doing it because of the lack of pay for the job they were doing. Is the gentleman saying we are not going to lose within the Congress, voluntarily, as well as within the Federal executive structure, men who believe that they are entitled to more than the \$10,000 they receive for their jobs?

Mr. VORYS of Ohio. I think the Members we lost from the House might well be like the men Mr. Bowles referred to before the gentleman's committee. He mentioned people who would get three to five times as much outside the Government as they are getting with the Government. My point was merely to have the gentleman's committee give us names, or at least one name, the name of some man in the bracket above \$10,000 who is leaving the Federal service because of his low salary but who will stay if he gets 18.5 percent more.

Mr. RANDOLPH. We cannot say who will stay but we can put in the record those men who are leaving the Government. Of course, we cannot say who is going to stay.

Mr. VORYS of Ohio. This bill is going to affect men who are still there. We want to hold them. We want to attract men who are on the outside. It certainly will not affect those who have left the Government.

Mr. JACKSON. Mr. Chairman, I cannot yield further to the gentleman. I have some quotations which, if the committee will be patient, I believe will give the answer to some of these points that have been raised.

Mr. Bowles, who appeared before the committee, is one of a number of outstanding business executives who has come to the Government at a great financial sacrifice. He made much more in private industry. He brought with

him a number of outstanding business executives to the OPA. Mr. Bowles in his testimony before the committee mentioned a man by the name of Kitchen in his department who makes about \$50,000 in private industry. I understood that if he could get a little more than the \$8,500 the Government is paying him now so that he could meet his cost-of-living expenses, and he would stay with the Government. There are other men similarly situated.

Let me refer for a moment to an excerpt from the testimony of Dr. Vannevar Bush, Director of the Office of Scientific Research and Development. This is what he had to say:

The matter of salary scales is divided into two parts: First, the starting salaries that can be offered to youngsters or young men beginning a professional career in order to attract them to the Government service; and, second, opportunities that can be offered for future advancement—what ultimate salaries could they attain if they remained in the service. Now, the first has obviously to do with attracting good, desirable men, and the second has to do with retaining them. But the second also has to do with attracting them, and, to my way of thinking, it is just as important as the first.

If we were to have a condition in which there were adequate starting salaries but too low a ceiling on the possibility of a man's advancing, then we would not attract the right type of men, I am sure. In the Government we need good men who want to go to the top of their profession. Very few would do that, in the very nature of things, but the fact that top salaries are adequate will make a great difference in drawing into the public service the type of men we should acquire and retain.

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

Mr. JACKSON. I yield to the gentleman from Texas.

Mr. LYLE. I am sure you can get better men if they are offered more money. I was very much impressed in reading your report wherein you discussed the philosophy of the committee last year where you started with a large percentage in the low bracket and graduated it up. If you will translate the amendment I have at the Clerk's desk you will find it is in percentages. You will find, say for the \$1,700-a-year man, it would run about 23 percent and then graduate up. Would you tell the House why you have decided that a graduated percentage is not as commendable this time as it was the last time?

Mr. JACKSON. I would be happy to explain that to the gentleman from Texas. In our report last year we stated that as far as the higher salary bracket group was concerned, they were not being treated equitably. We pointed that out in the report. We said that the next time salary adjustments were made, equitable consideration should be given to the people in the higher-salaried brackets. The last time we followed the 20, 10, 5 formula. This time we decided on the straight-across-the-board increase to all the employees in the Federal service. If the members of the committee will turn to page 24 of the hearings, there is a break-down of the salary increases that were granted and the increases necessary to meet the cost of liv-

ing. Consider a CAF-1, for example; that is a person receiving \$1,506 a year. The last time they received an increase of 19.5 percent. Their total cost-of-living increase was 34 percent, so that you need 13 percent more in order to meet that. But as you go on down you will find, for instance, a P-7, or a CAF-14, who now receives \$7,175. They would require 20.5-percent increase in order to just meet the increased cost of living.

If you believe that the people in these higher brackets have not suffered from the effects of the increased cost of living, then you should not vote for the committee bill. You should vote for this amendment. But you know and I know that is not true. Certainly a man who is earning five or six thousand dollars a year and has children to put through school has suffered from the effects of the increased cost of living just as much as some of the other people. The people in the lower brackets will be given adjustments beyond the increased cost of living under the amendment offered by the distinguished gentleman from Texas [Mr. LYLE] and the amendment offered by the distinguished gentleman from Kansas [Mr. REES].

I am just trying to be fair to the people in all salary brackets. It may not be quite the popular thing to do, but I repeat again, if we are going to get good men in the Government service, we are going to have to pay them more. I am especially pleading for these research people who are being given jobs in private industry because the Government cannot pay them a sufficient sum of money.

I hope the committee will vote down the proposed amendment.

The CHAIRMAN. The time of the gentleman from Washington [Mr. JACKSON] has again expired.

Mr. MILLER of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the question resolves itself to this, as I see it: Are we going to pay Federal employees on a subsistence basis, measuring the remuneration that we give them according to the cost-of-living index of the time, or are we going to reward their services for the responsibilities they accept, the training they have had, or the technical skill that they have acquired to qualify them for important positions in Government?

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

Mr. MILLER of California. I yield.

Mr. JACKSON. Is it not correct that in the setting up of the Manhattan project, which brought about the atomic bomb, it was necessary for the War Department in order to get the type of men necessary to do that job, to circumvent the salary ceilings by giving a lump-sum appropriation and in some cases they paid as high as forty or fifty thousand dollars a year to keep the personnel to accomplish that very thing?

Mr. MILLER of California. I believe that is true.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield.

Mr. REES of Kansas. Was not the sort of thing which the gentleman from Kansas proposed be taken into a separate group, and let them be paid whatever is required to be paid for their services?

Mr. MILLER of California. It is what the gentleman from Kansas proposed. It is also something that is repugnant to many of us. We do not want to turn scientific investigation over to the Army or the Navy. Some of us believe that the atomic bomb should be under the jurisdiction of civilian scientists.

Mr. REES of Kansas. We are not talking about the atomic bomb. We are talking about scientists.

Mr. MILLER of California. Well, that was the basis of it.

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

Mr. MILLER of California. I yield.

Mr. JACKSON. Is it not correct that General Groves and Dr. Bush testified that it is far better to set these salary scales up beyond \$10,000, so that these young men who are now working in the Government on many of these vital projects relating to the national defense, will have an opportunity to some day achieve that goal of twelve or fourteen thousand dollars, but if you give a lump sum there is no assurance what the salary will actually be 10 years from now, or even 5 years from now.

Mr. MILLER of California. That is correct.

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

Mr. MILLER of California. I yield.

Mr. RANDOLPH. If we gave lump sums to the War and Navy Departments, there would be absolutely no check upon the amount of money that could be paid. Is that not correct?

Mr. MILLER of California. That is correct.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield further?

Mr. MILLER of California. I shall be pleased to yield to the gentleman from Kansas.

Mr. REES of Kansas. As I understand the discussion is largely with respect to the scientists who were working for the Navy and the War Department, and, after all, those men who did that splendid piece of work did not come from civil service, they came from the outside, they came from private industry where they were developed.

Mr. MILLER of California. Let me say to the gentleman from Kansas that he remembers that either Dr. Vannevar Bush or Dr. Condon said that the next war could be a bacteriological war and that we might need other types of training than that which could be given by the Army or the Navy.

With the permission of the membership, I should like to continue.

I seriously invite those people who are interested in this question of young men, skillful scientists, or capable administrators—this thing is not limited to technical people—to read the statement of Mr. Bradley, Chief Geologist of the Geological Survey, commencing at page 249 of the hearings. I call attention to his statement for the reason that he pointed out that this Government frequently is

the loser because of its salary policies. He points out how young scientists— young geologists—enter the Geological Survey and when they reach the point where they are receiving \$3,000 or \$3,600 a year, after they have been with the Government for 7 or 8 years, they are siphoned off by the big oil companies who offer them salaries ranging up to \$10,000 a year. They generally take these men in at nearly double the salary the Government pays them.

The Government is the training school.

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

Mr. MILLER of California. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

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

There was no objection.

Mr. MILLER of California. The Government is the training school. In this particular instance he pointed out that there was no incentive to hold these men in Government, and what is true here is true, to my way of thinking, in other branches of the Government.

The gentleman asked if we could cite an instance of someone having left the service. I remember a newspaper article I caused to be inserted in the RECORD dealing with the late Assistant Secretary of the Navy, Mr. H. Struve Hensel, who recently resigned after doing an outstanding job in that position.

Among other things he said that—and I quote from the United Press article:

As a private citizen—

Hensel said—

he is going to make a one-man crusade now in order to get business and professional men to serve a tour of duty in Washington. Chief stumbling block to his proposal was the present low pay scales in high Government jobs.

As Assistant Secretary of the Navy, Hensel made \$9,800 a year.

He said:

Frankly, I wish I did not have to go; I should like to stay in the Navy; I wish I could make Government a career. I think the 5 years I have spent in the Navy, which passed quickly, have been of inestimable value.

In going back to his private practice he is making much more than he was getting in the Government.

Again, Mr. Chairman, the question is this: We have taken care of the so-called blue-collar employees—those people who work in the arsenals and shipyards whose salaries are adjusted by the wage boards; we have taken care of the postal employees. These people are confined to one branch of the Government—a specialized branch of the Government, if you please. Now come the technicians, the administrators, the people who run the Government. Why, take the Army engineers alone, and the great responsibility placed on them—and they are doing a great job—or the Bureau of Reclamation, where the Chief of the Bureau, getting \$9,000 a year, deals with contractors getting \$50,000 a year. I ask you to approach this problem rationally.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. HOOK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise at this time to pay a compliment to the members of the subcommittee who handled this bill. The gentleman from Washington [Mr. JACKSON] has done a very fine job with the help of the gentleman from Louisiana [Mr. MORRISON], the gentleman from California [Mr. MILLER], the gentleman from Maryland [Mr. FALLON], the gentleman from Kansas [Mr. REES], the gentleman from Massachusetts [Mr. HERTER], and the gentleman from New York [Mr. BYRNE]. There were seven members on that subcommittee. Six members were unanimous for the provisions of the present bill. The Civil Service Committee constitutes 21 members and that committee voted 20-to-1 in favor of the provisions of the present bill after very thorough and serious consideration. That ought to be taken into consideration. Remember, Mr. Chairman, there was only one dissenter in the whole committee when the committee voted 20-to-1 for the present bill.

Let us see whether the provisions of this bill were proposed because of the rise in the cost of living. I understand that is the basis upon which most of the argument has been made for the increase. Bear in mind that was really not the purpose of this bill. The purpose of the bill, as I understand it, is to bring the purchasing power of these people to a par with what it was previous to the war. Having that in mind the 18½ percent is the formula that should be applied.

Mr. Chairman, if I wanted to play politics I would probably say we should not give any raise to those receiving a salary of over \$5,000, we should raise them from the bottom up, but I believe that a man should be paid according to his ability. If he is hired at a salary of \$10,000 a year and another person is hired at a salary of \$5,000 a year and there is to be an increase, they should both get a proportionate increase.

You want to remember that in the postal bill there were a good many of those boys who ring doorbells. But there are not any in the higher brackets of the Government who are out ringing doorbells. We need efficient men to administer the departments of our Government. You are not going to get those efficient men by just giving a \$400 increase across the board or by adopting the provisions of the amendment offered by the gentleman from Kansas.

As I said yesterday, it seems to me that several years back our late lamented President Roosevelt made a proposal that salaries be restricted to \$25,000, and to my surprise most of those who are refusing to break through the \$10,000 ceiling here are those who opposed President Roosevelt's recommendation. We were willing to kate the executive salaries in private industry and allow those to go sky high without any restrictions, but when a bill is submitted to this Congress to reward the men who give up their life's work in the interest of government, then you want to limit them; you want to cut them down, and you want to stifle

ambition. I do not believe we are going to get efficiency in government by stifling ambition.

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

Mr. HOOK. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

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

There was no objection.

Mr. HOOK. I believe that the Federal employees are entitled to a 20-percent raise. I so advocated in the committee. There were other proposals. The compromise was 18½ percent.

As I said yesterday, I was surprised to listen to certain individuals who preach conservatism on the floor of the House day after day, who fight communism and communistic principles, and then advocate a proposition of bringing up the lower brackets and bringing down the higher brackets, which, if applied right down the line, would bring them all on a level regardless of ability. If that is not communism and a communistic principle, I do not know what is. America and democracy have advanced only through ambition and through opportunities given a person to go to the top. When the United States Government and its elected officials refuse to recognize the principle laid down in democracy, that is, reward for ambition, reward for efficiency, and reward for doing a good job, then we are in a very bad condition. I think that this committee has done a very magnificent job. As I say, 20 members of that committee voted unanimously for the provisions of this bill.

I hope this House on both sides of the aisle will follow the recommendations of the Committee on the Civil Service as proposed in this bill.

Mr. RANDOLPH. Mr. Chairman, I am sure my colleagues know that I do not desire to shorten any debate. I am only attempting now, and I believe it is practicable, to ask unanimous consent that all debate on this amendment and all amendments thereto close in 25 minutes.

Mr. HINSHAW. Mr. Chairman, reserving the right to object, I would like to say to the chairman of the committee that we have high respect for his judgment, but when so many members of the committee, including myself, take 15 or 20 minutes on the floor, the rest of us do not get any opportunity to speak. I hope the gentleman will withdraw his unanimous-consent request until some of those who are not members of the committee have had a chance to speak on this amendment and the bill.

Mr. CURTIS. Reserving the right to object, Mr. Chairman, may I point out that no one has been recognized except members of the committee, and one member of the committee was recognized for 20 minutes.

Mr. RANDOLPH. Mr. Chairman, I am sure I do not have to repeat my desire to have full debate. I was simply seeing how many Members were on their feet seeking recognition at the time I made the request. I thought that that did accommodate those who wanted to speak. I withdraw the request, Mr. Chairman.

Mr. HINSHAW. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I think I have always been quite generous in yielding to my colleagues in debate, but I hope that no one will ask me to yield in the few minutes that are available to me so that I shall not have to ask for additional time.

When I came on the floor of the House yesterday I picked up this committee report and was temporarily scandalized at some of the salary increases that are being permitted by this bill. In listening to the debate and hearing the other Members talk who have amendments to offer, it developed that there is very little difference between the propositions they offer, insofar as the over-all cost is concerned, and the proposition presented by the committee. It is a question of \$400,000,000 one way or the other. Apparently it is purely a matter of whether you make it a \$400-per-year increase to all grades or a somewhat graduated scale, as proposed by the gentleman from Kansas, or a straight percentage increase, as proposed by the committee itself.

I was first inclined to go along with the proposal of the gentleman from Kansas, and then, in consideration of the debate, I came to the directly opposite conclusion, and I have now decided to go along with the committee position, which I understand is supported 19 to 1 by the members of the committee themselves.

There is one little maxim that I learned through a great many years of business experience, and there is no one in this House who has had any business experience who will disagree with it, and that maxim is that "the benefit of low price is never equalled by the bitterness of poor quality." That is an old maxim, but it is nevertheless true.

I know and you know that, while we cannot sit down here, perhaps, and name them, as my friend from Ohio would like to have us do, nevertheless a great many men in this Government in the professional and higher administrative and custodial grades are leaving the Government service. They will not say, perhaps, that it is directly caused by the salary, but it is the living conditions and the cost and all the rest of it that goes along with it. I am going to be very happy to see men like Welch Pogue and others retained in the Government if you have to pay them \$15,000 a year or if you have to pay them \$20,000 a year to get them to stay in the Government of the United States, so that the value of their experience and the value of their counsel will be available not only to us but to the other members of the Government. I think it is good policy. I would hate to think that the time had come when we had started to bargain with these men who are in the higher positions in the Government on the basis of whether or not they will stay if they are not given a salary increase. I am not in favor of that position. I am in favor of rewarding them just the same as they would be rewarded if they were out in private industry. That is why I am going to change my mind from what it was yesterday when this matter was first brought

to the floor, and go along with the committee position.

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

Mr. HINSHAW. I yield to the gentleman from Washington.

Mr. JACKSON. I commend the gentleman from California on the very sensible approach he has taken to this problem.

Mr. HINSHAW. May I say that this is the first time since the gentleman from Minnesota [Mr. GALLAGHER] became a Member of Congress that I have been able to agree wholeheartedly with him on a controversial issue. I think he made a very sensible statement on this issue.

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, the bill before us is a difficult one. I have very high regard for the members of the committee. It strikes me that the perfecting amendment to increase salaries \$400 across the board offered by the gentleman from Texas [Mr. LYLE] is probably the least objectionable of any of the pending proposals. It has been said that all salaries should be increased. I favor adequate salaries for all Federal employees. I am not alarmed that some Members of Congress are retiring to private life for larger salaries. I would regret to be a Member of the House of Representatives when it comes to a time that there are no Members of the House worth more than \$10,000 or who could earn more than \$10,000 in private enterprise. I am not alarmed when some people leave the Government service because they can get more than \$10,000 in private employment. I want to remind you now that there are provisions whereby experts can receive a lot more in times of peace than \$10,000 a year. The great engineers of the country are employed by the Bureau of Reclamation and by the Chief of Engineers of the Army as consultants and they are well paid. If we need to employ any chemists or experts in further atomic exploration and studies, let us provide separately for them. But there is no occasion to raise the compensation of all to the level of the scientists and other experts that we may need. I repeat that the proposal of \$400 is probably the least objectionable. In my judgment, a postmaster administering, as was said by the chairman of the committee, a \$50,000,000 business, in one of the larger post offices, is entitled to just as much compensation as the administrator in any department of the Government. So until we equalize and adjust the salaries of the postal employees and the salaries of the Federal employees generally, it occurs to me the wise thing to do, now that we feel we ought to make an increase, is to adopt this \$400 increase making it applicable to all.

For my part, the woman who stands behind the desk in the post office all day long and the man who stands behind the desk in the post office is entitled to just as much compensation as a clerical worker in the Government sitting at his or her desk all day long. The only practical opportunity that is afforded to the House now to equalize these salaries is to vote for this \$400 increase across the

board. The bill probably will go to conference. The bill we passed for the postal employees has gone to the other body and it will probably go to conference. There will be an opportunity to work out and make adjustments that will be fair to all the employees in the Government. If we need experts for atomic investigations and other scientific work, if we need experts in engineering or law or otherwise, I advocate separate provisions to provide for making the talent available to the Government. I think it begs the question and I believe it does not support the main contention for increases for 900,000 employees when we say it is necessary to provide additional compensation for probably 100 or 200 employees. In my judgment, the salaries of Members of Congress should be increased open and aboveboard and not indirectly. Nine-thousand-dollar or ten-thousand-dollar employees do not have campaign expenses and, an administrator in the Government receiving \$9,000 or \$10,000, receives a good deal larger net salary than a Member of Congress. When it becomes necessary to increase the salaries of the so-called experts, provision should be made for them separately, rather than generally by an exorbitant increase across the board. Food costs the man who works for \$2,000 substantially the same amount it costs the man who works for \$10,000. The purpose of this bill is to provide for the increased cost of living.

Under all the circumstances, I believe the amendment proposed by the gentleman from Texas should be adopted.

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

Mr. Chairman, I have the utmost respect for every Member of the House who is going to support this legislation, but I say that in doing so you must take your position in one of three categories: You must take a position in favor of increased taxes, or in favor of a greater burden on the generations of taxpayers to come, or a position in favor of never paying the national debt. There are those three categories, and the choice is yours.

It is said this bill will cost about a half billion dollars. It will cost more than that. It is setting the pattern for all Federal employment. We have about three and a half million employees on the Federal pay roll. If it means that, it will cost \$1,500,000,000, or something over \$10 per capita. We have 12,000,000 veterans. At \$10 each, it will cost them \$120,000,000 to pay this increase in salary.

I live in a little rural community of 9,000 people. This increase in the cost of Government is going to be \$90,000 to them. That means something. I believe if we are going to decide this on the basis of Government efficiency, the bureaus should come in here with clean hands and reduce the total Government pay roll down to 1,000,000. Then the taxpayers of America will be glad to revise the pay roll to reward efficiency. A place on the Government pay roll today is not obtained by merit. It is not held by merit. No one contends that it is.

By this legislation you are going to increase the salary of men such as Henry

Wallace \$4,000 a year. That is more than the average college or university professor in my State receives. You are going to pay for this program by taxing the little businessmen, the repair-shop men, the cobblers, the retail men, the farmers, and the professional men. If you are going to do that, should we not have the decency to take the ceiling off of their incomes?

We have a program where, if a man raises corn and seeks to raise his income in the sale of that corn, you put him in jail. Yet, you are going to tax those very same people at the rate of \$10 per capita to pay the increase in the cost of the governmental pay roll. If this increase is justified for the people who work for the Government, an increase in the income of all the millions who do not work for the Government is sound and is fair. If they must live under a hold-the-line policy, surely all Americans should live under the same policy.

We have a situation in America where the lines are drawn between Government and those who must slave and toil to pay for that Government, and who are kicked around and harassed. Are you going to go back to your district and say, "Yes. I voted an increase for the man down in OPA who put a ceiling price on flooring that was below the ceiling price on the rough lumber from which it was made"? Are you going back to your district and tell the people that you voted an increase for the 2,000 Communists on the Government pay roll, that recently was pointed out by an eminent divine?

The CHAIRMAN. The time of the gentleman from Nebraska [Mr. CURTIS] has expired.

Mr. ROGERS of Florida. Mr. Chairman, I move to strike out the last word.

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

Mr. ROGERS of Florida. I yield.

Mr. RANDOLPH. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 30 minutes.

The CHAIRMAN. Does the gentleman request that all debate on all the pending amendments and all amendments thereto close in not to exceed 30 minutes?

Mr. RANDOLPH. That is correct.

Mr. REES of Kansas. Mr. Chairman, reserving the right to object, in fixing the time I wish to be included for 4 or 5 minutes.

Mr. HOFFMAN. Cannot the gentleman possibly make it 45 minutes? Some of us have been here a couple of days. I did not even get my 1 minute today.

