that the people back home are very much confused. The letter I received is from a very close friend of mine and begins:

We are disgusted with Washington. Things are starting to smell there.

Mr. President, as an antidote, I am glad to say that I read what I considered to be quite a remarkable editorial by Roscoe Drummond in the Christian Science Monitor. I should like to read a few ideas contained in the article because I think it is well that our people get back to what we might call normalcy, if it is possible. Mr. Drummond concludes his article as follows:

No; Washington is not falling apart, and it is not going to fall apart. America is here to stay.

The writer takes what I think is a very constructive position in relation to the responsibility of the press. His statement is as follows:

Fundamentally, as I see it, there are only two categories of news in the world—news of healed conditions and news of unhealed conditions—and a constructive newspaper and a constructive correspondent must be perpetually and prayerfully concerned with both.

Perhaps Washington columnists as a whole are too pessimistic a clan, so prone to see what's wrong that they fail to see what's right, so eager to correct what's going badly that they are inattentive to what's going well. This could be one of our occupational hazards.

There is no doubt that there's much that's right with Washington, and if the balance of appraisal over the past few weeks has left any different impression, then it might be useful to bring some of the credit side of the ledger into perspective. Here are a few of the more important entries:

1. The danger, which many felt, of one-man government, stemming from President Roosevelt's dominant personality and long tenure of power, no longer exists. * * *

2. There no longer is any rubber-stamp Congress. * * *

3. The Government has shown clear intention of getting rid of wartime controls as rapidly as possible. * * *

* * * * *

5. The State Department's special report on international control of atomic energy represents Government initiative, imagination, and forthrightness of the highest order. It clears the road of small-mindedness on a big subject—a notably constructive act.

6. The special McMahon Atomic Energy Committee in the Senate has also done a solid, sober, level-headed job in drawing legislation for domestic control—a Senate committee at its best.

7. The bipartisan La Follette-Monroney committee has with courage and insight recommended congressional reforms. * * *

8. Despite obstacles which a different administration might or might not have handled better, civilian production now is reported at the all-time peak of $150,000,000,000 annually.

9. The administration lately has shown new decisiveness in the conduct of foreign policy, and the unyielding support it has been giving the United Nations clearly reflects the united purpose of the American people.

10. The Republican Party has provided the Government with stalwart backing in foreign affairs, and the persistent pressing of leaders like Senator Arthur Vandenberg, Harold E. Stassen, and John Foster Dulles has given the administration the necessary lead when it has faltered.

Mr. President, in connection with my remarks I desire to invite the attention of the Senate to what I consider to be a matter of very great significance. It fits into the thing which we have been discussing today. I refer to a book review by Clifton Fadiman. The title of the book which he reviews is The First Freedom, by Morris L. Ernst. It brings into very clear review the situation which exists in this country in relation to how control of the press and control of the radio are creeping into the hands of a very few persons.

I ask unanimous consent that this review be printed in the RECORD at this point as a part of my remarks.

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

THE FIRST FREEDOM, by Morris L. Ernst

This book is devoted to the problem of the growing enslavement of the American mind. A few hundred men have now virtually succeeded in securing control of the press, radio, and screen; or, if you prefer to put the point another way, in these fields free enterprise is being deliberately and ruthlessly strangled. Such are the conclusions one is forced to draw from Mr. Ernst's startling but calmly written, solidly documented book. Here are a few of the facts Mr. Ernst adduces to prove this thesis that freedom of speech is being taken away from us by an unobserved and bloodless maneuver. Only 117 cities contain competing daily papers. One company dominates more than 3,000 weeklies. Fourteen companies, owning 18 papers, control one-quarter of our total daily circulation. One-third of the radio stations are interlocked with newspapers. A handful of advertising agents create the programs that bring the networks one-half of their income, which sum is contributed by only 11 advertisers. Five companies control the 2,800 key movie theaters, and 2 companies produce 90 percent of the raw film. And the growth toward monopoly continues unchecked. Mr. Ernst has no political ax to grind. He simply believes that both commercial and mental competition are being coldly stifled, and that unless the citizens do something about it, we will soon be part of an intellectual totalitarian state. He believes we can do something about it, and in his final chapter offers a series of practical suggestions, many of them involving the bringing of pressure to bear on Congress.—*Clifton Fadiman.*

NOMINATION OF NORRIS E. DODD TO BE UNDER SECRETARY OF AGRICULTURE

Mr. BARKLEY. Mr. President, there is only one nomination on the Executive Calendar, and I ask unanimous consent, as in executive session, that it be disposed of.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

The nomination will be stated for the information of the Senate.

The legislative clerk read the nomination of Norris E. Dodd to be Under Secretary of Agriculture.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed; and, without objection, the President will be immediately notified.

RECESS

Mr. STEWART. Mr. President, I believe there is nothing further to be done today. If that is so, I now move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 4 o'clock and 41 minutes p. m.) the Senate took a recess until Monday, April 8, 1946, at 12 o'clock meridian.

CONFIRMATION

Executive nomination confirmed by the Senate April 6 (legislative day of March 5), 1946:

DEPARTMENT OF AGRICULTURE

Norris E. Dodd to be Under Secretary of Agriculture.

SENATE

MONDAY, APRIL 8, 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 of peace, who hast taught us that in returning and rest we shall be saved, in quietness and confidence shall be our strength. By the might of Thy spirit lift us, we pray Thee, to Thy presence where we may be still and know that Thou art God; by the grief and sorrow under every sky, by the privation and hunger of mothers and children, by blighted lands strewn with poverty, shame, and suffering, by the crimson tide of sacrifice in which the treasures of manhood have been poured out, redeem us, O God, as a people unto Thy holy ways. Save us in this great hour from the madness of man's mistaken plans. In paths beyond our human eye to discover, lead us to that concord which is the fruit of righteousness. Grant us reason and insight to apply our hearts unto wisdom and to bring every thought and effort into captivity to the high endeavor of peace on earth. In the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Saturday, April 6, 1946, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

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

S. 63. An act to amend title V of the Communications Act of 1934 so as to prohibit certain coercive practices affecting radio broadcasting; and

S. 1425. An act to revive and reenact the act entitled "An act to authorize the county of Burt, State of Nebraska, to construct, maintain and operate a toll bridge across

the Missouri River at or near Decatur, Nebr.," approved June 8, 1940.

CALL OF THE ROLL

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	Gurney	Overton
Austin	Hart	Pepper
Ball	Hatch	Radcliffe
Bankhead	Hawkes	Reed
Barkley	Hayden	Revercomb
Bilbo	Hickenlooper	Robertson
Brewster	Hoey	Saltonstall
Bridges	Huffman	Shipstead
Brooks	Johnson, Colo.	Smith
Buck	Johnston, S. C.	Stanfill
Bushfield	Kilgore	Stewart
Byrd	La Follette	Taft
Capper	Langer	Taylor
Carville	McCarran	Thomas, Okla.
Connally	McClellan	Thomas, Utah
Cordon	McFarland	Tunnell
Donnell	McKellar	Vandenberg
Downey	McMahon	Wagner
Ellender	Mead	Wheeler
Ferguson	Millikin	Wherry
Fulbright	Mitchell	Wiley
George	Murdock	Willis
Gerry	Murray	Wilson
Gossett	Myers	Young
Green	O'Daniel	
Guffey	O'Mahoney	

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY] and the Senator from Virginia [Mr. GLASS] are absent because of illness.

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

The Senator from Florida [Mr. ANDREWS] and the Senator from Maryland [Mr. TYDINGS] are necessarily absent.

The Senator from Missouri [Mr. BRIGGS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Illinois [Mr. LUCAS], the Senator from Washington [Mr. MAGNUSON], the Senator from South Carolina [Mr. MAYBANK], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] is absent on official business.

The Senator from Massachusetts [Mr. WALSH] is a member of the Board of Visitors to the Naval Academy. The board is meeting today at Annapolis, and the Senator from Massachusetts is, therefore, necessarily absent.

Mr. WHERRY. The Senator from Oregon [Mr. MORSE] has been excused to attend to his duties as a member of the Board of Visitors to the Naval Academy in Annapolis.

The Senator from Nebraska [Mr. BUTLER], the Senator from California [Mr. KNOWLAND], and the Senator from Oklahoma [Mr. MOORE] are absent by leave of the Senate.

The Senator from Indiana [Mr. CAPEHART] is necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

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

PETITION

The PRESIDENT pro tempore laid before the Senate a resolution adopted by the United Home Owners of Illinois, Chicago, Ill., praying for the enactment of legislation permitting property owners to secure a 30-percent increase in rentals now in force, which was referred to the Committee on Banking and Currency.

UNIVERSAL MILITARY TRAINING—RESOLUTION OF CAPTAIN EDGAR DALE POST, NO. 81, AMERICAN LEGION, EL DORADO, KANS.

Mr. REED. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the Captain Edgar Dale Post, No. 81, the American Legion, of El Dorado, Kans., in favor of the American Legion plan for universal military training.

There being no objection, the resolution was received, referred to the Committee on Military Affairs, and ordered to be printed in the RECORD, as follows:

Whereas the American Legion is mandated to the belief that the only effective basis of a sound and continuing military and naval policy for a democratic form of government is the training of every able-bodied young man to defend his country, and has, since its inception, advocated the adoption of a system of universal military training in the United States of America; and

Whereas the American Legion further, by mandate of its 1944 National Convention in Chicago, Ill., endorsed and is committed to the immediate enactment, on the part of Congress, of legislation embodying not only the principle but specifically (1) that every qualified young American male shall receive the advantage of 12 months of required military training, integrated with his academic education, and at an age least apt to disrupt his normal educational and business life; and

Whereas, the national legislative committee of the American Legion has presented to Congress amendments to H. R. 515 which, if enacted, will place into legislation the desires of the American Legion as expressed by the twenty-seventh annual convention: Be it therefore

Resolved, That Captain Edgar Dale Post, No. 81, of the American Legion, endorses and approves the amendments to H. R. 515 as presented to the Congress by the American Legion, and calls upon the two United States Senators and the seven Congressmen from the State of Kansas to support this legislation.

INVESTIGATION OF TIRE MANUFACTURERS—RESOLUTION OF KANSAS INDEPENDENT TIRE DEALERS

Mr. REED. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the Independent Tire Dealers of the State of Kansas, regarding an investigation of the tire manufacturers and indicating their hope and desire that the investigation will result in vigorous prosecution and substantial remedying of the present deplorable situation.

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

Resolution of Independent Tire Dealers of the State of Kansas

Whereas there is here assembled at a meeting in Wichita, Kans., on the night of April 3, 1946, a cross section of Independent Tire Dealers of the State of Kansas; and

Whereas full information has been given to said meeting in regard to the monopolistic and price discriminatory methods of the tire manufacturers, which are now being investigated by the Attorney General of the United States in relation to the alleged violation by said methods of the Sherman Antitrust Act; and

Whereas there has been full discussion of same by the tire dealers here assembled, representing every section of the State of Kansas: Now, therefore, be it hereby

Resolved, That the Attorney General of the United States be commended for his said investigation and urged to make said investigation as complete and thorough as possible and to follow it with all the prosecutions, both civil and criminal, that may be justified by the information and evidence emanating from said investigation to the end that the present deplorable situation may be remedied.

This resolution was carried unanimously. Following are the cities in Kansas the independent tire dealers of which were represented at the meeting and voted for the resolution: Wichita, El Dorado, Hutchinson, Independence, Garden City, Florence, Winfield, Kansas City, Arkansas City, Parsons, Eureka, Salina, and Emporia.

Respectfully submitted.

J. WALTER MARTIN,
Chairman of the Meeting.
W. F. HOLLEICKE,
Secretary of the Meeting.

RESTRICTION OF DELIVERY OF FLOUR TO BAKERS—TELEGRAM FROM KANSAS BAKERS ASSOCIATION

Mr. CAPPER. Mr. President, I am just in receipt of a telegram from the Kansas Bakers Association relating to the delivery of flour to bakers. I ask unanimous consent to present the telegram for appropriate reference and printing in the RECORD.

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

JUNCTION CITY, KANS., *April 5, 1946.*

Senator ARTHUR CAPPER,
Senate Office Building,
Washington, D. C.:

Information from Washington indicates consideration now being given a plan to restrict delivery of flour to bakers to 75 percent of 1945 use. This means bread rationing and American children will go hungry if that comes to pass. Present limitations on sugar, scarcity of fats, and 80-percent extraction flour have already forced bread quality far below prewar standards. Any further tampering with a basic item in the Nation's food supply is dangerous and must be stopped at all cost. Kansas bakers are cooperating with the program set up by the famine emergency committee, even though it requires great financial sacrifice. A 25-percent reduction in production in the face of constantly increasing labor and raw-material costs will make it impossible for bakers to continue to sell bread at present ceiling prices established in 1942. Poor quality products caused by long extraction flour will have a 10-year effect on wheat consumption and production. Rationing bread will extend this another 5 years. This program is vicious in the effect it will have on the Nation's consumers, bakers, and wheat growers. We respectfully urge you to do everything in your power to stop this program.

KANSAS BAKERS ASSOCIATION, INC.,
J. H. SHELLHAAS, *Secretary.*

CONTINUATION OF MILK SUBSIDIES—RESOLUTION OF THE LEGISLATURE OF NEW YORK

Mr. MEAD. Mr. President, I have in my hand a copy of a resolution which was adopted by the Assembly of the State of New York and concurred in by the State senate. It places the legislature of my State on record in support of the

continuation of milk subsidies. Because of the importance of the subject, I shall read the last two paragraphs of the resolution:

Resolved (*if the senate concurs*), That the Congress of the United States be and it hereby is respectfully memorialized and urgently requested to enact legislation or in cooperation with the Secretary of Agriculture take such other steps as may be necessary for the purpose of continuing payment of subsidies for a period of 1 year, or until the end of such crisis, to producers of dairy products in such manner and in such amounts necessary to insure fair cost thereof to consumers and fair prices therefor to producers; and be it further

Resolved, That copies of the foregoing resolution be transmitted to the President of the Senate of the United States, to the Speaker of the House of Representatives of the United States, to each Member of Congress from the State of New York, and to the Secretary of Agriculture of the United States.

Mr. President, the question of milk subsidies and their continuation of course depends entirely upon the action taken by the Congress. Under existing plans they will be carried forward until June 30 next. After that legislation will be required, and I trust, because of the situation which exists at the present time, when drastic changes in price levels may result in serious difficulties, the subsidy suggested in the resolution adopted by the New York State Legislature will be continued.

Informed sources tell us that milk production is declining, and with the great and growing demand for increased food production, the very reverse should be the fact. Therefore subsidies should be continued until such time as an adjustment in the price level would be more easily brought about and more readily accepted.

Mr. President, I ask that a copy of a statement which I made some time ago on this subject be printed in the RECORD at this point.

There being no objection, the statement of Mr. MEAD was ordered to be printed in the RECORD, as follows:

The producers of dairy and other farm products of New York State should be given their rightful place in any social and economic readjustment arising in the postwar development.

It is important to our economy that the initiative, the resourcefulness, and the relative standing of the farmer be maintained, and that the Government agencies give him a greater measure of protection than ever before against those who unrightfully would deny him the fruits of his skill and labor.

That protection should be guaranteed him, first, as a matter of justice and, second, as a reward for the magnificent manner in which the farmer supplied our history-making demands for the food so necessary to victory.

There have been glaring inequalities in the important milk industry for more than a quarter of a century, and what the defenseless farmer has lost in terms of dollars and cents is incalculable.

That such a social and economic dislocation in the life of the farmer and his family has prevailed for so long is a reflection upon the progressive spirit of our governing authorities.

Some of our people see a ray of hope for the milk-producing farmers in the impending investigation of the dairy industry by the 17-member legislative committee set up by the Ives bill at the 1945 session of the State legislature. I hope and trust there is justification for this optimism.

It is advisable, in my opinion, that this committee lay great emphasis on the milk question for therein lies the farmers' most pressing problem. It is important (1) that thorough inquiry be made of the price spread between the producer and the consumer; (2) that complete and accurate data be collected with reference to the procedure of weighing the farmer's milk at plants; (3) that information be gathered with regard to the feasibility and fairness of a uniform inspection of dairy plants; (4) that supervision of the butterfat tests be investigated for the benefit of the producer and the consumer as well as the dealer, and (5) that every iota of information hinting at malpractice or deception in milk business procedure be compiled for submission to the State authorities as quickly as possible. Federal agencies having to do with farm equipment and supplies should cooperate fully in advancing the well-being of our agricultural producers.

Such a wholesome expedient as this will assure the milk farmer of our State a remedy for his present social and economic ills. Such a wholesome expedient as this will reflect credit upon the character and stability of the committee charged with the responsibility of the investigation.

Mr. MEAD. I also ask that a copy of the resolution adopted by the New York State Assembly on February 18, 1946, be inserted in the RECORD at this point.

The resolution of the Legislature of the State of New York was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, under the rule, as follows:

Whereas the public interest requires that producers of dairy and other farm products receive a just and fair price for their products, and at the same time, that consumers be protected from unjust and oppressive prices; and

Whereas the Federal Government, for the purpose of protecting both producers and consumers, has pursued a policy of paying producers a dairy feed subsidy; and

Whereas while this method of maintaining consumer ceiling prices established by the Office of Price Administration and of returning fairer prices to the producer does not seem to be approved by a great portion of the people as the most desirable method of accomplishing such purpose, it has, nevertheless, been successful to a degree and is now the only method being supported by the Federal Government; and

Whereas the State of New York, by its commission created pursuant to chapter 494 of the laws of 1945, is engaged in a study of the subject of price structure, as it affects producers and consumers of dairy products, but that such study by said commission and its report to the Legislature of the State of New York will not be completed in time for legislative action for some time; and

Whereas the extraordinarily high cost of dairy feed and farm labor continues, creating a financial crisis within the dairy industry, which, there is reason to believe, will continue for at least another year; and

Whereas it is vital to the welfare of the people in general, and to producers and consumers in particular, that such ceiling prices be maintained and that producers receive a fair and just return for their products by such means as may be at the disposal of the Government of the United States during such crises: Now, therefore, be it

Resolved (*if the senate concur*), That the Congress of the United States be and it hereby is respectfully memorialized and urgently requested to enact legislation, or, in cooperation with the Secretary of Agriculture, take such other steps as may be necessary, for the purpose of continuing payment of subsidies, for a period of 1 year or until the end of such crisis to producers of dairy products in such manner and in such amounts necessary to insure fair cost thereof to consumers and fair prices therefor to producers, and be it further

Resolved (*if the senate concur*), That copies of the foregoing resolution be transmitted to the President of the Senate of the United States, to the Speaker of the House of Representatives of the United States, to each Member of Congress from the State of New York, and to the Secretary of Agriculture of the United States.

By order of the assembly:

ANSLEY B. BORKOWSKI,
Clerk.

In senate, March 19, 1946, concurred in, without amendment.

By order of the senate:

WILLIAM S. KING,
Clerk.

REPORT OF A COMMITTEE

Mr. ELLENDER, from the Committee on Claims, to which was referred the bill (H. R. 1352) for the relief of Herman Feinberg, reported it without amendment and submitted a report (No. 1132) thereon.

NATIONAL HOUSING POLICY—REPORT OF A COMMITTEE

Mr. WAGNER. Mr. President, on behalf of the Senator from Ohio [Mr. TAFT] and myself, from the Committee on Banking and Currency, I ask unanimous consent to report favorably with an amendment the bill (S. 1592) to establish a national housing policy and provide for its execution, and I submit a report (No. 1131) thereon.

The PRESIDENT pro tempore. The Parliamentarian calls to the attention of the Chair the fact that the bill just reported by the Senator from New York [Mr. WAGNER] is reported by him for himself and for the Senator from Ohio [Mr. TAFT]. It is suggested to the Chair by the Parliamentarian that, under the rule, a Senator cannot so report a bill. He must report it himself. So the addition of another Senator's name to his name must be stricken out.

Mr. BARKLEY. I may say that the reason that was done is because the Senator from Ohio [Mr. TAFT] is one of the coauthors of the bill. I am sorry the rule prohibits his name being attached to the report as presented to the Senate.

The PRESIDENT pro tempore. The Chair is also sorry, but must enforce the rule.

Without objection, the report will be received, and the bill will be placed on the calendar.

BILLS INTRODUCED

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

By Mr. MEAD:

S. 2039. A bill to amend section 32 (a) of the Trading With the Enemy Act of October 6, 1917, as amended; to the Committee on the Judiciary.

By Mr. THOMAS of Utah:

S. 2040. A bill for the relief of the estate of Wendell D. Wagstaff; to the Committee on Claims.

By Mr. McCARRAN:

S. 2041. A bill to amend the act of May 28, 1896, as amended, relating to the appointment of assistant United States attorneys; to the Committee on the Judiciary.

By Mr. ELLENDER (by request):

S. 2042. 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. PEPPER:

S. 2043. A bill to provide that the United States shall aid the States in the acquisition and development of systems of State parks, and for other purposes; to the Committee on Public Lands and Surveys.

DEPLETION OF ORE RESERVES OR MINERAL DEPOSITS—AMENDMENT

Mr. McCARRAN submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 1232) to protect mining companies from any administrative requirements inconsistent with settled law respecting the depletion of ore reserves or mineral deposits, which was referred to the Committee on Mines and Mining and ordered to be printed.

WORLD WARS MEMORIAL TEMPLE

Mr. PEPPER. Mr. President, I desire to amend Senate Joint Resolution 43, a resolution introduced by me to provide for the construction of a suitable memorial to those who were in the armed forces in World War I and World War II, to be known as World Wars Memorial Temple, by inserting as one of the introducers of the resolution the Senator from Maine [Mr. BREWSTER].

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

Mr. PEPPER. Mr. President, in connection with the joint resolution, I should like to say that at a mass meeting held in the National Press Club auditorium recently a great many citizens of Washington gathered in support of the memorial sought to be built. There were a number of communications received at that time in support of the project, and I ask that they be incorporated in the body of the RECORD immediately at the conclusion of my remarks.

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

CULVER CITY, CALIF., *April 2, 1946.*

FRANK W. LUTHER,
National Press Building,
Washington, D. C.:

I heartily endorse a memorial in Washington to our Nation's fighting men and women, so that there will be a living monument to the ideals for which they fought and won a terrible war. And it is only right, I believe, that this memorial should be a structure where the people of the Nation can pay tribute to their heroes, both living and dead, with both praise for the past and signs of the progress of the future. This is the way I am sure our fighting men and women want it. I wish you every success in the accomplishment of such a worthy cause.

DANIEL T. O'SHEA,
President, Vanguard Films, Inc., Makers of Selznick International Films.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., April 1, 1946.

Mrs. MARGARET NOHOWEL,
Washington, D. C.:

I think the idea of a practical World Wars Memorial Temple, to be used as an auditorium, is a fine thing and I wish to extend every good wish and encouragement to the committee of distinguished citizens who are giving their endorsement to this worthwhile project.

Kindest regards and best wishes.

Sincerely yours,

JASPER BELL.

NEW YORK, N. Y., *April 2, 1946.*

FRANK LUTHER,
National Press Building,
Washington, D. C.:

This is to express my endorsement in behalf of Paramount Pictures for the establishment of a World Wars Memorial Temple. Such an auditorium would provide a lasting tribute to the sacred dead of our armed forces and would assure superb facilities for the presentation of such ceremonies as would be proper in such surroundings. The people of Washington and this Nation have waited a long time for a forum within which the largest meetings might be held. Wherein the latest development of sound and film projection are incorporated. It is imperative that our Capital, to which all the world now looks constantly, should be properly equipped. I offer my personal support for the accomplishment of so weighty and worthy an objective.

Sincerely,

Col. CURTIS MITCHELL.

WASHINGTON HEBREW CONGREGATION,
Washington, D. C., March 27, 1946.

Mrs. ELIZABETH BUTLER HOWRY,
Washington, D. C.

MY DEAR MRS. HOWRY: I have tried hard to be free on the second and be with you at the Press Club meeting, but, as I had mentioned, a previous dinner where I am to make the principal address was scheduled many weeks before and all I can do now is to convey the greeting below for you to read to those who will gather that night.