Mr. RANDOLPH. My effort is to find out how many Members wish to be heard.

The CHAIRMAN. The Chair counts 12 Members standing seeking recognition. Five minutes to each would be 60 minutes.

Mr. RANDOLPH. Mr. Chairman, I move that all debate on the pending amendments close in 1 hour.

The motion was agreed to.

The CHAIRMAN. The Chair will call the names of those listed: Messrs. ROGERS of Florida, SMITH of Ohio, REES of Kansas, VURSELL, TABER, H. CARL ANDERSEN, FULTON, HERTER, BUCK, FERNANDEZ, and HARE.

The CHAIRMAN. The gentleman from Florida [Mr. ROGERS] is recognized.

Mr. ROGERS of Florida. Mr. Chairman, I rise in favor of the amendment offered by the gentleman from Texas [Mr. LYLE].

There was a time when legislators, both State and Federal, took into consideration the taxpayers, but today the taxpayers are the forgotten people in this country. Unfortunately we are faced with a condition with which we must cope. My interpretation of this bill is that it is an economic measure which has for its purpose to compensate for the rise in the cost of living. If, therefore, this Congress intends to pass a measure that will benefit the greatest number of people, I believe we should take \$400 straight across the board just as we did in dealing with the postal employees, for in this way you benefit practically 80 percent of the people you are trying to help. It is the low-bracket man and woman who need the help. They are the people who need the \$400.

Mr. Chairman, this is not a bill to attract talent to the Government. That is not the purpose of it at all. The purpose of the bill is to help these people who are meshed between the economic millstones. That is the real purpose of the bill.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. The evidence in the hearings in reference to OPA show very clearly, to my mind, at least, that the burden of the increased cost of living is much greater on the lower-income brackets than in the case of the higher brackets because in the case of the higher prices the manufacturers and retailers are able to absorb the increased costs.

Mr. ROGERS of Florida. That is another and added reason why we should spread this increase out. After all, Mr. Chairman, this Government is good to its employees. Do you know what we do for them? We give them an annual leave of 26 days a year; we give them sick leave not to exceed 15 days per year; they do not have to work on Saturdays. You try to get something done down here in one of these departments on Saturday and see how far you get. You cannot get anything done at all. I say that we are paying our employees pretty well now, but I am willing to go along with the committee up to a certain point. I think this increase should be spread out so that it will meet the needs of those who actually require it.

Mr. Chairman, while we are talking here about taking care of the civil-service employees, may I say that ever since September 13, 1945, I have been trying to get a terminal leave pay bill through this House for the benefit of the GI's so that they may get paid for their terminal leave. How far have I gotten? I have a petition, No. 23, there on the Clerk's desk which I hope will be signed by a sufficient number to bring the bill to the floor, and I am sure the House will take care of those boys as we do the civil employees.

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

Mr. ROGERS of Florida. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I signed the petition to which the gentleman refers. There has been discussion here between the gentleman from Illinois and the gentleman from Florida in reference to the impact of living costs. Considering the high tax rates and the 31 percent rise in the cost of living, a man with a wife and two children who was earning \$5,000 in 1939 would have to receive a salary of \$7,641 this year just to keep the same real income or buying power that he had in 1939. That would be a salary increase of 53 percent. Does the gentleman agree with that statement?

Mr. ROGERS of Florida. I cannot say that I agree with that statement, but I do say, if it is the truth, that these low-bracket people down in the \$1,400, \$1,800, \$2,100 brackets cannot live very long.

Mr. RANDOLPH. The gentleman knows that under this bill we are giving an increase to the lower brackets also.

Mr. ROGERS of Florida. That is true, but it is very meager. In other words, the man or woman who receives \$1,400 only gets an increase of \$200.

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

The Chair recognizes the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, as stated yesterday, I am opposed to this measure granting additional 18.5 percent increase in the salaries of Federal employees and my opposition is not based on any increase of salaries as such. It goes without saying that Federal employees should be paid comparable salaries with those obtaining in private industry, taking into consideration, of course, the character of their work. However, the Federal pay roll is now so greatly inflated that the Congress cannot extend a blanket increase, such as this bill provides, without grossly violating the principles of equity and justice in respect to the taxpayers of the United States.

By all means the number of Federal employees should be reduced before any increase is given. Were this policy adopted, it might serve as an incentive to those Federal employees who are basically needed to operate the Government, such as postal employees and the really essential employees in the various departments, to support the public demand for a real reduction in the number of Federal employees.

The gentleman from Kansas [Mr. REES], a member of the Civil Service Committee, stated "that this bill involves an additional expenditure by the United States Government of something like one-half billion dollars annually."

If this figure is correct, and I assume it is, then the proposition amounts to a great deal more than \$500,000,000 annually. It should not be overlooked that the Government is paying 7.92 percent annually of the salaries paid to Federal employees, as its contribution to the civil-service retirement fund. Accordingly, the cost to the Federal Gov-

ernment for the first year would be not \$500,000,000 but this amount plus 7.92 percent, or \$539,600,000, or a total of \$539,600,000.

The \$39,600,000 contribution would draw compound interest of 4 percent. In addition, the Federal Government would also pay 4-percent compound interest on the contribution made by the Federal employees. Their contribution is 5 percent of their salaries. Therefore, the Federal Government would the first year pay 4-percent interest on both shares of the annual contribution, that is, 4 percent of \$64,600,000, or \$2,584,000.

Therefore, the cost to the Federal Government the first year would be \$500,000,000 plus \$39,600,000 plus \$2,584,000, or a total of \$542,184,000.

Thus it will be seen that the cost to the Federal Government will cumulatively rise each successive year over an extended period, probably 25 years, according to information provided me by the Civil Service Commission.

I should like to repeat in part what I said yesterday on this subject. It will hardly be considered consistent to claim to be for deflating the Federal bureaucracy, and most of us make this contention, and concurrently support a proposal such as the one before us. Will it be denied that the effect of this measure, if passed, will be to further intrench the great mass of unnecessary Federal employees in their present positions?

Can it be successfully contended that the premium on Federal employment over private employment is not already substantial? I do not believe it can. This situation, as I see it, represents a very unhealthy economy, which, if this measure passes, cannot help but become aggravated.

Salaries of Federal employees should not be raised until the great surplussage of those employees are separated from the Federal pay roll. This would be a sensible policy, one which would appeal to the prudent citizens who have an interest in restoring the soundness of the Federal Treasury and the liberty of our people.

Raising Federal employees' salaries, as this bill provides, will not only fail to achieve these ends, but actually put them still farther out of our grasp.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, the debate on this bill today ought to bring home to the Members of this House the fact that we have shirked our responsibility in not making a sustained and substantial effort to pass some sort of legislation dealing with this matter months ago. I urged a year ago legislation as suggested in a bill proposed by the gentleman from Kansas [Mr. REES], which would provide for policing and investigating the departments of Government constantly for the purpose of weeding out those that are unnecessary, and reducing the number of people in the Federal Government today.

I hope the dilemma in which we find ourselves today, attempting to pass legislation increasing the salaries of probably 1,500,000 people, which sets the

standard for increasing the salaries of 1,500,000 more, probably 3,000,000 people, will bring this House to a realization of the fact that we ought, as Members of Congress, representing the people, to make a sustained and vigorous effort to try to develop some sort of legislation that will permit the Congress of the United States to take over in trying to reduce the number of people in the Federal Government. If we had done that, and known as we approach this legislation today that the great majority of the people for whom we are legislating are properly employed, and that efficiency is the rule in the departments of the Government, we would then be able to give them the salaries to which they are entitled.

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

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

Mr. RICH. Last fall we passed a bill giving the President the power to make a survey and to eliminate any employees that are not necessary. He has the power even to cut down any functions of Government that are not necessary, so that we will retain only the employees that are needed. Why has he not taken action previous to this time?

Mr. VURSELL. That is true. Very little action apparently has been taken. I understand that in the old-line classification departments the number of employees has been going up instead of being reduced. Congress will have to do it if it is ever done.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. If you do not vote this increase a lot of them will leave. Why not let them leave, then pass your increases?

Mr. VURSELL. I am strongly in favor of adequate salaries for everyone in the Government service, but I should like to see some action taken by this House whereby the Congress can take control and reduce and deflate bureaucracy, so that we can really feel that we can vote fully adequate salaries for everyone in the public service. After having looked this legislation over and listened to the various propositions before the House, I am inclined to believe that there is little opportunity to pass the committee bill, and that we can do greater justice to the people in the lower brackets, whose living cost is high and who are struggling to get by because of the increase in the cost of living, if we support the Rees amendment. I hope the House will go on record in favor of the Rees amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New Mexico [Mr. FERNANDEZ].

Mr. FERNANDEZ. Mr. Chairman, before the Rees amendment is voted upon I am going to offer an amendment, as follows:

On page 2, line 2, after the period at the end of that line insert "Provided, however, That increases of salaries or wages under this act shall not be applicable to employees of the Bureau of Reclamation whose salaries

or wages are provided for by funds of the irrigation district on which they are employed, unless such increases are first approved by resolution of the board of directors or other governing body of such district."

This amendment affects only certain employees who, although they are employed by the Bureau of Reclamation, are paid by the district in which they work; in other words, the district provides the funds out of local taxation by way of assessments on water use.

The matter was presented to the committee, and although I felt the committee was quite sympathetic to our problem, nevertheless the Bureau of Reclamation filed a statement in which they said that to treat these employees differently from the others would create some administrative problems and further that it would be unfair to exempt them from the benefits of the bill. My amendment does not exempt them, but it does provide that before their salary increases go into effect the members of the board of directors of the district shall approve the increases in salary. After all, they are the men who pay the bill. In my State, we have one of those irrigation districts, and in answer to that statement, the manager of the Bureau of Reclamation of the district writes to me speaking in behalf of the district. I am going to read portions of his statement because he discusses the matter better than I could:

As the matter now stands, irrigation districts on Bureau of Reclamation projects can exercise no control whatsoever over the compensation of Federal employees paid by local taxation, which is the principal item in operation and maintenance costs. They are completely dependent upon the reasonableness of the Government in this matter. Their costs are governed largely by what Congress desires to pay Federal employees throughout the country. This may, or may not, be in line with local ability to pay in irrigated areas. We feel that an injustice exists here that must sooner or later be corrected. There must eventually be some relationship established between the ability of water users to pay and the amount of compensation granted Federal employees who work on Bureau of Reclamation projects and are paid by local taxation. Otherwise water users on Federal irrigation projects are continually exposed to the possibility of being compelled to carry greater burdens than they are capable of assuming.

The great danger involved in exposing agricultural areas to increased costs is that such costs cannot be reduced quickly enough when agricultural income declines. The time lag places severe burdens upon farmers. We seriously doubt the ability of the Bureau of Reclamation to reduce its costs of operation and maintenance sufficiently to make a great deal of difference in local taxation on irrigation projects. Obviously it cannot be done when the bulk of such costs consists of Federal salaries which can be changed only by act of Congress.

We are not impressed by the argument that administrative difficulties stand in the way of placing Federal employees paid by local taxation in a separate category. The Government has undertaken administrative problems of greater proportions and that are much more complicated than this one.

We do not believe that the Bureau will lose many people by placing employees paid by local taxation in a separate category. Its organization has survived wartime condi-

tions. Considerable damage has already been done by insisting that employees engaged in the delivery of water on Government irrigation projects shall work on a 40-hour week basis. This had the effect of depriving such employees of overtime and reducing their gross earnings. No benefit accrued to water users because additional personnel required under the new arrangement will more than absorb the saving. Impaired service has already become apparent. The 40-hour week for employees engaged in the delivery of water also brought about a rather complicated local administrative problem which the Bureau did not hesitate to have its local officials undertake.

Estimated gross crop values are often cited as evidence of the ability of the water used to pay increased costs. Such figures are deceptive. They are estimated values only and do not represent money income. Actual money income is always considerably less than estimated gross-crop values. Many items included in gross-crop values are never converted to cash. Furthermore, the use of gross-crop values as a measure of the farmers' ability to pay completely ignores the matter of net income. High gross values do not mean that net income is also high. The reverse may often be the case. Gross values of agricultural products are subject to violent fluctuations. In agriculture comparatively high income is the rare exception rather than the rule.

With reference to the supposed detrimental effect upon Bureau activities of placing employees paid by local taxation in a special category, we wish to point out that considerably more damage will be done to the program if costs of operation and maintenance, as well as construction, rise too high. This will be particularly true on new projects. It should be borne in mind that the prices of agricultural products cannot be readily revised upward to absorb increased costs as can the prices of many industrial products. The result is that higher costs must be absorbed out of net income if the farmer is fortunate enough to have any net income. The amount of additional cost that the farmer can absorb is limited.

We believe that protection against retroactive increases, and against increases coming between tax-collection periods, is simply a matter of fairness to water users on Government irrigation projects. When the Government agrees to a budget it should adhere to it until the next budgetary period arrives. To do otherwise is arbitrary and unfair. We do not see any particular administrative problem involved.

If the district is permitted to approve the increase in salary, then the district can by resolution fix the date of the increase in salary to coincide with the time when they make their budget, so that they will not be in difficulty about the payment of the increased amount. This will give them an opportunity to make the increase effective after provision has been made by the district in their budget and assessment of water taxes.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, this legislation presents a very embarrassing question for many of us in making a decision. We are all sympathetic with those who really are productive employees of the Government. The trouble with this bill is that it makes no discrimination and just goes down the line from top to bottom. There are employees of the Government who certainly deserve an increase in salary. Consider

the men who work in the Department of Internal Revenue. Those men work diligently. They are efficient. They have to go to school and are constantly being trained at great cost to the Government, just as industry spends a considerable amount of money in training a new employee. No sooner are these men trained by the Government than they are offered a much larger salary by some private concern or they set up an office of their own. These men are really bringing revenue into this Government, not in the millions, but by the billions. In order to do that they have to be thoroughly trained. The salaries of these splendid men who are in the Government service are ridiculously small. You just cannot retain the best. Take Commissioner Cann, who recently left to go into private work. He has been with the Internal Revenue Department for over 20 years. He is highly trained and of great value to the business interests of this country and of great value to the Government as well.

We can look right about the House. This bill would affect men like Mr. Beaman of the drafting service. You have just seen the monumental piece of work which he did. He is laboring, for instance, and like all human beings he has had sickness and other expenses, especially as he grows older. The men who were under studies under Mr. Beaman have gone out into private practice. Why? Because they were not getting the compensation they deserved.

But as has been brought out today, the trouble with this bill is that it makes a clean sweep of salary raises of an overstaffed bureaucracy running, perhaps, into a million purely political appointees. Many of them are just chair warmers. On the other hand, there is a group that is producing for the Government just the same as efficient men are producing in industry and in businesses of all kinds. I would like to see the people who are really deserving get an increase. Many of the very productive people, after all, are unjustly held in the lower salary brackets. But I must say I feel it is not very sound legislation at this time, when the country is facing inflation, and has inflation, and has it in a very marked degree, and it is increasing with great rapidity, which is reflected, of course, in the cost of living.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TABER. Mr. Chairman, several months ago we passed a bill providing for annual increments in the salaries of many Federal employees. It was thought that would stimulate the interest of the employees and would make them feel more responsibility to the Government. The result of that bill has been that the salaries of those in the higher brackets have been raised very largely, and the salaries of those in the lower brackets have been raised substantially.

About a year ago, after long consideration on the part of the committees of this House, a bill was passed raising the salaries of Federal employees under \$10,000 from 10 to 20 percent. At the present time they are actually higher than they are in outside employment as

a whole. In that time the bureaucrats have been successful in hanging on to them to such an extent that we have only reduced wartime employment to about 2,900,000.

This bill as it is brought in here calls for an annual expenditure of upwards of \$400,000,000—a half billion dollars. That can do nothing but add to the deficit. It looks as if we have no regard for the ordinary fellow who pays the income tax and the miscellaneous taxes in this country and no sense of responsibility for how the money is spent. Frankly, it is about time we awoke. It is about time that we paid some attention to our responsibility to the taxpayers of America. We can go on this way spending the deficit and when we get through all we shall have is more and more inflation. With the operations of the OPA we have had tremendous inflation; with the operation of the Federal construction programs we have had inflation, and if we continue by this legislation we are placing a block against every opportunity to balance the Federal Budget.

I do hope this House will rise to its sense of responsibility and after this job has been done, done carefully 9 months ago—because that bill, Public Law 106, took effect the 30th day of June last—and not say that 9 months after we have settled this question we are going to review it again and up it 18½ percent. Frankly, I do not believe we are being fair with the American people. Public Law 106 was fair, exceedingly fair to the Government employees.

I hope this bill will be defeated.

The CHAIRMAN. The gentleman from Minnesota [Mr. H. CARL ANDERSEN] is recognized for 5 minutes.

Mr. H. CARL ANDERSEN. Mr. Chairman, it seems to me after listening to all this oratory of the past 2 days that the House is simply and abjectly abdicating to inflation and to pressure groups and forgetting its responsibilities to the people of our Nation. Here we have a measure which will cost the taxpayers almost half a billion dollars per year in added salaries to an already overloaded and top-heavy bureaucratic machine. How can we ever balance the Budget if we pass such far-reaching legislation as this bill and add nearly \$500,000,000 to our pay-roll cost? We have at least 500,000 too many Federal employees on the rolls today. Let us get them off the roll and then consider a straight \$400 increase for the remaining personnel. It then would have some merit.

How many of you recall the tax-reduction bill we passed last year? How many will agree to Mr. Baruch's suggestion that perhaps the Congress did wrong at that time? There were only two of us who then felt it necessary to take the floor and talk against that tax-reduction bill. I knew that it meant a reduction in taxes to each and every individual in my district, but I also knew, Mr. Chairman, that that tax-reduction bill did no more good to the people in my district than this bill will do to the Federal employee in the long run. All you are doing is to cheapen the dollar. What is going to happen to the hundreds of thousands of people living on small pensions or annu-

ties? How about our old-age recipients of an already miserably inadequate aid? Raise these Federal employees and the dam of inflation will be dangerously near the breaking point. All groups in America will demand like treatment, and parity prices for agricultural products are bound to go up or production will go down. Every school teacher in America and State employees of every nature will have the right to demand equity for themselves. Federal employees today receive higher pay than do comparable employees on State pay rolls. Here we are still further widening the breach.

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

Mr. H. CARL ANDERSEN. I yield not at this time. The gentleman has taken some 30 minutes on this bill, but this is the first time I have taken the floor.

No, Mr. Chairman, I feel we are making a mistake in that we have no consideration whatsoever for the taxpayers when considering this far-reaching bill. Some say, "Well, you voted for the \$400 increase in salaries of postal workers." Certainly I did. We have here, however, a bill which will give to 12- and 15-year old pages of the House a \$500 increase to their already too high a salary. Think of these kids, much as we like them, who run errands for us getting nearly \$200 a month. Think of Cabinet members becoming eligible for another \$4,000 per year and Mr. Chester Bowles, who is supposed to hold the line, being eligible under the committee bill for a raise of nearly \$2,500. In connection with the raise that we voted almost unanimously for the postal workers the other day, we were voting for a great and efficient organization, the Post Office Department. We were voting for a class of men who are doing a good job and for a department that is efficient. The Post Office Department is not cluttered up with unneeded personnel. Most of the postal employees get less than our pages would draw under the committee bill. The Federal Government today is cluttered up by at least a half million too many employees. When this same Federal Government is sheared down to the same operating efficiency as is the Post Office Department, then we will have every right to come in here and vote for an increase for the balance of those employees left in our Government, after the more than 500,000 extras are turned loose into other fields of endeavor where they can earn the wages they receive.

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

Mr. H. CARL ANDERSEN. I yield to the gentleman from New York.

Mr. BENNET of New York. If we have a half million too many employees in the Government, should we not try to find out about that by means of an adequate investigation by an impartial staff?

Mr. H. CARL ANDERSEN. Why, certainly, we should make such an investigation, but we should also get rid of the additional half million employees before we pass a bill of this nature, either the so-called \$400 amendment, which will add a half billion dollars every year in the future to our pay roll, or the so-called committee bill as reported to the

House. Our national solvency demands such action.

I am appealing to the House to think that perhaps we are here today going down the easy and unobstructed path of inflation. Where are these gentlemen who recently proclaimed the necessity of balancing the Budget? These gentlemen were going to do a lot, according to newspaper publicity given to them over the Nation, but where are they on this bill? I have heard none of them here today, yet they criticize the Committee on Appropriations for unnecessary expenditures. I, as one member of that committee, am fearful of what is happening here today. The pattern is being woven.

Yes, Mr. Chairman, the spirit perhaps is willing but the flesh is weak. Our Nation, the strongest in the world, can remain strong, can help unfortunate nations, can take care of our veterans, and can do all that must be done only by remaining solvent.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HERTER to the Rees amendment: Insert after the word 3 in the first paragraph the words "except section 4."

Mr. HERTER. Mr. Chairman, I am offering this amendment only because I think that if the Rees amendment as offered should be carried it would have one very serious inconsistency. The Rees amendment as now pending does not put a ceiling of \$10,000 on the classified service. It does, however, prevent the statutory employees who are receiving \$10,000 from getting any increase. The only purpose of my amendment is to put the two in the same situation.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Kansas.

Mr. REES of Kansas. It was the intention of the gentleman from Kansas, in the event his amendment passes, to offer an amendment that would provide a limit of \$10,000 on all other employees under this bill.

Mr. HERTER. It was understood that when the gentleman filed the substitute bill he had taken care of everything.

Mr. REES of Kansas. The reason the gentleman from Kansas did not offer that amendment was because of the parliamentary situation that arose at the time.

Mr. HERTER. I thank the gentleman.

Mr. REES of Kansas. At the proper time it will be offered.

Mr. HERTER. Mr. Chairman, I want to comment very briefly on the two principal amendments now pending. The amendment for \$400 across the board increase has been held comparable to the amendment that was adopted day before yesterday in connection with the postal pay raise bill. But I have not heard a single person on the floor of the House say that last July when the postal salaries were increased they were increased on

an average of 19 percent whereas the salaries of Federal employees were increased by about 15.4 percent.

Furthermore, I have heard very little discussion of the fact, and apparently the amendment which has been offered does not carry such a provision, that the postal employees increase that was passed a few days ago was retroactive to January 1, whereas all the bills now before us provide for pay increases beginning next July 1. In other words, when it comes to the bill which the gentleman from New York voted for only 2 days ago he voted for an increase in salary for all postal employees retroactive to January 1, and yet is telling us today that we are doing an inflationary thing in this bill at the moment.

I further would like to point out that the bulk of the employees of the Federal Government, namely, the blue-collar workers, whose wages are fixed by wage boards, have received between 1941 and to date an increase of 54 percent, yet we are leaving the white-collar workers out and saying that even if we try to bring them up to a slight percentage of that amount it is inflationary. Of course it is inflationary. Every one of these increases is inflationary. Anybody would be a fool to deny it. But, the answer has been pointed out over and over again, particularly by my friends on this side of the aisle, that the way to stop that inflation is to cut down the number of employees when the appropriation bills come up so that we can save this amount of money.

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

Mr. HERTER. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I received a letter today from the Director of Civilian Personnel and Training, Mr. Fletcher C. Waller, of the War Department, in which he says:

HONORABLE JENNINGS RANDOLPH,
House of Representatives,
Washington, D. C.

DEAR Mr. RANDOLPH: In view of your great personal interest in the welfare of Federal workers, and in view, further, of your position as Chairman of the House Civil Service Committee, I am taking this means of informing you of the action taken today by the War Department to provide a general increase in wage schedules for employees of the War Department not compensated under Classification Act schedules.

The basic principles underlying this action may be briefly stated as follows:

1. The War Department adheres to the principle of paying its ungraded employees the rates which prevail in the different localities for work of similar nature and difficulty.

2. The rapidity and wide-spread character of changes in prevailing rates has indicated the wisdom of some general adjustment on a Nation-wide basis. An average increase of 12 cents above schedules authorized or in effect on VJ-day (18 August 1945) was determined to be the amount of increase most appropriate in all parts of the Nation.

3. Surveys will be continued and intensified in order to recognize those localities in which prevailing wage rates have increased more than 12 cents.

The specific aspects of the action taken today providing for a general increase are set forth below:

1. The 12-cent average increase will be applied to the rates in effect or authorized on VJ-day. Adjustments made since VJ-day will reduce the amount of this increase in particular localities, unless surveys have shown a locality increase greater than 12 cents. In such instances, there will, of course, be no reduction.

2. The 12-cent increase will be applied to the middle of five step rates for each grade. Since the first, second, fourth, and fifth step rates bear the relationship of 90, 95, 105, and 110 percent to the third step rate, these four step rates may vary from the 12-cent increase, but such variation will not exceed plus or minus 1 cent.

3. The increase is an increase in rates. In individual cases the increase over VJ-day rates may be greater or less than the average 12-cent increase because of changes of individual employees to a different grade or to a different step rate within a grade.

4. The effective date of the increase for all employees is 14 April 1946. This is the earliest feasible date which coincides with the beginning of the majority of pay periods for ungraded personnel.

5. Certain small groups of ungraded employees whose rates are differently established are not affected by this action. The principal of such groups are force account, purchase and hire, post exchange, and harbor boat employees and employees paid flat rates. Rates for these groups will be increased as surveys show the need for increases.

6. Simultaneously with the general increase, the Department is eliminating all substandard rates below 55 cents per hour. Although the majority of schedules have heretofore been substantially above this minimum, hereafter none will be below.

In taking this action the War Department has implemented the President's statement of policy that wage boards should be sensitive to changes in prevailing rates. At the same time it has not fallen into the error made by some groups of assuming that a few major private industry adjustments of 18 or 18½ cents per hour have established a national pattern which it is obliged to follow. Knowing that there are both geographical and time differentials in private industry wage adjustments, the War Department has adopted a more moderate though substantial increase, which will be supplemented by a continuing, vigorous survey program to further adjust rates in those communities where levels have risen more than 12 cents.

The Department believes that this is the best means, under present conditions, of assuring its ungraded employees proper wages and at the same time maintaining fair relationships with local industry.

Sincerely yours,

FLETCHER C. WALLER,
Director of Civilian Personnel and Training.

Mr. HERTER. As I understand that letter, it applies to the 15-percent increase. The Navy Department had an increase of 18 percent 2 weeks ago, on top of a number of other increases, so it is only the white-collar people who are being discriminated against.

Finally let me say why I prefer the committee bill to either of the amendments that have been offered. I feel very strongly that we are continuously, for various reasons, increasing the lower brackets and giving no consideration to the higher brackets. That, to my mind, is a very bad principle for the Government to follow and will lead to the worst type of Government service in the long run.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, I want simply to clarify my stand on the three issues before us. We have, first, the committee bill which proposes 18½ percent all through. We have, second, the Rees bill which proposes, in substance, the Senate bill, sweetened up a little bit; and then we have the \$400 flat proposition for all in the service.

I want to state, first, flatly, that I supported—and wholeheartedly supported—the \$400 flat increase for the employees of the Post Office Department, and I shall support the \$400 flat increase all across the board for the Government employees for the same reason, exactly, that I supported the other bill. If that fails I shall then support the Rees amendment, which I think is more nearly satisfactory than the committee bill. If that fails, and the committee bill is left to vote upon, I shall vote, first, to recommit it to the committee for further study, and, second, if that fails I shall vote definitely “no” on that bill. I am doing it simply because if these three propositions are bread-and-butter propositions as they are supposed to be then they ought to be bread and butter propositions and the committee bill giving only a \$185 increase to a \$1,000 man and a \$1,850 increase to a \$10,000 man can in no sense of the word be considered a bread-and-butter bill, and from my viewpoint it is a monstrosity that I refuse to go along with.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. BUCK].

Mr. BUCK. Mr. Chairman, any proposal for granting salary increases on a flat percentage applicable to all levels of pay is in direct contravention to the premise upon which our income tax structure is based. That premise is ability to pay. With that premise no person now quarrels. Yet in this bill, as recommended by the committee, we are asked to set aside the principle of ability to pay as applied to the increased cost of living. If we believe that the man with a \$10,000 salary should pay a higher percentage tax than the man with a \$1,200 salary, surely we are not consistent when we say that to meet the cost of living, the man with the \$10,000 salary should be given the same percentage increase as the man with the \$1,200 salary.

I agree that we must pay adequate salaries in top brackets in order to attract and hold desirable men and women to the Government service. I am sure, however, that no Member of the House will argue that we must increase salaries of Cabinet members, for example, in order to induce capable persons to serve. Such an argument would be ridiculous. Rather than grant a blanket increase in these higher brackets, therefore, let us do the job in a proper way by enacting legislation which will establish new and higher levels in the Classification Act wherever higher levels are essential.

I know that the country will go along with salary increases in the low and middle levels. But after some 15 years of deficit spending, I wonder if the country will look with favor upon granting a \$4,078 raise to the \$15,000 man and only

\$266 to the \$1,200 man. Each will pay the same price and buy the same quantity of milk and bread and vegetables with which to feed his family.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. REES].

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

Mr. REES of Kansas. I yield to the distinguished gentleman from New York ranking member of the Appropriations Committee of the House.

Mr. TABER. Is it not a fact that a bill was passed here within the last 2 years that up-graded a lot of Federal employees so that many of them, instead of having the Little Steel formula increase, have had a 40, 50, 60, or even a 100 per cent increase?

Mr. REES of Kansas. Increases were granted to Federal employees a year ago, but the up-grading and reclassification is done by the Civil Service Commission. I discussed that yesterday. We were unable to secure definite information from the Civil Service Commission with respect to how much up-grading and reclassification is going on. There has been a considerable amount of it, however. It is a thing which I have discussed on the floor on numerous occasions. Unfortunately, it has taken place not all the way along the line but more in certain groups than in others. I wish I had time to discuss it at length.

I agree with the gentleman from New York [Mr. REED] that we have many outstanding men of ability in the Civil Service, especially in the Revenue Service, who render a wonderful service to the Government. They are entitled to every possible consideration that can be given them. The \$400 amendment will not help them as much as under my amendment. I only wish there were some way by which they could be rewarded better for their services. Many of them are invaluable to our Government.

Mr. Chairman, I want to briefly review the proposals before us and compare them. A good deal has been said with respect to the expense and cost of these bills. I have noted in round figures the amount of the cost of each of them as I have been able to secure the figures. The cost of the proposal under consideration of \$400 across the board is easy to figure out. All you need to do is multiply your \$400 by the 1,250,000 people and you have got it. The cost is \$500,000,000. If you use the number we are supposed to have on July 1, and I do not believe it will be reduced to that figure, it amounts to \$391,000,000. It will cost at least \$400,000,000. The cost of the committee bill, according to their figures on the low number of 971,000 is \$420,000,000. I have asked a statistician as to the cost of my proposal. It is \$354,000,000. I think the House ought to know that. Under my proposal, the big share would go to the lower-salaried groups. I appreciate the views of those who are in favor of the \$400 for all employees regardless of present salaries.

There is a great deal to be said in favor of your contention. This measure is a pay-adjustment bill. We are trying to adjust these salaries on a scale that we believe is fair and equitable. Of

course, the whole pay structure in government ought to be examined carefully. We ought to find out more about what these people are really entitled to. Last year adjustments were made with respect to the lower salaries. Upon my proposal the lowest income group would get a little more than 20-percent increase. In fact, the first three groups indicated in the table would receive approximately 18 percent increase over present salaries. My proposal allows smaller percentages as the salaries grow higher. My proposal starts with a 45-percent increase on the first \$1,200 of all salaries and then 18 percent on the next \$3,400. I thought it only fair to call this to the attention of the Committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. LYLE].

The question was taken; and on a division, there were—ayes 109, noes 65.

Mr. RANDOLPH. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. JACKSON and Mr. LYLE.

The Committee again divided; and the tellers reported that there were—ayes 114, noes 95.

So the amendment was agreed to.

Mr. FERNANDEZ. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FERNANDEZ. As I understood, earlier today the Chair ruled that amendments to the bill would be voted on before the Rees amendment. I have a perfecting amendment. The motion of the gentleman from West Virginia was to close debate on amendments pending and amendments thereto.

Is it in order for me now to offer a perfecting amendment?

The CHAIRMAN. The gentleman means a perfecting amendment to section 2 of the bill?

Mr. FERNANDEZ. Yes.

The CHAIRMAN. The gentleman's amendment would be in order.

Mr. FERNANDEZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FERNANDEZ: On page 2, line 2, after the period at the end of the line insert the following: “Provided, however, That increases of salaries or wages under this act shall not be applicable to employees of the Bureau of Reclamation whose salaries or wages are provided for by funds of the irrigation district on which they are employed unless such increases are first approved by resolution of the board of directors or other governing body of such district.”

The CHAIRMAN. The gentleman from New Mexico is recognized for 5 minutes in support of his amendment.

Mr. MASON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MASON. Was not time for debate limited on the amendments and all amendments thereto? The gentleman from New Mexico was given 5 minutes of that time.

The CHAIRMAN. The consent agreement was to limit debate on all amendments then pending and amendments

thereto. The amendment offered by the gentleman from New Mexico is an amendment to section 2 but not an amendment to any pending amendment. The gentleman from New Mexico therefore is entitled to recognition.

Mr. FERNANDEZ. Mr. Chairman, as I stated awhile ago, the employees who are affected by this amendment are technically Federal employees. They are employed by the Bureau of Reclamation. We have seven or eight districts, not all in my State but in other States, that employ about 410 of these employees, such as ditch riders, and so forth, in the district. Funds for their pay are raised by the farmers in the district. For example, in the Elephant Butte irrigation district in my State the farmers at the beginning of the fiscal year fix their assessments on the water to raise the funds for these employees who are paid by the farmers. Now, the Congress comes along, as it did a year or two ago, and passes a bill raising the salaries of these employees, and the farmers are stuck without being consulted.

My amendment simply requires that the farmers who foot the bill shall, before the salaries are increased for the employees who work for those districts, approve the increase through the governing boards of those districts. That is the only fair thing to do.

I do not say that these employees should not be under the civil service, and my amendment does not require them to be taken out of civil service. They should continue as civil-service employees, but their salary increases should be approved by the district before they go into effect.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

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

Mr. CASE of South Dakota. Is it not a fact that the money which pays these employees is really the money of the farmers living in these irrigation districts, which is collected from them in the form of assessments determined some time ago, which are paid into the Federal Treasury, then paid out on behalf of those districts to those employees?

Mr. FERNANDEZ. That is correct. It is the money of the farmers which the farmers raise through taxation, through water assessments.

Mr. CASE of South Dakota. Through assessments on themselves?

Mr. FERNANDEZ. Yes; the men are employed by the Reclamation Bureau and work in the district and are paid by funds of the district, not by Federal funds.

Mr. CASE of South Dakota. The amendment offered by the gentleman is thoroughly just and fair and certainly should be adopted. I would think that the chairman of the committee might be well advised to authorize acceptance of the amendment.

Mr. FERNANDEZ. I thank the gentleman and I hope and trust that the members of the committee will see it likewise and agree to my amendment.

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

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

Mr. SMITH of Ohio. Suppose these farmers should fail to approve this schedule?

Mr. FERNANDEZ. The farmers, of course, would have the right to disapprove the scale, and perhaps they should do so, unless the prevailing wage for ditch riders in that district or around the district is the same as that paid by the Federal Government.

Mr. SMITH of Ohio. I am in favor of the gentleman's amendment, but what would they do in the event they disapproved, where would they get the labor?

Mr. FERNANDEZ. The employees would continue to work under the present arrangement at present salaries until otherwise provided.

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

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

Mr. RICH. If it is so important to have the farmers approve the wage increase that is granted under this bill, why is it not imperative also that the taxpayers of this country approve the bill as a whole before the Congress votes it?

Mr. FERNANDEZ. We as Members of the Congress represent the taxpayers and can do what we think right and proper with the taxpayers' money, but we do not have the right to tell the farmers how much they have to pay for their labor that is not really Federal labor.

Mr. RICH. You are not giving any consideration then to the taxpayers of this country for what they have got to pay through legislation being put into effect which the Congress is now about to approve?

The CHAIRMAN. The time of the gentleman from New Mexico has expired.

Mr. JACKSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I can appreciate fully the problem that the gentleman from New Mexico has presented. He appeared before the committee. The committee gave considerable time to this matter; had representatives from the Bureau of Reclamation present. The committee voted unanimously against the amendment offered by the gentleman from New Mexico. I regret that I have to take this position in behalf of the committee, but if this amendment is adopted it would upset the whole wage structure in the Bureau of Reclamation.

These particular workers have been on a 48-hour week and are now back to a 40-hour week. They have not had an adjustment for a long time. Their funds are paid out of the Treasury. The water costs have not gone up, and it is only a matter of equity in trying to work out their salary structure that the committee voted this amendment down. I know I speak for the full subcommittee in that connection.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

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

Mr. CASE of South Dakota. The gentleman does not want the RECORD to show that the so-called O and M costs, operation and maintenance costs, on irrigation districts are subsidized, does he?

Mr. JACKSON. I am saying that the cost of your reclamation structures, as I recall it, or many of them, come right out of the general Treasury. They are not all amortized.

Mr. CASE of South Dakota. Some may and some may not. But certainly the operation and maintenance costs are paid for by the farmers themselves, and it is that fund with which the amendment deals.

Mr. JACKSON. The testimony before the committee was to the effect that their water costs had remained practically the same; that there had not been any increase in cost; that this was only a matter of being fair with your Government, if you please, that you allow this adjustment. If you are going to adopt this sort of an amendment you are going to lay yourselves wide open to every other amendment along that line.

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

Mr. JACKSON. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. There is no other situation like this. This is the only one of that character.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Mexico.

The question was taken; and on a division (demanded by Mr. Cox) there were—ayes 55, noes 99.

So the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. HERTER] to the amendment offered by the gentleman from Kansas [Mr. REES].

Mr. RANDOLPH. Mr. Chairman, I ask unanimous consent that that amendment be again reported.

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

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. HERTER to the Rees amendment: Insert after "3" in the first paragraph the words "except Sec. 4."

The CHAIRMAN. The question is on the amendment to the amendment.

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. REES].

Mr. TARVER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TARVER. The Lyle amendment providing for the \$400 increase across the board was made by the Committee of the Whole to the same sections that the amendment of the gentleman from Kansas [Mr. REES] proposes to strike from the bill. Would the effect of the adoption of the Rees amendment be to strike from the bill the language of the Lyle amendment just adopted by the Committee of the Whole?

The CHAIRMAN. It would.

The question is on the amendment offered by the gentleman from Kansas [Mr. REES].

The amendment was rejected.

The Clerk read as follows:

**INCREASE IN PAY RATES FOR CUSTOMS CLERKS
AND IMMIGRANT INSPECTORS**

SEC. 3. Each of the existing rates of basic compensation provided by the act entitled "An act to adjust the compensation of certain employees in the Customs Service", approved May 29, 1928, as amended and supplemented, and those provided by the second paragraph of section 24 of the Immigration Act of 1917, as amended and supplemented, are hereby increased by 18.5 percent. Such augmented rates shall be considered to be the regular rates of basic compensation.

INCREASE IN STATUTORY PAY RATES IN THE EXECUTIVE BRANCH NOT UNDER CLASSIFICATION ACT

SEC. 4. (a) Rates of basic compensation specifically provided by statute (including any increase therein computed in accordance with section 602 (b) of the Federal Employees Pay Act of 1945) for positions in the executive branch or the District of Columbia municipal government which are not included in section 102, as amended, of the Federal Employees Pay Act of 1945 or in the District of Columbia Teachers' Salary Act of 1945, and are not increased by any other provision of this act, are hereby increased by 18.5 percent. Such augmented rates shall be considered to be the regular rates of basic compensation.

(b) Section 102 (a) of the Federal Employees Pay Act of 1945 is amended by striking out the following: "(3) heads of departments or of independent establishments or agencies of the Federal Government, including Government-owned or controlled corporations;"

Mr. JACKSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JACKSON: On page 3, after line 11, add a new subsection (c) as follows:

"(c) Notwithstanding the provisions of section 102 (b) of the Federal Employees Pay Act of 1945 subsection (a) of this subsection shall apply to the directors of the Tennessee Valley Authority and the chairman of the Advisory Board of the Inland Waterways Corporation."

Mr. JACKSON. Mr. Chairman, this is merely a perfecting amendment. The question was raised by the distinguished gentleman from Alabama regarding the inclusion of some of these agencies in the bill. This merely clarifies the situation from the drafting standpoint. I have taken it up with the distinguished ranking minority member of the committee, and I believe he has no objection to it.

Mr. REES of Kansas. We have no objection to that, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. JACKSON].

The amendment was agreed to.

The Clerk read as follows:

INCREASE IN PAY RATES IN THE LEGISLATIVE BRANCH

SEC. 5. (a) The first sentence of section 501 of the Federal Employees Pay Act of 1945 is amended by inserting before the period at the end thereof a comma and the following: "plus 18.5 percent of his basic compensation as increased by the foregoing percentages."

(b) The second sentence of such section 501 is amended to read as follows: "The additional compensation provided by this section and section 502 shall be considered a part of the basic compensation of any such officer or employee for the purposes of the Civil Service Retirement Act of May 29, 1930, as amended."

(c) Section 502 of such act is amended to read as follows:

**"ADDITIONAL COMPENSATION IN LIEU OF
OVERTIME**

"SEC. 502. Each officer and employee in or under the legislative branch entitled to the benefits of section 501 of this act shall be paid additional compensation at the rate of 10 percent of the aggregate of the rate of his basic compensation and the rate of additional compensation received by him under section 501 of this act."

INCREASE IN PAY RATES IN THE JUDICIAL BRANCH

SEC. 6. (a) The first sentence of section 521 of the Federal Employees Pay Act of 1945 is amended by inserting before the period at the end thereof a comma and the following: "plus 18.5 percent of his basic compensation as increased by the foregoing percentages."

(b) The second sentence of such section 521 is amended by inserting after "section 405 of this act" the following: "and section 2 of the Federal Employees Pay Act of 1946."

(c) Section 527 of such act is hereby repealed.

REPEAL OF LIMITATION ON AGGREGATE RATE

SEC. 7. Section 603 (b) of the Federal Employees Pay Act of 1945 is hereby repealed.

Mr. REES of Kansas. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. REES of Kansas: On page 4, strike all of lines 19, 20, and 21 and insert the following:

"LIMITATION ON AGGREGATE RATE PAYABLE

"SEC. 7. (a) Section 603 (b) of the Federal Employees' Pay Act of 1945 is amended by inserting after the words 'by reason of the enactment of this act' the words 'or any amendment thereto.'

"(b) Notwithstanding any other provision of this act, no officer or employee shall, by reason of the enactment of this act, be paid, with respect to any pay period, basic compensation or basic compensation plus any additional compensation provided by the Federal Employees' Pay Act of 1945, as amended, at a rate in excess of \$10,000 per annum."

Mr. REES of Kansas. Mr. Chairman, I do not believe I have to take up very much of the time of the committee at this late hour. This is an amendment which I discussed yesterday and again today. It provides a limitation of \$10,000 regardless of any increase that may be made under this bill. It provides that no salary shall be raised beyond that \$10,000 limit.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. REES].

The amendment was agreed to.

The Clerk read as follows:

VESSEL EMPLOYEES

SEC. 8. (a) Section 102 (d) of the Federal Employees Pay Act of 1945 is amended to read as follows:

"(d) This act, except sections 606 and 607, shall not apply to the employees of the Transportation Corps of the Army of the United States on vessels operated by the United States, to vessel employees of the Coast and Geodetic Survey, to vessel employees of the Department of the Interior, or to vessel employees of the Panama Railroad Co."

(b) Section 606 of such act is amended to read as follows:

"VESSEL EMPLOYEES

"SEC. 606. Employees of the Transportation Corps of the Army of the United States on vessels operated by the United States, vessel

employees of the Coast and Geodetic Survey, vessel employees of the Department of the Interior, and vessel employees of the Panama Railroad Co., may be compensated in accordance with the wage practices of the maritime industry."