I am wholeheartedly behind the legislation recommended by Senator PEPPER and Congressman RANDOLPH, and will do all I can to arouse further public support. There is no step I can think of that is more wholesome, will bring greater public blessing, and will be in fullest accord with the sacred purpose of a war memorial in the Capital of this free land—the world's last best hope on earth.

Sincerely,

NORMAN GERSTENFELD.

THE UNITED STATES HIGH COMMISSIONER TO THE PHILIPPINE ISLANDS,
Washington, D. C., February 25, 1946.

Mrs. ABIGAIL HOLMAN VILLARET,
Wardman Park Hotel,
Washington, D. C.

DEAR MRS. VILLARET: I have your note with enclosures concerning Senate Joint Resolution 43 and House Joint Resolution 182. You may count on my enthusiastic support. Washington's first need in public buildings is a suitable auditorium, and I can think of no more useful and fitting memorial to those who served in the armed forces during World War I and World War II.

With kindest regards and every good wish, I am,

Very sincerely,

PAUL V. MCNUTT,
United States High Commissioner.

WASHINGTON, D. C., *March 28, 1946.*

The Citizens' Committee for World Wars Memorial.

DEAR SIRS: I am heartily in favor of the construction in Washington of a World Wars Memorial Temple, as contemplated by the Pepper-Randolph bill.

Very truly yours,

DAVID FOOTE SELLERS.

NAVY DEPARTMENT,
OFFICE OF THE CHIEF OF NAVAL OPERATIONS,
Washington, D. C., March 30, 1946.

The Citizens' Committee for World Wars Memorial.

GENTLEMEN: I heartily endorse the construction in Washington of a World Wars Memorial Temple, a national civic center honoring those men and women who served in the armed forces of our country in World Wars I and II, without regard to race, creed, or color.

Sincerely,

C. W. NIMITZ,
Fleet Admiral, United States Navy.

PRINTING OF PRAYERS OF THE CHAPLAIN OF THE SENATE

Mr. HAYDEN submitted the following resolution (S. Res. 252), which was referred to the Committee on Printing:

Resolved, That 2,500 copies of the prayers offered by the Reverend Frederick Brown Harris, doctor of divinity, Chaplain of the Senate, at the opening of the daily sessions of the Senate during the Seventy-seventh, Seventy-eighth, and Seventy-ninth Congresses, inclusive, be printed and bound for the use of the Senate.

TEMPORARY PEACE AGREEMENT WITH ITALY

Mr. MEAD submitted the following resolution (S. Res. 253), which was referred to the Committee on Foreign Relations:

Whereas a just peace settlement with the new Italy is indispensable to world stabilization, security, and peace; and

Whereas the Big Four foreign ministers and their deputies have for months been engaged in negotiations marked by serious disagreements as to the terms of the Italian peace settlement and without any apparent prospect of reaching an accord; and

Whereas this deadlock has intensely aggravated international uncertainty and, thereby, gravely hampered postwar reconstruction and the full resumption of world trade—both of which are essential to the prosperity of America and all other nations; and

Whereas this deplorable delay has intensified feeling in the Venezia Giulia section of Italy, which is a veritable powderkeg beset by mounting dangers of a world-wide explosion; and

Whereas this prolonged disagreement among the Big Four has had the effect of retarding and impeding Italy's efforts to rebuild its economy, to attain its full national regeneration on a sound democratic basis, and to return to its rightful place in the community of free and peaceful nations; and

Whereas our country's predominant world position, the absence of punitive demands on the new Italy, the deep friendship and regard of the Italian people for our Nation and its democratic institutions, and the traditional firm and varied ties between the American and Italian peoples, render the United States of America best fitted to break this deadlock and set a good example for other nations to follow: Therefore be it

Resolved, That it is the sense of the Senate that our Government should propose the immediate conclusion of an interim agreement with Italy—subject, however, to the final treaty of peace whenever it may be agreed upon; and be it further

Resolved, That it is the sense of the Senate that in proposing this interim accord with Italy, our representatives should give full recognition to and be guided by the following principles:

(1) Even before the overthrow of the Fascist dictatorship, the late President Roosevelt, Prime Minister Churchill, and

Marshal Stalin, as the spokesmen of the Big Three Powers, always distinguished between the Italian people and the tyrannical regime which had plunged their country into a partnership with Hitler against their will and interests.

(2) Even before the Italian people were able to join arms with the Allies and fight heroically side by side with our troops and behind the enemy lines, the Allied powers repeatedly promised them that in the post-war settlement they would be given full credit for their contribution toward the defeat of Germany.

(3) All such promises made by representatives of the American people should be faithfully honored.

(4) For more than 2 years—in the decisive phase of the struggle against the Axis—Italy was a cobelligerent with the United Nations and rendered invaluable moral, material, and military contributions to the victory over the common enemy, contributions which were accorded the highest praise by Allied commanders in the field.

(5) Consequently, the interim agreement with Italy should be based on recognition and treatment of Italy as a friendly, peace-loving democracy worthy of the benefits of the Atlantic Charter.

(6) The interim agreement should fully recognize the national sovereignty of the Italian people and Italy's eligibility to membership in the United Nations.

(7) All restrictions on Italy's foreign trade and all obstacles to her resumption of normal commercial and financial relations with the United States should be removed.

INVESTIGATION OF EMPLOYMENT OF MINORITY GROUPS

Mr. WILLIS. Mr. President, during the war there was a sharp increase in employment opportunities for millions of workers, in which our colored citizens shared in large numbers. During this period there was a great shift in population, during which hundreds of thousands of Negroes and citizens of other minority groups migrated to war industry manufacturing centers.

During the reconversion period, which now is in progress, large numbers of members of minority groups have again been forced to migrate in search of employment. There has been a downgrading of workers in many industries and it may be that minority groups have been the chief sufferers in this process.

There has been no comprehensive survey made of the effect of reconversion upon colored workers and others of minority groups. While employment has been maintained far above the estimates made by Congress, officials, and economists, it is probable that many workers have suffered injustice through enforced shifts and downgrading in their occupations. It may be that the innate sense of fairness of Americans has resulted in less injury to minority groups than many feared would happen in the reconversion problem.

Mr. President, an act of Congress approved July 17, 1945, provides in effect for the termination of the Committee on Fair Employment Practice on June 30, 1946.

Recently the Senate debated at length the fair employment practice bill, which was stymied by a successful filibuster. This legislation will no doubt be considered again and it may be desirable for Congress to consider other measures affecting the economic future of our colored citizens.

In order that the investigation which I proposed should not be blamed for the delay of consideration of the fair employment practice bill, or other legislation, I have provided in the resolution that the committee shall make a report to the Senate within 90 days after its appointment.

A Senate investigating committee, by sending investigators to key cities and by holding a series of hearings, could establish the facts without the great delay which frequently accompanies an inquiry. A formal report by the committee would not only give Congress the necessary information in considering legislative matters but would focus the attention of the public on the grave problems of reconversion.

I ask unanimous consent to submit for appropriate reference a resolution providing for the appointment of a special committee of five members to investigate the effect of reconversion upon employment opportunities of minority groups.

There being no objection, the resolution (S. Res. 251) was received and referred to the Committee on Education and Labor, as follows:

Resolved, That a special committee of five Members of the Senate, to be appointed by the President pro tempore of the Senate, is authorized and directed to make a full and complete study and investigation to determine the effect of reconversion and the transition from a war economy to a peacetime economy upon the employment opportunities of minority groups, particularly the colored citizens of the Nation. The committee shall report to the Senate from time to time the results of its study and investigation together with such recommendations as it deems desirable. The first report of the committee shall be made not later than 90 days after the date of its appointment.

For the purposes of this resolution the committee, or any duly authorized subcommitteee 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 subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

TRIBUTE TO THE LATE LT. COMDR. JOHN D. DALZELL

Mr. JOHNSON of Colorado. Mr. President, I wish to pay a brief tribute to the late Lt. Comdr. John D. Dalzell, of the Navy Flying Corps, a Denver boy. For several years one of the outstanding members of this branch of the Navy, he rose through the various grades to the rank of lieutenant commander. He was an expert in aviation, both as an aeronautical engineer and a flier. Before the war, with his own hands he built several planes in which he flew. Modest and unpretentious, he possessed courage, initiative, and daring, and in addition to being an excellent officer and aviator, he was a devoted son and brother.

It was a great shock to his family and his large circle of friends and admirers when last Thursday, while flying eastward from Arizona, from some cause yet undetermined, his plane crashed in New Mexico, and all 11 on board were killed.

In Lieutenant Commander Dalzell's passing the country loses a superb and valiant officer, his family an affectionate son and brother, and his State an outstanding, patriotic citizen, who gave great promise of becoming one of her most noted aeronautical engineers.

RELATIONSHIP BETWEEN OFFICERS AND ENLISTED MEN IN THE ARMY—LETTER FROM GEORGE R. POOLE

Mr. HOEY. Mr. President, I ask unanimous consent to present and to have inserted in the body of the RECORD a letter written to me by George R. Poole, a very splendid soldier from North Carolina, who served for more than 5 years in the Army, both in this country and abroad. He discusses some plans which might be adopted to democratize the Army, and I think his suggestions are valuable.

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

KURE BEACH, N. C., *April 4, 1946.*

HON. CLYDE HOEY,
United States Senate,
Washington, D. C.

DEAR SENATOR HOEY: After more than 5 years' service as an Army officer, both in America and overseas, I am convinced that certain unnecessary inequalities do exist in the relationship of officers and enlisted men in the Army. These inequalities, in my considered judgment, can be corrected by appropriate congressional action, and their correction, I am sure, would be not only in the public interest, but would at the same time do much to allay public criticism of Army and its officers, which is recognized as being detrimental to our prestige among other peoples.

During the war years, as a major and lieutenant colonel, I commanded both battalions and regiments, and these commands afforded me an opportunity to closely observe the conduct and standards of several hundred officers and thousands of enlisted men. I can say, without reservation, that the very great majority of officers who have served under my command were genuinely interested and concerned with the welfare of their enlisted personnel; yet time-worn Army regulations and ancient "customs of the service" too often operate to unnecessarily segregate officers from their men, and create the impression in the minds of some of these men that their officers are unconcerned with anything but their own special privileges.

It has been my experience that very few enlisted men question the fact that officers must lead them in the Army and there is little controversy over the matter of discipline, it being generally recognized as necessary; but there is great and bitter resentment on the part of nearly all enlisted men over the social inequality that "customs of the service" enforce against them and their families.

There is simply no justification in a modern democratic state for a social system implicit in the phrase "officers and their ladies and enlisted men and their wives," and the practice of complete social segregation of the two groups. Nor is the phrase "officer and gentleman," with its implication that enlisted men are not gentlemen, anything but repugnant to any fair-minded officer. I be-

lieve that all reference to "officer and gentleman" should be deleted from the Articles of War and all War Department publications, social segregation should be prohibited on Army posts, and that democratic social practices would result if all Regular Army officers were required to reside 1 out of every 3 years, in peacetime, in civilian communities.

The use of the hand salute as a salutation should be prohibited except when the soldier is on duty. Requiring the salute from soldiers in civilian communities when they are on pass and often accompanied by their families is unnecessary and, in spite of anything said to the contrary, is a mark of servility under those circumstances.

The Army's Articles of War should be completely revised at the earliest practicable date. These articles and the offenses they enumerate date from the time of the Revolution, and, in spite of the 1928 revision, are extremely archaic. They clearly set forth one law for officers and another for enlisted men. They should be rewritten so that any offense and its punishment are applicable to all military personnel, commissioned or enlisted.

The requirement that the Articles of War periodically be read to enlisted men (but not to officers) dates back to the time when most soldiers were illiterate and could not read. This practice is an insult to the intelligence of the modern American soldier and should be stopped.

I believe that legally trained enlisted men should be eligible to be seated as members of courts' martial in cases involving enlisted personnel, and that summary courts, as now provided for, should be abolished altogether since few summary court officers have any legal training. Instead, I would strongly recommend that a legally qualified officer of the Judge Advocate General's Department be appointed as summary court to try all such cases in a given post or major command.

I urge that Congress require by law that officers wear the same uniform as enlisted personnel with the exception of rank insignia. The present Army uniform is well designed, but the wearing of tailored uniforms of varying color shades by officers is another Army practice that tends to accentuate segregation of officers and enlisted personnel.

In my opinion, separate officers' messes, except at officers' clubs, should be forbidden. In organizations that I have commanded, officers were invariably closer to their men and had their confidence to a greater degree when they ate with them every day. This is particularly true of company grade officers.

Use of military vehicles and hotels by officers for social purposes to the exclusion of enlisted personnel has been abused in overseas theaters as I have personally observed. Corrective action should be taken to make these facilities available to the officers and enlisted men alike on a percentage basis; 90 percent to enlisted personnel and 10 percent to commissioned. There would likewise appear to be no logical reason why enlisted men should not be able to accrue furlough time in the same manner leave is accrued by officers.

I respectfully urge your consideration of these somewhat lengthy comments, and assure you they are the result of much serious thought. In the event you feel that they would be of interest to the committee of Congress now considering these matters, their submission to that body will be appreciated.

Yours very truly,

GEORGE R. POOLE.

PUBLIC SERVICE OF SENATOR MITCHELL OF WASHINGTON

[Mr. WAGNER asked and obtained leave to have printed in the RECORD an article written by Ross Cunningham and published in the Seattle Times relative to the public service of Senator MITCHELL, of Washington, which appears in the Appendix.]

HISTORY OF THE AIR-MAIL SERVICE

[Mr. MCKELLAR asked and obtained leave to have printed in the RECORD data prepared by E. W. Cooper, relative to the history of the air-mail service, and a speech delivered by Postmaster General Walker at San Francisco on September 8, 1944, which appear in the Appendix.]

PROPOSED CONGRESSIONAL INVESTIGATION OF SURPLUS PROPERTY

[Mr. CARVILLE, by request, asked and obtained leave to have printed in the RECORD a statement entitled "Amvets Ask for Congressional Investigation of Surplus Property," which appears in the Appendix.]

THE FARMER AND STRIKES

[Mr. HOEY asked and obtained leave to have printed in the RECORD an editorial entitled "The Farmer and the Sit-down Strike," published in the Progressive Farmer of Raleigh, N. C., and an article entitled "Let Labor Respect the Farmer's Rights," by H. E. Robbins, also published in the Progressive Farmer, and an article entitled "Outlaw Strikes," written by Maurice R. Franks, editor of the Railroad Workers' Journal, which appear in the Appendix.]

VETERANS' EMERGENCY HOUSING ACT OF 1946

The Senate resumed consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

Mr. BARKLEY. Mr. President, I desire to discuss briefly the bill that is now pending before the Senate, known as the Veterans' Emergency Housing Act. I might say that the Committee on Banking and Currency has had two housing bills before it, one the Wagner-Ellender-Taft bill, which has been pending for many months, and upon which exhaustive hearings were held, and which was reported today unanimously by the Committee on Banking and Currency, and which I hope will be taken up immediately upon the conclusion of the action on the bill now before the Senate.

The bill now pending is House bill 4761, which is designed to facilitate and hasten the construction of houses and housing facilities for veterans.

As I said a moment ago, the Committee on Banking and Currency has just reported unanimously the Wagner-Ellender-Taft bill, and it reported unanimously the bill which is now before the Senate, with, of course, some reservations on the part of some Senators to vote on the floor for amendments or to feel free to vote as they chose. Of course, that is always the rule, anyway, without any reservations being made.

The bill now before us is strictly a veterans' housing bill. It takes into consideration the enormous shortage of houses generally in the United States, which has been accumulating for a number of years because there have been practically no houses built since before the war. As our population has increased and the number of families has increased, as it always does in a growing population, the supply of houses has not kept up with the need for houses. That would be true if there had been no war, provided the rate of marriages and births should have continued during the war period and up until now at the same rate, or approximately the same rate, they have increased with the war being in progress.

At the beginning of 1946 there were 1,200,000 families living in what we call doubled-up accommodations in the United States. In other words, they were living two families to a house or an apartment. In most cases these doubling-up processes inevitably take place among families of moderate or low incomes, and also among families where the birth rate may be greater than the average or greater than it would be among those who live in higher-priced houses.

This bill does not deal with the 1,200,000 doubled-up families as of January 1. They are left as they were, because we do not attempt in this legislation to provide for their dispersion, or for the facilities making their dispersion possible from doubled-up housing accommodations. Of course, the 1,200,000 are not all veterans. Many of them are, but not all of them.

The official estimate is that 4,132,000 additional dwelling units will be required during the 2-year period between January 1, 1946, and December 31, 1947. One million and fifty-five thousand of the required units will be provided through existing vacancies or new vacancies, that is, by people moving from one residence into another, or as the result of deaths, removals, or other causes. Of course, the existing vacancies and the new vacancies do not last long. When a house or apartment becomes vacant, even though it may be vacant for only a day or a week, it is counted as a vacancy. Someone will move into it, and it will no longer be vacant; but statistically it is a vacancy, and is counted in the 1,055,000 vacancies, regardless of the length of the vacancy. During the 2-year period existing vacancies and new vacancies will reduce the number of dwelling units of new construction which are needed during the 2-year period to 3,077,000.

The supplying of these accommodations could not even be approximated, we think, without the provisions of this bill, which contemplates the beginning of 2,700,000 units during 1946 and 1947, 1,200,000 in 1946, and 1,500,000 in 1947, which makes a total of 2,700,000 housing units for veterans. Of the 2,700,000 started in the 2-year period, 2,319,000 or 2,320,000 will be completed. The remainder of the program will probably hang over for completion beyond the 2-year period.

That will still leave, at the end of 1947, approximately 1,958,000 dwelling units in which there will be a doubling up of those living in those units. Assuming that there will be only 2 families to each house where there is a doubling up, that means that even with our program complete, approximately 4,000,000 families will be living under conditions of doubling-up at the end of 1947. Even with the veterans' emergency housing program carried forward to fullest extent, at the end of 1947 4,000,000 families will be living under conditions of doubling-up.

I mention these facts, Mr. President, in order to emphasize the great need for expediting the construction of housing facilities for the people of the United States. In order that we may accomplish the modest program upon which we have set out, more houses will have to be constructed or commenced, at least, in 1946 than were commenced in 1925, which was the peak of all years in the history of the United States in house building. Fifty percent more houses must be started in 1947 than were started in 1925. More than four times as many houses must be started in 1946 as in 1945, last year, and almost six and a half times as many houses must be started in 1947 as were started in 1945.

The total volume of construction, including other than essential construction as well as veterans' housing, must increase at unprecedented rates of growth during 1946 and 1947. Looking back over a period of 25 years, the greatest rate of growth from any one year to the next succeeding year was 42.6 percent. We now need to expand total construction for 1946 by 87 and a fraction percent over 1945, and 51 percent in 1947 over 1946. We must do that in order to accomplish the program, modest as it is and inadequate as it will prove to be from the standpoint of housing as a whole during 1946 and 1947.

In order that we may do this tremendous increases must be stimulated and brought about in the production of essential materials to enter into the building of those houses. We shall need more lumber in 1947, for example, than was made available or produced during the war year of 1942, when we were building cantonments, barracks, and all sorts of facilities for war purposes, which required vast quantities of lumber. We shall need more lumber in 1947 than was available or produced and used for all purposes in 1942.

In these days of modern construction plywood has become a very useful and essential material in the construction of houses. Plywood is made largely of softwood. We shall have to have twice as much softwood plywood in 1946 as was produced in the year 1945 and almost twice as much in the year 1947 as was available in the year 1942.

Now, let us consider common face brick, which, of course, is essential in the construction of houses. We must accelerate the 1945 rate of producing brick by two and one-half or three times, and we shall have to do the same in 1947.

Of cast-iron radiation we must make four times as much as we did in 1945.

Of gypsum board and lath we must in 1946 almost double the 1945 production.

For most of these commodities, in 1947 we must produce more than was produced in the peak years of the past.

In order to obtain sufficient production of essential materials, it will be necessary to have an unusual and extraordinary rate of acceleration in the production of the commodities which not only are essential to the increase of our housing units in the way of individual houses or apartments for veterans, but are also necessary in order that ordinary construction may have any chance at all to go forward. In short, we must increase the accelerated rate of producing these materials more than is merely necessary in order to build houses for veterans. We must accelerate the rate of production sufficiently to provide a chance for other construction, in addition to the houses which are provided for under this measure.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). Does the Senator from Kentucky yield to the Senator from Nebraska?

Mr. BARKLEY. I yield.

Mr. WHERRY. Under the price-fixing program, will it be possible by means of incentives to obtain the production of nearly twice as many houses of this particular type as were produced in 1945, and still be possible to make inducements which will provide lumber for purposes other than the construction of the houses provided for by the pending measure? Is that contemplated in this program?

Mr. BARKLEY. Yes; I say to the Senator from Nebraska that with the premium payments which I shall discuss a little later, we shall be able to accelerate the production of all these materials which are in short supply. That will be done by offering a premium for their accelerated production. The premium will be offered for the amount which is produced in addition to the normal production and in addition to the present production. In that way we shall be able to bring about the production of the materials essential to carrying out this program.

Let me also say that we do not contemplate that there will not be some price adjustments up and down the line in regard to these materials.

Mr. WHERRY. Is there anything in the hearings to indicate that there will be price adjustments?

Mr. BARKLEY. Yes.

Mr. WHERRY. The Senator from Kentucky mentioned brick. I know that our Small Business Committee has held several hearings with respect to brick. We obtained one increase. But in my State today there are brickyards which are not operating because of the low price of brick. Will the price be made flexible, or will entire dependence be placed upon a subsidy which is considered an incentive?

Mr. BARKLEY. No; for brick and other materials both incentive payments and price increases in some cases are contemplated. I think it is contemplated that there will be an increase. Whether as much as is desired will be obtained, I do not know. I cannot answer yes, because I do not know what the increase will be. But it is not intended that we shall rely altogether and solely upon incentive payments. They are to be accorded to those who step up their production, and they are to be accorded for the part of production which is stepped up. But that does not bar increases or adjustments on building material prices, through the OPA.

Mr. WHERRY. It is true that such price-increase applications are before the Administrator of the OPA. But they are at the vertical level, as I understand, in the areas of production.

Does the Price Administrator contemplate that there will be an industry-wide increase in prices, or is the only increase that is contemplated, so far as price relief is concerned, an increase made on the basis of individual applications in areas that are now before the Price Administrator? There is a great deal of difference between individual price adjustments and price adjustments or increases on an industry-wide basis. It has been my position, and, I think, that of many others, that if we had flexible prices for brick, sewer pipe, and so forth, that would be the best way to obtain the desired production.

Is the program for incentives based solely upon the desire to obtain production of the particular brick which is needed for the construction of the houses contemplated by the pending measure, or will an incentive be offered for the production of materials for all types of construction, in addition to the construction of the houses dealt with by the pending measure, in order to obtain production clear through the lumber industry and the house-building industry?

Mr. BARKLEY. I cannot speak for the Administrator of the OPA. However, I know that the building and housing expediter, Mr. Wilson Wyatt, testified on this matter. No one from the OPA appeared with reference to this measure before the committee, although it was not necessary or essential that that be done, and we did not ask anyone to do it. But such increases as are granted may partake of two types. They may be over-all increases, industry-wide, or they may be individual increases granted in cases of hardship. For instance, I think separate applications for increases have been made to the OPA by the Western Pine Association and the Southern Pine Association. I imagine, although I cannot say with certainty, that whatever increases are granted will be granted for all the types of lumber which come under the Western Pine Association and the Southern Pine Association, and not simply as individual increases to individual firms, although both might be granted.

Mr. WHERRY. Mr. President, there is nothing in the hearings to indicate that any industry-wide increases are expected. I admit I was able to read the hearings only hurriedly and I wished to take up this matter with the Senator as he made his statement. But so far as I could determine from the hearings, the increases will be at the vertical level.

Mr. BARKLEY. There is no testimony to indicate that there will not be, either.

Mr. WHERRY. I understand.

Mr. BARKLEY. In other words, we did not go into that matter, except that we asked Mr. Wyatt about it. I think he even volunteered the information that he would expect that there would be adjustments in the prices of building materials, and that incentive payments are to be allowed only in cases of shortages which cannot otherwise be made up, in order that this program may go forward.