**COMPENSATORY TIME OFF FOR IRREGULAR OR
OCCASIONAL OVERTIME WORK**

SEC. 9. Section 202 (a) of the Federal Employees Pay Act of 1945 is amended by striking out "48 hours" and inserting in lieu thereof "40 hours".

NIGHT PAY DIFFERENTIAL

SEC. 10. That part of section 301 of the Federal Employees Pay Act of 1945 which precedes the first proviso is amended to read as follows: "Any officer or employee to whom this title applies who is assigned to a regularly scheduled tour of duty, any part of which, including overtime, falls between the hours of 6 o'clock postmeridian and 6 o'clock antemeridian, shall, for duty between such hours, excluding periods when he is in a leave status, be paid compensation at a rate 10 percent in excess of his rate of basic compensation for duty between other hours."

PAY FOR HOLIDAY WORK

SEC. 11. That part of the first sentence of section 302 of the Federal Employees Pay Act of 1945 which precedes the proviso is amended to read as follows: "Any officer or employee to whom this title applies who is assigned to duty on a holiday designated by Federal statute or Executive order during hours which fall within his basic administrative workweek of 40 hours shall be compensated for not to exceed 8 hours of such duty, excluding periods when he is in a leave status, in lieu of his regular rate of basic compensation for such duty, at the rate of twice such regular rate of basic compensation, in addition to any extra compensation for night duty provided by section 301 of this act."

**PAY RATES FOR GRADES 9 AND 10 OF THE CRAFTS,
PROTECTIVE, AND CUSTODIAL SERVICE OF THE
CLASSIFICATION ACT**

SEC. 12. (a) Section 13 of the Classification Act of 1923, as amended, is hereby further amended by striking out the second paragraph relating to grade 9 of the Crafts, Protective, and Custodial Service and substituting therefor the following:

"The annual rates of compensation for positions in this grade shall be \$2,870, \$2,980, \$3,090, \$3,200, \$3,310, \$3,420, and \$3,530."

(b) Section 13 of the Classification Act of 1923, as amended, is hereby further amended by striking out the second paragraph relating to grade 10 of the Crafts, Protective, and Custodial Service and substituting therefor the following:

"The annual rates of compensation for positions in this grade shall be \$3,200, \$3,310, \$3,420, \$3,530, \$3,640, \$3,750, and \$3,860."

(c) With respect to grades 9 and 10 of the Crafts, Protective, and Custodial Service, the increase in rates of basic compensation provided by section 2 of this act shall be computed on the rates of basic compensation established for such grades, as amended by subsections (a) and (b) of this section.

GENERAL ACCOUNTING OFFICE

SEC. 13. This act and any other general legislation heretofore or hereafter enacted governing the employment, compensation, emoluments, and status of officers and employees of the United States shall apply to officers and employees of the General Accounting Office in the same manner and to the same extent as if such officers and employees were in or under the executive branch of the Government.

APPROPRIATIONS AUTHORIZED

SEC. 14. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

EFFECTIVE DATE

SEC. 15. This act shall take effect on July 1, 1946.

Mr. McCORMACK (during the reading of the bill). Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with, that the same be printed in the RECORD and that amendments be in order to any part of the remainder of the bill.

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

There was no objection.

Mr. RANDOLPH. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. RANDOLPH: On page 8, line 16, strike out "July 1, 1946" and insert in lieu thereof "January 1, 1946."

Mr. RANDOLPH. Mr. Chairman, there have been presented to the Members of the House this afternoon three formulas in reference to pay-raise legislation for Federal employees.

The committee offered for consideration 18.5 percent. The distinguished gentleman from Kansas offered, in essence, 15.5 percent. The gentleman from Texas [Mr. LYLE], offered \$400 across the board, and that formula has received your tentative approval in committee. The amounts in all proposals were not so far apart, roughly, \$400,000,000.

The House with one dissenting vote passed the postal pay-raise bill.

When you voted earlier this week, you made the postal pay-raise bill retroactive to January 1. I am sure there is no Member of this House who would want to do less under the formula adopted in connection with the pay raise for the Federal employees.

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

Mr. RANDOLPH. I yield to the distinguished gentleman from New York.

Mr. WADSWORTH. Without intending to search the gentleman's mind too assiduously, was it the intention of the gentleman to offer an amendment of a similar kind in the event the committee recommendation for 18.5 percent had been agreed to by the House?

Mr. RANDOLPH. I think that is a fair question, as the gentleman from New York is always fair. I have been giving consideration to the offering of such an amendment, regardless of whether the committee bill, the Rees bill, or the Lyle formula were adopted. I also gave consideration to the possibility of passing the committee bill with the July 1 date and then when the measure went to conference, since the Senate bill calls for the act to take effect upon the signature of the President, we perhaps might agree on a date of May 1.

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

Mr. RANDOLPH. I yield.

Mr. PACE. On the gentleman's estimate of the cost, his amendment would cost an extra \$100,000,000?

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. REES of Kansas. It would be approximately \$200,000,000.

Mr. RANDOLPH. I was about to say I believe it would be something in excess of \$185,000,000. What has the gentleman from Washington to say?

Mr. JACKSON. I think the easiest way to figure is simply that it is going to cost half again as much as the estimated cost of the bill except that you had more people on the pay roll between January 1 and July 1. So we are simply adding something here that was not added last Tuesday for the postal employees.

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

Mr. RANDOLPH. I yield.

Mr. WHITTINGTON. Is it not true that even the postal increase bill in the other body may be amended so as to eliminate the retroactive feature, in which event this legislation would then be on all fours with that and there would be no occasion to make this retroactive?

Mr. RANDOLPH. The gentleman from Mississippi would not want to reverse his position now, would he, when he voted to make the postal pay bill retroactive?

Mr. WHITTINGTON. I will answer frankly I think the retroactive feature of the postal bill was a mistake. Personally I would have liked to have voted against that. I do not think that because we made a mistake on one we ought to go ahead and make a second mistake. We ought to let it go to the other body and let them correct it. I believe we ought to let the matter stand where it is.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. VURSELL. Mr. Chairman, I rise in opposition to the amendment and ask unanimous consent to revise and extend my remarks.

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

There was no objection.

Mr. VURSELL. Mr. Chairman, as the representatives of the people who are paying this bill, who have nothing to say about it, who expect us to talk for them, I rise in opposition to the amendment.

Two mistakes never make anything right. The amendment was suggested before our committee. The chairman of the subcommittee said it would be an almost impossible task to impose upon the departments of the Government the task to figure out how to get this extra pay to employees who had left the service in the past 3 months if the increases were made retroactive. If this amendment is approved it will cost the taxpayers \$200,000,000.

To my mind this amendment ought not to have been offered. Those who will benefit by the increase do not expect it to be made retroactive. The committee never once gave serious consideration to making it retroactive.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield.

Mr. REES of Kansas. The committee, of course, did not consider the \$400 proposition either.

Mr. VURSELL. I understand that quite well.

Mr. REES of Kansas. Furthermore, I call the gentleman's attention to the fact that this proposition we are talking about would cost an additional \$200,000,000; but we have already voted under this amendment the most extravagant thing there was in the list; we voted for one that is going to cost something like \$391,000,000 a year.

Mr. VURSELL. The committee did discuss the proposition of making the 18½-percent increase retroactive and the thought of the committee at that time was that it would be an impossible task to get the money to the people who had quit the service since the first of the year. They refused to consider it.

I think this House ought to represent the people today and not just add another \$200,000,000 of waste to the taxpayers of the Nation. For myself I intend to represent and protect the public who must pay the bill. I urge you to defeat the amendment.

Miss SUMNER of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it has been said "Whom the gods would destroy they first make mad." You are going hog-wild on this bill. You scoff. You praise the people who vote with you and then afterward use the programs to destroy you. But I tell you that the best friends you have in this Congress are men like the gentleman from Ohio [Mr. SMITH] and a few others who try to help you avert mistakes like this. Nobody should know that better than the now exalted, former chairman of the Truman investigating committee.

The Members present here are going to have to defend themselves on the platform against people who hate the OPA. You are going down as Sir Galahads telling the people you are fighting inflation. Who do you think is going to believe you are against inflation when you pass a bill like this which will cost over \$600,000,000 to be given to politicians? How many people in the various precincts are going to want to vote for people who vote like that in Congress? They will hear that you have added to your salaries. They will tell you that instead of raising them you ought to reduce your salaries.

Maybe you do not know it yet, but the time when buttering the bureaucracy was sure fire to get elected is rapidly passing. The education that the OPA has been giving through advertisements in the newspapers and on the radio has only served to educate the people, and to a greater extent and much better than you think. People now know because the Government officials have taught them that what causes inflation is scarcity, that what causes inflation is billions of dollars created by the Congress out of thin air, depreciating the national currency, lowering the standard of living while at the same time raising the taxes. They have found out since you were home last, they have found out since Christmas, that it is the OPA which is causing shortages, it is OPA and Congress that is creating the inflationary dollars.

As these friends of yours in the bureaucracy go through the precincts with their relatives telling people how to vote

it will only serve to remind the people of this country that the greatest curse of this country is bureaucracy. The American people already know, and your opponents will remind them, that the only way to stop inflation which the OPA has told them is a danger is not through OPA but by cutting out this inflationary Government spending.

I warn you in all friendliness and with best wishes to you, because it is for the best interests of our country, that unless you cut out the spending now, here, today, you can expect to hear the voters say that the only way to cut out the inflationary spending is to cut out the Congressmen who do the spending.

The CHAIRMAN. The time of the gentlewoman from Illinois has expired.

Mr. RUSSELL. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I have not taken time to speak on this bill and I thought until a few minutes ago I would not do so; however, to be frank with you, my conscience would no let me sit idly by without adding my voice, at least in a small way, to the discussion on this bill.

A few years ago when we had up the measure of extending the price-control bill—which perhaps with all of its faults and all of its bungling has served a very useful and good purpose—my distinguished colleague the gentleman from Texas [Mr. PATMAN], in describing to us what inflation was and what produced inflation, among other things said, and I think correctly, that the main thing that caused inflation was wild money. I believe he was correct in that. Wild money helps to produce inflation.

When my mind reflects back to what we have done in this body, which I hope the people will forgive us for in a way, because I am sure the Lord in His forgiving spirit, having done so much, will do it, I wonder if the people back home, whom I hope to serve for the next 8 months and 26 days, at least, will forgive us. Since the last 10 days we have leveled a burden upon the people of this country of an additional \$2,000,000,000 coming out of the taxpayers' pockets.

My friends—and I use the term "friends" perhaps not parliamentarily, so to speak—I say in all fairness do you not think it is about-time to stop, look, and listen? We have a \$270,000,000,000 indebtedness staring the taxpayers of the United States of America in the face.

I read an article yesterday which told of the assessed value of all the property in our country. And, may I use that term again, "my friends," what do you think it was? About \$320,000,000,000. On the other hand, the total indebtedness in our country was \$378,000,000,000; in other words, about \$50,000,000,000 in the red. When any private business or when any individual gets into that state of being, we call it insolvency. If we intend to remain the most powerful nation on the face of this earth, we have to at least remain solvent; but if we are going to further reduce the income of the taxpayers of this Nation, Lord of Hosts, what will come next? What will come next? It is time to stop and take invoice and see. Let us represent the people from here on out and save that which will save America.

My friends—and I want to use that term again—the financial structure of the United States of America must be kept solvent. When you destroy that structure, you destroy America. Please stop, look, and listen.

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

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

Mr. GAVIN. The gentleman asked the question, What will come next? Why, the British loan comes next, for \$4,400,000,000.

Mr. RUSSELL. In addition to that, you have over \$600,000,000 of new subsidies added to the over \$5,000,000,000 we are paying in subsidies. This \$600,000,000 as subsidies has been added to the housing bill over in the other body. This must all be paid by the taxpayers of the United States. Where do we go from here?

Mr. GAVIN. Mr. Chairman, if the gentleman will yield further, I merely want to point out to the gentleman that that means a tax of \$30 for every man, woman, and child.

Mr. RUSSELL. Mr. Chairman, I have just shown that if our country were weighed in the balances now, we would be an insolvent nation. The people are not going to be fooled all the time. They know where the responsibility of all the spend, spend, spend lies.

A few months ago, down on the other end of Pennsylvania Avenue, a recommendation was made to pay everybody a 20-percent salary and wage increase. Yet—and the Congress has been going along—this raise today makes, within the last 12 months, a 30-percent increase in the salaries of Federal employees. Where are the labor unions, who are striking for 18-, 20-, and 30-percent raises, getting their encouragement, when we here in the Congress are doing the very same things that they are asking for?

Mr. Chairman, I was in hopes that the Congress would economize, because we are going to have to if we meet our obligations. As we all know, the country is being operated or borrowed capital—by money which is borrowed from the people of this country by the means and manner of selling Government bonds. Those bonds are sold on a 10-year basis, or better, and in each one of them it is provided that the value shall increase at least one-fourth, or 25 percent, at the time it is paid. I am wondering if we are not placing the generations after us, as well as our returned and returning servicemen, under bondage so long as they may live. What are they going to think as they struggle and strive in future years to accumulate sufficient funds to meet the indebtedness? Mr. Chairman, what are they going to think of us who have helped place them in such a position? Do you not think that it is time to stop, look, and listen?

Mr. Chairman, I find no fault with paying the laborer a just wage, but no business concern would be carried on in the manner that we are carrying on this great corporation of ours known as the United States of America. If they did, they would soon go out of business.

Mr. Chairman, we have put into circulation wild money sufficient to produce

inflation. Our actions have been of untold help to inflation: I do not know, some think to retard production. But with all the wild money we have turned loose in the way of increase in wages and salaries, and in prices for commodities, what can we say when the extension of the OPA comes up, within perhaps a few days? We have torn the line down; we have destroyed the dam in the channel which was holding back that dreadful inflation, and now, when the extension comes up, there is no earthly chance for it to succeed in the future, brought about, and as a direct result of our actions here in this body. But will it be proper for us to carry on that control, when all it can do is to reenforce the dam upon the sand-bar side? We have torn the same asunder in the channel of the stream.

Yes, Mr. Chairman, it is high time that we invoice. It is time to stop, look, and listen; and represent the people of the United States of America.

Mr. RANDOLPH. Mr. Chairman, I move that all debate on this amendment do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia [Mr. RANDOLPH].

The question was taken; and on a division (demanded by Mr. RANDOLPH) there were—ayes 81, noes 183.

So the amendment was rejected.

Mr. RANDOLPH. Mr. Chairman, I move that all debate on the bill and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 8, line 14, strike out the period and insert the following: "Provided, That with the exception of the Veterans' Administration, no greater amount shall be appropriated to any executive department or agency for salaries for the fiscal year 1947 than the amount made available for such purpose for the fiscal year 1946."

Mr. DIRKSEN. Mr. Chairman, I have sometimes doubted the advisability of saving people. I think the proper technique in the field of salvation is to afford an opportunity for people to save themselves if they so desire. You have that opportunity now. This amendment provides that the amount of appropriation for salaries for the fiscal year 1947 when this bill becomes effective shall be no greater than the money that was appropriated in the present fiscal year, 1946, for the same purpose. The objective is quite obvious. It simply means Congress places a stamp of approval upon increases in salaries that are commensurate with those recommended by the Committee of the Whole but there is imposed upon the departments and agencies the responsibility of absorbing the increase. There is only one way in which the increase can be absorbed and that is to reduce the Federal pay roll. You can apply a rule of thumb here very easily. If the amount of money involved is approximately \$400,000,000 and the average salary is about \$2,000, it will mean that 200,000 will have to be taken off the pay rolls to recapture and to absorb the amount to offset the pending

increase. It is quite in line with what Mr. Baruch said to the Committee on Banking and Currency the other day in his testimony on OPA. At first blush you would think he was talking in paradoxes when he said first:

Avoid favoritism to any particular group. Take care of those between the millstones, the clerks, the Government employees, pensioners, and so forth.

Then later he says:

Cut Government costs, including Federal, State, county, and city.

That sounds like a paradox, but it is not. You can take care of these people as we propose to do in this bill and at the same time cut Government expenses by taking the excess personnel off the pay roll. Let me illustrate what I mean. The other day on the second urgency deficiency bill, one of the Senators asked for some idea of the expenditure for propaganda information and publicity activities in the Government. You will find it recorded on page 17 of the hearings on the second urgent deficiency bill. Here are the figures: There are 23,000 people full-time on Uncle Sam's pay roll in publicity, propaganda, and promotional work. There are another 22,769 doing part-time work. Those are not my figures. Those are the figures that were submitted by Mr. Lawton of the Budget Bureau. The whole cost for 1946 for propaganda by admission of the Budget Bureau itself is \$74,829,000. That does not include military and naval personnel who have been assigned to that type of work in the War and Navy Departments. Here is a total of some 45,000 people engaged in that sort of business. It is a sample of what has happened to the Federal pay roll, which is well over 2,000,000 at the present time. The question is, When is it going to be reduced? The Byrd committee makes recommendations but they are not specific.

The Appropriations Committee, in my judgment, is not suitably staffed to develop this situation fully and make these reductions, except in piecemeal fashion and yet they must be made here. Here is a chance to find salvation without pumping another \$400,000,000 into the economic bloodstream, by taking people off of the Federal pay roll and then compensating for the increase that we vote today. That will be definitely anti-inflationary.

How much has been said and written about bureaucracy. What lamentations have resounded from this very well of the House. But like Mark Twain's observations about the weather, much has been said but little has been done. Here is a chance to do something substantial that will be salutary for the Nation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The question was taken; and on a division (demanded by Mr. MARTIN of Massachusetts) there were—ayes 169, noes 97.

So the amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

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. 5939) to increase the rates of officers and employees of the Federal Government, and for other purposes, pursuant to House Resolution 576, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. RANDOLPH. Mr. Speaker, I demand a separate vote on the so-called Lyle amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The other amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment offered by Mr. LYLE: Page 1, line 10, strike out the figures and words "18.5 percent" and insert "\$400 per annum."

Page 2, line 16, strike out the figures and words "18.5 percent" and insert in lieu thereof the figures and words "\$400 per annum."

Page 3, lines 4 and 5, strike out the figures and words "18.5 percent" and insert in lieu thereof the figures and words "\$400 per annum."

Page 3, line 16, strike out the figures and words "18.5 percent" and insert in lieu thereof the figures and words "\$400 per annum."

Page 4, line 12, strike out the figures and words "18.5 percent" and insert in lieu thereof the figures and words "\$400 per annum."

Mr. REES of Kansas. Mr. Chairman, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. REES of Kansas. In the event the Lyle amendment is defeated, then, as I understand it, the Rees amendment stays in the bill.

The SPEAKER. The Rees amendment was not agreed to. It has not been reported from the Committee of the Whole.

The question is on the amendment.

The question was taken; and the Chair being in doubt, the House divided, and there were—ayes 183, noes 110.

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

The yeas and nays were ordered.

The question was taken; and there were—yeas 199, nays 165, answered "present" 1, not voting 66, as follows:

[Roll Call No. 76]

YEAS—199

Abernethy	Brown, Ga.	Cooper
Allen, La.	Brown, Ohio	Corbett
Almond	Bryson	Cox
Andersen	Buck	Cravens
August H.	Bulwinkle	Cunningham
Andrews, N. Y.	Burch	Curtis
Arends	Butler	Daughton, Va.
Baldwin, N. Y.	Camp	Davis
Barden	Campbell	D'Ewart
Bates, Ky.	Carlson	Dirksen
Bates, Mass.	Chenoweth	Dolliver
Bennett, Mo.	Church	Dondero
Blackney	Clark	Drewry
Bonner	Clason	Durham
Boren	Clevenger	Earthman
Bradley, Mich.	Cole, Kans.	Eaton
Brehm	Cole, Mo.	Elliott

Ellis	Jonkman	Robison, Ky.
Elsaesser	Kearney	Rockwell
Elston	Keefe	Rodgers, Pa.
Ervin	Kelly, Ill.	Roe, Md.
Fellows	Kilburn	Rogers, Fla.
Fenton	Kinzer	Rogers, Mass.
Flannagan	Kunkel	Russell
Folger	Landis	Schwabe, Mo.
Fuller	Larcade	Schwabe, Okla.
Gamble	Latham	Scrivner
Gardner	Lea	Short
Gary	LeCompte	Simpson, Ill.
Gathings	LeFevre	Smith, Va.
Gavin	Lewis	Smith, Wis.
Gerlach	Lyle	Springer
Gillespie	McConnell	Starkey
Gillette	McCowan	Stefan
Gillie	McKenzie	Stevenson
Gore	McMillan, S. C.	Stewart
Gossett	McMillan, Ill.	Stigler
Graham	Maloney	Stockman
Grant, Ala.	Martin, Iowa	Sumner, Ill.
Grant, Ind.	Mason	Sundstrom
Gregory	May	Taber
Griffiths	Meirow	Talbot
Gross	Michener	Talle
Gwinn, N. Y.	Mills	Tarver
Gwynne, Iowa	Mundt	Taylor
Hall	Murray, Tenn.	Thomas, N. J.
Edwin Arthur	Murray, Wis.	Tibbott
Hall	Norblad	Towe
Leonard W.	Norrell	Vinson
Hand	O'Brien, Mich.	Vorys, Ohio
Hare	O'Hara	Vursell
Harness, Ind.	O'Konski	Wadsworth
Hartley	O'Neal	Weaver
Henry	Pace	Weichel
Heseltun	Patman	West
Hess	Peterson, Ga.	Whitten
Hill	Pickett	Whittington
Hoeven	Pittenger	Wickersham
Hoffman	Ploesser	Wigglesworth
Hope	Priest	Wilson
Horan	Ramey	Winstead
Howell	Rankin	Winter
Jenkins	Reed, Ill.	Wolcott
Jennings	Reed, N. Y.	Wood
Jensen	Richards	Woodruff
Johnson, Ill.	Riley	Zimmerman
Johnson, Ind.	Rivers	
Johnson, Okla.	Robertson, Va.	

NAYS—165

Andersen	Geelan	McGehee
H. Carl	Goodwin	McGlinchey
Anderson, Calif.	Gordon	Madden
Angell	Gorski	Mahon
Auchincloss	Granahan	Manasco
Bailey	Granger	Mankin
Baldwin, Md.	Green	Mansfield
Barrett, Pa.	Hagen	Mont.
Barrett, Wyo.	Hale	Mansfield, Tex.
Barry	Harless, Ariz.	Marcantonio
Beall	Harris	Martin, Mass.
Beckworth	Hart	Mathews
Bell	Havener	Miller, Calif.
Bennet, N. Y.	Hays	Miller, Nebr.
Biemiller	Healy	Monroney
Bland	Hébert	Morgan
Bloom	Hedrick	Morrison
Bradley, Pa.	Heffernan	Murphy
Brooks	Hendricks	Neely
Buckley	Herter	O'Toole
Buffett	Hinshaw	Outland
Byrne, N. Y.	Hobbs	Patrick
Canfield	Hoch	Patterson
Carnahan	Hollifield	Philbin
Case, N. J.	Holmes, Mass.	Phillips
Case, S. Dak.	Holmes, Wash.	Poage
Cellar	Hook	Powell
Chelf	Huber	Price, Ill.
Clements	Hull	Quinn, N. Y.
Coffee	Izac	Rabaut
Combs	Jackson	Rabin
Cooley	Johnson, Calif.	Randolph
Crawford	Johnson	Rayfield
Crosser	Luther A.	Rees, Kans.
D'Alesandro	Johnson	Rea
De Lacy	Lyndon B.	Rich
Delaney	Jones	Rizley
James J.	Judd	Robinson, Utah
Delaney	Kee	Rogers, N. Y.
John J.	Kefauver	Rooney
Dingell	Kilday	Rowan
Domeneaux	King	Ryder
Douglas, Calif.	Kirwan	Sasser
Douglas, Ill.	Klein	Savage
Eberharter	Kopplemann	Sheppard
Fallon	Lane	Sheridan
Feighan	Lemke	Slaughter
Fernandez	Lesinski	Smith, Maine
Flood	Link	Somers, N. Y.
Fogarty	Ludlow	Sparkman
Forand	Lynch	Spence
Fulton	McCormack	Sullivan
Gallagher	McDonough	Thomas, Tex.

Thomason	Trimble	Welch
Tolan	Voorhis, Calif.	White
Torrens	Walter	Wolverton, N. J.
Traynor	Wasielewski	Worley

ANSWERED "PRESENT"—1

Smith, Ohio

NOT VOTING—66

Adams	Doughton, N. C.	Norton
Allen, Ill.	Doyle	O'Brien, Ill.
Andrews, Ala.	Dworshak	Peterson, Fla.
Arnold	Ellsworth	Pfeifer
Bender	Engel, Mich.	Plumley
Bishop	Engle, Calif.	Price, Fla.
Bolton	Fisher	Rains
Boykin	Gearhart	Reece, Tenn.
Brumbaugh	Gibson	Robertson,
Bunker	Gifford	N. Dak.
Burgin	Halleck	Roe, N. Y.
Byrnes, Wis.	Hancock	Sabath
Cannon, Fla.	Jarmann	Sadowski
Cannon, Mo.	Kean	Shafer
Chapman	Kelley, Pa.	Sharp
Chipperfield	Keogh	Sikes
Clippinger	Kerr	Simpson, Pa.
Cochran	Knutson	Summers, Tex.
Cole, N. Y.	LaFollette	Thom
Colmer	Lanham	Wolfenden, Pa.
Courtney	Luce	Woodhouse
Curley	McGregor	
Dawson	Murdoch	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Knutson for, with Mr. Bender against.
Mr. Bishop for, with Mr. Dawson against.
Mr. Wolfenden of Pennsylvania for, with Mr. Doyle against.
Mr. Shafer for, with Mr. Pfeifer against.
Mr. Gifford for, with Mr. Bunker against.
Mr. Brumbaugh for, with Mr. Keogh against.
Mr. Clippinger for, with Mr. O'Brien of Illinois against.
Mr. Byrnes of Wisconsin for, with Mr. Roe of New York against.

General pairs until further notice:

Mr. Doughton of North Carolina with Mr. Halleck.
Mr. Courtney with Mr. Ellsworth.
Mr. Cochran with Mr. Plumley.
Mr. Peterson of Florida with Mr. Cole of New York.
Mr. Cannon of Florida with Mr. Adams.
Mr. Boykin with Mr. Chipperfield.
Mr. Murdoch with Mr. Allen of Illinois.
Mr. Colmer with Mr. Kean.
Mr. Sadowski with Mr. Arnold.
Mr. Rains with Mr. Simpson of Pennsylvania.
Mr. Sikes with Mr. Reece of Tennessee.
Mr. Price of Florida with Mr. McGregor.
Mrs. Norton with Mrs. Luce.
Mr. Kelley of Pennsylvania with Mr. Martin of Iowa.
Mr. Jarman with Mr. Robertson of North Dakota.
Mr. Cannon of Missouri with Mr. Sharp.
Mr. Fisher with Mr. Hancock.
Mrs. Woodhouse with Mr. Engel of Michigan.
Mr. Gibson with Mr. Dworshak.
Mr. Thom with Mr. Gearhart.

Mr. CHELF and Mr. RIZLEY changed their votes from "aye" to "no."

Mr. GATHINGS, Mr. STEFAN, and Mr. CURTIS changed their votes from "no" to "aye."

The result of the vote was announced as above recorded.

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent to correct the typographical errors in sections 5 and 6, and I am advised that this is the proper time to make the request.

After the figure and words "\$400 per annum" in sections 5 and 6, strike out the remainder of the language which is in both said sections 5 and 6: "of his basic

compensation as increased by the foregoing percentages" so that in those two sections the amendment just adopted will read: "plus \$400 per annum."

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

There was no objection.

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

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

The SPEAKER. The question is on the passage of the bill.

Mr. REES of Kansas. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. REES of Kansas. The gentleman is.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. REES of Kansas moves to recommit the bill (H. R. 5939), as amended, to the Committee on the Civil Service with the recommendation that the same be reported back to the House forthwith with the following amendment: Beginning on line 7, page 1, strike everything after "Sec. 2 (a)" on that page, also strike everything on pages 2 and 3, and also strike everything up to and including the word "repealed" on line 21, page 4, and insert the following:

"The first sentence of section 405 (a) of the Federal Employees Pay Act of 1945 is amended to read as follows: 'Each of the existing rates of basic compensation set forth in section 13 of the Classification Act of 1923, as amended, except those affected by subsection (b) of this section, is hereby increased by 45 percent of that part thereof which is not in excess of \$1,200 per annum, plus 18 percent of that part thereof which is in excess of \$1,200 per annum but not in excess of \$4,600 per annum.'

"(b) Each of the existing rates of basic compensation provided for in subsections 405 (b) (1) and (2) of the Federal Employees Pay Act of 1945 is hereby increased by 17.5 percent. Such augmented rates shall be considered to be the regular rates of basic compensation, and such increase in said rates of basic compensation shall not be construed to be 'an equivalent increase' in compensation within the meaning of section 7 (b) (1) of the Classification Act of 1923, as amended.

"INCREASE IN PAY RATES IN THE LEGISLATIVE BRANCH

"SEC. 3. (a) The first sentence in section 501 of the Federal Employees Pay Act of 1945 is amended to read as follows: 'Except as provided in section 503, each officer and employee in or under the legislative branch to whom this title applies shall be paid additional compensation computed as follows: 45 percent of that part of his rate of basic compensation which is not in excess of \$1,200 per annum, plus 18 percent of that part of such rate which is in excess of \$1,200 per annum, but not in excess of \$4,600 per annum.'

"(b) Section 502 of such act is amended to read as follows:

"ADDITIONAL COMPENSATION IN LIEU OF OVERTIME

"SEC. 502. Each officer and employee in or under the legislative branch entitled to the benefits of section 501 of this act shall be paid additional compensation at the rate of 10 percent of the aggregate of the rate of his basic compensation and the rate of additional compensation received by him under section 501 of this act, as amended."

"INCREASE IN PAY RATES IN THE JUDICIAL BRANCH

"SEC. 4. (a) The first sentence of section 521 of the Federal Employees Pay Act of 1945 is amended to read as follows: 'Each officer and employee in or under the judicial branch to whom this title applies shall be paid additional basic compensation computed as follows: 45 percent of that part of his rate of basic compensation which is not in excess of \$1,200 per annum, plus 18 percent of that part of such rate which is in excess of \$1,200 per annum, but not in excess of \$4,600 per annum.'

"(b) The second sentence of such section 521 is amended by inserting after 'section 405 of this act' the following: 'and section 2 of the Federal Employees Pay Act of 1946.'

"(c) Section 522 of such act is hereby repealed.

"INCREASE IN PAY RATES FOR CUSTOMS CLERKS AND IMMIGRANT INSPECTORS

"SEC. 5. The first sentence of section 602 (a) of the Federal Employees Pay Act of 1945 is amended by changing the semicolon which follows the words 'of this act' to a comma, and inserting after the comma the following: 'as amended by the Federal Employees Pay Act of 1946;'

"INCREASE IN STATUTORY PAY RATES IN THE EXECUTIVE BRANCH NOT UNDER CLASSIFICATION ACT

"SEC. 6. The first sentence of section 602 (b) of the Federal Employees Pay Act of 1945 is amended by changing the semi-colon which follows the words 'of this act' to a comma, and inserting after the comma the following: 'as amended by the Federal Employees Pay Act of 1946.'

Mr. RANDOLPH (interrupting the reading of the amendment). This is the Rees amendment. I ask unanimous consent that further reading be dispensed with. The House knows what the motion is.

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

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. REES of Kansas) there were—ayes 118, noes 141.

Mr. REES of Kansas. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

The SPEAKER. The question is on the passage of the bill.

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

The yeas and nays were ordered.

The question was taken; and there were—yeas 337, nays 27, not voting 67, as follows:

[Roll No. 77]

YEAS—337

Allen, La.	Bell	Burch
Almond	Bennet, N. Y.	Butler
Anderson, Calif.	Bennett, Mo.	Byrne, N. Y.
Andresen	Biemiller	Camp
August H.	Blackney	Campbell
Andrews, N. Y.	Bland	Canfield
Angell	Bloom	Carlson
Arends	Bonner	Carnahan
Auchincloss	Boren	Case, N. J.
Bailey	Boykin	Celler
Baldwin, Md.	Bradley, Mich.	Chelf
Baldwin, N. Y.	Bradley, Pa.	Chenoweth
Barden	Brehm	Church
Barrett, Pa.	Brooks	Clark
Barrett, Wyo.	Brown, Ga.	Clason
Barry	Brown, Ohio	Clements
Bates, Ky.	Bryson	Coffee
Bates, Mass.	Buck	Cole, Kans.
Beall	Buckley	Cole, Mo.
Beckworth	Bulwinkle	Combs

Cooley	Hoch	Patterson
Cooper	Hoeven	Peterson, Ga.
Corbett	Hollifield	Pfeifer
Cox	Holmes, Wash.	Phillips
Cravens	Hook	Phillips
Crosser	Hope	Pittenger
Cunningham	Horan	Poage
D'Alesandro	Howell	Powell
Daughton, Va.	Huber	Price, Ill.
Davis	Hull	Priest
De Lacy	Izac	Quinn, N. Y.
Delaney,	Jackman	Rabaut
James, J.	Jenkins	Rabin
Delaney,	Jennings	Ramey
John J.	Jensen	Randolph
D'Ewart	Johnson, Calif.	Rankin
Dingell	Johnson, Ill.	Rayfield
Dirksen	Johnson, Ind.	Reed, Ill.
Dolliver	Johnson,	Reed, N. Y.
Domengaux	Luther A.	Rees, Kans.
Dondero	Johnson,	Rea
Douglas, Calif.	Lyndon B.	Richards
Douglas, Ill.	Johnson, Okla.	Riley
Drewry	Jonkman	Rivers
Durham	Judd	Rizley
Earthman	Kearney	Robertson, Va.
Eaton	Kee	Robison, Ky.
Eberhart	Keefe	Rockwell
Elliott	Kefauver	Rodgers, Pa.
Ellis	Kelly, Ill.	Roe, Md.
Elsaesser	Keogh	Rogers, Fla.
Elston	Kilday	Rogers, Mass.
Ervin	King	Rogers, N. Y.
Fallon	Kinzer	Rooney
Feighan	Kirwan	Rowan
Fellows	Klein	Ryder
Fenton	Kopplemann	Sasser
Fernandez	Kunkel	Savage
Flannagan	Landis	Schwabe, Okla.
Flood	Lane	Sheppard
Fogarty	Larcade	Sheridan
Folger	Latham	Short
Forand	Lea	Simpson, Ill.
Fuller	LeCompte	Slaughter
Fulton	LeFevre	Smith, Maine
Gallagher	Lemke	Smith, Va.
Gamble	Lesinski	Smith, Wis.
Gardner	Lewis	Somers, N. Y.
Gary	Link	Sparkman
Gavin	Ludlow	Spence
Geelan	Lyle	Springer
Gerlach	Lynch	Starkey
Gillespie	McConnell	Stevenson
Gillette	McCormack	Stewart
Gillie	McCowan	Stigler
Goodwin	McDonough	Stockman
Gordon	McGehee	Sullivan
Gore	McGlinchey	Sundstrom
Gorski	McKenzie	Talbot
Gossett	McMillan, S. C.	Talle
Graham	McMillen, Ill.	Tarver
Granahan	Madden	Taylor
Granger	Mahon	Thomas, N. J.
Grant, Ala.	Maloney	Thomas, Tex.
Grant, Ind.	Manasco	Thomason
Green	Mankin	Tibbott
Gregory	Mansfield,	Tolan
Griffiths	Mont.	Torrens
Gross	Mansfield, Tex.	Towe
Gwinn, N. Y.	Marcantonio	Traynor
Gwynne, Iowa	Martin, Iowa	Trimble
Hagen	Martin, Mass.	Vinson
Hale	Mason	Voorhis, Calif.
Hall,	Mathews	Vorvys, Ohio
Edwin Arthur	May	Vursell
Hand	Morrow	Wadsworth
Hare	Michener	Walter
Harless, Ariz.	Miller, Calif.	Wasielewski
Harness, Ind.	Monroney	Weaver
Harris	Morgan	Welch
Hart	Morrison	Welch
Hartley	Mundt	West
Havener	Murray, Tenn.	White
Hays	Murray, Wis.	Whittington
Healy	Neely	Wickersham
Hébert	Norblad	Wigglesworth
Hedrick	O'Brien, Mich.	Wilson
Heffernan	O'Hara	Winter
Hendricks	O'Konski	Wolcott
Herter	O'Neal	Wolverton, N. J.
Heseltan	O'Toole	Wood
Hess	Outland	Woodruff
Hill	Pace	Worley
Hinshaw	Patman	Zimmerman
Hobbs	Patrick	

NAYS—27

Abernethy	Curtis	Mills
Andersen,	Gathings	Norrell
H. Carl	Hoffman	Pickett
Buffett	Holmes, Mass.	Ploeser
Case, S. Dak.	Jones	Rich
Clevenger	Kilburn	Russell
Crawford	Miller, Nebr.	Schwabe, Mo.

Scrivner	Sumner, Ill.	Winstead
Smith, Ohio	Taber	
Stefan	Whitten	

NOT VOTING—67

Adams	Doyle	Murdock
Allen, Ill.	Dworshak	Murphy
Andrews, Ala.	Ellsworth	Norton
Arnold	Engel, Mich.	O'Brien, Ill.
Bender	Engle, Calif.	Peterson, Fla.
Bishop	Fisher	Plumley
Bolton	Gearhart	Price, Fla.
Brumbaugh	Gibson	Rains
Bunker	Gifford	Reece, Tenn.
Burgin	Hall	Robertson,
Byrnes, Wis.	Leonard W.	N. Dak.
Cannon, Fla.	Halleck	Robinson, Utah
Cannon, Mo.	Hancock	Roe, N. Y.
Chapman	Henry	Sabath
Chilperfield	Jarman	Sadowski
Clippinger	Kean	Shafer
Cochran	Kelley, Pa.	Sharp
Cole, N. Y.	Kerr	Sikes
Colmer	Knutson	Simpson, Pa.
Courtney	LaFollette	Summers, Tex.
Curlley	Lanham	Thom
Dawson	Luce	Wolfenden, Pa.
Doughton, N. C.	McGregor	Woodhouse

So the bill was passed.

The Clerk announced the following pairs:

Additional general pairs:

Mr. Doughton of North Carolina with Mr. Knutson.

Mr. Cochran with Mr. Bender.

Mr. Dawson with Mr. Bishop.

Mr. Lanham with Mr. Shafer.

Mr. Doyle with Mr. Wolfenden of Pennsylvania.

Mr. Bunker with Mr. Gifford.

Mrs. Woodhouse with Mr. Brumbaugh.

Mr. O'Brien of Illinois with Mr. Clippinger.

Mr. Roe of New York with Mr. Byrnes of Wisconsin.

Mr. Cannon of Florida with Mr. Adams.

Mr. Colmer with Mr. Kean.

Mr. Murdock with Mr. Allen of Illinois.

Mr. Kelley of Pennsylvania with Mr. Halleck.

Mr. Jarman with Mr. Engel of Michigan.

Mr. Thom with Mr. Leonard W. Hall.

Mr. Courtney with Mr. Ellsworth.

Mr. Peterson of Florida with Mr. Cole of New York.

Mr. Price of Florida with Mr. McGregor.

Mrs. Norton with Mrs. Luce.

Mr. Cannon of Missouri with Mr. Plumley.

Mr. Sikes with Mr. Reece of Tennessee.

Mr. Rains with Mr. Simpson of Pennsylvania.

Mr. Gibson with Mr. Dworshak.

Mr. Burgin with Mr. Chilperfield.

Mr. Sadowski with Mr. Arnold.

Mr. Robinson of Utah with Mr. August H. Andresen.

Mr. LEWIS changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the rule, the Chair lays before the House the bill (S. 1415) entitled "An act to increase the rates of compensation of officers and employees of the Federal Government," which the Clerk will report by title.

The Clerk read the title of the Senate bill.

Mr. JACKSON. Mr. Speaker, pursuant to House Resolution 576, I offer the following amendment:

Strike out all after the enacting clause and insert in lieu thereof the provisions of the bill H. R. 5939, as passed.

The Clerk read as follows:

Amendment offered by Mr. JACKSON: Strike out all after the enacting clause and insert

the provisions of the bill H. R. 5939, as passed.

The amendment was agreed to.

The Senate 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.

Mr. JACKSON. Mr. Speaker, I ask unanimous consent to amend the title of the Senate bill as follows:

Insert a comma and add the following words: "and for other purposes."

The SPEAKER. Without objection, the title will be so amended.

There was no objection.

The SPEAKER. Without objection, the proceedings by which the bill H. R. 5939 was passed will be vacated and that bill laid on the table.

There was no objection.

EXTENSION OF REMARKS

Mr. PRICE of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therewith editorial comment from the St. Louis (Mo.) Star-Times, April 2, 1946, on a bill which I introduced and which passed the House last Monday providing for the burial in Arlington Cemetery Memorial Amphitheater of an unknown American serviceman of World War II.

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

There was no objection.

THE STRIKE ON THE MICHIGAN IRON ORE RANGES

Mr. HOOK. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

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

There was no objection.

Mr. HOOK. Mr. Speaker, since February 7, 1946, thousands of miners working on the Michigan and Minnesota iron ore ranges, members of the United Steelworkers of America, have been on strike for a decent living wage.

The efforts of the mining companies operating properties on the upper Michigan peninsula on the Marquette range to break the strike reveal a condition which requires the immediate attention of the Federal Government.

Under the leadership of the powerful Cleveland-Cliffs Iron Co., a conspiracy has been perfected to break the strike which recalls the most shameful practices of the mining barons of 50 years ago. It is difficult to believe that in free America, in 1946, a group of powerful employers could so control the public authorities, could so effectively corrupt our public institutions, to break a strike.

The story begins on February 7, 1946, when thousands of iron ore miners laid down their tools to join other members of the steelworkers' union in a strike for a wage increase.

Shortly after the commencement of the strike, and with no justification whatsoever, State troops obligingly appeared on the scene to intimidate the strikers despite the fact that no overt act

of violence had occurred. This was the first step in a brutal campaign by the mining barons to break the back of the strike.

Backed by this resort to State troops, the companies engaged in a conspiracy to break the strike and commenced a back-to-work movement in violation of the National Labor Relations Act. High officials of the companies threatened employees who were members of the union or represented by it that unless they returned to work they would lose their jobs. Uniformed private police visited the employees and sought to intimidate them. The employees were falsely told that if they returned to work they would have greater seniority and other benefits than those who stuck to the union. The union was attacked as indifferent to the true needs of the workers. The companies, in letters and advertisements, encouraged and solicited members of the union to withdraw from the union. The companies further issued false statements that the union's funds were being misused and misappropriated by union officials and that the union was being run for the personal benefit of its leaders.

In a further effort to intimidate the men the companies canceled or terminated collective-bargaining agreements between them and the union, contrary to the terms of such agreements, and requested individual employees to return to work without any contract.

All of this was done and undertaken in flagrant violation of the National Labor Relations Act, passed over 10 years ago.

After coercing and intimidating the employees in every way possible, the companies then resorted to the courts. On March 19, 1946, the five mining companies who have formed a conspiracy to destroy the union on the iron-ore ranges obtained injunctions. These injunctions, I believe, are among the most sweeping ever issued by an American court. These injunctions completely disregard the constitutional rights of workers: The right of free speech, the right of free assembly. These injunctions reinstate the vicious doctrine of conspiracy. These injunctions make it clear that human rights mean nothing on the iron-ore ranges and that property rights are supreme. Contained in these injunctions is the following type of prohibition:

No group or crowds shall be permitted for the purpose of communicating with or preventing persons seeking employment or accepting employment or contracting for employment with the plaintiff. Persuasion in the presence of three or more persons congregated with the persuader is not permitted and is hereby prohibited.