Mr. WHERRY. In the event that no industry-wide price increase is made and that the needed production is not obtained, then we shall have to rely entirely upon the incentive payments in the effort to obtain the necessary production of the building materials needed for this program.

I should like to ask the Senator this question: Does he contemplate the use of incentive payments to increase the production of materials to be used for building outside of this program, so that it will be possible to have supplies in the lumberyards all over the United States?

Mr. BARKLEY. Incentive payments are to be made with respect to all accelerated production which is above and beyond the normal or beyond what can otherwise be expected. If the veteran's housing program could be completed without using all the materials produced by reason of the incentive payments, the remainder would be available for use for other construction which might occur in the United States.

Mr. WHERRY. Mr. President, I should like to make a closing observation. I wish to say to the distinguished majority leader that it is the opinion of those of us who have held numerous hearings on the question of price-fixing on lumber that at this time the United States is in the most serious lumber-production crisis it has ever experienced. It has been clearly demonstrated that the difficulty is a question of price. It is my opinion and, I think, the opinion of our committee, that there must be a flexible price structure, not only by means of incentive payments, but otherwise, if it is hoped to obtain anywhere near the amount of lumber which will be needed for the construction of 2,300,000 homes. Certainly price adjustments should be made, and an opportunity should be afforded all the sawmills in the country to produce lumber not only for the construction of the particular types of homes to which reference has been made, but for use by the building industry Nation-wide.

Mr. BARKLEY. Mr. President, some testimony was heard. We did not go into great detail. Further detail will perhaps be gone into when the OPA hearings start, which will be on next Monday. Of course, there is a legitimate controversy as to whether the necessary amount of building materials of all kinds can best and most speedily be obtained by price increases alone, or by incentive payments plus whatever price increases may come along in the natural course of events. But, taking into consideration the entire question of building materials, the Senator will realize that it would require an extremely long time to work out price adjustments with regard to all building materials so as to bring about an acceleration in the production of such materials in time to carry out the proposed program, even assuming that ultimately increased prices will be granted to such an extent as to induce the construction of every building that may be necessary.

Mr. WHERRY. I thank the distinguished Senator for the explanation which he has given. However, allow me to refer to a situation which I have in mind. Take, for example, the application for an increase in western pine price order to which the Senator has referred. The application for the increase has been fought through the different branches of Government for more than a year, and unless it has been changed within the past few days the order still is in effect. It seems to me that when we announce a program of this kind, private enterprise should have an opportunity to produce bricks, cast iron, and lumber which will permit the construction of necessary buildings. The present administration has denied such right. Now we are to give an incentive which will produce needed building materials and lumber. Of course, that is one method of obtaining production. But unless we have a price-fixing program which will permit the production of lumber at the mills, all the incentives which may be offered will not produce the lumber that will be required. We must have a pricing system which will permit the production of lumber, cast iron, bricks, and so forth.

I hope that when hearings on the OPA bill are held, an opportunity will be afforded members of the lumber industry, and the producers of bricks to testify concerning the difficulties which they have had in obtaining adequate prices at the mills and at the brickyards on the basis of a flexible price program which would permit the achievement of a normal and ordinary production.

Mr. BARKLEY. Mr. President, I do not wish to enter into any discussion of what the administration has or has not done. It is easy for us to be drawn into a discussion of the virtues or shortcomings of the administration. I do not wish to get into such a discussion. The pending bill is not a political bill. It was reported by the committee without regard to politics. But, as I have already stated, we will begin hearings in the Banking and Currency Committee next Monday with reference to the subject of the extension of the OPA. I have no doubt that the persons to whom the Senator has referred will be present for the purpose of being heard, and we shall be very glad to hear them. We wish to find out the facts in regard to the matter.

In the pending bill one of the powers given to the Expediter is to—and I read from paragraph 2 on page 22 of the bill:

> Issue such orders, regulations, or directives to other executive agencies (including the Office of Economic Stabilization and the Office of Price Administration) as may be necessary to provide for the exercise of their powers in a manner required by or consistent with the execution of the aforesaid plans and programs, and to coordinate the activities of such agencies directed to the execution of such plans and programs.

So, in the proposed legislation we are giving the Expediter authority to issue directives and orders to the OPA and to the Stabilization Director in regard to various matters, including price adjustments. If the Expediter finds such directions or orders to be necessary and consistent in carrying out the program.

Mr. WHERRY. So this authority would give Mr. Wyatt the power to establish a production price which may be shown by the hearings to be necessary in order to obtain production.

Mr. BARKLEY. Yes; he would have authority to do that. If the Expediter finds that in addition to the incentive payments for which provision is made, price adjustments are also necessary, or if he finds that by allowing fair and adequate adjustments, production could be brought about without the incentive payments, he will have authority to direct that such adjustments be made.

Mr. OVERTON. Mr. President, I should like to ask the Senator from Kentucky a question with respect to the priority provisions in connection with this bill. I read section 4 (a) of the bill.

Mr. BARKLEY. To what page of the bill does the Senator refer?

Mr. OVERTON. I am reading from page 27, beginning in line 24.

Mr. BARKLEY. Very well.

Mr. OVERTON. The language reads as follows:

> Whenever in the judgment of the Expediter there is a shortage in the supply of any materials or of any facilities suitable for the construction and/or completion of housing accommodations in rural and urban areas, and for the construction and repair of essential farm buildings, he may by regulation or order allocate, or establish priorities for the delivery of, materials or facilities in such manner, upon such conditions, and to such extent as he deems necessary and appropriate in the public interest and to effectuate the purposes of this act.

Is it the Senator's opinion that the language which I have read constitutes a very broad authority on the part of the Expediter?

Mr. BARKLEY. It does give him a broad authority.

Mr. OVERTON. Is it contemplated by this language that he shall have authority to establish priorities for building materials necessary for the construction of veterans' homes to the exclusion of building materials for other purposes?

Mr. BARKLEY. If the Senator will read section 4 (b), the next paragraph, he will find the following language:

> (b) In issuing any regulation or order allocating or establishing priorities for the delivery of any materials or facilities under this section, the Expediter shall give special consideration to (1) the general need for housing accommodations for sale or rent at moderate prices, (2) the need for the construction and repair of essential farm buildings, and (3) satisfying the housing requirements of veterans of World War II and their immediate families. In order to assure preference or priority of oppotunity to such veterans or their families, the Expediter shall require that no housing assisted by allocations or priorities under this section shall be sold within 60 days after completion or rented within 30 days after completion for occupancy by persons other than such veterans or their families.

In other words, he has a broad discretion in issuing those priorities. But the subsection following emphasizes the things which he must take into consideration in exercising authority over priorities. Of course, the Senator must realize that this bill is fundamentally, essentially, and primarily a bill for the construction of housing accommodations for veterans.

Mr. OVERTON. That I think is a question, at issue, and I wanted the opinion of the majority leader. Taking subsection (b), which the Senator has just read, does that in any way militate against the authority of the Expediter to direct priorities for building materials for veterans' homes? When subsection (b) says that the Expediter shall consider "the general need for housing accommodations for sale or rent at moderate prices," that is for the whole American public, is it not, and does the public come ahead of the veterans?

Mr. BARKLEY. It is not intended that the public shall come ahead of the veterans because it is provided in that paragraph that in the case of houses constructed through priorities or through the assistance of priorities the general public shall not have an opportunity to buy until 60 days have elapsed after their completion, and, if it happens to be an apartment, that no member of the general public can rent it until 30 days have expired after its completion. In other words, the veteran is given in the case of the construction of a house 60 days following its completion, during all the period of its construction and 60 days after its completion to exercise his prior right to purchase the house, or, if it happens to be an apartment, 30 days in which to have priority for renting it.

Mr. OVERTON. I assume, then, that the Senator is of the opinion that the Expediter has sufficient authority vested in him by the provisions of this bill to require the production and delivery of sufficient material to build veterans houses.

Mr. BARKLEY. Yes, that is true. That is the assumption upon which we are basing this proposed legislation.

Mr. OVERTON. That is the conclusion I have reached and I am very glad to hear the Senator say so.

That leads me to another question. If the Expediter has authority to require the production of building materials to construct houses for veterans, why the necessity for incentive payments?

Mr. BARKLEY. I am coming to a discussion of that question.

Mr. OVERTON. I should be glad if the Senator would discuss it in this connection.

Mr. BARKLEY. I turn to pages 38 and 39 and read from the provisions of section 11 which has something to do with that question:

SEC. 11. (a) The last paragraph of section 2 (e) of the Emergency Price Control Act of 1942, as amended (50 U. S. C. 902 (e)), shall not apply to subsidies, pursuant to section 5d (3) of the Reconstruction Finance Corporation Act, as amended (15 U. S. C. 606b (3)), in the form of premium payments used only to the extent that the Housing Expediter (after considering all available means) finds them temporarily necessary to increase the supply of materials for the veterans' emergency housing program and for other construction, maintenance, and repair essential to the national well-being.

The veteran has the priority, but in considering this program of accelerating the production of materials for the construction of houses or other construction, after the veterans' priority has been satisfied, the Expediter is, of course, not expected to overlook altogether other housing essentials necessary to the national well-being.

Mr. OVERTON. The $600,000,000 authorized to be appropriated as incentive payments are to be used not only in order to provide for veterans' houses but to provide for other construction.

Mr. BARKLEY. The other construction would be incidental, I may say to the Senator. That is provided in order to assure, insofar as it can assure, the production of sufficient materials to bring about the construction of 2,700,000 veterans' houses. Whatever else might be produced over and above the materials required for them would be incidental and might be used for other purposes. But the veterans' housing situation has the first call on the materials that will be produced by the incentive payments provided for in that section.

Mr. OVERTON. As I understand the explanation the Senator gives, the priority provision is sufficient to take care of the veterans, so far as their obtaining materials for the construction of houses is concerned, and the incentive payments could then be used in aid of other construction.

Mr. BARKLEY. No. The Senator does not get that straight. The priority of the use of materials is not one thing and the use of the incentive payments another; they both go together. The incentive payments are for the purpose of bringing about a greater production of materials. After they are produced, then the Expediter gives priority to the construction of veterans' houses. They are not separate and apart; they are linked together.

Mr. OVERTON. Of course, I can readily understand that, insofar as the producer is concerned, it would be, indeed, very agreeable to him to get an incentive payment for the production of materials; but if the Expediter can require him, unless he goes out of business, to furnish material for the construction of veterans' houses, he has sufficient authority to carry out the purposes of the act, so far as veterans' houses are concerned, without the use of subsidies.

Mr. BARKLEY. That would all depend, of course. If there were sufficient materials, without the use of subsidy premium payments, to provide these houses for veterans, we would not be here with this bill; we would not be asking for $600,000,000. That amount is asked because there are not enough materials and because we believe there cannot be purchased enough and rapidly enough to bring about the program without the incentive payments, unless it might be done—and I would not be willing to guarantee that it could be done even in that case—by such an increase in the price of building material as to bring about the production of as much material as we hope to get by the incentive afforded by the premium payments. I might say that if we were able to do that, if there should be brought about increased prices of building materials of all kinds, whereas the bill authorizes a maximum of $600,000,000 for premium payments, the additional cost of the materials by the increased prices made necessary, would be $2,200,000,000 more than the $600,000,000 provided for by the bill, and the total increased cost would fall upon the veterans who buy the houses, instead of falling as it will under the incentive payments, on the entire population of the country as a sort of war obligation.

Mr. OVERTON. I understand that, but I should like to make an observation, and for a moment to pass to something else if I may. I understand the position taken by the able Senator, but I am still inclined to the view that the exercise of the right of priority would be sufficient to get building materials for the veterans.

Mr. BARKLEY. In that connection, I should like to say that the exercise of the power of priority is of no value unless there is something to exercise the priority over.

Mr. OVERTON. It can be exercised to a certain extent, and the producer will have to go out of business unless he does produce materials for veterans' houses.

Mr. BARKLEY. Not necessarily.

Mr. OVERTON. Is there any question about the ability of a veteran who wishes to construct a home to finance it? As I understand the law today, the Federal Housing Administration has the authority to insure a loan up to 90 percent, based on a reasonable value after an appraisement is made. In addition to that under the GI bill a second mortgage can be granted, if my recollection serves me right, up to $4,000.

As I recall there is a further provision that after FHA makes a loan the amount which can be guaranteed under the GI bill is 20 percent of the value of the property, of the purchase price, or of the cost of construction, and so forth. Whatever the provision may be whether it is $4,000 or 20 percent added to the 90 percent that is insured by the FHA there is abundant provision, is there not, for a veteran to finance his home under existing law?

Mr. BARKLEY. Under the GI bill the amount a veteran might receive was first fixed at $2,000, but it has been changed to $4,000. He may receive as much as $4,000 to make the down payment on the home.

Mr. OVERTON. That takes the form of a second mortgage, does it not?

Mr. BARKLEY. That is correct. For instance, if a veteran buys a lot and wants to build a house on it himself, this bill revives title VI of the Federal Housing Administration Act, under which loans may be insured and the construction of the house may be insured up to 90 percent of the value thereof. We have made it 90 percent, although there were some objections to that figure. Some members of the committee desired to have it 85 percent or even 80 percent, but we made it 90 percent.

Mr. OVERTON. That is a reproduction of the FHA provision?

Mr. BARKLEY. That is title VI of FHA. So the veteran has that advantage which he may pursue.

Mr. OVERTON. Then, on top of that, he can get $4,000 under the GI bill?

Mr. BARKLEY. He can get $4,000 for a down payment, through the GI bill of rights.

Mr. OVERTON. Under a second mortgage?

Mr. BARKLEY. Yes. The banks which make the loan under the guaranty of the FHA take a first mortgage. They do not take second mortgages. They finance the construction and insure the loan, and then the veteran can obtain a $4,000 second mortgage on the same property.

Mr. OVERTON. The two combined, it seems to me, would certainly be sufficient to finance any home construction or home purchase to be effectuated by any veteran.

Mr. BARKLEY. If there were plenty of materials with which to build the houses they wanted, the question of financing would not be so difficult, but the GI bill of rights does the veteran no good unless he can get the things with which to build a house.

Mr. OVERTON. The Senator and I discussed that a few moments ago.

Mr. BARKLEY. The FHA assistance does not help him any unless he can get the materials.

Mr. OVERTON. That is correct.

Mr. BARKLEY. This bill is not designed to provide for payment of premiums on houses. The bill is not to finance houses as completed, except through the means facilitated, which are set forth. The bill primarily is to bring about the construction of sufficient materials with which to build houses which the veterans need and want and will be in a position to buy.

Mr. OVERTON. That is a matter which, in the beginning, the Senator very ably explained to me.

Mr. BARKLEY. I do not know how ably I did it.

Mr. OVERTON. Not convincingly, but very ably.

Mr. BARKLEY. I hope to be able to convince the Senator before we are through.

Mr. OVERTON. I hope so. I have not had an opportunity to read the bill, which has just been reported. I thank the Senator very much for the information he has given me.

Mr. BARKLEY. Mr. President, I wish briefly to state that the bill as it passed the House provided for an Expediter. The office of Expediter is now in existence by order of the President. The bill gives him certain authorities, certain priorities. It includes a revival and strengthening of title 6 of the FHA. We have changed that very little. We changed the title so as to make it conform more closely to the objectives of the bill.

The two outstanding provisions of the bill which have afforded ground for controversy are the premium payments and the ceilings authorized to be put upon existing houses.

I do not think anyone will deny the need for accelerating the production of building materials. We all receive letters on this subject. I receive bitter letters nearly every day from veterans and the wives of veterans who have returned to this country from the armed services and find it impossible to buy or rent a house or rent an apartment. Some of them are asking very searching and some of them very bitter questions. They say that "'Uncle Sam had the power to go out in this great war and build houses, build cantonments, build camps, build barracks, build everything, but now that we have made a contribution to the preservation of our country through our sacrifices in this war, we come back to the United States and cannot find a house in which to live and raise our children."

I think the veterans understand the situation. They understand that while the war was on we could not engage in any extensive construction of houses. But now that the war is over, and has been over for nearly a year, they are beginning to wonder why it is that the same power we exercised while the war was on cannot to some extent be exercised to provide homes for those who have come back and find none.

I do not intend to give all the figures about the shortages in different building material, but I shall give a sample or two.

In the case of common face brick, according to our capacity and our normal production, we are short approximately 18 percent.

In structural clay tile we are short approximately 27 percent.

In building blocks we are short 32 percent.

In clay sewer pipe we are short 12 percent.

In cast-iron soil pipe we are short 28 percent.

In gypsum board and lath we are short 31 percent.

In other building boards we are short 23 percent.

In cast-iron radiation we are short 52 percent.

In sinks that are to be put into kitchens and water closets we are short 39 percent.

In plywood we are short 29 percent.

And so on. There is a long list of shortages. I give these only as evidence of the fact that there is a widespread shortage of building material. The question with which we are confronted is whether we can obtain all these short materials by the normal, ordinary processes of manufacture. In some cases there is not the capacity to increase production, and we may have to stimulate and encourage an increase in capacity, even in an existing plant, or provide a new one; but if there is the capacity, the question is whether we should assist or attempt to assist by wholesale horizontal increases in prices in order to induce men to make more than they are now making, and thereby charge the veterans of the United States, by increase in prices, $2,200,000,000, or whether we should provide for the use of $600,000,000 in the form of premium payments, to be assessed, if it becomes necessary, against all the people of the United States.

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

Mr. BARKLEY. I yield.

Mr. WHERRY. Then, what is the basis for section (2) on page 22?

Mr. BARKLEY. The Senator means subsection (2), does he not?

Mr. WHERRY. Subsection (2). That is the only "(2)" which appears on page 22. It is subsection (2) of subdivision (b) of section 2. It has to do with the authority of the Housing Expediter to issue orders and directives to other agencies. I should like to know why it is necessary, apparently, to give the authority to the Housing Expediter to compel the Office of Price Administration to set prices under which production can be increased. Why can we not get the production without giving him that authority? In other words, if as a result of the hearings on the OPA extension bill it is determined that under a flexible pricing program private enterprise, which could afford employment to 1,600,000 veterans, could produce at prices under which the various industries could function, why cannot that be done this very day? Why do we have to give to one administrator the right to compel another administrator to do something he is not doing?

Mr. BARKLEY. I discussed that subsection a while ago, but I shall be glad to do it again.

Mr. WHERRY. I was present when the Senator discussed it, and I did not hear him suggest any reason——

Mr. BARKLEY. This is the reason, as I then said: We contemplate not only the use of incentive or premium payments, but we expect also that there may be price increases, though not all up and down the line, not all the way across the board. In cases, however, where, in addition to the incentive payments, the Expediter is convinced that there ought to be a price adjustment he may order the Administrator of OPA, or the Economic Stabilizer, or any other agency of the Government of the United States, to do that. We emphasize these two by including them in the language of the bill.

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

Mr. BARKLEY. I yield.

Mr. WHERRY. I agree with the latter part of the Senator's answer that in the event production cannot be obtained, then there should be an incentive. I can see some justification for that, even though I am not for an incentive. I can agree with the Senator wholeheartedly upon that proposal if production cannot be obtained otherwise. But, Mr. President, we have not given private enterprise an opportunity to produce lumber in this country. The Office of Price Administration has not done that. And that statement is verified by all the testimony that comes from the industry, whether located in the West, the South, Michigan, or elsewhere. The OPA has not allowed a price that will permit the mills to operate at a profit. Yet men are standing idly by because they cannot get an opportunity to work, because production has been cut down by reason of a rigid and inflexible price which the Office of Price Administration does not see fit, apparently, to change. The bill as reported to the Senate with subsection 2 on page 22 apparently would give one director authority over another director who has refused to allow a flexible price program. That is exactly what is done by the bill.

Mr. BARKLEY. The Senator ought not to object to that, if he is speaking as a friend of the lumber producers, as I am. But there are many building materials in this country besides lumber.

Mr. WHERRY. What assurance can the majority leader give me that in the event we give this authority to the Expediter, Mr. Wilson Wyatt, whom I do not know, he can compel Mr. Bowles to establish a flexible price program which will bring about the production of lumber through the private enterprise route?

Mr. BARKLEY. We authorize him to do it. Mr. Bowles recently compelled the Secretary of Agriculture to issue an order which one of our colleagues did not like.

Mr. WHERRY. Then, the bill would permit one tyrant to compel another to take certain action. That is exactly what the language of the bill would accomplish.

Mr. BARKLEY. Of course, what is the use of putting language in a bill unless we mean to give the individual the authority to do what we want him to do?

Mr. WHERRY. I should like to ask the distinguished Senator this question: If and when the new Housing Expediter, whatever his title and authority may be, fails to compel the Office of Price Administration, which is now I think controlled by the Economic Stabilizer, to permit a flexible price for an increased over-all production of lumber and other materials for building houses, then is resort had to incentive payments, or do we go to the incentive payments immediately?

Mr. BARKLEY. We go to the incentive payments as soon as the measure is enacted into law.

Mr. WHERRY. Then a chance is not given private enterprise to produce at all?

Mr. BARKLEY. No; but they may go along hand in hand. The production of all building materials cannot be increased overnight even if that were the remedy. It cannot be done in a month.

Mr. WHERRY. If the distinguished Senator will yield further, I respectfully submit this suggestion to him: Hearings have not been had at all on the price program relative to the production of lumber, nor relative to the production of brick or of any other building materials. Yet a plan is brought to the Senate by which the Expediter is instructed to compel the directors of other executive agencies to give the price increase even before it is seen what the results will be. If the results can be obtained through private enterprise, I am as sure as I am standing here that the distinguished Senator from Kentucky would rather do it that way than by means of incentive payments. But here the incentive payment is added as an inducement immediately, without a chance being given to correct the rigid pricing program which has been in existence, and which we have tried to correct for more than a year and a half.

Mr. BARKLEY. I will say to the Senator from Nebraska that I would rather, under normal conditions, increase production of building materials without incentive payments, just as under normal conditions I would have preferred not to pay subsidies on meats or on petroleum or on anything else. But we were not able to do it in that way. And if I must make the choice between——

Mr. WHERRY. Mr. President, let me——

Mr. BARKLEY. Just a moment. Let me conclude.

Mr. WHERRY. But I wish to ask the Senator a question about the statement he just made, and before he proceeds to make another statement.

Mr. BARKLEY. Let me finish my sentence. If I have got to make the choice between paying incentives, or, if Senators want to use the uglier word, "subsidies"——

Mr. WHERRY. That is what we all understand them to be.

Mr. BARKLEY. And get the production of these houses for the veterans, where the difference in the cost to the individual veteran will average about $500, as between increasing prices sufficiently or paying incentives, I prefer the premium payment to the over-all increase of price.

Mr. WHERRY. Will the Senator yield further?

Mr. BARKLEY. Yes.

Mr. WHERRY. That is begging the question.

Mr. BARKLEY. No; that is not begging the question.

Mr. WHERRY. Oh, yes; it is begging the question.

Mr. BARKLEY. The Senator says it is begging the question, but I say it is not.

Mr. WHERRY. The Senator speaks of giving the veterans $500 difference. I will give a veteran just as much as the Senator will give a veteran.

Mr. BARKLEY. I probably am not able to give the veteran as much as the Senator from Nebraska would offer to give him.

Mr. WHERRY. I am a veteran, and I am entirely sympathetic to the needs of the veteran.

Mr. BARKLEY. We do not have a bill before us which would require us individually to pay anything out of our own private property except as it comes from the payment of taxes.

Mr. WHERRY. If the Senator will yield further—and as I understood him, he said he would be glad to yield——

Mr. BARKLEY. I have yielded to the Senator off and on for quite a little while, and I am glad to continue.

Mr. WHERRY. I thank the Senator. I should like to say in conclusion, then, if the Senator declines to yield further——

Mr. BARKLEY. No, Mr. President; I am not declining to yield. But the Senator is complaining because I want to complete a sentence in answer to one of his questions.

Mr. WHERRY. Mr. President, I certainly would not want to be disrespectful to the most distinguished majority leader from Kentucky in the Senate; but I want to ask a question.

Mr. BARKLEY. The field there is limited.

Mr. WHERRY. I beg the Senator's pardon.

Mr. BARKLEY. The Senator said I was the most distinguished majority leader from Kentucky in the Senate. I say the field is limited there.