This unbelievable prohibition on the rights of human beings to gather at any point or any place in order to discuss issues vital to their livelihood is the essence of fascism. This attempt to drive underground the legitimate concerted activities of American workers is an insult to our institutions and reflects a contempt for democracy.

Also typical of the dragnet sweep of these injunctions is the following provision. The defendants are prohibited:

From picketing said mines and premises of plaintiff, the entrances thereto and exits therefrom, or from loitering, grouping, or congregating at or near any approaches or on public highways, roads, or places leading to said mines and premises or any place or places where employees of plaintiff desire to work; alight from conveyances in order to go to or leave from said mines and premises, except that defendants may have not more than six pickets not closer than 50 feet at any one time at any one of the entrances to plaintiff's mines and premises provided that said pickets conduct themselves in a peaceful and lawful manner.

Under this monstrous provision if more than six workers grouped on a road which leads to a mine they would be subject to the savage sanctions laid down in the injunctions.

The injunctions do not leave any doubt as to the penalty for violation. They place the defendants on notice: Failure to obey the sweeping prohibitions "under the penalty of \$1,000 to be levied on your lands, goods, and chattels." This is not impartial justice; this is company justice of the rankest sort.

These injunctions, these machine guns on paper, were issued against the union without a hearing. These injunctions were issued on the basis of unparticularized affidavits. These injunctions were issued at a time when no conceivable basis for an injunction was presented in the conduct of the strikers. These injunctions were issued without giving the union the ordinary decent American right to be heard and to defend itself.

The actions of the judges who issued this injunction bear some scrutiny by the State officials of the State of Michigan. The two so-called judges who thus purveyed company justice are Judges Bell and Runnels. It is a fundamental principle of American jurisprudence, a keystone of our legal system, that the judiciary must be disinterested. Under fascism, the institution of the biased judge who prejudged the case before it was heard was the accepted thing. Under a democratic legal system we proudly boast of a disinterested judiciary.

Who is Judge Bell? Judge Bell is a gentleman who has served the major part of his professional life as counsel for the Oliver Mining Co., the most powerful of the mining companies and a subsidiary of United States Steel and the Chicago & North Western Railway Co. Judge Bell is a gentleman whose son, Francis A. Bell, is chief counsel for four of the five mining companies which obtained injunctions. Judge Bell is a gentleman who is a stockholder in the mining companies involved in this strike and sympathetic to their point of view. Yet this same judge has the unbridled effrontery to place American workers engaged in a labor dispute with the mining companies under the lash of the most vicious injunction I have ever read. To protect the record, Judge Bell assigned four of the cases to a colleague who, himself, by his conduct revealed his prejudice. Judge Bell cannot escape crit-

icism by this simple maneuver. By sitting in one case involving precisely the same issues, this judge set the pattern for those in which his interest was more direct and merely let a colleague follow his lead.

The tentacles of the mining companies have not only reached into the courts; they have reached with equal effectiveness into the offices of the relief authorities in Michigan. After the mining companies commenced a back-to-work movement, the relief authorities in Marquette County made the unbelievable announcement that they would withhold relief from all strikers who refused to accept the companies' back-to-work offer. This was done in the face of an opinion by the attorney general of the State of Michigan that a striker is not to be denied relief because he is on strike. This was done in the face of the fact that during the recent General Motors strike it was the almost uniform practice in the counties of Michigan affected by the strike to give relief to the strikers. Who are the gentlemen who are thus willing to exploit human hunger and misery? Who are these men who are so quick to do the bidding of the mining barons and so deaf to the pleas of hungry workers? Mr. E. R. Nelson is the responsible county relief official who now seeks to place the worker's hunger in the service of the mining companies' strike-breaking maneuver. Who is Mr. E. R. Nelson? Mr. E. R. Nelson is none other than the brother-in-law of C. S. Stakel, the general manager of the Cleveland-Cliffs Iron Mining Co. What is the Cleveland-Cliffs Iron Mining Co.? The Cleveland-Cliffs Iron Mining Co. is the leading company on the Michigan iron ore range among the mining companies engaged in the conspiracy to break the union.

Mr. E. R. Nelson is not without assistance in his attempt to starve the workers into submission. The responsible State welfare official in Marquette County is Mr. Walter Gries. Who is Mr. Walter Gries? Mr. Gries is none other than the chairman of the welfare division of the Cleveland-Cliffs Iron Mining Co., a paid employee of that company.

Company police, State troops, subversive courts, pliable relief authorities; this is the old vicious un-American pattern of the company town. What other iron mining companies have done and sought to do elsewhere to corrupt our institutions for the sake of profit, these companies are now attempting to do in the iron mining communities in northern Michigan, such as Negaunee and Ishpeming.

This situation calls for prompt Federal investigation. These powerful employers must not be permitted to turn the clock back and to bring a destructive feudalism to a democratic society.

I am requesting such investigation so that justice will prevail. I care not where the chips may fall; that investigation must be thorough and complete.

The basic principles of democracy are at stake. The lives of miners and their families are at stake. I cannot, as representative of the people, sit idly by and allow these things to happen. As long

as I am a Member of this body I will seek to protect my people, no matter how vicious are my opponents. No matter how powerful is their influence. No matter what threats or intimidation may be used against me.

GRAIN FOR FOOD, NOT FOR LIQUOR

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to proceed for 1 minute, and to revise and extend my remarks.

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

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, on March 7, I introduced House Joint Resolution 325, which would empower the President and Secretary of Agriculture to prevent the use of grain for the manufacture of liquors or for any other nonessential purposes, and to channel such grain either into human consumption or into the feeding of livestock in the United States, so long as the present food shortage in the world, or the present shortage of livestock feed in the United States, continues.

Last Monday, March 25, I incorporated in the CONGRESSIONAL RECORD—page 2594—certain of my findings with respect to the liquor industry's present situation, which indicate clearly that it would be no hardship on liquor producers to discontinue the use of grain for some time to come. Certainly the hardship, if any, would be totally incommensurate with the resultant saving of human life.

According to the Alcohol Tax Unit of the Bureau of Internal Revenue, there were 350,063,318 proof-gallons of whisky on hand in warehouses on January 31, 1946, as well as 25,739,816 proof-gallons of neutral spirits with which to make gin and blended whisky. In addition, there were very substantial but indeterminate stocks of such neutral spirits in the hands of industrial alcohol producers, over and above their industrial alcohol holdings. Tax-paid withdrawals of distilled spirits produced from grain—whisky, gin, and neutral spirits—amounted to 152,005,174 proof-gallons last year, also according to the Alcohol Tax Unit. There is thus an adequate supply of grain liquors on hand already to supply the public demand for some time to come, without any further production from grain. Furthermore, relatively little, if any, unemployment would result in the industry, since only a very few thousand people are employed in the actual distilling process, most of the employment in the industry being engaged in packaging and selling.

I understand from recent stories in the press distributed to specialists in the Department of Agriculture—notably an AP dispatch from Washington, dated March 28—that we will fall behind by 35,000,000 bushels in our commitment to deliver 225,000,000 bushels of grain to Europe during the first 6 months of this year. Moreover, it is generally known that even if we were to meet our commitment, there would be need for much more cereals to alleviate starvation around the world. Meanwhile, here at home livestock is

being slaughtered for lack of feed. I understand that the distillers alone have been allocated about 30,000,000 bushels of scarce grains for liquor production during the first 6 months of this year and that brewers have been allocated an additional 28,000,000 bushels for use during the same period. Liquor and beer production are thus consuming a total of 58,000,000 bushels of grain, sufficient to more than make up the expected deficit in our shipments to Europe. There is no question in my mind that the entire 58,000,000 bushels should have been allocated to save human lives, rather than to produce nonessential alcoholic beverages.

According to Ernest K. Lindley, in Newsweek magazine for April 1—page 25:

The demand for cereals alone was approximately 10,000,000 tons greater than the visible supply. Spread over 120 days before the new crops begin to come in, this shortage could mean death for 300,000,000 people, more than twice the population of the United States, or semi-starvation for a much larger number.

According to the Bureau of Human Nutrition and Home Economics, in the same magazine—page 4:

Eighteen million bushels of grain could feed 15,400,000 persons for 120 days.

Thus, the 58,000,000 bushels allocated to liquor and beer production so far this year could have prevented starvation of 45,600,000 persons, a high price to pay for such utterly unnecessary production.

Such arguments as liquor and beer interests have mustered for continued diversion to them of food from the hungry are specious.

First, the amount of grain being used for liquor and beer production is important, regardless of clever statistics to the contrary. Every bushel of grain diverted away from human feeding in these times may mean human life. Every bushel diverted from livestock feed, after human need is met, depletes our agricultural wealth and future capacity to produce high-level foods.

Secondly, the types of grain being allocated to liquor and beer production might not normally be desirable for food and feed uses, but in these times we must and can use every particle of cereals for the much more important purposes of human and livestock feeding.

Finally, the residues recovered by distillers and brewers will be less than 30 percent of the original grain, the rest being lost in the distilling and brewing processes, which consume virtually all of the important starch content. Moreover, such spent grains are useful only for livestock feeding, whereas our major problem today is human feeding, for which the whole grains are most desirable—as they would be for livestock feeding as well for that matter.

The Special Presidential Famine Committee and the UNRRA Food Committee have both recommended drastic reduction of the use of grain for the making of liquor.

It is time we put first things first, second things second, last things last. And the first thing is grain to relieve human hunger, and the second thing is grain for feeding livestock, that our fu-

ture food production and the solvency of our agriculture may be protected. No grain should be allowed to be used in this crisis for other purposes besides these—certainly none, under the circumstances, for liquor manufacture.

If the facts outlined above are generally made known, I am confident that the people of the United States would support us, and the peoples of the world would thank us for putting an immediate stop to this calamitous wastage of precious foodstuffs.

EXTENSION OF REMARKS

Mr. WHITE. Mr. Speaker, I desire to submit two requests and to make a correction.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD in two instances and to include certain excerpts.

Mr. Speaker, this morning in securing permission of the House to insert in the RECORD the legislative program of the National Grange I said the estimate was \$130. I should correct that and state that it was \$140.

The SPEAKER. Notwithstanding, without objection, the extension may be made.

There was no objection.

The SPEAKER. Is there objection to the requests of the gentleman from Idaho?

There was no objection.

Mr. DE LACY asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. SCHWABE of Oklahoma asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances, in one to include a letter and in the other a resolution.

Mr. LATHAM asked and was given permission to extend his remarks in the Appendix of the RECORD and include a news letter.

Mr. RANKIN asked and was given permission to extend his remarks in the Appendix of the RECORD and include a resolution and statement by the Ohio State Society of the Daughters of the American Revolution.

SPECIAL ORDERS GRANTED

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from California [Mr. PHILLIPS] who had a special order to address the House this afternoon may have that order transferred to Monday next, following the disposition of the legislative business of the day and the special orders heretofore entered for that day.

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

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. BRADLEY] may address the House for 10 minutes tomorrow following the legislative program of the day and the special orders heretofore entered.

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

There was no objection.

The SPEAKER. Under the previous order of the House the gentleman from Wisconsin [Mr. SMITH] is recognized for 30 minutes.

HOUSING SITUATION IS BAD

Mr. SMITH of Wisconsin. Mr. Speaker, the housing situation is getting worse. The returned serviceman and his family cannot find a decent place to live. Seven months after VJ-day, and the administration has no solution for this acute problem. The only program it has is the one suggested by Mr. Wyatt which, like all New Deal solutions, provides for more controls and more deficit spending. Subsidies and controls are the order of the day when all-out production, on a 24-hour basis, should be under way. Yet, all the public gets is talk and more delay.

Mr. Speaker, the people of this country want to provide adequate housing for all who need it, and first for those who served their country in this last war. I do not believe they favor the Wyatt bill wherein subsidies and price ceilings are designed to supply the incentives to meet the present need for homes. As a veteran, I am greatly concerned about this matter, but there is evidence that the Wyatt program will not build the homes its author predicts. I think it is designed primarily to get votes, not houses. Last week Commander John Stelle of the American Legion is reported in the public press to have said that the full weight of the American Legion would be thrown behind the Wyatt housing program. First, as a Legionnaire, I question the right of Commander Stelle to endorse this measure. Secondly, I doubt that he or the national legislative committee has given any study to the bill. Thirdly, I charge that my beloved American Legion is being used as a political vehicle. That great organization has been embarrassed again by the conduct of its commander. It was only a few weeks ago this individual unjustly attacked General Bradley, Veterans' Administrator. That was strike one on Commander John and now comes his blanket endorsement of the Wyatt housing monstrosity, and that is strike two. As Legionnaires, many of us take great pride in trying to protect the rights and interests of the man and woman who has served his country with honor in time of war. Many veterans who are Members of this body fight for them every day.

Mr. Speaker, this gesture by Commander Stelle was a disservice to the service people. Mr. Wyatt says, in effect, he will build homes for the veterans if you give him the right to fix ceiling prices on old and new homes and if you will give him \$600,000,000 so that he can subsidize builders of prefabricated houses. Now, what does this mean? Instead of building houses for veterans, it will build another top-heavy Government bureau. Mr. Wyatt will have to employ a lot of help to spend \$600,000,000, and nobody knows how he will spend it. Further, Mr. Wyatt will tell all present owners of real estate just how much they

can sell their property for. Is this what our servicemen fought for, Mr. Stelle? Passage of the Wyatt bill, Mr. Speaker, will place the building industry of this country in a strait-jacket; it will retard the erection of decent homes for our veterans.

Mr. Speaker, it is about time that somebody or some organization spoke up and told the truth about this whole problem. I believe it is the duty of the veteran organizations to bring all of the pertinent facts to the attention of the public. They have failed to analyze the situation by, first, pointing out the facts, and, second, recommending a solution, except that of lip service in support of the Wyatt plan.

Now, Mr. Speaker, anybody who has studied the situation knows where the trouble is. There are two chief difficulties: First, production of materials and equipment, and, second, a lack of competent labor. Legislation, Government controls, or Presidential orders will never build a home. We must have production of all materials that go into a house and then the men to build them. I have heard no suggestions from those who now profess great concern over the veteran as to how those two problems can be solved. But Commander Stelle is reported to have said—and I quote:

That the Legion would fight alongside Wyatt against what the President termed the "real-estate lobby."

And then he added—

That he would stump 20 New England and Southern States on behalf of the housing crusade.

What brave words, Mr. Speaker, and yet not one single word as to his solution of the problem.

What is the trouble, Mr. Speaker, and what is the solution? Let us face the situation honestly. The present difficulty has been caused by senseless OPA pricing policies. Thousands of small lumber mills are out of business because it does not pay to keep them going. Some mills that are operating find it more profitable to make products for export than items for home consumption. OPA policies have resulted in the creation of black-market operations, thus preventing materials from going into legitimate channels of trade. Dilatory tactics in making price adjustments on materials is nothing short of scandalous. OPA is more concerned with controlling profits than in taking action that will make for increased production. Brick and tile plants have been out of production 6 months waiting for the OPA to make price adjustments. As one man has well said, "Unblock the production of material caused by unrealistic wartime price controls and the building industry will build enough homes for veterans and all Americans." Obstacles to production must be removed, and until this happens there will be no real home building in this country.

Mr. Speaker, this leads me to my final observation. In all this shouting, I wonder how many veterans are actually in the market to buy new homes? I have seen no estimate by the veteran or-

ganizations, but I have heard some figures which indicate that less than 5 percent of those men want to buy a home. They are very anxious, however, to rent decent homes. Just a few days ago I received a post card from a GI from my own city which points out that fact. He said:

In regard to the housing program at Racine, I have discovered that eight out of nine GI's efforts to finance or buy a new home is unsuccessful because of a lack of enough down payment. These men are being forced to take big mortgages because finding places to rent are rare. Why not allow anyone to build homes? This will cause vacancies so GI's can rent. Ninety percent of the people who are in position to build are renting now.

And that, Mr. Speaker, is the situation all over the country. Just a few days ago, General Bradley sounded a warning to veterans by citing the dangers of high financing in the purchase of homes.

There is a big job ahead for every veteran organization in this problem of adequate housing. It should be clearly understood that the only way this objective can be reached is to get the Government out of the housing business and not into it, as is now suggested in the Wyatt housing bill. Six hundred million dollars of subsidy is a financial burden that the veterans and their children will have to pay. In addition it adds to the spiral of inflation already in existence and this is a real threat to every veteran. We must insist that the responsibility for building houses is on the building industry and not the Government. It has the money, the know-how, and the desire to go to work and solve this problem. Let us give them a green light.

The SPEAKER. Under the previous order of the House the gentleman from New York [Mr. KLEIN] is recognized for 20 minutes.

AMERICANISM

Mr. KLEIN. Mr. Speaker, I take the floor today for the first time as a Member of the Seventy-ninth Congress. But this is not my maiden speech before this body. As some of you will recall I served here in the Seventy-seventh and Seventy-eighth Congresses as Representative of the old Fourteenth New York District. When the State of New York was reapportioned in 1944 I lost my seat.

I deem it an honor and a privilege now to be back in this House, a part of the greatest free assembly in the world, having been chosen as Representative of the Nineteenth District at a special election held on February 19 to fill a vacancy.

But my purpose in addressing you now is not only to record my gratitude for the opportunity to participate again in the deliberations of this democratic forum but to give you the benefit of some of my experiences as a plain citizen and as a candidate in the interim in which I held no public office. I believe you will all understand the spirit in which the thought is offered when I repeat the old truism that we sometimes cannot see the forest for the trees; that perhaps many of us here, held down to strict routine by the pressure and demands of official duties, often lose sight of the larger problems and the larger goals with which the

great mass of our citizens are concerned; and that, as a consequence, we are unable to view objectively the trends of congressional action as a whole, which others, outside our ranks, and away from Washington, see so clearly.

Fortunately I have had the opportunity for that kind of observation of Congress—from the outside looking in—and also to obtain at first hand the reactions of the public.

I have no hesitancy in saying that I return to Washington inspired by renewed confidence in the sound judgment and common sense of the American people, in our form of government and way of life, and in the ultimate fulfillment of this Nation's destiny to lead the world along the pathway to peace, progress, and prosperity.

At the same time, however, I am in duty bound to express a feeling of grave concern, which I share with many of my constituents of every walk of life, over certain unfortunate tendencies in politics—and in the Halls of this Congress. Because there is a relationship between these things I would like to remind you that I was elected as a Democrat, with the support of my party organization. My principal opponent was openly and vigorously backed by the Communists and their party organ, the Communist Daily Worker.

It is a tribute to the fundamental Americanism, the decency and the vigilance of the people of my district—one of the most heavily Jewish populated districts in the United States—that they rejected this type of leadership. They repudiated communism.

I was elected by a majority of the voters over the bitterest opposition, in a campaign marked by vilification, picketing, and similar demonstrations which are part of the physical and vocal pressure methods of the Communists.

There was no secret about this Communist activity against me. It was blazoned in the newspapers every day. A New York newspaper, in an editorial, called the election "a test between Americanism and Red fascism."

In such a battle—

They said—

there cannot be Republicans and Democrats. There can only be Americans and anti-Americans. The Republicans and Democrats owe it to their conscience to unite on one candidate, ARTHUR G. KLEIN, to defeat the forces that seek to destroy our country.

Mr. Speaker and fellow Members of the House, I feel that I can speak with greater authority than the gentleman from Mississippi on the menace of communism in the United States. I have actually been in conflict with it. I have felt its strength at first hand, and I am familiar with its insidious methods, its infiltration, its intolerance, and repression of any opposition.

But, at the same time that I have heard the thunder on the left, I have seen the lightning on the right, and I say to you in all solemnity, Mr. Speaker, that the danger from one extreme is as great as from the other. One of the slogans used in my recent campaign was:

"A vote for KLEIN is a vote for BILBO and RANKIN."

This was a typical example of the methods used by my opponent. It was also a libel, because the gentleman from Mississippi, in his own way, typifies the opposite extreme of viewpoint and one which I regard as equally distasteful. You cannot defeat one form of intolerance by adopting another; you cannot beat repression by exercising it yourself; you cannot hope to defeat communism—which is anti-Christ, anti-Jewish, and antiall religion—by saying that this is a land for white Christians only.

My position, Mr. Speaker, and my warning, is: That the extremists on both sides are sowing the seeds of disruption and disunity in this country.

They are laying the groundwork for a serious internal conflict that some day in the future may wrack and rend this Nation as it has not been torn since the bitter War Between the States.

Hardly a day now passes but a spokesman for one group—on the extreme right or the extreme left—does not attack the other as "un-American." And I say, that obviously both are un-American. For the real American viewpoint is one which credits the other fellow's right to express a difference of opinion without impugning his patriotism.

But, unfortunately, in the extremists' book there is no such allowance. You are either with him or against him. To the zealot on the left every conservative is a reactionary and a Fascist. And to his counterpart on the right every true Progressive is a Communist.

Of course the overwhelming preponderance of the Members of this House—and of all Americans—is neither Communist nor Fascist. The general public attitude toward these extremist schools of thought can probably best be expressed in the phrase: "A plague upon both your houses."

For my own part I share that view. I believe in and fight for the maintenance of a free, representative form of government, under which the individual and not the state is supreme, where the government is the servant of the people and not their master.

But as I have watched the goings-on in Congress, and particularly in this House, from an objective viewpoint outside its halls, I have been appalled at the increasing tendency to draw an arbitrary line, to take sides on one extreme or the other—with both extremes leaving no room for middle ground.

This, I say, is unreasoning intolerance and political bigotry at its worst. If we continue to follow this course we will be falling into the trap set by our late enemies. We will bring true the prediction of Hitler and Goebbels that even though they lose the war the effects of their propaganda will live after them and set this Nation upon the path to ruin.

Divide and conquer has always been the technique of tyrants but never was it utilized with such diabolic skill or turned to such great advantage as in the recent war. Today we see the results of those efforts to create disunity in

America, to weaken our will, sap our stamina, and undermine our morale.

Shall we nullify here at home the sacrifices and the victory of our sons abroad? Shall we void the blessings of peace by destroying the domestic tranquility that we are pledged to insure?