Mr. WHERRY. If the Senator does not want me to speak of him as the most distinguished majority leader, I will withdraw that. I have high regard for the distinguished majority leader.

Mr. BARKLEY. I appreciate that, and I thank the Senator.

Mr. WHERRY. If the Senator felt that I dealt with too limited a field when I spoke of Kentucky, I will make it the whole United States.

Mr. BARKLEY. The Senator is getting somewhere now.

Mr. WHERRY. Yes; we are getting somewhere now. I should like to suggest to the distinguished Senator one more thing.

Mr. BARKLEY. Mr. President, let me finish first.

Mr. WHERRY. The Senator is asking us to provide an incentive. Now whether or not we agree respecting the incentive we agree on giving the veteran relief. What I wish to say to the distinguished Senator, if he will permit me to say it, is that we have not given private enterprise an opportunity to produce under a flexible price program which for a year and a half private enterprise has asked us for. At the same time this bill provides for giving the new Housing Expediter, the new czar, the authority to compel OPA to do thus and so, an incentive program is started. Why not now compel OPA to initiate a flexible price program in order to get production? If that fails, then let us use the incentive program. That is what I have in mind and that is the question I have asked the most distinguished Senator from Kentucky, the honorable leader of the majority.

Mr. BARKLEY. I thank the Senator.

Mr. AIKEN. Mr. President, may I ask a question?

Mr. BARKLEY. Just a moment. Let me take a whack at that one. [Laughter.] In the first place we have no authority to legislate prices by an act of Congress. We cannot by law instruct the Price Administrator what he shall grant in the way of prices on anything. We cannot do that any more than we can instruct the Interstate Commerce Commission what rate to fix with respect to the railroads or anything of that sort. We can give him authority; we can even hedge it around by all sorts of restrictions, but we cannot say to the Price Administrator what price he shall fix on anything.

The Senator complains about the Price Administrator not having given private industry a chance. That is a subject we will go into next week when we have hearings on the extension of the OPA law. The Senator knows that all the price increases necessary to bring about all the production of all the building materials essential to carry out this program could not be brought about in a day, nor in a week, and they might not be brought about in a month, indeed, they might not be brought about in all cases in 6 months. We are now waiting for someone to do something which we have no authority to compel him to do, while veterans are going without housing facilities. That is my answer to the Senator's question. It may not satisfy the Senator, but that is my answer.

Mr. WHERRY. Mr. President, will the Senator permit me to make an observation in reply to that statement?

Mr. BARKLEY. Yes.

Mr. WHERRY. It does not make any difference whether we go the incentive route or whether we raise prices, if we can get production.

Mr. BARKLEY. The incentive would go into operation at once. Price increases may not come into operation at once.

Mr. WHERRY. We want a flexible pricing program which will permit production to be obtained at once; and the Price Administrator has not brought that about in 2 years.

Mr. BARKLEY. If he has not done it in 2 years, how does the Senator expect it to be done by next Sunday night?

Mr. WHERRY. By removing him from office and installing someone who will give us a flexible pricing program to do the very thing we are trying to do.

Mr. BARKLEY. Congress cannot remove him, even if he ought to be removed—and I am not admitting that he ought to be removed.

Mr. WHERRY. Congress does have authority——

Mr. BARKLEY. Congress has no authority to remove or appoint executive officials.

Mr. WHERRY. I am not going to discuss that question. The distinguished Senator well knows that under the provisions of the Price Stabilization Act, it is the obligation of the Price Administrator to establish prices which permit production. He is not doing it. Industry knows that, and the distinguished Senator knows it. Men from his own State who are engaged in the production of lumber have advised him of that very fact, I am sure.

The whole question involved in the consideration of the bill is simply this: Do we want to go the incentive route, or do we want to obtain production through private enterprise? It is my theory that subsection (2) on page 22, if it is carried out to its logical conclusion, will compel the Office of Price Administration to establish a price which will be profitable for private production. If we can get production in that way, I believe that we should not go the incentive route. I hope we can get a flexible pricing program. If that fails, certainly all of us will be much more interested in approving an incentive to obtain production.

Mr. AIKEN rose.

Mr. BARKLEY. I now yield to the Senator from Vermont.

Mr. AIKEN. I should like to obtain a little information from the Senator from Kentucky. As I understand, subparagraph (1), taken in connection with subparagraph (2) on page 22, would authorize the Expediter to direct the Office of Price Administration and the Office of Economic Stabilization to raise the ceilings on certain building materials, which might be very badly needed, above the level to which those agencies might think they were restricted by the Price Stabilization Act. Could he direct them to break through what they might consider the top ceiling?

Mr. BARKLEY. If there were a rigid and mandatory provision in the law which they could not break, I would not say that the Expediter could compel them to go beyond that or through it. He is supposed to give them directions to do things within the power of those agencies.

Mr. AIKEN. But he could not direct them to go through the ceiling to which they were restricted by law, could he?

Mr. BARKLEY. I do not think so, unless we specifically authorize a change in the administration by removing the inflexibility to which the Senator refers.

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

Mr. BARKLEY. I yield.

Mr. TAFT. In connection with the question asked by the Senator from Vermont, let me say that in my opinion the Housing Expediter, under the terms of this bill, could raise any ceiling to any point he desired to raise it, except for the ceiling which is fixed in this bill with respect to existing houses, which is the fixing of a price by law, which cannot be changed. But so far as the prices of building materials are concerned, I should say that there is nothing in the law which would prevent his raising the prices of building materials to any reasonable level which might be requested.

Mr. BARKLEY. I will say to the Senator from Vermont that there are no fixed prices in the law. In the OPA Act we did not fix any prices. Therefore there are none fixed by the law itself, beyond which the Administrator may not go.

Mr. AIKEN. There are prices below which he may not go.

Mr. BARKLEY. Yes. There is a formula or floor; but no ceiling is fixed in the law in terms of figures. Therefore the Expediter could compel the Administrator of OPA and the Director of Economic Stabilization to go to any figure which he thought was reasonable, although the Administrator of the OPA and the Director of Economic Stabilization might not themselves think it was reasonable.

Mr. AIKEN. The Expediter, then, could direct them to break through any limits which the OPA or the Office of Economic Stabilization might have set up for themselves.

Mr. BARKLEY. That is true.

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

Mr. BARKLEY. I yield.

Mr. McCLELLAN. We recognize, of course, that lumber is a very vital building material. In connection with what the Senator from Nebraska has said with respect to the lumber industry during the past 2 or 3 years, let me say that it has undertaken to obtain price adjustments and to have price ceilings fixed by the OPA which the lumber industry considered necessary to enable it to produce at a profit.

I am more familiar with the southern pine industry than with other production. My recollection is that in 1943 or 1944 there was a total production of 11,000,000,000 board feet of southern pine lumber. But because of the failure or refusal of the OPA to increase the price sufficiently, a number of mills in that industry were driven out of business. Last year, the production of southern pine lumber fell off to a little more than 7,000,000,000 feet. In other words, a shortage of more than 4,000,000,000 board feet of lumber was created, and the production last year was four-fifths of normal. The industry contends that that result has been due primarily to inadequate ceiling prices.

I believe it is admitted by the OPA authority that of the 7,000,000,000 feet which are still being produced, between 75 and 80 percent of that lumber is being sold in the black market. At any rate, a considerable percentage of the production is being sold in the black market. That admission was made by the OPA officials in a discussion with them. I placed the figure at 66⅔ percent or 65 percent, and was told that it was greater than that.

That is the condition which has been brought about. Whether the Price Administrator is wholly to blame for it, I do not know; but certainly something has brought it about. Some unusual factor has entered into the situation which has brought about a lack of production, and also has contributed to the increasing black market in the product.

If that condition exists, and if the state of facts is as described, we know that the Price Administrator now has authority to correct the situation. Apparently it has not been corrected. Some modification of prices has occurred recently, but it is maintained that it is inadequate.

I am not familiar with the situation with respect to other building materials. I am somewhat familiar with the lumber industry, about which I am now speaking. But if the same situation obtains with respect to all other building materials, this is exactly what we have done, and what we are doing: By reason of the arbitrary action of the Price Control Administrator in refusing to grant adequate prices to obtain production, we have driven the production facilities out of business, to the extent that we have a very much curtailed quantity of production; and now we propose to remedy that condition by appropriating and spending $600,000,000 of the taxpayers' money to get those production facilities back into business.

Mr. BARKLEY. It is not primarily to get them back into business merely for the sake of getting them back into business. It is for the purpose of obtaining the materials with which to build houses for the men who fought for our country.

Mr. McCLELLAN. Yes; I appreciate that; and it may be necessary to do it. But I wish to say that if this has been an arbitrary, short-sighted, and harmful policy which has been detrimental to to the country, I think we should do something to correct it.

I observe that the bill proposes to give full authority to the Housing Expediter not only to order the OPA and its Administrator to fix prices at a certain level or at any level he may choose, but also

to order the Director of Economic Stabilization and the Office of Economic Stabilization to do anything he wants them to do, and also to take over all the powers of the Director of the Office of War Mobilization and Reconversion.

Mr. BARKLEY. Only insofar as they relate to this program.

Mr. McCLELLAN. Yes. So it is proposed that we place in the hands of the Expediter of this program, power superior to that of any other agency or authority of the Government which has been created, except the Presidency of the United States, as I interpret the language of this measure. Is that the Senator's understanding of it?

Mr. BARKLEY. Of course, the Presidency of the United States is not an agency within the meaning of the law referring to agencies.

Mr. McCLELLAN. Of course, I appreciate that.

Mr. BARKLEY. But insofar as those agencies and their functions relate to the emergency housing program, the Expediter will have the right to give directions and orders. We emphasized the Office of Price Administration, the Office of Economic Stabilization, and so forth. We did not spell out all the others, but we emphasized those in order that it might be perfectly plain that the Expediter would have authority to compel the Price Administrator to increase prices whenever he thought it was necessary to have that done in order to carry out the program, and that such price increases could not be nullified by the Office of Economic Stabilization, which ordinarily would have the right to override the Price Administrator.

Mr. McCLELLAN. In other words, by the pending measure we would reverse the situation which now exists, let us say, with respect to the OPA and the Office of Economic Stabilization, in that so far as this program and this agency are concerned, instead of letting the Office of Economic Stabilization have power to direct this agency, this agency or its Expediter could direct and order the Office of Economic Stabilization.

Mr. BARKLEY. That is correct, insofar as it relates to this program, but no farther.

Mr. McCLELLAN. That is correct.

Mr. BARKLEY. If the Senator will permit me to do so, I should like to say a word at this point in regard to lumber. We had testimony before the committee with respect to lumber. Representatives of several of the associations, including the Southern Pine Association and the Western Pine Association, appeared before us. Of course, an application is pending for an increase in the ceiling price of their lumber. They wish approximately $9 a thousand, and they said to us that they did not think the OPA would permit them more than a $4.50 or $5 increase, and they did not think that would be sufficient. Of course, I cannot tell what the correct figure would be; I cannot tell whether their figure is correct or whether the correct figure lies somewhere in between. I do not think the Congress can determine that. But in such a situation as that, where there is a disposition on the part of the OPA to grant an increase—although perhaps not so much of an increase as the inquiry itself wishes to have—or if there were no disposition to grant an increase, if the Expediter concluded that an increase was justified, he would have the power to issue an order for the OPA to grant whatever increase he thought essential.

I may say that in 1939 a total of twenty-eight-billion-plus board feet of lumber were produced in the United States. In 1941, 36,000,000,000 board feet of lumber were produced; and as of January, 1946, the production of lumber was at the rate of 26,000,000,000 board feet a year, which is 10,000,000,000 board feet short of what was produced in the United States in 1941. Our total estimated capacity for lumber production is thirty-six-billion-plus board feet a year. Of course, that takes into consideration all kinds of lumber, not simply western pine or southern pine.

I, myself, do not know and I would not undertake to estimate how long it would take the OPA to consider all phases of the entire lumber industry—hardwood, softwood, pine, poplar, oak, spruce, and all other varieties—so as to bring about an over-all increase in the price of lumber which would cover this building program and at the same time permit the construction with sufficient rapidity of homes for the returning veterans and their families to live in.

Mr. McCLELLAN. If it is necessary that that be done——

Mr. BARKLEY. It might be.

Mr. McCLELLAN. I think it is, but I do not see why the OPA, a long-established agency with experience, could not do it more quickly than a new agency could. It must be done.

Mr. BARKLEY. One of the complaints constantly made against the OPA is that it does not do anything quickly enough. That is not my statement, but that is a complaint which is constantly made in the Senate and it is a complaint which constantly comes to me from the people who have applications before the OPA. They complain that the OPA does not operate quickly enough. It may be that those who complain are in too big a hurry. The OPA feels an obligation to obtain all the facts. All of us know that it is necessary to take human nature as it is and to discount some of the representations which are made in such cases. That is true in respect to any industry.

Mr. McCLELLAN. Mr. President, no doubt there are applications which the OPA should not grant—possibly not only as to the lumber industry but as to others. But the point I make in regard to the harm that is done to the individual industry for which I am complaining—if I am in the attitude of complaining; I hope I am not—is that because of the procrastination and the failure to do the job to the best of their ability and the failure to take into account what must be considered and the failure to do what must be done in order to obtain the best results, the public suffers.

The failures which I have just mentioned are a part of the reason for the shortage, although perhaps not all the reason. As the Senator from Kentucky has said, our lumber industry has a production capacity of approximately 36,000,000,000 board feet a year, but today it is producing at the rate of only 26,000,000,000 board feet a year. In that situation there must be some reason for the lack of full production. I know of no reason other than the failture of the OPA and the industry to get together on a price which will permit production at such a rate that they can stay in business. The best evidence in the world of that is the fact that most of those who are now producing are in the black market.

Mr. BARKLEY. Mr. President, in regard to lumber production, let me say that I am sure the Senator knows that in the early days of the war, along in 1942, when our Government was engaged in enormous construction activities not only in the United States but all over the world, the Government took practically all the lumber there was.

Mr. McCLELLAN. That is true.

Mr. BARKLEY. There was a restriction on the use of lumber. The peak of Government building later dropped, but the restrictions remained in existence. It was almost impossible to obtain lumber, even after the Government stopped using it. I myself tried to obtain some fencing lumber, near my home, to use in fencing a little farm on which I live. I was not able to obtain it, and I have not yet been able to obtain it.

So the production drop from 36,000,000,000 board feet to 26,000,000,000 board feet was not altogether due to prices. It was due to a war condition which was brought about by the Government, which took all the lumber for its own use.

However, when the war ended in Europe and in Asia, we began to get back to normalcy in respect to lumber production. We have not yet gotten back to normalcy. It may be that the price situation has operated as a deterrent. But if it has and if the Expediter finds that out, he can order such increases. But he could not do so overnight; he could not do so after a day's investigation. He must know what he is doing. It may be that in certain cases he will find that it is necessary to provide for an increase in price, not only as to lumber, but, possibly, as to all other building materials. He might find that an increase in price was necessary, in addition to the use of premium payments, either with respect to lumber or with respect to a vast number of other commodities, some of which perhaps may not be involved in a situation like that confronting the lumber industry.

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

Mr. BARKLEY. I yield.

Mr. SALTONSTALL. If the distinguished Senator from Arkansas is through, I should like to ask a question which may be along the same lines, but phrased a little differently. According to paragraph (2) on page 22 of the bill, a paragraph which we have been discussing, the Housing Expediter has supreme authority over various officers in setting prices when he deems it wise to exercise such authority. On page 27 of the bill, in section 4 (a) beginning in line 24, the Expediter is given authority to "allocate

or establish priorities for the delivery of materials" of which there may be a shortage. Under such authority why would it not be much quicker and more effective for the Expediter to issue appropriate orders and thus provide the necessary incentive than to fix an amount as a subsidy or as an incentive price?

Mr. BARKLEY. In the first place, the authority can apply only to materials which are already in existence. Priority takes effect immediately upon this proposed legislation becoming a law. The Expediter could exercise authority over the commodities in existence at that time, and before any increase has been put into effect in the form of either a price increase or an incentive payment. It is not contemplated by anyone, so far as I know, and certainly not by the Expediter nor by the committee, that the Expediter, by ordering the Price Administrator to increase prices all up and down the line at once, could act wisely in this field, and with judgment and with full information. He would be required to take these various steps one at a time. It is not contemplated that he shall take the place of the Price Administrator. It is only in cases in which he has been convinced from the facts submitted to him that an increase should be allowed in the price of some commodity, the supply of which is short, that he will do the things which are provided, whereas the premiums payments may be given at once without waiting for a price increase, and without all the facts being submitted through private statements, and without sending out inspectors, as it is sometimes necessary to do in order to make a survey of an industry. If the Expediter had to increase all prices which are involved in building materials the delay would be so great that I fear that by the end of 1946 we would not even more than have started the building program which we expect to be in effect by that time.

Mr. SALTONSTALL. Let us take, for example, shingles for a roof or two-by-fours for stanchions. If a priority were needed for the production of such materials the Expediter could pick out a certain article and say in effect, "We want priority for this" and fix a proper price. If his judgment in connection with fixing the price were good, it would not take him any longer to do that than to say, "This is the proper subsidy." He will either throw away Government money by not making the proper investigation, or else he will make a proper investigation in either case.

Mr. BARKLEY. No investigation is necessary for premium payments because they are made only in order to bring about an increase in production. If the shingle maker has not produced the required quantity of materials, he will not receive a premium. If he has been making, say, 50,000 bales of shingles and he continues to make only 50,000, he will receive no subsidy or premium payments. But if he is induced by the premium payments which will be offered him to increase his production to, say, 75,000 or 100,000 bales, he will be paid the premium on the extra amount which he produces. On the other hand, if he receives a price increase on everything that he makes, that increase will go into the 50,000 bales which he has been producing, and that in turn will go into the cost of the house which the veteran must buy. That situation would represent a higher outlay on the part of the veteran than would be the case if the premium were paid instead of an increase being allowed in the price.

Mr. SALTONSTALL. Let us take the Senator's example of 50,000 bales of shingles. The price is not right, and the production has not been increased. But the incentive price is allowed, and the increase goes to 75,000 bales. If the price is increased and the shingle maker knows that a demand for increased production is present, then he may increase his production to 100,000 bales. If he does, it may not make any difference in the cost to the veteran and still get the results desired much better than by the method of incentive payments.

Mr. BARKLEY. The shingle maker may increase his production to a hundred thousand bales. If he does so, it will be all the more favorable to the housing program. But if he undertook artificially to stimulate his production merely for the purpose of obtaining a premium on a quantity of shingles not needed, then the situation would be entirely different. We have stepped in and provided that for not more than 50 percent of the output of any new plant may premium payments be made, and that for not more than 30 percent of the entire output may premium payments be made.

Mr. SALTONSTALL. Will the $600,000,000, which is provided for in the pending bill, be anywhere near sufficient to provide the incentives which may be necessary in the building industry in this country?

Mr. BARKLEY. We think that $600,000,000, which is the maximum figure, will be sufficient. We hope that not all of it will be necessary. We believe the amount to be sufficient in order to carry out the program of constructing 2,700,000 housing units which are provided for in the proposed legislation.

Mr. SALTONSTALL. As I understand the Senator's argument, it is this: Here is $600,000,000 with which to proceed. We will increase the price of shingles today, and of 2 by 4's tomorrow, and of sewer pipes on Wednesday.

Mr. BARKLEY. No; we do not have to do all those things on separate days. We might deal with shingles, ? by 4's, and sewer pipes all at the same time. Whatever may be the increase, it will go into effect all at once; that is, as soon as the machinery can be organized. If this bill were signed by the President today, premium payments would not be paid tomorrow. But, as soon as the machinery could be organized and the plants began to increase production, the premium payments would be paid on the increased portion of the total output.

Mr. SALTONSTALL. Mr. President, I should like to propound to the Senator one more question on another subject which, perhaps, the Senator will not prefer to answer at this time.

There is in the bill a paragraph which provides that if a broker sells to a buyer above the proper price, the buyer may bring an action within a year and receive treble damages, and if he does not do so, the Government will step in. Is there any precedent anywhere for allowing a private person to sue another private person and receive treble damages because the defendant has violated a statute of the United States?

Mr. BARKLEY. The provision to which the Senator refers was in the bill in the form in which it came to the Senate, and we did not change it. However, there have been cases in which suits could be brought for double and treble damages. In the original Price Stabilization Act it was provided that treble damages could be recovered at the rate of three times the overcharge. We changed that later to some extent when we passed the extension measure. I grant the Senator that the recovery represents a penalty against an overcharge. The amount by which the price exceeds the ceiling which was fixed is trebled.

Mr. SALTONSTALL. But is not that a very bad precedent?

Mr. BARKLEY. It is not a precedent. It has been done. I could not give the Senator all the cases in which it has been done, but it has been done before. There are some bad features about it, I grant. No one ever has to pay anything for a house he does not want to pay. If I buy a house from the Senator I am not compelled to pay him all he wants for it. I am not compelled to buy it at all. But if I am in such dire need for a house for my family that I am compelled to pay the price asked in order to get a house at all in which to live and raise my children, if there is no other house anywhere, and the Senator is taking advantage of me because of that situation, and saying to me, "If you get this house you are going to pay me a thousand dollars above the ceiling fixed by the last sale," the provision operates as a penalty against the Senator, which I may invoke in the courts.

Mr. SALTONSTALL. Would the distinguished Senator object to an amendment to leave the matter in the hands of the Government?

Mr. BARKLEY. I shall be glad to consider it. I should like to look into it. This is a House provision, and I should like to look into it further; but I would consent to consider it.

Mr. McCLELLAN. Mr. President——

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Does the Senator from Kentucky yield to the Senator from Arkansas?

Mr. BARKLEY. I yield.

Mr. McCLELLAN. I desire to ask a question in order to clarify the purpose of the incentive payments. As I understand, the primary purpose is to get increased production, for instance, to induce a plant to expand its capacity or step up its production. Under the bill would incentive payments be permitted or authorized to keep a plant in business? For instance, we were talking about the lumber industry a while ago. A sawmill has been producing, let us say, a given quantity of lumber per month, so many feet, but it finds that under existing prices it can no longer operate at a profit,

and is about to go out of business, though it may have been operating substantially to capacity, and has no prospect of increasing it. Would incentive payments be made to such an industry or to that plant in order to keep it in business and enable it to continue to produce, without necessarily increasing its production?

Mr. BARKLEY. Is it a plant that is at this time producing anything at all?

Mr. McCLELLAN. Yes; let us say it is producing. There are some that claim to be in that position, and claim they are having a struggle to remain in business and produce to capacity. They claim they are not making money. I suspect such a condition can be found in any industry. Some make that contention, and probably some of them are correct. Some may make the contention when it is not well-founded. In other words, if a plant is in operation and producing, but under such prices and conditions that it is not able to produce at a profit, and it is ready to go out of business, would the incentive payments be made to that plant in order to keep it producing?

Mr. BARKLEY. Not on what it is actually producing. If the plant is not producing anything at all——

Mr. McCLELLAN. If it is already closed down.

Mr. BARKLEY. If it is closed down, and therefore cannot be said to be producing anything, incentive payments could be made in order to induce it to start over and begin producing. All the production would be regarded as excess, that is, increased production. But there is nothing in the bill which authorizes the Expediter to finance a plant itself by installing machinery or anything else in it.

Mr. McCLELLAN. The Expediter does not finance the expansion itself?

Mr. BARKLEY. No; not the expansion itself.

Mr. McCLELLAN. But he assists by giving an increased price on the product as an incentive?

Mr. BARKLEY. Yes. I have taken more time than I had intended, but there are one or two more features I should like to discuss.

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

Mr. BARKLEY. I yield.

Mr. VANDENBERG. Can the Senator tell me how the figure $600,000,000 was arrived at?

Mr. BARKLEY. It was arrived at by conference and consultation among all the housing agencies, and all those interested in housing, those dealing with veterans, the Veterans' Administration, and a whole mass of agencies and people who surveyed the situation and figured that $600,000,000 was an appropriate sum. I cannot say just what mathematical calculation they went through, but they all conferred about it and agreed upon that sum as the proper sum which should be sought. In addition, they consulted labor organizations and everyone else who had anything to do with construction and housing. They sought to get an over-all picture, as the various organizations and agencies were able to present it, in arriving at that figure.

Mr. VANDENBERG. It occurred to me that in arriving at that rather unusual figure there must have been some sort of a budget which would indicate where and how they contemplated making payments. I was wondering whether such information was available.

Mr. BARKLEY. There was not a break-down as to how much would be paid to the lumber industry, how much would be paid to the plywood industry, how much to the gypsum industry, how much to the brick dealers, how much to this or that particular category having to do with building materials. I am not able to give the Senator an answer to his question.

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

Mr. BARKLEY. I yield, if the Senator from Michigan has concluded.

Mr. TAFT. The total cost of the conventional housing to which these payments apply is estimated to be $6,700,000,000 for the 2 years. The bill provides that the premium payments shall not be applied to more than one-third of that, which would mean that premium payments would be applied to approximately two and a quarter billion dollars.

The bill provides that not more than 25 percent can be applied on any product. So if that were applied to all the $2,250,000,000 we would get about $500,000,000. That is, roughly, the method by which the figure was calculated, I understand. The premium payments would be necessary only for 30 percent of all the building materials in other words, only to break bottlenecks. The plan is not intended to be a general plan for pricing materials.

Mr. BARKLEY. I had stated earlier that the 30 percent over all should be applied to materials upon which premiums would be paid. I thought the Senator from Michigan was seeking to have me break down the figures as to each industry.

Mr. VANDENBERG. I was trying to find out how the figure was arrived at.

Mr. BARKLEY. It was arrived at in a fairly safe calculation in respect to the amount of material that would be used in a period for the construction of what is called conventional housing. There is in the bill a provision for prefabricated houses, and also for use of new materials.

There is a guaranty provided—which I do not care to take the time to discuss, as I shall come to that later—a guaranty by the Government in order to induce the producers of materials for which the market may be timid, and yet which are essential to housing, to go into production. The bill provides for increased facilities, so that when it is all over, if the producers have left on their hands, some of the materials because the market has not been willing to accept them, the Government undertakes certain guaranties in regard to their resale, or purchase, in which case it would take them over at less than cost, in all probability. But that is another matter.

Mr. VANDENBERG. Mr. President, I ask the Senator to look at the language on page 40, beginning in line 3:

> Premium payments shall wherever possible be applied at a uniform rate within any industry requiring them rather than at varying rates for each producer.

Is that intended to mean that if premium payments are allowed in any given construction category everybody in the category shall be equally eligible to receive payments under the given circumstances?

Mr. BARKLEY. If they increase their production.

Mr. VANDENBERG. That is what I mean.

Mr. BARKLEY. Yes; if they increase their production. In other words, instead of selecting each firm which would be making plywood, let us say, or brick, and giving them a separate rate of premium, the Expediter would undertake to pay the premium uniformly to all those who increase their production, not uniformly in amount, but in rate, because if one man increased his 25 percent and the other 50 percent, of course the man who increased 50 would get twice as much by way of premium as the one who increased 25 percent. But the rate would be uniform wherever possible, and I think in most cases it would be possible. The only exceptions would be cases, if such cases are extraordinary, in which the Expediter might have to make a different rate in a community or in a place where there might be a different inducement offered. On the whole, the rates would be uniform.

Mr. VANDENBERG. In other words, every producer within a given category would stand on even ground so far as the application of the law was concerned.

Mr. BARKLEY. Absolutely.

Mr. VANDENBERG. That would be a complete answer to those who have suggested that the Housing Expediter could use his authority rather loosely to deal with his favorites, or those whom he might wish to favor.

Mr. BARKLEY. Yes; it would negative the argument. All Senators do not happen to know Mr. Wyatt, but I happen to have known him for years, and I do not think anyone who knows him would question his fairness. This language is supposed to apply to whoever might occupy his present position, and it would make it necessary for him to treat all in the same category alike.

Mr. VANDENBERG. I was not reflecting on Mr. Wyatt.

Mr. BARLEY. No; I understand that. But we always recognize that anyone who now holds an office may not always hold it, and we have to frame the law for the ones who may later hold it.

Mr. VANDENBERG. Furthermore, we are setting up a new bureau and establishing a new bureaucratic power, and, unfortunately, we might not be entitled to hope that the entire personnel would qualify on the level with Mr. Wyatt's capacity.

Mr. BARKLEY. I will say that if it did it would be of a very high standard.

Mr. VANDENBERG. Will the Senator yield for another question?

Mr. BARKLEY. Yes.

Mr. VANDENBERG. Am I correct in my understanding that on page 22, the language from line 8 to line 20 would authorize the Housing Expediter if, in his judgment, it were advisable to deal exclusively, if he wished, with this problem by price increases?

Mr. BARKLEY. I do not know. I do not think that is contemplated, I will say in all fairness to the Senator. I think that is supplementary.

Mr. VANDENBERG. I understand it is supplementary. But if he should conclude, after experimenting with this system, that repricing was the answer, which is probably my view of the thing, he could, could he not, under this language, confine himself to repricing?

Mr. BARKLEY. Technically I suppose he might. But the process of arriving at that conclusion and the necessity for making the investigation which would be necessary in order to justify him in reaching that conclusion with reference to all building materials, would, in my judgment, delay the whole process of getting these houses built for the people for whom they were intended, so that it would be utterly impossible for him to adopt it exclusively as the remedy for this situation.

Mr. VANDENBERG. I thank the Senator, and I ask for just one more clarification. The bill on page 24, beginning in line 8, creates the authority to "establish maximum sales prices for such housing accommodations or unimproved lands," and so forth. I assume I am correct in the assumption that the authority is limited by subsequent language which confines this power to the resale of houses?

Mr. BARKLEY. Yes. There is no limitation, I will say, in the bill toward the first sale that takes place following the enactment of this legislation. If when this law is approved by the President and goes into effect, I own a house for which I paid $5,000, I can sell that house at any time during the 2 years—this of course is a 2-year period we are talking about—for $10,000, $15,000, or $20,000, if anyone is willing to pay me that price for it, but after I sell it for that price the purchaser from me cannot thereafter sell it at a higher price during the 2-year period, except that he is allowed the commission and brokerage fees that are customary in the community, and also he is allowed to charge for any substantial improvement he may have made in the house during the term of his ownership.

Mr. VANDENBERG. On page 25 at line 12, the margin of profit allowed in construction is set at a profit comparable to the profit in the calendar year 1941. Is that language susceptible of translation into any percentage?

Mr. BARKLEY. It might be. We all know that building costs are higher today than they were in 1941, and that a given house of identical size, character, and construction would cost more money now than it cost in 1941. There certainly is nothing in that language, in my judgment, that would prevent the allowance of a comparable profit upon it, based upon its original construction cost. In other words, if I built a house and sold it in 1941 and made $100 on it, I would not be compelled, if I built a $10,000 house, to sell it at only $100 profit.

Mr. VANDENBERG. In other words this is a comparable percentage profit?

Mr. BARKLEY. A comparable percentage profit; yes.

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

Mr. BARKLEY. I yield.

Mr. CORDON. If that be the meaning of the language, why not change the word "margin" in line 12, on page 25, to the word "percentage"?

Mr. BARKLEY. The word "margin" is a familiar term——

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

Mr. BARKLEY. I yield.

Mr. TAFT. I do not agree with the Senator's interpretation. I think "margin" means a dollar margin as a rule, rather than a percentage profit. If it means exclusively one thing, it means a dollar margin, in my opinion. I do not think, however, it makes very much difference.

Mr. BARKLEY. I think it makes little difference, but I do not think a man can be compelled to build and sell a house costing him $10,000 in 1946 or 1947 for $100 profit, because in the building of a $5,000 house in 1941 he received a $100 profit.

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

Mr. BARKLEY. I yield.

Mr. WHERRY. I am quite satisfied that in all the testimony we have taken relative to housing questions the witnesses made use of the expression "dollars-and-cents profit." May I respectfully point out to the distinguished majority leader that there certainly is a difference in percentage profit in the sale of a $5,000 house as compared to a $10,000 house or as compared to a $20,000 house. I think this should be dealt with percentagewise. The word "percentage" should be substituted for the word "margin." I hope the distinguished Senator from Oregon will offer an amendment to that effect.

Mr. BARKLEY. I will look into it, I will say to the Senator. I do not think it will make a great deal of difference so far as the ultimate result is concerned.

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

Mr. BARKLEY. I yield.

Mr. TAFT. I think there is a rather substantial difference. In other words, if a man made a $100 profit on a $5,000 house, in 1941, that house today would cost about $7,000, or at least a 40-percent increase in cost. Forty percent is a fair estimate. Under this language, I am sure OPA would limit the individual to $100, not to $140.

Mr. BARKLEY. I will say to the Senator from Ohio that, so far as I am concerned, I am perfectly willing to change the word from "margin" to "percentage." It might be subject to regulation and interpretation on the part of the Expediter, but it seems to me that the fair standard would be the percentage profit rather than a fixed sum, no matter what the house cost, because the risk is always greater the more money is put into a house.

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

Mr. BARKLEY. I yield.

Mr. CORDON. It occurs to me, Mr. President, that some care should be given with reference to that particular matter, if we do not use the word "percentage," because of the simple fact that the dollar which the builder gets as his profit is not the kind of dollar that he received in 1941. When he spends it he is not going to get for it what he got for a dollar in 1941.

Mr. BARKLEY. I appreciate that, and I have said that when we reach that point I am willing to have the word changed to "percentage."

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

Mr. BARKLEY. I yield.

Mr. BROOKS. Turning to page 40, line 3, paragraph (3) provides:

> Premium payments shall wherever feasible be applied at a uniform rate within any industry requiring them rather than at varying rates for each producer.

Does the Senator interpret that to mean that the Expediter must offer the same opportunity to increase production to all producers, or does he have a discretion to pick out certain producers, and all those that he picks out shall be given the same rate of premium?

Mr. BARKLEY. I do not see anything in this language that gives him the right to go into a neighborhood and pick out one producer and say, "If you increase your production, I will pay you this premium. I think the language means to take into consideration those within the industry. I do not think there would necessarily be a uniform rule applying to dealers in California and in Florida. But in the industry which is to be covered by the premium all must have the same treatment, and I think each has an equal opportunity to increase his production if he sees fit to do so and obtain a premium.

Mr. BROOKS. The Senator says discretion exists with respect to sections of the country, but that there is to be a discretion as between individuals.

Mr. BARKLEY. No; I was not speaking of discretion as between individuals. I was saying that the rate must be uniform.

Mr. VANDENBERG. And the eligibility must be uniform?

Mr. BARKLEY. Yes; the eligibility must be uniform. It would be unthinkable that any administrator would have the right to pick out one brick company in your town or in mine and say, "Now, you step up your production here and we will pay you a premium on all you make over and above what your normal production is," and leave everyone else out.

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

Mr. BARKLEY. I yield.

Mr. AIKEN. Would the same maximum sales apply to remodeled houses as

apply to new houses? By "remodeled" I mean taking a house that is not habitable at all and making it so.

Mr. BARKLEY. All old houses, even though remodeled, would come under the category of existing houses.

Mr. AIKEN. Quite a lot of that was done in New England. Old houses were acquired that had not been occupied in any way for a long time and were not habitable.

Mr. BARKLEY. That is true.

Mr. AIKEN. It usually costs 90 percent as much to remodel as it does to build new.

Mr. BARKELY. After a house has been remodeled the owner has the right to sell it for what he can get for it. There is no restriction on the initial price that can be obtained for a remodeled house. The restriction comes in after the initial sale following the remodeling.

Mr. AIKEN. For the first sale after the remodeling there is no restriction on the sale price?

Mr. BARKLEY. That is true.

Mr. FERGUSON. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. FERGUSON. The Senator has indicated that the Expediter may not select those who are to receive the premium payment. Would the Senator say that under the terms of this bill anyone could make application and offer proof that he was increasing his production above a certain amount, and that he would therefore be entitled to the premium?

Mr. BARKLEY. Yes, if the Senator is asking me the question. Anyone who is producing a given material is eligible. Let us say that there are three brickyards in a town, and that they are all producing. They are all eligible to share in the premium payments. If one of them does not increase production, it does not receive any premium payment. If the other two increase their production, they receive the premium payment. If the situation is such that a new plant ought to be established, the new plant has not produced anything. A new plant may be established, and it will receive a premium; but we have provided that in such a case it can receive a premium on only 50 percent of the total production. In other words, we do not propose to bring about the construction of new plants in competition with existing plants, and then pay the new plants a premium on all they produce, on the ground that it is an increase.

Mr. FERGUSON. I think the situation is clear as to new plants. However, I still feel that there is an uncertainty in the bill. The Expediter may determine that a premium should be paid for production above a certain point, and he will determine the point at which he will start the premium payments.

Mr. BARKLEY. The premium is to be paid upon all increased production. The Expediter must get the facts as to what the production was before the increase started; and, of course, he will obtain those facts by consultation with those in the industry. He may wish to make an independent investigation. I do not know how he would go about it; but he would wish to be sure, for example, if a factory is now producing 50 percent of its capacity and wishes to participate in the premium payments by stepping its production up to 75 percent of its capacity, that at the time the increase began the factory was producing at 50 percent of its capacity. In the interest of the public, and in order that the Government might not be in any way imposed upon, the Expediter would have to satisfy himself that at the time the increase began the factory was actually producing at 50 percent of its capacity.

Mr. FERGUSON. But no date is set for computing the premuim to be paid for production.

Mr. BARKLEY. No date is fixed in the law. Anyone would become eligible as soon as the law became effective. If he started the next day to increase his production, and the Expediter were satisfied of that fact, the producer would be entitled to a premium on the increased production. But no date is fixed in the law when the Expediter shall say that the incentive payment shall begin.

Mr. FERGUSON. Did I correctly understand the Senator to say that if a plant has a certain capacity, and is producing at 50 percent of that capacity, it can be paid for producing 25 percent more?

Mr. BARKLEY. Yes, if the plant produces 25 percent more than it was producing. The plant may be paid for whatever the increased production is, subject to the limitation that there cannot be paid to producers more than an over-all payment of 30 percent on the entire production of all building material. The Senator from Ohio [Mr. TAFT] spoke of the 30 percent as roughly one-third. Also, no new producer, who has not previously been in the business, may be paid a premium on more than half of what he produces. I think I am correct in that statement.

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

Mr. BARKLEY. I yield.

Mr. TAFT. I think there is a very wide discretion given to the Expediter as to what the base shall be, if that is what the Senator from Michigan is inquiring about.

Mr. FERGUSON. That is what I am inquiring about.

Mr. TAFT. The opinion of the Expediter as to what might otherwise be produced would permit him to adopt a number of different standards. He might, for example, adopt the total capacity as a standard and say that anyone who increases his total capacity by operating two shifts is entitled to a premium payment. My impression is that it would be based upon the actual production, either before the war, in 1941, we will say, or possibly the actual production today. It could hardly be based on capacity.

Mr. BARKLEY. I was using the word "capacity" simply as an illustration, in answer to the question of the Senator from Michigan. Premium payments would not be made on the basis of capacity but on the basis of increased production. I was using the illustration that if a plant were producing only half of what it could produce, and under this incentive it produced half as much again, the law would authorize, and the Expediter would pay, a premium on the increased production above the amount formerly produced, regardless of the capacity. I was merely using that as an illustration.

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

Mr. BARKLEY. I yield.

Mr. FERGUSON. The difficulty is in determining the base for increased production. Increased production over what? Full capacity or half capacity?

Mr. BARKLEY. Not full capacity, because if a plant were producing only 25 percent of its capacity, and the Administrator were to say, "We will pay you a premium on everything above full capacity," the producer would never receive any premium, because when we reached full capacity he could not go beyond it, and therefore there would be no incentive.

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

Mr. BARKLEY. I yield.

Mr. TAFT. If a plant is producing 50 percent of capacity, probably there is a reason why it is not producing more.

Mr. FERGUSON. Suppose the reason is price.

Mr. TAFT. It may be price. Obviously, a producer is not going to produce even 50 percent of his capacity at a loss. In any event, the price must be adjusted to a reasonable level. Possibly the reason why the plant is not running at full capacity is that much of its machinery is old and expensive to maintain, and it is not profitable to operate at full capacity. Possibly the reason why it is not running at full capacity is that in the particular neighborhood there is not sufficient labor, and labor must be paid more to induce it to come there, so as to get the additional production.

I believe that the criticism of the Senator from Michigan is justified. I think the thing is left wide open to the Expediter to decide what the base is to be. It might be prewar production. It might be present production. It might be capacity. It might be capacity of certain qualities. The Expediter might make a general rule. He might make many different rules. It must be admitted, therefore, that the provision is fairly wide open. Still, the general principle that a producer may be paid a premium only on increased production above something is a limitation of real value to those who do not want the program to go haywire.

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

Mr. BARKLEY. I yield.

Mr. PEPPER. I should like to ask the able Senator, to whom we are all greatly indebted for his good work on this legislation, two questions.

First, is there any limitation on the value of the house which a veteran may build under the terms of this bill?

Mr. BARKLEY. This plan contemplates houses costing $6,000 and under. There is another stepped-up category, up to $10,000, but this program is intended largely to cover houses, the cost of which does not exceed $6,000.

Mr. PEPPER. At the appropriate time I wish to ask consideration by the Sen-

ate of the wisdom of that provision. My own impression is that it is unwise to impose any financial limitation on the cost of the house. I know that in my State hardly any kind of a house can be built for less than $10,000. If a man were a lawyer or a member of one of the other professions, and had a moderate income, he might not wish to make an unwise investment by building a cheaper house. Today, a $6,000 house is not much of a house.

Mr. BARKLEY. The bill itself imposes no financial limitation.

Mr. PEPPER. For all practical purposes, there is a limitation.

Mr. BARKLEY. It is brought about through the exercise of the priorities under the jurisdiction of the Expediter. In certain cases he may go as high as $10,000. But we realize that this program is intended largely for the veteran of moderate or low income. It is not intended to get into the high-priced category of houses. The veterans for whom we are seeking to enact this legislation do not, as a rule, belong in that category.

Mr. PEPPER. If the Senator will further yield, we must remember that this is not an automobile which the veteran is buying, and which will last 2 or 3 years. The veteran is buying a home in which, in many cases, he expects to spend the rest of his life and raise his family. In my opinion, we impose upon him an uneconomical purchase if, for all practical purposes, we limit the cost of the house to $6,000. I would rather see a limitation of, say, $25,000. There would not be a large number who would want to build houses costing as much as $25,000. But if a veteran is able, on a long-time purchase basis, to undertake the construction of a $25,000 house to be his home for the rest of his life, I think he is entitled to it. I do not believe that the number of houses which would fall in the higher cost category would appreciably limit the capacity of the country to afford the necessary materials and labor for the other type of houses.

That is the first inquiry which I wish to make.

Mr. BARKLEY. Let me reply to that question. In the first place, if a veteran belongs in the $25,000 category, he can buy a house from anyone who has one to sell. There is nothing in this bill which would prevent him from buying a house anywhere he wanted to buy it.

Mr. PEPPER. Provided he pays two prices to the man who owns the house.

Mr. BARKLEY. He is not compelled to buy it. If he is in the $25,000 category he is not in great need, in the same sense that those in the lower income categories are in need. We are trying to do something to help veterans of low and moderate incomes to buy homes. It may be that in many cases a veteran might not buy as expensive a home as he might like to buy. He might contemplate that when his family increases a little over a period of years he would like to sell his house and build or buy another. But we are trying to meet an immediate need among a large category of veterans who are now wandering around with their families, trying to find places to live. When a veteran gets into the $25,000 class, I think he is not in great need. If he is in that class, he has a better chance than the average veteran does to buy a home by means of a voluntary transaction.

Mr. PEPPER. Mr. President, when I referred to a house in the $25,000 class, I mentioned that as an extreme maximum in the present period of inflation in real estate. We all know that today a house sells for roughly twice as much as it would have sold for in 1940; that when a man buys a house for $25,000 today, he is obtaining what is practically a $12,000 house, and that a man who buys a house for $6,000 today is obtaining one which would not have cost more than $3,000 before the war. But I do not believe the average veteran would want to limit himself to a house in the latter category. I want to see such small houses built; of course, we all do. It may be that if my figure of $25,000 is too high, I would suggest $20,000. But I do not think a house selling for $20,000 today is in the luxury class.

I think we should think of the veteran who wishes to obtain a house for himself and his family. He has as much right as anyone else has. Perhaps he or his wife has saved a little money, and perhaps they wish to buy a house in the $20,000 class. I do not think such a house is the sort that would be purchased by wealthy people, in view of the inflated real estate prices of today. That is why I suggest a limitation of $20,000 or $25,000.

Mr. BARKLEY. No limit is contained in the bill itself, and the Expediter could provide for a change as priorities become necessary. But the problem is to get houses for the larger group of veterans who do not belong in that class.

I realize that there is inflation in the price of real estate. That is why we inserted the provision that after the first sale of a house, there shall be no increase in the price if and when it is subsequently resold. That provision is inserted because of the present spiral in real estate prices, for in many cases the prices of houses have risen 75 or 100 percent. There have been frequent turnovers, and in many cases they have involved price increases of 50 percent, 75 percent, or 100 percent. We feel that subsequent sales should be made at substantially the prices provided under this bill for first sales.

Mr. PEPPER. I am in favor of that.

Mr. President, my attention was called to the case of a veteran at Miami, Fla., who wished to build a house in an undeveloped area. He tried every Government agency—the FHA and every other Government agency he could contact—in his effort to obtain assistance in building the house at the place where he wished to build it. But none of the Government agencies would lend any money on a house built in that area, and the FHA would not lend any money unless his house was to be one of a group of houses built in an approved area. I am not blaming that policy on the FHA; but inasmuch as this bill has been declared by the committee in its report as a veterans' housing program bill, I wish to ask the Senator from Kentucky if it is clear that the veteran will be judge of where he wants to build his own home, and that no governmental agency will be able to tell him where he has to build it.

Mr. BARKLEY. Of course, Mr. President, the veteran will be the judge of where he wishes to have his home built and of whether he builds a house at all, if he is building it himself. The only difficulty which might arise in respect to the desire of a veteran to build what the Senator from Florida referred to a while ago as an expensive home would be whether he could obtain priorities on account of the shortage of materials. But there is nothing in this measure or any other measure which would prevent a veteran from buying a lot anywhere he wanted and from building a house on it if he could obtain the materials.

Mr. PEPPER. I think there is, because the FHA will not give him insurance on it if it is not in a group of houses in an approved location.

Mr. BARKLEY. However, that is another matter, which is not dealt with in this bill.

Mr. PEPPER. I wish to have it dealt with in this bill, because I want the Congress to provide in this measure that if a veteran desires to build his home on a site which he approves, he will be able to build it there without having anyone else approve the site.

Mr. BARKLEY. I say to the Senator that the situation to which he refers exists on account of the housing program throughout the war.

Mr. PEPPER. I desire to have a statement on this matter placed in the RECORD, so that if the administrative agencies have this matter brought up, the RECORD will show that it is the intention to have this program and the benefits under this measure available to a veteran who wishes to build a house wherever he wishes to build it.

Mr. BARKLEY. Certainly.

Mr. PEPPER. Very well. I think that will be taken as authoritative in regard to the intention of the committee and of the Congress.

Mr. FERGUSON. Mr. President, I should like to return to the matter we were discussing. On page 39, in line 12, this provision is found:

(1) Premium payments shall be used temporarily only with relation to additional units of production beyond that otherwise attainable, where such premium payments are necessary to stimulate such additional production with greater rapidity, economy, or certainty than other available methods.

My point is that it would appear to me that that provision simply means that the Expediter could pay the premium whenever in his discretion he believed that the payment of more money to that producer would result in the production of more materials, because the provision ends in line 16 with the words—

or certainty than other available methods.

If any other available methods will result in the desired production, the manufacturer or producer will not receive any premium payments for obtaining additional production by means of the use of better machinery, more men, or more highly skilled men. Premium payments will be made only if money alone will

operate to provide the increased production. Is that correct?