In the greatest of all wars we have just helped to prove again the age-old lesson of history: That ideas cannot be imposed upon the world by force. Only a lack of faith in the essential soundness of our own system, and in the enduring strength of its foundations, can cause us to fear any foreign ideology or ism.

The only way to beat an idea is with a better idea. Democracy is a better idea than either communism or fascism—and it is up to us to operate it and make it effective to its fullest possibilities.

If we follow the precepts of our founders, if we ever strive to translate into action the principles of our Declaration of Independence and our Constitution, no power on earth can threaten our existence. But if we ourselves give sanction to official undemocratic procedures, if we suppress free expression, if we condemn without trials, if we smear and persecute individuals, then indeed will our institutions be in danger.

In this connection I have in mind, particularly, some of the hasty, biased, and ill-considered actions of the Committee on Un-American Activities. Although I voted in favor of the resolution to cite for contempt a witness who refused to obey a subpoena of that committee, I did so because it involved the powers of a duly-constituted committee of this House.

But that vote of mine is not to be construed as an endorsement of this committee's activities and its excesses. I cast no reflections upon the good intentions of members of that committee when I say that they have perhaps given too great latitude to some of its employees who have abused their positions to cast suspicions of communism upon innumerable innocent persons.

The mere publication of the name of an individual as having come under the scrutiny of the committee is sufficient to place his reputation under a cloud, to jeopardize his employment, and to hamper his chances of earning a livelihood in the future. Under the circumstances the committee is seriously infringing upon the individual's rights—and is acting as judge, jury, and prosecutor. No such action should be taken lightly by the committee. As a matter of fact the committee, in view of the ostensible purpose for which it was established, should be zealous to guard the civil liberties of the individual and should act only after the fullest investigation has established the facts beyond doubt.

The whole question of the propriety of the committee's existence at all has been thrown open by its indulgence in methods that smack of the Japanese "thought police."

The gentleman from Mississippi, who assumes to speak for the committee, gave this House last week a typical example of what I mean when he declared that "The FEPC bill was written in Moscow."

Similar epithets could have been hurled at Rural Electrification and TVA legislation which the gentleman supported so ardently. They might have been hurled at the Ten Commandments and the Sermon on the Mount. In either case, they make just as little sense.

This is the kind of intolerance, bigotry, and discrimination on the right which merely plays into the hands of the left. This is the kind of dissension in our ranks which is the aim of the Communists. They thrive upon it. This is the kind of thing which creates more potential converts for communism among people who are denied legislation to improve their lot in life. There is nothing un-American in trying to prevent or to outlaw discrimination in employment or in educational institutions. There is nothing un-American in striving for social and economic betterment of the underprivileged or in trying to raise the standards of living of the average American citizen.

Our own Labor Department is the authority for the statement that half of the families and single persons in our cities alone had a net income of less than \$2,700 in 1944; and that one-fifth had net incomes under \$1,500. If the country as a whole operated on the standards of Mississippi these figures would be much lower.

I ask this House, How can we achieve the American ideal of "life, liberty, and the pursuit of happiness" when every attempt to improve these conditions of the people of this land is labeled as "communist" or "un-American"?

Let us have an end to this loose and dangerous business of name-calling, this false labeling of Communists and Fascists.

Unfortunately the effect of constant repetition of these exaggerations and blanket generalizations is to destroy their real meaning. In the case of a real Communist it furnishes him with a protective shield by classifying him among genuine liberals and progressives, such as myself, who are not Communists, and in the opposite instance the effect is to lend respectability to dangerous demagogues, leaders of real Fascist movements by including them with patriotic conservatives.

That is my thesis, Mr. Speaker. That is my warning. I say that unless we combat this tendency to line up on one side or the other behind extremists of the left or the right, we face disaster and ruin. That is the lesson which I hammered home to the people of my district, and it is a lesson which Americans of the Jewish faith have learned only too well. For the history of our forebears over the centuries has shown that there is no safety and no security to be found under any authoritarian regime, whether it be of the left or the right.

The founders who established this Republic of brotherhood devised a system of government based not upon intolerant extremes but upon moderation. The result is that the United States represents the greatest advance yet achieved in demonstrating that it is possible for variegated peoples to live together in harmony under the laws of God and the government of man.

All of us are the product of myriad races, and of different creeds, and we spring from forebears who came from many lands to this haven of liberty. The source of America's strength is in the diversity of our people and we must be on guard against those who would turn those differences into a weapon for our own destruction.

In this constant, running debate which I have noted between extremist advocates in this House, the gentleman from Mississippi has occasionally made remarks which seriously reflect upon Americans of Jewish faith. This group of our citizens needs no defense. Their contribution to the cultural and economic life of our Nation, and their record of service in every war in which we have engaged from colonial days to the present, is written in the pages of American history.

But I am concerned, Mr. Speaker, that we should so lose sight of our fundamental values and traditions as to permit remarks by Members which are derogatory of those values and traditions.

I have in mind the practice of singling out certain types of names to convey the idea that the individuals in their conduct or associations are characteristic of a group. I have in mind also the pernicious practice of introducing religious issues which rightfully have no place in our debates.

After all we are Members of the greatest deliberative body in the world, representatives and spokesmen of a people whose sons of every race, creed, and nationality background sacrificed their lives for our future and our security.

Shall we permit this body to be made a forum even unconsciously for the dissemination of the poison of racial prejudice and religious bigotry?

Mr. Speaker, I yield to no man in my utter condemnation of and complete opposition to the Communists in America and the philosophy which they expound.

But I cannot reconcile myself to the views of some of our native-born Fascists that in fighting one evil we must embrace another.

Mr. Speaker, I appeal to the honor of the House of Representatives of the United States. Let us here and now resolve that this great parliamentary body shall not lend its prestige as a cloak for disunity.

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. CHURCH] is recognized for 30 minutes.

RED TAPE, BUREAUCRACY, AND WASTE IN SURPLUS PROPERTY DISPOSAL

Mr. CHURCH. Mr. Speaker, my Committee on Expenditures in the Executive Departments has been engaged in holding hearings on the administration of the Surplus Property Act of 1944, approved October 3, 1944. From time to time all of us have received complaints from our constituents on the manner of disposal of Government surplus property. It is the purpose of our committee to inquire into the basis for these complaints and to recommend to the House such amendatory legislation as may seem necessary.

I do not propose to speak for other members of the committee; but, personally, as an individual member of the committee, I am convinced that the witnesses who have appeared before us either themselves do not have a complete understanding of the procedures of their own organization, or have deliberately refrained from giving the committee complete and accurate information. Answers to questions have been incomplete or evasive. In some instances inconsistent facts have been presented.

Not being satisfied with what we have been able to learn at the committee hearings, I have made a personal study of the organization and procedures in connection with the disposal of surplus property. I shall not take the time now to go into all the details with respect to my findings, but what I have discovered is so shocking that I feel I owe it to the House to present the general situation.

I have seen bureaucratic red tape and waste in connection with various agencies of the Government. All of us have. To assist in dealing with this problem, we passed the so-called reorganization bill for the executive branch of the Government. But, Mr. Speaker, I do not believe any of us can imagine how fantastic in size, how cumbersome in operations, how ridiculous in procedures, and how scandalous in policies, a bureaucracy can actually become, until he examines the organization, policies, and procedures of the War Assets Administration, which has taken over the majority of the surplus property for disposal. If this bureaucratic Frankenstein did not actually exist, if I did not have the facts to prove it, I would not believe such a thing could be possible.

Before giving you the major facts relative to the War Assets Administration, its organization and procedures, so that you can see exactly what I mean when I use the term "bureaucratic Frankenstein," let me digress for a moment to remind you of the objectives of the surplus-property disposal program as set forth in the act. In section 2 of that act, Congress has set out with some care the various objectives. I do not propose to repeat them here. It should be abundantly clear, and if it is not, we should make it clear that the primary objective of the act is to provide for the early disposal of surplus property. The word "facilitate" appears several times in the statement of objectives. But insofar as the War Assets Administration is concerned, the word has no meaning.

One of the objectives of the act, as declared by Congress in section 2, is "to give maximum aid in the reestablishment of a peacetime economy;" another is "to facilitate the transition of enterprises from wartime to peacetime production, and of individuals from wartime to peacetime employment;" another is "to afford returning veterans an opportunity to establish themselves as proprietors of agricultural, business, and professional enterprises;" another is "to encourage and foster postwar employment opportunities;" and still another is "to dispose of surplus property as promptly as feasible without fostering monopoly, or unduly disturbing the economy," and so on.

How can such objectives possibly be obtained unless the emphasis be on the prompt disposal of surplus property? How, in the name of common sense, can the surplus property disposal program aid in the conversion to peacetime production, aid the veteran and assist in the development of postwar opportunities, if the policies and procedures followed by those in charge of the program are so involved and so complicated as to preclude early disposal of the property? It is now, not next year, or the year after, or 5 or 10 years from now, that surplus property can be sold with the least possible disturbance to our economy, and at the best prices for the American taxpayer. There is a demand for goods today which cannot exist next year when American industry has started to produce its peacetime products.

But, Mr. Speaker, the bureaucratic Frankenstein that the War Assets Administration truthfully represents, with its maze of red tape, complicated regulations, and ridiculous procedures, is actually destroying the purpose of the act. And therein lies the reason for the complaints.

I cannot possibly go into all the details, but I have brought with me some supporting documents which in themselves demonstrate what I mean when I use the term "bureaucratic Frankenstein." You will readily understand from these documents why the delay in the program and why millions of dollars of taxpayers' money is being wasted, literally wasted.

This document [displaying] is the War Assets Administration Organization Charts, Departmental, March 25, 1946. It constitutes 29 pages of offices, divisions, and branches. The chart itself shows the duplications in the organization set-up. I believe there are 24,000 employees in the organization, and they are planning to recruit several thousand more.

Here are some of the volumes [displaying] embodying the statement of policies, procedures, and regulations to be followed in connection with the disposal of surplus property. It is almost impossible to lift them, let alone for anyone to sit down and read them. There are still an even larger volume of these statements of policies, procedures, and regulations not yet printed. While I have not read these volumes here, I have gone through them to an extent sufficient to satisfy myself that the procedure being followed is asinine and ludicrous. Let me illustrate.

When a particular Government agency, such as the Army or Navy, declares something as surplus property, it then becomes the duty of the War Assets Administration to dispose of it. The regulations provide that at least nine types of information must be supplied on each item. Let us assume, for instance, that the Army declares 100,000 quarter-inch drills as surplus, or spark plugs, or screw drivers as surplus. Before the War Assets Administration places the particular item, whatever it might be, in inventory, its procedure requires a verification of condition. That means that each and every screw driver or spark plug, as the case may be, must be in-

spected and classified as to condition. The items may still be in the original package in which it was shipped to the Army by the manufacturer for shipment overseas. Notwithstanding, each and every item must be taken from the box, examined, condition described and put back in the box. You can readily imagine the delay and expense involved in that procedure. The cost would probably be, in many instances, greater than the sales price.

Not only must the item be verified as to condition, piece by piece, but the regulations also require that the manufacturer's name and when manufactured be supplied. What difference does it make, in a great many instances, who manufactured a screw driver or a spark plug, or when it was manufactured. The boys for whom the goods were originally intended did not care who made it or when made so long as it was a particular type for their needs. What value does such information add to the product? Perhaps in commercial retailing where different manufacturers made different types of product, such information had value to the consumer. But in war production different manufacturers made exactly the same product, according to specifications of the Army and Navy, and the products are surplus goods. Such goods could be sold now and be of immediate value to the public. But all this delay in getting such information will place the goods in competition with privately produced goods and, moreover, the sales price will necessarily be less.

If you carefully check the figures of the War Assets Administration, you will find that billions of dollars of goods have been declared surplus, but the WAA has not yet placed them in available inventory because it has made this wholly unnecessary detailed check. I understand that the Army is now preparing an initial budget of about \$75,000,000 for the purpose of complying with this regulation.

This maze of red tape is holding up raw materials and supplies which are needed in connection with the reconversion of American industry and the operation of plants. It is serving to delay our return to full production and employment.

But even after items are checked, verified, classified, and so forth, and finally are inventoried to the smallest detail, you cannot imagine the steps that must be taken to get it ready for sale. I have worked out here no less than 35 separate steps that are taken by the War Assets Administration in the development of a national sales program for a particular item. [Display of the steps chart.]

I do not know who devised all this abracadabra. But I do know that this accounts for the delay in the surplus property disposal program and defeats the purpose of the law. I also know that delivery of orders for surplus property, needed by a manufacturer, have gone unfilled for weeks and months while all this endless paper work is accomplished.

The War Assets Administration claim that it is necessary to have a wide and fair distribution of critical items throughout the Nation. With that objective I concur. But I have noted that the Con-

sumer Division offered a minimum lot of \$100,000 worth of tire patches. What small businessman, what new enterprise, what veteran establishing a business, would want to buy \$100,000 worth of tire patches. How did the principle of "fair distribution" apply in that sale?

I have also noticed an advertisement of Gimbel Bros. appearing currently in the New York newspapers offering for sale 600 2½-ton Studebaker trucks. Here it is in the New York Herald Tribune of March 31, 1946. Some of my own constituents could have used one of these trucks without having to pay Gimbel a profit on the transaction, particularly when the trucks were sold within a few miles of my home district. How did the principle of fair distribution apply in that sale?

As I stated at the outset, Mr. Speaker, the policies, procedures, and regulations being followed in connection with the disposal of surplus property is scandalous. I believe the Committee on Expenditures in the Executive Departments should bring before it whatever operation employees are necessary so that we can get the full and accurate picture. The matter demands immediate attention. The War Assets administration is, I repeat, a bureaucratic Frankenstein, not only defeating the primary purpose of the law, retarding reconversion, but actually costing the taxpayers millions of dollars each year.

The following red tape is preceded by:

- (a) Declaration of property.
- (b) Inspection.
- (c) Preparation of material for storage.
- (d) Warehousing.
- (e) Accounting, records, etc.

THE STEPS DEVELOPMENT OF NATIONAL SALES PROGRAM (PART II)

1. Unit head: Selects items (A-2a). Economist assists unit head by reviewing property lists and in repairing sales program.
2. Section chief: Approves (A-2a 6).
3. All regions: Advised that program is being considered. Asks for full description of all such property in the region (A-2a 6).
4. Unit head: Prepares 12 copies of Form A and submits 3 copies to section chief (A-2a 7).
5. Section chief: Approves and signs the 3 copies (A-2a 7).
6. Office of Sales Division Chief: Approves and registers program and assigns a number to the 3 Form A's (A-2a 7).
7. Sales Division: Retains one copy of Form A (A-2a 7).
8. Sales Division Chief file: Retains one copy of Form A (A-2a 7).
9. Unit head: Receives one copy of Form A (A-2a 7).
10. Sample control unit: Requested to requisition samples for all regions (A-2a 8).
11. Unit chief: Sends copy of Form A to legal, Government requirements, acquisition, information, veterans, research, organization, and procedure planning, branch chief. This is notice that program is in progress. Objections must be made immediately (A-2a 9). Branch chief (optional step): May—
 - (a) Freeze all regional sales.
 - (b) Request detailed information (A-2a 10).
12. Government requirements: May decide all or part of the surplus should be held (A-2a 11).
13. Veterans: Decides quantity of inventory to be set aside (A-2a 11).
14. Branch chief: Receives decision of Government requirements and veterans (A-2a 11). Economist assists develop pattern for allocation of short supply items.

15. Unit head: Consults liaison economist to see if a market study is required (A-2a12). Economist assists.

16. Market Research Section: Economist assists and studies: (a) Impact, (b) channels of trade, (c) lot sizes, (d) trade-level allocations, (e) current market prices, (f) etc. (A-2a12).

17. Unit head: Economist assists, prepares sales program and justification on form appropriate for the type of sale, i. e.: (a) Fixed price, (b) negotiated sale, (c) lease or loan, (d) continuous program and submits to (A-2a13).

18. Attorney: Approves and comments on sales justification (A-2a14).

19. Economist: Approves and comments on sales justification (A-2a14). Economist assists.

20. Branch Chief: Approves program in quadruplicate, or if he makes significant change, it is referred back to (A-2a14).

21. Section Chief: Further study (A-2a14).

22. Economist: Approves changes (A-2a14). Economist assists.

23. Attorney: Approves changes (A-2a14).

24. Branch Chief: Approves (A-2a14).

25. Division Chief: Approves (A-2a14).

26. Unit head: Sends copy to Advertising Division (A-2a15).

27. Advertising Division: Notifies unit head of date copy will be sent regions and release date (A-2a15).

28. Unit head: Inserts on proper forms the dates copy is to be sent to regions and to release date and cut-off date. Distribute sufficient forms to all regions and to: Advertising Division, 1; Division Chief, 1; Legal Division, 1; Deputy Administrator for Management, 1; Review and Market Analysis, 2; Acquisition Division, 1; Government Requirements, 1; Commodity Section Chief, 4; Information Division, 1; Veterans, 1 (A-2a16).

29. National Advertising Office: Prepares negatives (A-2-a17).

30. Section Chief: Approves advertising copy (Aa-a17).

31. National Advertising Office: Sends copy to regions (Aa-a17).

32. Regions: Put samples on display on first day of sale (A2-a17).

33. Section Chief: On Friday each week prepares report of the status of sales program. One copy to Division Sales, Deputy Administrator for Management, Review and Market Analysis (A2-a18).

34. Section Chief: Based on TWX reports from regions prepares progress reports and submits to list 33 (A2-a19). Branch Chief, Deputy Administrator for Operations.

35. Section Chief: On limited sales program reports when final TWX progress reports are received. Compares orders booked with quantity available and adjusts assigned quotas (A2-a20). Economist assists reviews. Approval required:

1. Section Chief.
 2. Branch Chief.
 3. Sales Division Chief.
 4. Government requirements.
 5. Veterans' Division.
 6. Attorney.
 7. Economist.
 8. All regions (no objection).
- The sale is on!

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 18, 1946.
Lt. Gen. EDMUND GREGORY,
Chairman, Board of Directors,
War Assets Corporation,
Washington, D. C.

DEAR SIR: This letter is not written with the thought of criticizing but for the purpose of obtaining information in connection with my efforts as a member of the Committee on Expenditures in the Executive Departments, investigating proposed changes in the Surplus Property Act.

However, in connection with the long interrogation of witnesses by members of that committee, I am amazed and disappointed with the many questions asked by them which have gone unanswered by witnesses. As one committee member remarked, it seems strange that so many witnesses who were requested to appear have sudden important calls elsewhere, or are forced to send subordinates to testify. One of the standard replies to important questions has seemed to be that another executive or another agency should properly answer that particular question.

To clarify this situation I am submitting the following questions in writing to you as head of your department, with the request that you answer formally in writing, or deputize someone capable of answering each question or explaining in writing why such question should properly be answered by another agency. I am sending this same letter to Hon. Kenneth C. Royall, Under Secretary of War; Rear Adm. C. H. Cotter of the Navy Department, and Mr. Thomas B. McCabe, Commissioner, Foreign Liquidation Commission, Department of State, Washington, D. C. My questions for any or all agencies concerned with surplus declarations and/or disposal are:

PERSONNEL EXPENSE

1. Mr. Chester Lane, Deputy Foreign Liquidation Commissioner, testified before the House Committee on Expenditures in Executive Departments on Tuesday, March 5, that this organization's Washington office had 150 employees. He corrected this on March 6 to state that his office had 106 civilian and 109 Army employees. If the Army employees are carried on the Army pay roll, does this represent shifting of the FLC personnel expense to the Army?

To what extent in pay roll expense does this intermingling of civilian and Army (or Navy, if any)—or other agency employees—go over the rest of the world for FLC and WAC? In surplus disposal, how much of the Army or Navy personnel is assigned to other agencies? Who is charged with their expense?

OPERATING AND OTHER EXPENSE

For all agencies: In addition to any Army or Navy or other agency's personnel that you are using—charged not to you but to that other agency—are you using any other Government facilities (such as Army Signal Corps transmission channels for cables, etc.), not charged to you, which would result in your having more operating expenses, although these expenses are charged to another agency?

If so, please furnish me with a complete record.

2. What are the bookkeeping methods on interagency transfers or allocations of surplus properties in your agency?

If your agency transfers surplus to another agency, is it paid for or is credit given and, if the latter, how is this credit to be paid?

3. Where is your personnel recruited—from private business, the Army, or from other agencies cut down or abolished, such as the FEA, WPB, OPA, and OWI?

I mean, are the efforts of Congress to reduce the personnel on Government pay rolls being nullified simply by shifting it from one disbanded or reduced agency to another growing agency?

4. On March 1, 1946, the official United States Treasury report showed receipts from all surplus agencies to that date from July 1, 1945, totaled \$109,582,468.30. The Treasury report for a similar period from July 1, 1944, to March 1, 1945, showed the total receipts from all surplus agencies to be \$19,785,964.27. In view of the billions of dollars worth of material declared surplus, where is the rest of the money, especially since section 30 of the Surplus Property Act requires all such receipts, except as provided by the section, to be deposited in the United States Treasury?

5. Philip M. Klutznick, Commissioner of the Federal Public Housing Authority and President of the Defense Homes Corporation, testifying March 7 before the House Committee on Expenditures in the Executive Departments, stated that the reproduction value of McLean Gardens would be more than its actual cost. If this principle or truth is correct, how do WAC and other selling agencies justify sales of plants for much lower than their original costs in these days of high building costs?

6. Mr. Klutznick at the same hearing testified that his agency in negotiating sales very carefully guarded against deals which would result in a "milking process" by the apparent buyer, who in some cases may be only a front for speculators. Considering this, how does WAC or other disposal agencies reconcile this caution with its leases of plants in some cases for 5-year terms at much lower than their stated plan of getting annual minimum rental of 8 percent of total value, and in some cases for little or nothing for the first 1 or 2 years of the lease?

7. More than one-half of page 44 of the New York Times for Thursday, March 7, 1946, is taken up by three large ads of the WAC offering surplus equipment and plants for sale. Similar ads are appearing in other newspapers all over the country. How much has been spent on such ads and classified ads and all other advertising to date?