Mr. BARKLEY. The incentive to produce more is money. That is the incentive of premium payments. Of course, the words "additional units of production beyond that otherwise attainable" must be interpreted reasonably. It is impossible in this measure to catalog all the methods by which production of additional units may be attained. But if it is necessary to use the method of premium payments in order to obtain production in addition to that otherwise obtainable by any other method, the Expediter is authorized to make such premium payments—and if the increased production is attained with greater rapidity, economy, or certainty than by other available methods. Those two conditions must be tied together.

The other available method might conceivably be an increase in prices. That would be one way by which increased production might be brought about; it would be another available method. That is why the Expediter is authorized, whenever he thinks it necessary, to order the Price Administrator to increase prices.

It might be that the construction of an addition to a factory would be another method of obtaining increased production, but the Expediter is not authorized by this measure to finance the construction of an addition to a factory. If the owner of a factory enlarged it, and if he were willing to enlarge his plant and increase the production of the plant on the basis of obtaining for the new products the same rate of pay while he obtained for the ones he had been turning out, of course he would not expect the premium payment—although if that were the inducement which led him to enlarge his factory, he would be entitled, just as anyone else would be, to have the current price increased over and above the price which he received for the products he had been producing.

Mr. FERGUSON. It is a fact that this measure gives the Expediter the right to order the OPA to grant an increase in price. That being true, under the section I just read, provision is made for an increase in price in order to increase production. Does the Senator think such a provision will deter the Expediter from ordering the OPA to increase prices in order to obtain greater production? It seems to me that the Expediter would say, "I will use the $600,000,000 to provide an increased price to be paid to those from which I wish to obtain increased production," rather than to use it to provide for an increase in price all across the board as the result of an order by the OPA.

Mr. BARKLEY. I do not think so. The Expediter will have to grant an increase to all in a certain category; it will have to be uniform. He could not pick out one or two lumber mills or brickyards. The increase must be uniform. There is to be uniformity of eligibility.

If the operator of a given plant or factory saw fit to enlarge his plant or to build an extra shed or something of the sort, in order to increase production, he would not obtain any financial assistance from the Expediter in connection with increasing the size of his plant. But he would receive a premium payment for all production which represented an increase caused by the increase in the size of the plant.

Mr. FERGUSON. Mr. President, I am sorry that I cannot see that under this clause the Expediter would be compelled to make the premium payments to anyone to whom he did not in his discretion want to make them. It seems to me he could always say, "In my opinion you can increase your production regardless of an increase in pay, and therefore I will pay only the one who I believe can only by an increased payment produce more." That would be a detriment to a price raise across the board.

Mr. BARKLEY. The Senator is assuming that the Expediter will go to someone and say, "I do not want you to increase your output because I do not want to pay you any premium." But, if the producer does increase his output he is entitled to the same consideration that every other producer of a similar article is entitled to receive. I do not think the bill would give the Expediter any authority to act arbitrarily.

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

Mr. BARKLEY. I yield.

Mr. WILLIS. In the event that a premium payment is allowed to a producer so as to stimulate the production of articles of which there is a shortage, and he transfers all his operations to the production of an article with reference to which a premium is allowed, and as the result a shortage should develop along other lines, what would be the remedy?

Mr. BARKLEY. Does the Senator mean that the producer has a plant in which he is producing brick and lumber, and that if there is a greater shortage of brick than there is of lumber, the operator of the plant would start producing brick altogether, and therefore he would receive a premium on the increased output of his brick? Is that the situation which the Senator has in mind?

Mr. WILLIS. Let me put it in this way. Suppose the operator of the plant is producing flooring which is needed. Also assume that we are short of siding.

Mr. BARKLEY. If there was a greater shortage of flooring than there was of siding and the Expediter felt that there was a greater need for an increased production of flooring than of siding, he would be entitled to grant a premium payment for the increased production of flooring. Although I do not think that the Expediter would be authorized to enter into a contract by which any producer would cease producing a certain article in order to concentrate on the production of another article and receive a premium on the larger production.

Mr. WILLIS. There is no protection in the law against it.

Mr. BARKLEY. No; but the Senator must assume that the Expediter will exercise his authority in a reasonable and common sense manner. We cannot always write into the law provisions which will take care of every situation which might conceivably arise with respect to the execution of an official's authority.

Mr. WILLIS. The question in my mind is whether we will not make confusion worse confounded.

Mr. BARKLEY. No; I do not believe so.

Mr. WHERRY. Mr. President, with further reference to the question which was propounded by the Senator from Michigan as to the method by which the Housing Expediter might go to a certain producer with the offer of an incentive payment, I understood the answer of the majority leader to be that the Expediter would not make such a selection, but that the increase would be applied industry-wide.

Mr. BARKLEY. That is correct.

Mr. WHERRY. I suggest to the majority leader that at the present time where they are justified, we are granting increases in prices on application. Allow me to give an illustration. Here is a producer or a distributor—will the Senator from Kentucky give me his attention?

Mr. BARKLEY. I am listening.

Mr. WHERRY. The gentleman sitting near him can give the Senator the answer later on.

Mr. BARKLEY. If the Senator is trying to be facetious, and smart alecky, he may do so, but I was asking the clerk who sits near me to what section of the bill the Senator was referring.

Mr. WHERRY. There is no section in the bill that has anything to do with what is the continual practice of the OPA. I do not mean to be facetious, but I do wish the Senator to give me his attention.

Mr. BARKLEY. The Senator did not have to say that I was getting the answer from the gentleman sitting beside me. If I get the answer and it is correct, I do not see what difference it makes whether I get it from the gentleman who sits beside me, or from what source it may come.

Mr. WHERRY. Now the Senator is being facetious.

Mr. BARKLEY. Has the Senator completed his statement?

Mr. WHERRY. Yes. I suggest to the majority leader that the OPA is continuing to follow the practice to which reference has been made, and for many months has deliberately awarded an increase of a certain price to an individual, whereas his competitor across the road could not obtain it. The competitor was putting into effect within his plant an efficient production schedule, and making an article needed in building construction. He could not obtain an increase in the price which he charged for the article, but the man across the street who was engaged in the same kind of production was allowed an increase.

Mr. BARKLEY. Of course, the Senator is talking about the OPA which operates under a law authorizing it to deal with hardship cases. There is no hardship provision in this bill. The Expediter may not go to a brick or lumber manufacturer, or plywood manufacturer, or the manufacturer of some other material and say, "You are in hard luck, old boy; I want to give you an increase in price, or give you a premium." The OPA can deal with individual cases in which hardships are involved, but the

pending measure does not make provision for such procedure.

Mr. WHERRY. Mr. President, there is no provision in the bill which would prevent the Housing Expediter from following such a procedure.

Mr. BARKLEY. There is a provision which says that premium payments shall be uniform.

Mr. WHERRY. Yes, but only to the extent of 30 percent of the entire material.

Mr. BARKLEY. The entire premium payments may not go beyond 30 percent of the whole. That does not mean that discrimination may be practiced. The entire amount may not be more than 30 percent of the entire production.

Mr. WHERRY. Under section 2 of the bill the Expediter may grant increases by the incentive price method.

Mr. BARKLEY. Oh, no.

Mr. WHERRY. I withdraw the word "incentive." I refer to the flexible pricing system which is now in effect.

Mr. BARKLEY. Under the section to which the Senator refers the Expediter may order and compel the OPA to grant an increase in price. That has nothing to do with incentive payments. The same rule would apply as would apply to any other increases in price. However, that is different from incentive payments. The incentive payment is uniform.

Mr. WHERRY. I agree with the Senator, but the method is the same as the one which is being suggested in the pending measure. The very method which is described in section 2 in connection with increasing over-all prices is the method used by the OPA at the present time. Those matters arise under individual applications.

Mr. BARKLEY. That is true. They may arise under individual applications which would apply in hardship cases, but they may also come up under industrial applications which would apply to all industry of a given type in a given region. There was, for example, an application with reference to the Western Pine Lumber Association, which was separate from the one made by the Southern Pine Lumber Association. Each made individual applications. Their freight rates may be different, and other factors which enter into pricing may be different.

Mr. WHERRY. We not only have the Western Pine Lumber Association, but also thousands of individual applications asking for price increases.

Mr. BARKLEY. I presume that in ordering the Price Administrator to increase prices the Expediter would be governed by the same background and the same foundation as would be considered in connection with increases which are allowed now.

Mr. WHERRY. That is right. So, in those cases in which increases should be granted, the one who makes the application, as pointed out by the Senator from Michigan, will be granted an increase. So in reality the Housing Expediter does have such control and will grant an increase where he thinks it is necessary.

Mr. BARKLEY. He has the authority to do so.

Mr. VANDENBERG. Mr. President, I wish to revert to the language which my able colleague was discussing.

Mr. BARKLEY. To what page does the Senator refer?

Mr. VANDENBERG. Page 39, in line 12. "Premium payments shall be used temporarily only" under certain circumstances. What are those circumstances? Only when there is no other way to get greater rapidity, or economy, or certainty in the production of housing? Does the language mean that premium payments are the last recourse after other methods of stimulating production have been exhausted? For example, does it mean that if repricing would produce increased production more rapidly than would premium payments, the Expediter would be instructed to use repricing?

Mr. BARKLEY. I think this language is bound to be construed to mean that premium payments are, in effect, the last resort, where other methods, reasonable methods, have been exhausted. I do not mean to intimate that an enormous price increase should be put into effect in order to induce someone to increase his production. It should be done on the reasonable and proper and ordinary market value of a thing in order to get the necessary materials for which the veteran, whose homes we are seeking to construct, would have to pay. It would lead to an unconscionable tax upon him if the Expediter should compel the OPA to authorize an unreasonable increase in the price of something in order to bring it on the market, where it would increase the cost of the houses which we are seeking to have built. I think the language here means, in effect, that all other reasonable means must be exhausted before the premium payment is put into effect to bring about rapid and economical production.

Mr. VANDENBERG. If the Senator's interpretation is correct, it would remove about 80 percent of my prejudice against the incentive-payment idea.

Mr. BARKLEY. I am disappointed to find that the Senator has any percentage of prejudice.

Mr. VANDENBERG. I do have nearly 99.47 percent. I am that pure in my approach to the subject.

What I had feared was that this would be read as authorizing an immediate excursion into premium payments, willy-nilly, regardless of whether under section 2 (b) (2) perhaps the result could be achieved a little better, more rapidly, and with reaonably comparable economy, by repricing. Now, as I understand the Senator he would say to me that if repricing could produce greater production with equal or greater rapidity and within a reasonably economic range, it would be the duty of the Expediter to experiment with repricing before he experimented with premium payments.

Mr. BARKLEY. Yes; but that would naturally be subject to this qualification: If in any case the process through which repricing would be available would bring about such a delay as to nullify the word "rapidity," I think the Expediter would not be justified in waiting an interminable length of time in order to bring about repricing, and get all the facts that would justify it. In that case the terms in which this language is couched would not be fulfilled, but if he can get it with rapidity, with economy, and with certainty, I certainly think it should be restored to before the premium method is indulged in.

Mr. VANDENBERG. Of course, it does not say with rapidity and economy and certainty. It says with rapidity or economy or certainty.

Mr. BARKLEY. Any one of them is important.

Mr. VANDENBERG. The Senator's construction is very interesting to me, and I hope that if the bill is passed we are to proceed under the general interpretation which he indicates.

Mr. BARKLEY. I appreciate the Senator's question and his comments. Of course, the Senator knows I am always interested in his opinion and glad to have his intellectual alacrity brought to bear upon any bill with which I have anything to do.

Mr. HICKENLOOPER. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield, although I wish to yield the floor pretty soon.

Mr. HICKENLOOPER. This matter of repricing as a means of attaining production is certainly one which has appealed to me as being a very important element. I am not at all satisfied, and was not in the committee, with the $600,000,000 subsidy, or, as it is called, premium payment, which is a new, fancy name for subsidy, in my opinion, but amounts to the same thing. It is a payment of public money in order to acquire a certain production result. If that were necessary to acquire increased production, that would put a different light on it, in my opinion, but I cannot satisfy myself that the payment of premiums will increase production.

Let me give the Senator an illustration. I have some examples on my desk now of the situation I am about to describe, statements of some millwork companies, which today are producing about 25 percent of their capacity. They are old companies, some of them as old as 50 years. They cannot produce more than about a quarter of their capacity because they are losing as much now as they can afford to lose and keep their doors open. If they had a price that equaled at least the cost of production, they would be producing today, as I understand, at full capacity, without any premium payments.

There are lumber mills in certain places which today are completely shutdown because, as I am informed, they cannot produce and get their money out of the product. The OPA refuses to allow them a price which equals at least cost of production plus a modest profit.

The reason why I am confused about the premium payment proposed is that I cannot see how it will help the condition I have cited involving extra cost of production. I cannot see how a premium payment will cause extra production over and above the normal production on the part of those who, I am convinced in many instances, are at present losing

money. I cannot see how the Expediter is going to work that out.

Mr. BARKLEY. Has the Senator finished?

Mr. HICKENLOOPER. I am asking a question. In other words, if a man is in half production today and losing money, if he increased the other half——

Mr. BARKLEY. There is a question of how many are losing money, and what they are losing is a matter in dispute.

Mr. HICKENLOOPER. I am not asserting they are all losing money.

Mr. BARKLEY. In the case to which the Senator refers the company would receive a premium payment upon the increase above what it is producing now. It would have that incentive to increase its production, and when it added its increased production to its present normal production, and then added the incentive payment to the price which it is now receiving, the average it would receive would be greater than it is now obtaining. It may be that in that case there should be an increase in price.

Mr. HICKENLOOPER. That is what I am inquiring about.

Mr. BARKLEY. It may be that there should be an increase in price, but if there is no increase in price, and the plant increase its output, it will receive for the added production, over and above what it is now receiving on the market, the premium which will be paid, the addition of which will raise the average price of all it produces.

Mr. HICKENLOOPER. If a plant is producing today at 50 percent capacity at a loss, certainly there is no inducement for it to go ahead and produce 100 percent capacity, if on the last 50 percent it gets only enough to keep its nose above water.

Mr. BARKLEY. If it got a premium on the last 50 percent——

Mr. HICKENLOOPER. If it could stop making the first 50 percent and concentrate on the last, it would be all right.

Mr. BARKLEY. A man might produce what he is already producing at a loss, and if the premium he gets on the amount by which he increases his production would raise his average so as to put him in the black instead of the red, he certainly would be helped by the situation.

Mr. HICKENLOOPER. I had hoped the arrangement would be put on this basis—and I am not saying the Senator from Kentucky is putting it on any basis other than what is required by the bill—that, taking 100 percent of capacity, in the case of a plant, or an establishment of any kind, operating, for instance, on the basis of an 8-hour day or 40-hour week, the premium payment would be used to induce that plant to go, for example, on a 48-hour week, or a 52-hour week, and the increased cost over and above the cost of the 40-hour week would be taken up by the premium payment. That, of course, would presuppose that the 40-hour week was profitable for the company. If a 40-hour week should be unprofitable, if the plant could not make money on its product at the price allowed, then certainly the increased increment over and above 40 hours to 48 hours a week would not bring them out of the red.

Mr. BARKLEY. In that case suppose the plant is running on a single shift. We might even say that it is running at full capacity on a single shift, but by doubling the shift or trebling the shift it could produce more. It would be entitled to a premium on the amount by which it increased, by employing two or three shifts, what it was producing by the use of one shift.

Mr. HICKENLOOPER. As I understand, it would be entitled only to the increased dollar cost of running two shifts or three shifts as compared to the cost of running one shift.

Mr. BARKLEY. The premium payment accorded by the Expediter would be a uniform payment to all those eligible in the particular industry, whether they were running one shift or three shifts. Therefore, it would not be predicated so much on a dollar basis of pay, or on a 40-hour basis. The Expediter would base his premium payments upon whatever he thought was reasonable to induce increased production, and whether the increased production were brought about by doubling the shift or trebling the shift, or by any other method by which the production was increased, the plant would be entitled to the premium upon the excess amount.

Mr. HICKENLOOPER. I have understood the discussion today on this matter, but I was not in the committee when that particular phase of it was considered. It was my understanding in the committee that it was to be used to take up or to compensate for the extra cost over and above the normal, ordinary process necessary to produce an article.

Mr. BARKLEY. That might be true in a case like the one cited. It might cost more per unit, temporarily, based upon a two- or three-shift day, than on a one-shift day, and there might be increased cost per unit for a while. In every reorganization and reshuffling of a plant there is necessarily an increased cost per unit.

Mr. HICKENLOOPER. Getting back to the question of price, let me say that I have always been of the opinion that with the known demand by the public for building materials of all kinds, action should have been taken long ago. Letters I have received from lumber plants, the retail outlets, say that people come into them every day wanting lumber, but they cannot furnish their customers with lumber. The lumber producers say, "We could be producing and our mills would be running; we would rather have our plants operating than being idle, but we cannot operate and turn out the lumber in many instances at a profit at all. We have to turn it out at a loss. Therefore we cannot produce."

It would seem to me that some months ago we should have tried out at least a price adjustment between, for instance, rough lumber and siding, or rough lumber and flooring, to see whether that would not start production. It is my opinion, based upon the information I have been able to obtain from the retail outlets and from the mill operators themselves, that the wheels would have been turning 100 percent and they would have been getting somewhere near the 30,000,000,000 board feet capacity which they have, if that plan had been tried out.

Mr. BARKLEY. That is a speculative matter. I once delivered a speech in which I speculated upon what would have happened in the world if something else had happened which did not happen. It is a very interesting field for speculation. One could speak on ad infinitum and almost ad nauseaum on that subject. But I cannot answer that. I do not know what would have happened if something had happened 6 months ago that did not happen.

Mr. HICKENLOOPER. It is quite a serious question in our economy.

Mr. BARKLEY. We all know, regardless of the criticism that is heaped on the OPA from day to day, that the process by which they obtain information in order that they may render a decision on a matter is sometimes long drawn out. I myself have complained at times because it took them too long to reach a decision, but I think they try to get the facts before they reach a decision.

Mr. HICKENLOOPER. Have we any assurance that the Expeditor will use any different method than the governmental-machinery method the OPA has used? If he does not, we will never get around to expediting the building of houses.

Mr. BARKLEY. The very title "Expediter" carries with it the connotation of expedition.

Mr. HICKENLOOPER. It is a nice word.

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

Mr. BARKLEY. I yield.

Mr. BUCK. Is it not the understanding of the Senator from Kentucky that the Expediter has the authority to raise to the manufacturers the sales price of their goods even over the objection of the Administrator of OPA?

Mr. BARKLEY. Yes. We have been discussing that today, I will say to the Senator. The Expediter in this bill is given authority to compel the OPA to do so.

Mr. BUCK. And if he exercises such authority there will probably be very little need for the use of any of the $600,000,000 provided in the bill?

Mr. BARKLEY. That will depend. He has to feel justified that in any individual industry the price increase is a proper one, and that it will not increase the ultimate cost to the veteran so greatly as to prevent the economy in construction costs which we are seeking to attain. But the Expediter does have full authority with respect to any industry to order the Price Administrator to increase prices, and the Office of Economic Stabilization cannot nullify the Price Administrator's order.

Mr. BUCK. He ought to have that authority, and I contend that if he uses it he will not have much need for the money provided in the bill.

Mr. BARKLEY. I think he can minimize the necessity for using this fund by the exercise of the power we have given him.

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

Mr. BARKLEY. I yield.

Mr. AIKEN. I have understood all along that this is a bill to provide housing for the ex-servicemen at reasonable cost. But all the argument I have heard here since 12 o'clock is concerned with the profit that is going to be made by the manufacturer, the contractor, or the lessor of the house after it is built.

Mr. BARKLEY. I hope the Senator will not say "all the argument" he has heard here today.

Mr. AIKEN. I mean all the argument directed at the Senator from Kentucky, if that will please him any better?

Mr. BARKLEY. Yes.

Mr. AIKEN. I wondered if the committee had any testimony to the effect that the $600,000,000 would result in holding down the cost of the houses to the servicemen, and whether weight was given to the possibility that the subsidy might enable the serviceman to get a house at a price within his reach.

Mr. BARKLEY. I stated earlier in my remarks in my effort to explain the bill, that without this $600,000,000 the increased cost of building materials going into the houses we seek to build for veterans would be $2,200,000,000, and that that would come out of the pockets of the veterans, which would average about $500 a house they would have to pay over and above what they would have to pay if, out of the Treasury, it should be found necessary to spend all the $600,000,000 provided by the bill. I emphasized that fact, and it was emphasized in the testimony before the committee, and the committee not only took that into consideration, but I think acted upon it in a wise and judicious manner.

Mr. AIKEN. I thank the Senator from Kentucky. I am very glad——

Mr. BARKLEY. In view of the fact that we are seeking to provide houses for veterans who went away from their homes and fought all over the world, leaving civilians at home to occupy all the houses which were available, and which are still available, it seems to me, that as a part of the war obligation which we owe to them we ought not to quibble about the possibility of spending $600,000,000 to get 2,700,000 homes for them—and even that number is not sufficient—rather than require price increases on building materials in order to build these homes that would cost them an aggregate of $2,200,000,000. That is the way I feel about it, and that is the way I believe the committee felt about it.

Mr. AIKEN. I am glad to have the explanation of the Senator from Kentucky, and to learn that, after all, the matter of homes for veterans is the prime motive of this bill rather than the matter of profit for contractors.

Mr. BARKLEY. Absolutely. This bill would not be here if it were not for our desire to provide homes for veterans.

Mr. AIKEN. I realize that.

Mr. BARKLEY. And if it were not for the fact that the overwhelming testimony, the uncontroverted testimony is that they need these homes and need them now.

Mr. AIKEN. Every one of us knows that they need them.

Mr. BARKLEY. Every one of us knows that they need them. We do not even have to have testimony to show that.

Mr. AIKEN. I realize that a manufacturer, or one engaged in the business of real estate, or the lessor of a home has to make a profit in order to live, but I think that we should consider this bill primarily from the point of view of the effect it will have in providing low-cost homes for the servicemen who, as the Senator has suggested, have fought for this country all over the world, and now come home, some of them bringing with them new families, and finding no place to live except to go home and live with the mother-in-law or with some other relative.

Mr. BARKLEY. I might say that even if we complete this program and build 2,700,000 homes for veterans at the end of 1947, there will still be about 2,000,000 families living in doubled-up accommodations, and most of them will be veterans.

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

Mr. BARKLEY. I yield.

Mr. AUSTIN. I desire to ask a question for information. In the paragraph which is being discussed on page 39, lines 12 to 16, it seems to me that the important word is "certainty." I should like to have the distinguished Senator's views about its use here. To bring that out I ask this question: Will it not be true in the operation of this act that always, under any and all circumstances, premium payments will be "necessary to stimulate such additional production with greater * * * certainty than other available methods"?

Will not that always be so?

Mr. BARKLEY. Of course, there are a great many elements which enter into this matter. One is economy. I have already alluded to that. The economy we are talking about here is the economy to the veteran in the purchase of his home. Undoubtedly the payment of premiums that hold down the over-all price of building materials will result in the building of a house that will be more economical to him. The testimony shows, and the facts are, that it will make a difference of about $500 in the cost of a house ranging in cost around $6,000. These premiums are to be paid "where such premium payments are necessary to stimulate * * * production with greater rapidity," with greater economy—the economy being to those who are going to buy these homes, and greater certainty. That is, we are actually going to accomplish that. We do not have to speculate about it. If those things, or any one of them—rapidity, economy, certainty—form the background for the payment of these premiums, then the premiums will be justified and be paid.

Mr. AUSTIN. Does it not lead to the conclusion that the premiums will be paid in any event, because of the word "certainty"?

Mr. BARKLEY. I think the chances are that the premiums will be paid up to the amount involved in the bill. I myself hope they will be paid, because it will result in enabling the American exserviceman for whom we are seeking to legislate, to buy a home more economically than he could buy one if he had to pay the increased cost of building materials.

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

The PRESIDING OFFICER (Mr. CARVILLE in the chair). Does the Senator from Kentucky yield to the Senator from Nebraska?

Mr. BARKLEY. I yield.

Mr. WHERRY. If I correctly understand the majority leader, no attempt will be made to adjust prices, as provided for in subsection 2 on page 22?

Mr. BARKLEY. The Senator did not correctly understand.

Mr. WHERRY. Let me ask the majority leader a question. How can he harmonize subparagraph (1) under subsection (b) on page 39 with the statement which he made this morning, that he expected that the incentive program would be started immediately because it would be impossible to make price adjustments in time?

Mr. BARKLEY. I have never contemplated, and I do not now contemplate, that the Expediter will resort only to price increases, notwithstanding the authority which he would have to order the OPA to increase prices. I do not expect him, and I would not want him, to resort solely to the device of price increases, because that would result in an additional expense to the veterans in whose behalf we are legislating of $500, on the average. But that does not mean that under certain circumstances and in certain categories the Expediter may not order an increase, when he thinks it is justified, and when it may supplement the program which we are outlining by the provision for premium payments.

My reply to the Senator from Vermont is in no way to be interpreted as meaning that the Expediter would never use the authority given him on page 22, because if he never expected to use it there would be no point in putting it in the law.

Mr. WHERRY. I gather from the remarks of the distinguished Senator that he wants to afford relief to the veterans, and that he believes that the best way to do it is through incentive payments.

Mr. BARKLEY. I think that is the most rapid way to do it.

Mr. WHERRY. That brings me back to the question which I asked earlier. There is no inducement to the Housing Expediter to raise prices or to afford an opportunity for the production of lumber on the profit-motive basis, by increasing prices, because the Expediter will use the incentive route.

Mr. BARKLEY. The Housing Expediter is not going to take over the functions of the Price Administrator. He is going to act in cases in which he thinks he should act. He is not going to assume the over-all duties which are incumbent upon the Price Administrator. These two things go along together. My own judgment is that the incentive payments are more important, and that they will produce houses more rapidly, more certainly, and with greater economy to the veteran than would price increases if we could bring them about tomorrow in every field of building materials. That is what I think about it. Therefore, I hope that he will not necessarily use the whole

$600,000,000, but that the Expediter will use it insofar as it may be necessary to bring about the production of building materials and the construction of houses for veterans so that they may purchase them without unnecessary price increases.

Mr. WHERRY. Mr. President, will the Senator yield for one further question?

Mr. BARKLEY. I yield.

Mr. WHERRY. In the light of that explanation, taking the language on page 39, in subparagraph (1) of subsection (b), with respect to what materials—lumber, brick, or other materials—would the Senator start immediately to make incentive payments in order to obtain production? The language, on page 39, is:

> Premium payments shall be used temporarily only with relation to additional units of production beyond that otherwise attainable.

Mr. BARKLEY. I do not know on what building materials the Expediter would first pay a premium. I do not know that he would know the answer to that question if he were asked.

Mr. WHERRY. He could not know until he gave opportunity, under subparagraph (2), on page 22, to get production on the profit-motive basis.

Mr. BARKLEY. He is supposed to exercise his authority with some common sense and judgment. He certainly would not throw the $600,000,000 out the window and then say to Chester Bowles or Paul Porter, "Increase all prices. We want to build houses, no matter what it costs." We do not expect him to do that.

Mr. WHERRY. I think the answer is that he will pay the incentive rather than raise prices. That is the point which I made earlier in the discussion.

Mr. BARKLEY. It may be. I cannot predict what he will do.

Mr. WHERRY. There is no language in the bill to compel him to exercise control and ask the Price Administrator to give us a flexible pricing system which will allow production at a profit based upon current costs. He merely starts with an incentive program. If I correctly understand the distinguished Senator's interpretation, he starts in violation of the provision on page 39, in subparagraph (1) of subsection (b), which provides for the use of incentive payments only when it has been demonstrated that he cannot get production under a price-fixing program, which he could compel the Office of Price Administration to initiate.

Mr. BARKLEY. I am not predicting, and I doubt if Mr. Wyatt—if he is to continue as Expediter—could predict now how many price increases he will recommend to the OPA or order to be put into effect. I do not know. Neither do I know upon what commodity he will first begin to make a premium payment, or whether he will use the whole $600,000,000. No one can prophesy about that now. But we have placed this particular provision in the bill so that he may exercise that authority if in his judgment there ought to be price increases in certain categories of building materials, and I am sure that he will exercise the authority with judgment and discretion, and with fairness toward all concerned.

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

Mr. BARKLEY. I yield.

Mr. SALTONSTALL. Earlier in the day I called the Senator's attention to subsection (d) of section 7, on page 31, which has to do with a violation of the regulations, and a civil action by the buyer against the seller. I ask the able Senator if he feels that that paragraph is clear. It does not seem clear to me. While this is perhaps a very small subject, it seems to me that that paragraph should be rewritten if it is to be included in the bill.

First, it provides that the buyer may have 1 year in which to bring action. On the next page, page 32, it is provided that if the buyer fails to bring an action within 60 days the Expediter may bring such action on behalf of the United States; but it does not say to whom the damages shall go if the Expediter brings the case, and it does not say whether the Expediter shall recover treble damages, as would the buyer. It seems to me that that provision should be rewritten if it is to remain in the bill.

Mr. BARKLEY. I thank the Senator. That provision may need some clarification, and I shall be glad to give it thought.

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

Mr. BARKLEY. I yield.

Mr. REVERCOMB. A number of times the able Senator from Kentucky has referred to what will be done for the veteran, and for the benefit of the veteran. Of course, the bill bears the very attractive title of "Veterans' Emergency Housing Act." Is not the bill for the purpose of providing housing for all persons, veterans as well as nonveterans? Is it not for the benefit of all the people of the country?

Mr. BARKLEY. This bill is for veterans.

Mr. REVERCOMB. For veterans only?

Mr. BARKLEY. Yes. That does not mean that others may not obtain houses; but the priorities to be issued are to be in behalf of veterans.

Mr. REVERCOMB. I invite the Senator's attention to page 28, under subsection (b) of section 4. I read beginning with line 9:

> (b) In issuing any regulation or order allocating or establishing priorities for the delivery of any materials or facilities under this section, the Expediter shall give special consideration to (1) the general need for housing accommodations for sale or rent at moderate prices, (2) the need for the construction and repair of essential farm buildings, and (3) satisfying the housing requirements of veterans of World War II and their immediate families.

Mr. BARKLEY. Clauses (1) and (2) were placed in the bill by the House. When we added clause (3) the draftsmen failed to put it in its proper place. Clause (3) belongs where clause (1) is. I will say to the Senator that it is my purpose to transpose those clauses so as to give emphasis and priority to veterans and their families.

Mr. REVERCOMB. I thank the Senator. As the bill is written, the veteran is not given priority. He is put in third place.

Mr. BARKLEY. That subsection as it appears in the bill gives a false impression. Due to a mistake in draftsmanship clause (3) was not placed where it should have been placed.

Mr. President, I have taken more time than I intended to take. I feel that this bill, with the provision for incentive payments, will bring about increased production of building materials more readily, more economically, and more certainly than would any other method that has been devised or that can be devised. Therefore, I hope that the Senate will adopt that provision of the bill.

There has been a pyramiding of the prices of existing houses. A survey was made all over the country, in approximately 100 cities, to ascertain the facts as to the increase in prices of existing houses. The reports which were made showed that since 1941 existing houses have increased in price all the way from 25 to 100 percent, and in some cases more than 100 percent; and that even since VJ-day prices of existing houses have increased from 10 to 25 percent. Therefore, we have placed in the bill what seems to me to be a very mild ceiling on the prices of existing houses. There is no ceiling on the first sale. A man who owns a house for which he paid $5,000, 5 years ago, or 3 years ago, may sell it for $15,000 or $20,000 if he can find a purchaser. But after that sale the price may not be increased over that ceiling during the life of the act, which will expire at the end of 1947.

Inasmuch as the same situation exists with respect to building lots in cities and the outskirts of cities contiguous thereto, which are suitable for subdivision, and inasmuch as the price of the lot enters into the ultimate cost of the property and determines the ability of the veteran to buy a home, we have made the same provision with respect to unimproved building lots in cities and on the outskirts of cities, which are subject to subdivision, so as to provide that after the first sale of such a plot of ground following the enactment of this legislation—and the first sale may be at any price agreed upon between the purchaser and the seller—thereafter, during the life of this act, that price shall be the ceiling for that particular lot. In the cases of houses, the customary commissions are allowed in addition to the price, and allowance is made for any substantial improvements which the owner has made to the property during his ownership.

Mr. President, I apologize to the Senate for taking so much time. I hope that the questions and answers have been helpful, and I hope that we may speedily enact this legislation to bring about the remedying of a very great—and in perhaps hundreds of thousands of cases drastic and tragic—dislocation among those upon whom we have depended to defend our country, and who are anxious to own homes and establish themselves and their families, to the end that we may have a greater contentment

among the citizens of this country and a greater appreciation of the opportunities for which the veterans have fought all over the world to preserve the things that we hold dear.

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

Mr. BARKLEY. I am about to yield the floor; but I yield.

Mr. TAFT. The Senator from Kentucky has not commented on what I think is the most doubtful part of the bill—namely, the last section, which deals with the guaranty of a market for prefabricated houses and new materials.

Mr. BARKLEY. I intended to comment on that, but I have already taken up so much time that I thought perhaps I might desist.

I did incidentally comment upon it earlier in the day by remarking that the materials provided for in the section to which the Senator from Ohio has referred—the one relating to prefabricated houses and new materials—involved a field in which there has not been great development. I realize that a start was made several years ago to build what were called prefabricated houses; in other words, houses built largely out of the same materials that would be used in building a house on a lot, but put together at a factory and shipped to the lot and put together on the lot by mechanics. Such a system produces a house which looks the same as a house which is built bit by bit on the site, provided the same materials are used. But there has been some timidity and some hesitation with respect to embarking very largely in the production of what are called prefabricated houses, that is, houses built at a factory, shipped knocked down, and assembled or put together on the lot, using some of the same procedure that is used in assembling automobiles at an assembly plant. After such houses are completed, they look as if they had been actually built on the lot.

Furthermore, Mr. President, there is a field in regard to new materials. I do not know to what extent such materials have been involved in the construction of houses, because I am not a builder and I have no connection with building associations; but I do know that experiments are being made with new materials. Some of the materials are represented as being as durable as brick or stucco or any other building material. But there has been timidity with respect to the acceptance of such materials by the general public.

The total number of the prefabricated houses to be built under the 2-year program is 850,000. In order to induce builders to erect them and make them available to veterans—and they are for veterans—we provide that 850,000 of them are to be built, although under the program at no time will there ever be an outstanding guaranty in regard to more than 200,000 of the prefabricated homes. That provision is made simply for the purpose of inducing those who are engaged in the production of such prefabricated houses to do so on a larger scale, so that the houses may become more immediately and more numerously available. In order to induce them to do that, we provide in the bill for the guaranty. It is provided on the same principle that was followed when we guaranteed loans made by banks under the FHA. The same principle applies, there is nothing particularly different. At no time can the guaranty cover more than 200,000 of such houses.

Some losses might be sustained by the Government. No one can tell. Now and then, the Government might have to take over some of the houses. Of course, if the Government took them over, it would take them over at less than the cost of the guaranty, and therefore the Government might be able to dispose of them ultimately without loss. But such a conclusion is speculative. I would not stand here and guarantee that the Government would never have any loss on account of these houses.

The sole purpose is to encourage the use of new processes, new materials, and new methods by which it will be possible to make new houses available more rapidly. The houses will be just as good as those previously erected; but, as we realize, there have been timidity and lack of assurance and initiative in regard to the construction of such houses and the use of such new processes and materials. This provision is made so as to induce people to proceed with the construction of such houses and the use of such materials.

Many houses of that sort have been built, and now are scattered all over the country. I have seen them in various cities. They are good looking, they are convenient, they have all the attraction which would be expected to be found among a diversity of houses built plank by plank and brick by brick on the sites. But there has been a fear that if the builders went too rapidly into the production of the prefabricated houses, perhaps not all of them would be sold, and there might ultimately be a loss.

Therefore, we have included in the bill the guaranty to induce those who are qualified and experienced in the production of this type of house to go forward with their production and to make the houses available. Then, after the program is over, if any of them are left on the builders' hands, the Government will undertake to underwrite them to the extent set forth in the bill.

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

Mr. BARKLEY. I yield.

Mr. TAFT. Was there not a statement that the association of prefabricators did not desire to have such a guaranty?

Mr. BARKLEY. Yes; but this morning I received from the association of prefabricators a statement that they do desire to have such a guaranty.

Mr. TAFT. Will the Senator place it in the RECORD?

Mr. BARKLEY. Yes. I recall the statement to which the Senator from Ohio has referred; but I learned on Saturday that the prefabricators had conferred and had given further consideration to the whole problem and that they were sending me a statement—and, I think, were issuing it to the newspapers—to the effect that they now favor this program and that they have altered their original opinion about it.

Mr. TAFT. That was purely a spontaneous statement, I suppose.

Mr. BARKLEY. I will say that I do not know anything about it. I do not even know who they are.

Mr. VANDENBERG. They have been "expedited."

Mr. BARKLEY. I have the statement somewhere among the papers on my desk. Here it is. It is a statement issued by the Prefabricated Home Manufacturers' Institute, 1232 Shoreham Building, Washington, D. C. The statement is dated April 6, 1946, and it is an advance release given out for the Sunday newspapers. The release consists of two mimeographed pages. Mr. President, I ask unanimous consent that it be placed in the RECORD at this point.

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

Prefabricated Home Manufacturers' Institute has been assured by National Housing Expediter Wilson W. Wyatt that only those prefabricated homes which conform to the high standards of the Federal Housing Administration will be eligible for priorities assistance under the veterans' emergency housing program.

Dawson Winn, newly elected president of Prefabricated Home Manufacturers' Institute, was elated with this assurance that only sound, durable, well-designed, and readily marketable homes would come under the veterans' emergency housing program, and he says, "This removes our objection to the guaranteed market provisions of the Patman bill because we were frankly afraid that the future of prefabricated homes would be severely jeopardized by the introduction of a lot of substandard, unconventional type of homes which we do not believe the veteran is ready and willing to accept.

"Mr. Wyatt pointed out to us," Mr. Winn continued, "that the section of the bill on guaranteed markets as reported out of the Senate committee provides that the number of prefabricated houses covered by outstanding guaranty shall at no time exceed 200,000 units. In order to protect established manufacturers of materials and houses, production of new types shall be encouraged only to supplement the expanded production of existing facilities as will be necessary to achieve the goals of the veterans' housing program."

Mr. Wyatt said that in order to achieve his goal of 250,000 prefabricated units this year and 600,000 units next year, he would need the authority to guarantee some producers (those, for example, that did not have their lines of distribution set up) that they would have a ready market, Mr. Winn continued.

"Mr. Wyatt further explained that he might not have to use more than a fraction of the amount being asked for but would need the authority to use it when and if necessary in order to produce the enormous expansion of factory-built homes necessary for the veterans' housing program.

"I am not opposed to the guaranteed market plan if properly safeguarded," Mr. Winn explained, "and now believe that it is so safeguarded in the Patman bill as reported out of committee.

"The plan as outlined in the bill would permit existing fabricators to bring their operations to capacity in time to meet the urgent need for full production.

"In addition to the points already mentioned as being in the Patman bill, the following are provisions with which we are in

accord: That there shall be 'reasonable prospect' of either (1) full return to the Government of any funds involved or (2) a net cost to the Government substantially lower than under any other available method of achieving the necessary expansion of production; the guaranty shall not be for the full amount of the producer's standard delivery price; the Expediter shall endeavor to keep the total net cost to the Government at less than 5 percent of the total amount guaranteed; emphasis shall be placed upon avoiding either economic dislocations or adverse effects upon established business; the producer must show that he has sufficient working capital and experience to achieve the desired production on conditions satisfactory to the Expediter."

Mr. BARKLEY. Mr. President, I thank the Members of the Senate for the patience with which they have indulged me, and I hope we may speedily consider and enact the pending bill.

ADDITIONAL APPROPRIATION FOR VETERANS' HOUSING AND RELATED EXPENSES

Mr. McKELLAR. Mr. President, I wish to ask the Senator from Kentucky and also the Senator from Ohio about the possibility of taking up several appropriation measures at this time. A while ago the Senator from Ohio told me that he intended to speak on the subject of the Veterans' Emergency Housing Act of 1946, which the Senator from Kentucky has been discussing at some length today. I wonder what arrangements, if any, have been made with respect to continuing the discussion of that measure today. I do not wish to interfere with consideration of that bill, of course. However, there are two comparatively small appropriation measures which should be passed, and one of them should be passed today.

If the Senator from Ohio will yield to me for a while, I should like to have the unfinished business temporarily laid aside, and have the Senate proceed to the consideration of the two appropriation bills.

Mr. BARKLEY. Mr. President, I have taken so much time today that I do not know whether any other Senator wishes to discuss the Veterans' Emergency Housing Act at this hour. If it is agreeable to the Senator from Ohio, I shall be glad to have the unfinished business temporarily laid aside, as the Senator from Tennessee has suggested.

Mr. TAFT. Mr. President, that will be perfectly agreeable. I should prefer to speak the first thing tomorrow.

Mr. BARKLEY. Very well.

Mr. McKELLAR. I thank the Senator.

Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed, first, to the consideration of House Joint Resolution 328.

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

The CHIEF CLERK. A joint resolution (H. J. Res. 328) entitled "Joint resolution making an additional appropriation for veterans' housing and related expenses."

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

There being no objection, the Senate proceeded to consider the resolution (H. J. Res. 328) entitled "Joint resolution making an additional appropriation for veterans' housing and related expenses," which had been reported from the Committee on Appropriations with an amendment.

Mr. McKELLAR. Mr. President, I ask that the joint resolution be read for amendment, and that the amendment of the committee be first considered.

The PRESIDING OFFICER. Without objection, it is so ordered; and the clerk will state the amendment reported by the committee.

The CHIEF CLERK. On page 1, in line 8, after the numerals "(42 U. S. C. 1521)", it is proposed to strike out "subject, however, to the enactment of the bill (S. 1821) 'to amend section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide an additional 100,000 temporary housing units for distressed families of servicemen and for veterans and their families', and to the provisions of such bill as enacted" and insert "subject to the provisions of Public Law 336, Seventy-ninth Congress, approved March 28, 1946."

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

The amendment was agreed to.

The PRESIDING OFFICER. The joint resolution is open to further amendment.

Mr. TAFT. Mr. President, do I correctly understand that this measure provides for the appropriation of the money which was authorized for an additional 100,000 units of temporary housing?

Mr. McKELLAR. That is correct. Mr. President, perhaps I had better read the statement contained in the report:

In December 1945 Congress appropriated $191,900,000 for the conversion and relocation, as emergency shelter for veterans, of publicly owned temporary structures such as military barracks, dormitories, and temporary war housing. It was contemplated that this sum would provide for 100,000 units. This number has proven entirely inadequate. Congress, therefore, enacted S. 1821, referred to above, which authorizes $250,000,000 additional for emergency temporary shelter for veterans. With the exception of $3,727,000, which is the unappropriated balance of title I, Lanham Act, funds authorized for diversion to this program by Public Law 292, Seventy-ninth Congress, the entire amount is for the purpose of carrying out the provisions of S. 1821. The amount contained in this resolution, $253,727,000, makes provision for the completion of the previous program of 100,000 units; provides for 102,350 additional units, and for administrative expenses, as follows:

For completion of previous program of 100,000 units	$5,000,000
For provision of 102,350 additional units	243,875,000
For administrative expenses	4,852,000
Total	253,727,000

I may say, Mr. President, that this bill was passed by the other House before we passed the previous deficiency bill, and the House at that time thought that the amendment could be incorporated in the bill. However, that was not done, and the amendment is to make the language in accordance with the facts stated.

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

Mr. McKELLAR. I yield.

Mr. McMAHON. Is the appropriation for the remodeling of present structures? Does it apply in any way to new buildings?

Mr. McKELLAR. The appropriation is for the remodeling of present structures.

Mr. McMAHON. How does it occur that there are so many buildings on which we can spend such a large amount of money?

Mr. McKELLAR. The buildings have been erected for use at cantonments and as housing facilities for the military all over the country. An enormous amount of money can be saved by remodeling the old buildings and making them serviceable for occupants.

Mr. McMAHON. I assume that the buildings belong to many separate agencies.

Mr. McKELLAR. They do.

Mr. McMAHON. Is there a list of them in the RECORD?

Mr. McKELLAR. The type of structure is listed, but not the various houses and the places where they are located.

Mr. McMAHON. I should think that inasmuch as each Senator has received from persons within his own State many letters with regard to this matter it would be well if there were some convenient place in the RECORD to which we could refer in answering the questions of our constituents, and to indicate to them where in the respective States these projects will be located.

Mr. McKELLAR. I could get the Department to send that information here and have it put into the RECORD, but any Senator may secure the same information by telephoning the National Housing Authority. The Senator could obtain such information within 10 minutes over the telephone.

Mr. McMAHON. I thank the Senator.

The PRESIDING OFFICER. The joint resolution is before the Senate and open to further amendment. If there be no further amendment to be offered, the question is on the engrossment of the amendment and the third reading of the joint resolution.

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

The joint resolution (H. J. Res. 328) was read the third time and passed.

SECOND SUPPLEMENTAL SURPLUS APPROPRIATION RESCISSION ACT, 1946

Mr. McKELLAR. I move that the Senate proceed to the consideration of Calendar No. 1122, House bill 5604, the Second Supplemental Surplus Appropriation Rescission Act of 1946.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 5604) reducing or further reducing certain appropriations and contractual authorizations available for the fiscal year 1946, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the committee amendments be first considered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will state the amendments of the committee.

The first amendment of the Committee on Appropriations was, under the heading "Executive departments (non-war)—Department of Agriculture," on page 4, line 4, after the word "possessions", to strike out "$5,000,000" and insert "$3,000,000."

The amendment was agreed to.

The next amendment was, under the subhead "Department of Justice," on page 4, line 16, after the word "departments", to strike out "$6,703,143" and insert "$5,503,143."

The amendment was agreed to.

The next amendment was, on page 4, line 17, after "In all, title I", to strike out "$1,834,968,275" and insert "$1,833,768,275."

The amendment was agreed to.

The next amendment was, under the heading "Title II—Military Establishment," on page 6, line 19, after the numerals "1942-1946", to strike out "$66,140,457" and insert "$4,704,700"; in line 21, after "(1)", to strike out "Pay of the Army, $61,435,757; (2)"; in line 22, after the figures "$4,700", to strike out "(3)" and insert "(2)"; in line 23, after the figures "$450,000", to strike out "(4)" and insert "(3)"; in line 24, after the word "and", to strike out "(5)" and insert "(4)"; and on page 7, line 1, after the figures "$250,000", to insert a colon and the following:

Provided, That of the provisions of law of the United States conferring rights, privileges, or benefits upon any person by reason of the service of such person or the service of any other person in the armed forces of the United States or any component thereof, only those conferring rights, privileges, or benefits upon persons during the time they are on active duty and those listed below shall, after the date of enactment of this act, be deemed to apply to persons for service in the Philippine Scouts under the provisions of section 14 of the act approved October 6, 1945 (Public Law 190, 79th Cong.):

(1) The provisions of the act of March 9, 1928 (45 Stat. 251), as amended, relating to funeral expenses;

(2) Provisions of law authorizing the payment to enlisted men of a travel allowance upon discharge;

(3) Provisions of law authorizing retirement and prescribing or governing pay for Philippine Scouts placed on the retired list;

(4) The provisions of the act of December 17, 1919 (41 Stat. 367), as amended, authorizing the payment of a death gratuity equal to 6 months' active-duty pay to the dependents of military personnel whose death occurs while on active duty;

(5) The provisions of the Mustering-Out Payment Act of 1944 (Public Law 225, 78th Cong.), except that for the purpose of computing such payments for service in the Philippine Scouts, service wholly performed in the Philippine Islands shall be compensated for on the same basis as service wholly performed within the United States; and

(6) The provisions of laws administered by the Veterans' Administration providing for the payment of pensions on account of service-connected disability or death: *Provided further*, That payments made under the provisions of any law referred to in clauses (5) and (6) above shall be paid at the rate of one Philippine peso for each dollar authorized by such law: *And provided further*, That the provisions of the National Service Life Insurance Act of 1940, as amended, shall apply to persons who serve in the Philippine Scouts under the provisions of section 14 of the act approved October 6, 1945, only insofar as such provisions relate to contracts of insurance heretofore entered into.