How much is planned to be spent?

What advertising agencies have been designated to place such ads with the usual or other commissions allowed such agencies?

How were the agencies selected?

Since many items, especially plants and/or equipment, can be purchased by only a limited number of firms, instead of appealing to the general circulations of newspapers, could this advertising not be done more economically by the Government by small ads stating simply that equipment and plants are for sale and that those desiring additional information can obtain it by contacting the agencies involved?

Could such advertising be done better by direct mail going to lists easily obtained from the Government's own files or from firms specializing in such lists? (The New York Times advertising rate is more than \$16 per column inch. The March 7 ads above referred to occupied almost 100 column inches at an estimated cost of \$1,600.)

8. Testifying before the House Committee on Expenditures in the Executive Departments, Rear Adm. C. H. Cotter and Vice Adm. W. S. Farber stated that cables had been sent to area commanders in the Pacific ordering the immediate return of all surplus not needed there but much needed in civilian economy in the United States. This cable was dated February 8, 1946. Hon. Kenneth C. Royall, Under Secretary of War, testifying before the same committee on February 21, gave similar testimony regarding Army supplies in the Pacific. The Navy representatives said that orders had been issued to have manifests of incoming shipments sent to the United States by air mail. Apparently none of the disposal authorities know of any shipments. If the orders were carried out and much surplus is back in or on the way back to the continental United States, where is it?

Where will it be landed?

Will manufacturers be allowed to repurchase their own product and resell it?

What is a brief but comprehensive report on the present situation regarding these orders which should have resulted in vast supplies of surplus greatly needed in our civilian economy being on the way back to the United States right now?

What plans, if any, have been made to distribute these surpluses according to the Surplus Property Act through "normal channels of trade"?

In view of some of the SPA's, and its successor the WAC's, conflicting interpretations of the Surplus Property Act, and contrary to the spirit and letter of the act, is it not plainly evident that your representative who testified before the Committee on Expenditures in the Executive Departments had not read the act or the conference report on the act, both of which are very plain?

Respectfully submitted,

RALPH E. CHURCH.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. CHURCH. I yield.

Mrs. ROGERS of Massachusetts. I think it is appalling that even disabled veterans, men without any legs, cannot be given automobiles. I think the gentleman knows I have introduced bills giving veterans priority on Government-owned houses at noninflationary prices; also one that would give them priority, after the Government, on all supplies. Can the gentleman tell me when those bills will be reported out?

Mr. CHURCH. The committee has before it several bills of that character. The lady from Massachusetts has appeared before our committee and has been a very valuable witness. No one knows when the administration can furnish us any other than complicated regulations. There are some on the committee who believe that the present act is satisfactory but that its intents and purposes are not being carried out.

Mrs. ROGERS of Massachusetts. All you get is a merry-go-round instead of surplus property.

Mr. CHURCH. A merry-go-round, red tape, bureaucratic delay, and waste of surplus property.

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

Mr. CHURCH. I yield.

Mr. HOOK. Will the gentleman tell me how long the War Assets Corporation has been in operation under the new reorganized plan?

Mr. CHURCH. It has been 6 months since the war ended. The problem of disposing of surplus property was the problem of the different departments at that time, and has been for longer than 6 months.

Mr. HOOK. Agreeing with you that there has been confusion in the past, now will the gentleman tell me how long the present War Assets Corporation has been operating since its new organization?

Mr. CHURCH. The War Assets Corporation has been in existence for some time. The War Assets Corporation this last week became the War Assets Administration. Maybe it will become something else before it gets down to the job of disposing of surplus property.

Mr. HOOK. So that the War Assets Administration has only been in operation under the new reorganization for 1 week.

Mr. CHURCH. No; the agency heads were before our committee several weeks ago. They dodged and they evaded giving us information; and then they all took a trip and issued statements from across the Pacific that everything was O. K. They are the men who have been

in charge of the declaration and then the disposal of this surplus property.

Mr. HOOK. But I understand the gentleman now by his own statement to admit that the War Assets Administration has been in operation for only 1 week.

Mr. CHURCH. In name, yes. It merely succeeded to the same work the War Assets Corporation had.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. CHURCH. I yield.

Mrs. ROGERS of Massachusetts. I have faith that General Gregory will do a better job, and heaven knows it is needed.

Mr. CHURCH. I hope he does, but he is getting started rather late.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. CHAPMAN (at the request of Mr. GREGORY), for today, on account of illness.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1840. An act for the relief of the Danvers Shoe Co., Inc.

ADJOURNMENT

Mr. HOOK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 1 minute p. m.) the House adjourned until tomorrow, April 5, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE CENSUS

The Committee on the Census will hold an executive session on H. R. 5857 on Friday morning, April 5, 1946, at 10:30.

COMMITTEE ON FLOOD CONTROL

Schedule of public hearings on flood control bill of 1946 beginning Monday, April 8, 1946, at 10 a. m.:

1. Monday, April 8, Lt. Gen. R. A. Wheeler, Chief of Engineers, will submit a general statement. General Wheeler will be accompanied by Brig. Gen. R. C. Crawford, Assistant Chief of Engineers, and Col. E. G. Herb, of the Civil Works Division, Corps of Engineers.

2. Tuesday, April 9: Atlantic coastal area, including New England and eastern New York, and streams flowing into the Gulf of Mexico east of the Mississippi River:

Lehigh River, Pa.; Lackawaxen River, Pa.; Potomac River, Pa., Md., Va., and W. Va.; Rappahannock River, Va.; James River, Va.; Altamaha River, Ga.

3. Wednesday, April 10. The Ohio River Basin, including additional authorization for the approved comprehensive plan:

Barren River, Ky. and Tenn.; Chestnut Creek, Va.; Wabash River and tributaries; Allegheny River, N. Y. and Pa.; Mill Creek, Ohio; Redstone Creek, Pa.

4. Thursday, April 11. Missouri River Basin, including additional authorization for the Corps of Engineers and the Bureau of Reclamation for the approved comprehensive plan:

Heart River, N. Dak.; South Platte River, Colo., Wyo., and Nebr.

5. Friday, April 12. The Great Lakes Basin and the Upper Mississippi River Basin, including additional authorization for the approved comprehensive plan:

Rock River, Wis. and Ill.; Mississippi River, local flood protection in Illinois; Clinton River, Mich.; Genesee River, N. Y.; Tonawanda Creek, N. Y.

6. Monday, April 15. Streams flowing into the Gulf of Mexico west of the Mississippi River, the Great Basin and the Pacific region, exclusive of California, including additional authorization for the approved comprehensive plan for the Willamette River:

Leon River, Tex.; Boise River, Idaho; Amazon Creek, Oreg.; Queen Creek, Ariz.; Gila River at Tucson, Ariz.; Spanish Fork River, Utah; Jordan River at Salt Lake City, Utah; and Little Valley Wash at Magna, Utah; Skagway River and Harbor, Alaska.

7. Tuesday, April 16. California streams, including additional authorization for the approved comprehensive plans for the Los Angeles River, and the Sacramento-San Joaquin streams:

Salinas River, Calif., Santa Clara River, Calif.

8. Wednesday, April 17. Lower Mississippi River Basin, including the Red River, and including additional authorization for the approved comprehensive plan for the White and Arkansas River Basin:

Red River below Denison Dam, Tex., Okla., Ark., and La.; Bayou Pierre, La.; La Fourche Bayou, La.; Pontchartrain Lake, La.; Mermentau River, La.; North Canadian River, Okla.; Polecat Creek, Okla.; Grand (Neosho) River, Kans., Mo., and Okla.; Arkansas River, Ponca City, Okla.; Mississippi River, West Tennessee tributaries; Boeuf and Tensas Rivers and Bayou Macon, Ark. and La.; Big Sunflower, Little Sunflower, Hushpuckena, and Quiver Rivers and their tributaries, and on Hull Brake, Mill Creek Canal, Bogue Phalia, Ditchlow Bayou, Deer Creek, and Steele Bayou, Miss.

9. Thursday, April 18. Lt. Gen. R. A. Wheeler, Chief of Engineers, and other representatives of the Corps of Engineers, and proponents and opponents of projects in other regions.

10. Friday, April 19. Senators and Representatives in Congress and Department of Agriculture, Weather Bureau, and other Government agencies.

COMMITTEE ON RIVERS AND HARBORS

Revised schedule of hearings on the omnibus rivers and harbors authorization bill to start Tuesday, April 9, 1946, at 10:30 a. m., is as follows:

(Tuesday, April 9)

Portland Harbor, Maine.
Fall River Harbor, Mass.
Wickford Harbor, R. I.
New Haven Harbor, Conn.
Bridgeport Harbor, Conn.
Stamford Harbor, Conn.
Barnegat Inlet, N. J.
Absecon Inlet, N. J.
Delaware River, Biles Creek, Pa.

(Wednesday, April 10)

Sacramento River, Calif., deep-water ship channel.

(Thursday, April 11)

Sabine River, Adams Bayou, Tex.
Sabine-Neches waterway, Texas.
Trinity River below Liberty, Tex.
Mill Creek, Tex.
Aransas Pass, Intracoastal Waterway, Tex.
Brazos Island Harbor, Tex.

(Friday, April 12)

Schuylkill River, Pa.
Middle and Dark Head Creeks, Md.
Mattaponi River, Va.
Newport News Creek, Va.
Norfolk Harbor, Va.
Savannah Harbor, Ga.
St. Johns River, Fla., Jacksonville to Lake Harney.
Hollywood Harbor (Port Everglades), Fla.
Withlacoochee River, Fla.
Cleveland Harbor, Ohio.
Great Lakes connecting channels, Michigan.

(Monday, April 15)

Franklin Canal, La.
Mermentau River, La.
Lake Charles deep waterway, Louisiana.
Plaquemine and Morgan City route, Louisiana.
Red River below Fulton, La.

(Tuesday, April 16)

Cumberland River, Tenn. and Ky.
Big Sioux River, S. Dak.
Mississippi River seepage, Iowa, Minnesota, and Wisconsin.
Mississippi River at Lansing, Iowa.
Mississippi River at Wabasha, Minn.
Mississippi River at Lake Pepin, Minn.
Mississippi River at Hastings, Minn.

(Wednesday, April 17)

Fairport Harbor, Ohio.
Calumet-Sag Channel, Ind. and Ill.
Chicago River, North Branch of Illinois.
Napa River, Calif.
Coos Bay, Oreg.
Columbia River at Astoria, Oreg.
Columbia River at The Dalles, Oreg.
Columbia River, Foster Creek Dam, Wash.

(Wednesday and Thursday, May 1 and 2)

Tombigbee-Tennessee Rivers.

(Friday, May 3)

Held open for description of projects favorably recommended by the Board of Engineers for Rivers and Harbors during its April meeting.

(Monday and Tuesday, May 6 and 7)

Big Sandy River, Tug and Levisa Forks, Va., W. Va., and Ky.

(Wednesday and Thursday, May 8 and 9)

Arkansas River, Ark. and Okla.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1194. A letter from the Acting Chairman, Federal Communications Commission, transmitting the Commission's eleventh annual

report covering the fiscal year ending June 30, 1945; to the Committee on Interstate and Foreign Commerce.

1195. A letter from the Director, Office of War Mobilization and Reconversion, transmitting the sixth quarterly report of this Office (H. Doc. No. 524); to the Committee on Ways and Means and ordered to be printed, with illustrations.

1196. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1947 in the amount of \$4,179,600 for the Federal Security Agency (H. Doc. No. 525); to the Committee on Appropriations and ordered to be printed.

1197. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated September 28, 1945, submitting a report, together with accompanying papers and illustrations, on a cooperative beach-erosion study of the Lake Michigan shore line of Milwaukee County, Wis. This investigation was made under the provisions of section 2 of the River and Harbor Act approved on July 3, 1930, and an act of Congress approved on June 26, 1936 (H. Doc. No. 526); to the Committee on Rivers and Harbors and ordered to be printed, with 11 illustrations.

1198. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated December 19, 1945, submitting a report, together with accompanying papers and illustrations on a cooperative beach-erosion study of Bakers Haulover Inlet, Fla. This investigation was made under the provisions of section 2 of the River and Harbor Act approved on July 3, 1930, and an act of Congress approved on June 26, 1936 (H. Doc. No. 527); to the Committee on Rivers and Harbors and ordered to be printed, with seven illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. VINSON: Committee on Naval Affairs. H. R. 5929. A bill to authorize the attendance of the Marine Band at the department convention of the American Legion to be held in Racine, Wis., August 3, 1946; without amendment (Rept. No. 1869). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAY: Committee on Military Affairs. S. 752. An act to amend the act of June 7, 1939 (53 Stat. 811), as amended, relating to the acquisition of stocks of strategic and critical materials for national defense purposes; with amendment (Rept. No. 1869). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN of South Carolina: Committee on the District of Columbia. H. R. 4654. A bill to exempt transfers of property to the American National Red Cross from the District of Columbia inheritance tax; with amendment (Rep. No. 1870). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN of South Carolina: Committee on the District of Columbia. H. R. 5928. A bill to name the bridge located on New Hampshire Avenue, Washington, D. C., over the Baltimore & Ohio Railroad tracks, the Charles A. Langley Bridge; without amendment (Rept. No. 1871). Referred to the House Calendar.

Mr. O'TOOLE: Committee on the Library. House Joint Resolution 333. Joint resolution to provide for the reappointment of Dr. Vannevar Bush as citizen regent of the Board of Regents of the Smithsonian Institution;

without amendment (Rept. No. 1872). Referred to the House Calendar.

Mr. COOLEY: Committee on Agriculture. H. R. 5991. A bill to simplify and improve credit services to farmers and promote farm ownership by abolishing certain agricultural lending agencies and functions, by transferring assets to the Farmers' Home Corporation, by enlarging the powers of the Farmers' Home Corporation, by authorizing Government insurance of loans to farmers, by creating preferences for loans and insured mortgages to enable veterans to acquire farms, by providing additional specific authority and directions with respect to the liquidation of resettlement projects and rural rehabilitation projects for resettlement purposes, and for other purposes; without amendment (Rept. No. 1873). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CORBETT:

H. R. 6000. A bill relating to the exercise of powers with respect to price and wage control; to the Committee on Banking and Currency.

By Mr. FARRINGTON:

H. R. 6001. A bill to provide emergency relief for victims of the seismic waves which struck the Territory of Hawaii; to the Committee on the Territories.

By Mr. MURPHY:

H. R. 6002. A bill to authorize the Commissioners of the District of Columbia to provide necessary utilities for veterans' housing furnished and erected by the National Housing Administrator; to the Committee on the District of Columbia.

H. R. 6003. A bill to authorize the sale of the bed of E Street SW., between Twelfth and Thirteenth Streets, in the District of Columbia; to the Committee on the District of Columbia.

Mr. PRICE of Illinois:

H. R. 6004. A bill to provide authorization for the village of Cahokia, Ill., to construct, maintain, and operate a toll bridge across the Mississippi River at or near Cahokia, Ill., and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BRYSON:

H. J. Res. 334. Joint resolution to authorize the President and the Secretary of Agriculture to issue orders and directives prohibiting the use of grain for intoxicating liquor, and for other purposes; to the Committee on Agriculture.

By Mr. FLANNAGAN:

H. J. Res. 335. Joint resolution to prevent the use of grain for nonessential purposes during the period of shortage; to the Committee on Agriculture.

By Mr. MANSFIELD of Montana:

H. Con. Res. 141. Concurrent resolution authorizing the printing of a revised edition of House Document No. 134, Seventy-ninth Congress, first session, entitled "Handbook for Servicemen and Servicewomen of World War II and Their Dependents, Including Rights and Benefits of Veterans of World War I and Their Dependents," as a public document, and providing for additional copies thereof; to the Committee on Printing.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Territory of Alaska, memorializing the President and the Congress of the

United States to remove the present Governor from office with all possible dispatch; to the Committee on the Territories.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CURLEY:

H. R. 6005. A bill for the relief of Frances L. Marshall; to the Committee on Claims.
H. R. 6006. A bill for the relief of Albert H. Stoddard; to the Committee on Claims.

By Mr. CRAVENS:

H. R. 6007. A bill for the relief of John R. Kagy; to the Committee on Claims.

By Mr. GRANT of Indiana:

H. R. 6008. A bill for the relief of Mrs. Mildred Louise Palmer; to the Committee on Claims.

By Mr. LATHAM:

H. R. 6009. A bill for the relief of Rocco La Porta and Martin Siebert; to the Committee on Claims.

By Mr. McGEHEE:

H. R. 6010. A bill for the relief of the Yakutat Cooperative Market; to the Committee on Claims.

H. R. 6011. A bill for the relief of Harry Burstein, M. D., Madeline Borvick, and Mrs. Clara Kaufman Truly (formerly Miss Clara M. Kaufman); to the Committee on Claims.

By Mr. MONRONEY:

H. R. 6012. A bill for the relief of Lippert Bros., general contractors; to the Committee on Claims.

By Mr. MURPHY:

H. R. 6013. A bill for the relief of Martin A. King, postmaster at Clarks Summit, Pa.; to the Committee on Claims.

H. R. 6014. A bill for the relief of the estate of D. A. Montgomery; to the Committee on Claims.

By Mr. NEELY:

H. R. 6015. A bill for the relief of William E. Gillespie, Jr.; to the Committee on Military Affairs.

By Mr. ROBINSON of Utah:

H. R. 6016. A bill for the relief of the estate of Wendell D. Wagstaff; 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:

1762. By Mr. GARDNER: Petition of Servicemen's Wives' and Children's Association, regarding release of fathers; to the Committee on Military Affairs.

1763. By Mr. GRAHAM: Petition of 20 residents of Butler, Pa., in opposition to Senate bills 1050 and 1606 and House bill 4730; to the Committee on Ways and Means.

1764. Also, petition of 13 residents of Zelle-nople, Pa., in opposition to Senate bills 1050 and 1606 and House bill 4730; to the Committee on Ways and Means.

1765. By Mr. HART: Petition of the Frank J. Wetering Post, No. 316, Veterans of Foreign Wars, of Hackensack, N. J., protesting against the housing bill as passed by the House of Representatives and urging that said bill be recalled from the Senate and that the original Wyatt bill be passed and enacted into law; to the Committee on Banking and Currency.

1766. Also, petition of John Hand Tri-County Post, No. 2906, of Pompton Lakes, N. J., Veterans of Foreign Wars, protesting against housing bill as passed by the House of Representatives and urging that said bill be recalled from the Senate and that the original Wyatt housing bill be passed and enacted into law; to the Committee on Banking and Currency.

SENATE

FRIDAY, APRIL 5, 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:

O God, our spirits are restless until they find the rest of Thy presence; our hearts are empty and our lives barren until Thou dost possess our very souls. Apart from Thee, these feverish days are but tangled tragedy, sound and fury signifying nothing, devoid of meaning, dignity, and beauty; in Thy radiance trivial rounds become sacraments; common days are glorified; bitterness, disappointment, and failure transfigured and redeemed.

This day consecrate with Thy presence the way our feet may go and the humblest work will shine and the rough places be made plain. Suffer not any one of us to bruise the rightful self-respect of any child of Thine, our brother, by malice or contempt. So help us to walk while it is yet day, following the wounded footprints of Him who with the fewest hours finished the divinest work. We ask it in His blessed name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, April 4, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 1415) to increase the rates of compensation of officers and employees of the Federal Government, with amendments in which it requested the concurrence of the Senate.

LEAVE OF ABSENCE

Mr. BUTLER. Mr. President, I ask unanimous consent of the Senate to be absent for a few days beginning the first of next week.

The PRESIDENT pro tempore. Without objection, leave is granted.

CALL OF THE HOUSE

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

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

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

Aiken	Bankhead	Brewster
Austin	Barkley	Briggs
Ball	Blibo	Brooks

Buck	Hoey	Reed
Bushfield	Johnson, Colo.	Revercomb
Butler	Johnston, S. C.	Russell
Byrd	Knowland	Saltonstall
Capehart	La Follette	Shipstead
Capper	Langer	Smith
Carville	Lucas	Stanfill
Connally	McClellan	Stewart
Cordon	McFarland	Taylor
Donnell	McKellar	Thomas, Ok'a.
Downey	McMahon	Thomas, Utah
Eastland	Magnuson	Tobey
Ellender	Maybank	Tunnell
Ferguson	Mead	Vandenberg
Fulbright	Millikin	Walsh
Gerry	Mitchell	Wheeler
Gossett	Moore	Wherry
Green	Morse	White
Guffey	Murdock	Wiley
Gurney	Murray	Willis
Hart	Myers	Wilson
Hatch	O'Daniel	Young
Hayden	O'Mahoney	
Hickenlooper	Overton	

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILLEY], the Senator from Virginia [Mr. GLASS], and the Senator from West Virginia [Mr. KILGORE] are absent because of illness.

The Senator from Alabama [Mr. HILL] is absent because of a death in his family.

The Senator from Ohio [Mr. HUFFMAN] is absent because of illness in his family.

The Senator from Florida [Mr. ANDREWS], the Senator from Georgia [Mr. GEORGE], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Florida [Mr. PEPPER] and the Senator from Utah [Mr. THOMAS] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Nevada [Mr. McCARRAN] are absent on official business.

The Senator from Maryland [Mr. RADCLIFFE] is unavoidably detained on official business at one of the Government departments.

Mr. WHERRY. The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness in his family.

The Senator from Ohio [Mr. TAFT] is necessarily absent by leave of the Senate.

The PRESIDENT pro tempore. Seventy-nine Senators having answered to their names, a quorum is present.

FOREIGN DECORATIONS, ETC., HELD BY STATE DEPARTMENT FOR CERTAIN RETIRED OFFICERS AND OTHERS

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read, and with the accompanying papers, referred to the Committee on Foreign Relations:

(For President's message, see today's proceedings of the House of Representatives on p. 3233.)

REPORT OF CIVIL SERVICE COMMISSION

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read and referred to the Committee on Civil Service.

(For President's message, see today's proceedings of the House of Representatives on p. 3233.)