The amendment was agreed to.

The next amendment was, on page 9, like 14, after the figure "$50,000,000", to strike out the comma and "and no part of such subappropriation shall be available after February 25, 1946, for acquiring land or building permanent structures within the continental limits of the United States, except structures not costing more than $20,000."

The amendment was agreed to.

The next amendment was, on page 12, line 14, after "In all, title II", to strike out "$1,615,926,369" and insert "$1,554,490,612."

The amendment was agreed to.

The next amendment was, under the heading "Title III—Naval Establishment", on page 12, line 17, after the numeral "1946", to strike out "$75,000" and insert "$36,000."

The amendment was agreed to.

The next amendment was, at the top of page 13, to strike out:

Naval Training Station, Port Deposit, Md., 1946, $200,000.

The amendment was agreed to.

The next amendment was on page 14, after line 6, to strike out:

Pay and subsistence of naval personnel, 1946, $400,000,000.

The amendment was agreed to.

The next amendment was, on page 14, line 11, after the numerals "1946", to strike out "$15,000,000" and insert "$13,657,000."

The amendment was agreed to.

The next amendment was, on page 14, line 12, after the numerals "1946", to strike out "$150,000,000" and insert "$119,474,300."

The amendment was agreed to.

The next amendment was, on page 15, line 2, after the figures "$190,000,000", to strike out the comma and "and the contractual authorization for 'Public Works, Bureau of Yards and Docks', available in the fiscal year 1946, is hereby further reduced in the sum of $5,000,000, applicable to projects within the continental limits of the United States, and neither the appropriation nor contractual authorization under this head shall be available after February 25, 1946, for the acquisition of land, except in pursuance of a specific appropriation" and insert a colon and the following: *"Provided*, That the restriction on the use of the appropriation and contract authorization in the amount of $1,500,000 applying exclusively for field house at United States Naval Academy, Annapolis, Md., including acquisition of land and accessories as authorized by law is hereby canceled."

The amendment was agreed to.

The next amendment was, on page 15, line 20, after the numerals "1946", to strike out "$215,887,000" and insert "$165,682,000"; and on page 16, line 4, after the word "to", to strike out "'$627,884,450'" and insert "'$678,089,450.'"

The amendment was agreed to.

The next amendment was, on page 16, line 15, after the figures "$20,387,000" to insert a colon and the following proviso: *"Provided*, That the proviso in Public Law 301, Seventy-ninth Congress, approved February 16, 1946, under the head of 'Increase and replacement of naval vessels, emergency construction', is amended to the extent that combatant vessels under construction on March 1, 1946, whose percentage of construction exceeded 20 percent on that date will be completed."

The amendment was agreed to.

The next amendment was, under the subhead "Transfer of appropriations", on page 19, line 3, after the numerals "1943", to strike out "$4,500,000" and insert "$5,000,000."

The amendment was agreed to.

The next amendment was, on page 19, line 15, after the words "In all", to strike out "$37,476,640" and insert "$37,976,640."

The amendment was agreed to.

The next amendment was, under the subhead "Naval stock account and fund", on page 19, line 21, after the word "to", to strike out "$1,650,000,000" and insert "$2,000,000,000."

The amendment was agreed to.

The next amendment was, on page 19, line 24, after "In all, title III", to strike out "$3,266,992,924" and insert "$2,784,680,224."

The amendment was agreed to.

The next amendment was, at the top of page 20, line 1, in the subhead, after the word "General", to strike out "Provision" and insert "Provisions", so as to make the subhead read "General Provisions."

The amendment was agreed to.

The next amendment was, on page 20, after line 14, to insert:

The defense aid (lend-lease) appropriations made to the President are hereby relieved from reimbursing the appropriations of the Military Establishment and the appropriations of the Navy Department and the naval service for any amounts owing on the date of this act to such appropriations for materials, supplies, equipment, or services which, pursuant to the authorization or direction of the former Foreign Economic Administration or the State Department, were furnished by either the War or the Navy Department to any foreign government under the provisions of the Lend-Lease Act, as amended.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments. The bill is before the Senate and open to further amendment.

Mr. WILEY. Mr. President, I understand that this is the Surplus Appropriation Rescission Act of 1946.

Mr. McKELLAR. Yes. It is an amendment to the act which was passed some time ago.

Mr. WILEY. I understand that the total rescission amounts to $6,664,469,002, as shown on page 10 of the committee report. The bill merely rescinds appropriations which have been heretofore made. Am I correct in that statement?

Mr. McKELLAR. The Senator is correct.

Mr. WILEY. I thank the Senator.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment. If there be no further amendment to be offered, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 5604) was read the third time and passed.

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

Mr. WHERRY. Mr. President, before the motion of the Senator from Tennessee is acted upon, I wish to ask the Senator a question.

Mr. McKELLAR. I yield.

Mr. WHERRY. Some of us would like to know whether the amount of rescission in the Senate version of the bill is the same as that contained in the bill as passed by the other House?

Mr. McKELLAR. It will be found on page 2 of the report that the House figure has been reduced by $549,948,457.

Mr. WHERRY. I thank the Senator.

Mr. McKELLAR. Most of that amount was represented by a retraction in the item, "Pay of the Army and the Navy." The testimony before the committee was to the effect that both the Army and the Navy were already facing a deficit in the item, "Pay of personnel," and the committee was of the opinion that the rescission proposed by the House would only add to the deficit. That explains largely the retraction recommended by the committee.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to; and the Presiding Officer appointed Mr. McKELLAR, Mr. GLASS, Mr. HAYDEN, Mr. TYDINGS, Mr. RUSSELL, Mr. BROOKS, Mr. BRIDGES, and Mr. GURNEY conferees on the part of the Senate.

Mr. McKELLAR. Mr. President, I thank the Senate, and especially the Senator from Ohio [Mr. TAFT], who wishes to address the Senate.

VOTING BY MEMBERS OF THE ARMED FORCES AND CERTAIN OTHERS

Mr. TAFT. Mr. President, I was excused from attendance of the Senate and was unable to be present last Saturday when the Senate passed House bill 5644, commonly known as the soldier vote bill, which abolished the Federal ballot. I thoroughly approve of the action which was taken by the Senate in connection with the bill and the abolition of the Federal ballot. But I wish to make a few comments which I would have made if I had been present while the bill was being considered by the Senate.

The controversy regarding the Federal ballot was prolonged. It was a bitter political issue and on January 25, 1944, the Congress received a Presidential message dealing with this subject, one of the most intolerant messages I have ever read. I ask unanimous consent to have it incorporated in full at this point in the RECORD as a part of my remarks.

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

To the Congress of the United States:

The American people are very much concerned over the fact that the vast majority of the 11,000,000 members of the armed forces of the United States are going to be deprived of their right to vote in the important national election this fall unless the Congress promptly enacts adequate legislation. The men and women who are in the armed forces are rightfully indignant about it. They have left their homes and jobs and schools to meet and defeat the enemies who would destroy all our democratic institutions, including our right to vote. Our men cannot understand why the fact that they are fighting should disqualify them from voting.

It has been clear for some time that practical difficulties and the element of time make it virtually impossible for soldiers and sailors and marines spread all over the world to comply with the different voting laws of 48 States, and that unless something is done about it they will be denied the right to vote. For example, the statutes of four of the States permit no absentee voting at all in general elections. Eleven other States require registration in person in order to be able to vote. Others permit absentee registration; but in some instances the procedure is so complicated and the time is so limited that soldiers and sailors in distant parts of the world cannot practically comply with the State requirements.

But even if the registration requirements were met, there are still innumerable difficulties involved. For example, Pvt. John Smith in Australia and his brother Joe who is on a destroyer off the coast of Italy, who think they are entitled to vote as well as to fight, find that they have to write in and ask the appropriate public official in their own State for absentee ballots. In every State those ballots cannot even be printed until after the primary elections, and in 14 States the primaries do not take place until September. In due time the ballots are printed, but they cannot always be sent out immediately, since in about half the States the absentee ballots cannot be mailed until 30 days or less before the election. Weeks after they are mailed out, they reach John Smith in Australia and Joe aboard his destroyer. Even assuming that John and Joe, in the meantime, have not been transferred to another station or ship, or have not been wounded and sent to hospital, it is doubtful whether the ballots will get back in time to be counted. If they have been moved, as is very likely, the ballots may not even reach them before election day.

In 14 States the procedure is even more time-consuming and cumbersome, for instead of writing for an official ballot, John and Joe must first obtain special application forms for official ballots, which must be received and filled out and returned, before the ballots themselves are even mailed to them.

The Congress in September 1942 took cognizance of this intolerable situation facing millions of our citizens, and passed a Federal absentee balloting statute (Public Law 712). That law did three things: It provided for a Federal ballott to be prepared by the States; it abrogated State requirements for registration and poll-tax payments, insofar as they apply to members of the armed forces; and it required the War and Navy Departments to distribute postal cards to members of the armed forces with which they might request Federal absentee ballots from their State election officials.

The Federal law was a slight improvement, in that it provided absentee voting procedures in those cases where there had been no action by the States. It also eliminated some of the strict procedural requirements contained in many of the State laws. The great defect in that statute, however, was that it still involved a time lag, so that the voter might not receive his ballot in time to return it to be counted. This defect is inherent, and cannot be avoided, in any statute under which the forwarding of ballots for distribution must wait until the candidates have been selected in the primaries, or which requires correspondence between the local election officials and soldiers and sailors who may be transferred or moved at any minute. If any proof were necessary to show how ineffective this Federal statute was—the fact is that out of 5,700,000 men in our armed forces at the time of the general elections of 1942, only 28,000 servicemen's votes were counted under the Federal statute.

The need for new legislation is evident if we are really sincere, and not merely rendering lip service to our soldiers and sailors.

By the 1944 elections there will be more than 5,000,000 Americans outside the limits of the United States in our armed forces and merchant marine. They, and the millions more who will be stationed within the United States waiting the day to join their comrades on the battle fronts, will all be subject to frequent, rapid, and unpredictable transfer to other points outside and inside the United States. This is particularly true in the case of the Navy and merchant marine, components of which are at sea for weeks at a time and are constantly changing their ports of entry and debarkation.

Some people—I am sure with their tongues in their cheeks—say that the solution to this problem is simply that the respective States improve their own absentee-ballot machinery. In fact there is now pending before the House of Representatives a meaningless bill, passed by the Senate December 3, 1943, which presumes to meet this complicated and difficult situation by some futile language which "recommends to the several States the immediate enactment of appropriate legislation to enable each person absent from his place of residence and serving in the armed services of the United States * * * who is eligible to vote in any election district or precinct, to vote by absentee ballot in any general election held in his election district or precinct in time of war." This recommendation is itself proof of the unworkability of existing State laws.

I consider such proposed legislation a fraud on the soldiers and sailors and marines now training and fighting for us and for our sacred rights. It is a fraud upon the American people. It would not enable any soldier to vote with any greater facility than was provided by Public Law 712, under which only a negligible number of soldiers' votes were cast.

This recommendation contained in this piece of legislation may be heeded by a few States but will not—in fact, cannot—be carried out by all the States. Two States would require a constitutional amendment in order to adopt a practical method of absentee voting—which is obviously impossible to do before the November elections. Only a handful of the States—nine—will have legislatures regularly in session this year; and, to date, only eight other States have called special sessions of their legislatures for this purpose.

Besides, the Secretary of War, who will have the bulk of the administrative responsibility for distributing and collecting the ballots, has stated: "No procedure for offering the vote to servicemen can be effectively administered by the War and Navy Departments in time of war unless it is uniform and as simple as possible. Especially is this true with regard to the voting of persons outside the United States. * * * An Army engaged in waging war cannot accommodate that primary function to multiple differences

in the requirements of the 48 States as to voting procedure."

I am convinced that even if all the States tried to carry out the "recommendations" contained in this bill, the most that could be accomplished practically would be to authorize the Army and Navy to distribute and collect ballots prepared by the States in response to post-card requests from servicemen—the very procedure set forth in Public Law 712, which has been such a failure.

What is needed is a complete change of machinery for absentee balloting, which will give the members of our armed forces and merchant marine all over the world an opportunity to cast their ballots without time-consuming correspondence and without waiting for each separate State to hold its primary, print its ballots, and send them out for voting.

The recent bills proposed by Senators GREEN and LUCAS and by Congressman WORLEY—S. 1612, H. R. 3982—seem to me to do this job. They set up proper and efficient machinery for absentee balloting. These bills propose that blank ballots on special paper suitable for air delivery be sent by the War and Navy Departments to all the fronts and camps and stations out in the field well in advance of election day. Immediately after primary elections are held, the names of the various candidates would be radioed or wired to the various military, naval, and merchant marine units throughout the world—on the high seas, on every front, and at every training station. The lists of candidates would then be made available to the voters, and the ballots would be distributed for marking in secrecy. But even if the candidates' names had not been made available in an area in time to allow the ballots to be sent back to the United States, the voters could cast their votes by designating merely the name of the party of the candidates they desired to vote for. The voting date would be fixed in each area in sufficient time to get the ballots back home before election day, even if the actual names of the candidates had not been received in that particular area. The ballots would be collected and transmitted back to the United States by the quickest method of delivery for forwarding to the appropriate State election officials.

Each State, under these bills, would determine for itself whether or not the voter is qualified to vote under the laws of his State. Each State would count the ballots in the same way in which it counts the other ballots that are cast in the State. The sole exceptions would be those conditions of registration and payment of poll tax which could not be satisfied because of the absence of a voter from his State of residence by reason of the war. Those conditions were abrogated by the Congress when it passed the existing Federal absentee balloting law (Public Law 712).

There is nothing in such a proposed statute which violates the rights of the States. The Federal Government merely provides quick machinery for getting the ballots to the troops and back again. Certainly it does not violate States' rights any more than Public Law 712, which was passed by a substantial majority of the Congress in September 1942, and which specifically provided that no member of the armed forces had to register or pay a poll tax in order to vote in a Federal election. It is no more violative of States' rights than the Soldiers and Sailors Civil Relief Act, which the Congress passed in October 1940, more than a year before the war began.

It is true that these bills do not provide a simplified method of voting for State and local officials. The Congress has not the same authority to provide a simplified voting procedure for the thousands of State and local candidates that it has for Federal candidates. Nor would it be practicable to do so. The inclusion of all the State and local candidates would increase the size and weight of the ballot so as to make air delivery a physical impossibility. Furthermore, the transmission and distribution of names of the many thousands of State and local candidates throughout the United States to each voter in every military and naval unit and merchant ship raise insuperable difficulties.

Since these bills provide that if any voter wishes, he may use the procedure of his own State for absentee balloting, he is given, to the extent that there is any possibility of doing so, an opportunity to vote for State and local candidates. In fact, since they provide for a postcard system to implement the State laws, each voter is given at least as great an opportunity to vote for State and local candidates as he would have under any legislation.

The inclusion of other groups of voters who are engaged abroad in war work of various kinds would be desirable. But as to members of our armed forces and merchant marine, I deem the legislation imperative.

Our millions of fighting men do not have any lobby or pressure group on Capitol Hill to see that justice is done for them. They are not ordinarily permitted to write their Congressman on pending legislation; nor do they put "ads" in the papers or stimulate editorial writers or columnists to make special appeals for them. It certainly would appear unnecessary that our soldiers and sailors and merchant marine have to make a special effort to retain their right to vote.

As their Commander in Chief, I am sure that I can express their wishes in this matter and their resentment against the discrimination which is being practiced against them.

The American people cannot believe that the Congress will permit those who are fighting for political freedom to be deprived of a voice in choosing the personnel of their own Federal Government.

I have been informed that it would be possible, under the rules of the Congress, for a soldiers' vote bill to be rejected or passed without any roll call, thus making it impossible for the voters of the country—military or civilian—to be able to determine just how their own Representative or Senator had voted on such a bill.

I have hesitated to say anything to the Congress on this matter for the simple reason that the making of these rules is solely within the discretion of the two Houses of the legislative branch of the Government. I realize that the Executive as such has nothing to do with the making or the enforcement of these rules. Nevertheless, there are times, I think, when the President can speak as an interested citizen.

I think that there would be widespread resentment on the part of the people of the Nation if they were unable to find out how their individual Representatives had expressed themselves on this legislation—which goes to the root of the right of citizenship.

As I have said, this is solely a legislative matter but I think most Americans will agree with me that every Member of the two Houses of Congress ought to be willing in justice to stand up and be counted.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 26, 1944.*

Mr. TAFT. Mr. President, the message says:

It has been clear for some time that practical difficulties and the element of time make it virtually impossible for soldiers and sailors and marines spread all over the world to comply with the different voting laws of 48 States, and that unless something is done about it, they will be denied the right to vote.

The legislation which was adopted was then before us, and the President said:

I consider such proposed legislation a fraud on the soldiers and sailors and marines now training and fighting for us and for our sacred rights. It is a fraud upon the American people. It would not enable any soldier to vote with any greater facility than was provided by Public Law 712, under which only a negligible number of soldiers' votes were cast.

In the campaign which followed that was an issue which was certainly used against me in my election, and in a pamphlet which was issued by my opponent it was stated:

It is not surprising that the President, when he sent his message to Congress, called this sort of business a "fraud" on the soldiers. One of the leaders in this "fraudulent" business was Senator ROBERT A. TAFT.

Just after the election the Secretary of War, without very much attention being paid to it, issued a statement in which he said the Federal ballot was a complete failure. I read extracts from his report to the United States War Ballot Commission.

The percentage of soldiers of voting age overseas from the 20 States authorizing use of the Federal ballot was 5.3 percent. Because many soldiers executing Federal ballots in October later received, marked, and sent in their State absentee ballots in time to be counted, the effective Federal ballots cast by Army personnel would show a still smaller percentage.

Most servicemen who desired to vote were able to obtain, vote, and return their State absentee ballots, leaving relatively few who needed to (or legally could) use the supplementary percentage.

Mr. President, I merely wish to have these matters appear in the RECORD, in view of the fact that the administration now admits that the Federal ballot was never necessary, and is now undertaking to repeal the statute which created and supported the Federal ballot.

Mr. PEPPER. Mr. President, I entered the Chamber just in time to hear the Senator from Ohio say that the administration admits now that there never was a need for the Federal ballot. I merely wish to protest that statement, so far as I am concerned. There was a great need for it, and in my opinion it was a great tragedy that it was not used more widely. As one Member of the Senate I do not wish to let the statement go unchallenged that there is any admission on the Government's part that there was no need for a Federal ballot.

Mr. TAFT. Mr. President, perhaps the Senator did not hear the report of the Secretary of War which I read, in which the Secretary said that in those States which authorized the Federal ballot only 5 percent of the soldiers used it, and that most of them also voted the State ballot, and the implication of his statement, at least, was that the number of Federal ballots cast by the armed personnel showed a still smaller percentage than 5. I am merely quoting the administration's own admission, and the official report of the Secretary of War to the Federal Ballot Commission, on which the passage of the bill on Saturday was based.

Mr. PEPPER. Mr. President, it was my opinion that the reason why there was never a broader use of the Federal ballot was that Congress hamstrung the matter as it did, and for such a long time, when the question was before the Congress.

Mr. TAFT. With due respect, Mr. President, the bill was passed in plenty of time. The Federal ballot was perfectly convenient for use in any State that adopted it, and many of the States did adopt it, yet in the States which did adopt it few soldiers used it, and those who voted the Federal ballot voted the State ballot also if they could get it.

Mr. PEPPER. We all admit that if it had been possible for everyone to get a State ballot and get it voted, that would have been the perfect thing, but that was not possible in great numbers of cases, when it would have been possible in the case of a Federal ballot, if that had been the form generally used.

VETERANS' EMERGENCY HOUSING ACT OF 1946

Mr. McKELLAR. Mr. President, I ask that the Senate resume the consideration of the unfinished business.

The Senate resumed consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. CARVILLE in the chair) laid before the Senate a message from the President of the United States submitting the nomination of Edward H. Foley, Jr., of New York, to be Assistant Secretary of the Treasury, in place of Herbert E. Gaston, resigned, which was referred to the Committee on Finance.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

Carrick H. Buck, of Hawaii, to be first judge of the first circuit, circuit courts, Territory of Hawaii;

Sam M. Driver, of Washington, to be United States district judge for the eastern district of Washington, vice Hon. Lewis B. Schwellenbach, resigned; and

Ray J. O'Donnell, of Ohio, to be United States attorney for the southern district of Ohio, vice Byron B. Harlan, resigned.

Mr. McFARLAND. Mr. President, as in executive session, I ask unanimous consent that I may report from the Committee on the Judiciary the nomination of Hon. Howard C. Speakman to be United States district judge for the district of Arizona. Judge Speakman is an able and outstanding lawyer in our State, and since the year 1930 he has served as superior judge in Maricopa County, in the State of Arizona. It is with a great deal of pride and satisfaction that I report his nomination favorably.

The PRESIDING OFFICER. Without objection, the nomination will be received and placed on the Executive Calendar.

RECESS

Mr. McKELLAR. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 13 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, April 9, 1946, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate April 8 (legislative day of March 5), 1946:

TREASURY DEPARTMENT

Edward H. Foley, Jr., of New York, to be Assistant Secretary of the Treasury, in place of Herbert E. Gaston, resigned.

HOUSE OF REPRESENTATIVES

MONDAY, APRIL 8, 1946

The House met at 12 o'clock noon.

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

Almighty God, through the broken clouds may we obtain glimpses of a firm, clear, and permanent vision of a world at peace. With aching, weary eyes it has been looking for the blessed day of emancipation from its cumbersome load of strife, of deceptions, and multiplied contradictions. As we seek to bring in the fulfillment of this vision, O let us put our trust not in our own wisdom, nor even in our understanding, but in doing our whole duty, may we be directed by Thy counsel. So long Thy power has blessed us, sure it still will lead us on "o'er moor and fen, o'er crag and torrent, till the night is gone."

Thou Light of the World, how marvelous is Thy presence among men when with all their hearts they fervently seek Thee! Wilt Thou continue to guard and direct our President and all his counselors; grant unto them a wider outlook, that Thy kingdom may come and Thy will be done in all the earth. We pray in the name of Him who said:

Inasmuch as ye have done it unto one of the least of these My brethren, ye have done it unto Me.

Amen.

The Journal of the proceedings of Friday, April 5, 1946, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 3796. An act to quiet title to certain school-district property in Enid, Okla.; and

H. R. 5644. An act to facilitate voting by members of the armed forces and certain others absent from the place of their residence, and to amend Public Law 712, Seventy-seventh Congress, as amended.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1349. An act to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 1425. An act to revive and reenact the act entitled "An act to authorize the County of Burt, State of Nebraska, to construct, maintain, and operate a toll bridge across the Missouri River at or near Decatur, Nebr.," approved June 8, 1940.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 63) entitled "An act to amend the Communications Act of 1934, as amended, so as to prohibit interference with the broadcasting of noncommercial cultural or educational programs."

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1415) entitled "An act to increase the rates of compensation of officers and employees of the Federal Government," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. DOWNEY, Mr. BYRD, Mr. LANGER, and Mr. HICKENLOOPER to be the conferees on the part of the Senate.

The message also announced that the Vice President has appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of Agriculture.
2. Department of Commerce.
3. Department of the Interior.
4. Department of the Navy.
5. Department of the Treasury.
6. Department of War.
7. Federal Security Agency.
8. Office of Alien Property Custodian.
9. Office of Price Administration.
10. Selective Service System.

EXTENSION OF REMARKS

Mr. PLUMLEY (at the request of Mr. MARTIN of Massachusetts) was granted permission to extend his remarks in the RECORD and include an address made yesterday at Valley Forge.

Mr. HOLMES of Massachusets (at the request of Mr. MARTIN of Massachusetts) was granted permission to extend his remarks in the RECORD and include a letter to the President.

THE LATE HONORABLE ROBERT LUCE

Mr. MARTIN of Massachusetts. 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 Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, it is my sad duty to announce the death of one of our beloved former colleagues, Hon. Robert Luce, of Massachusetts.

Those of us who have been here some years remember Mr. Luce as one of the really great statesmen of our times. He was an outstanding scholar, an author of distinction, and a man of great knowledge, high character, and courage. He was a man of great eloquence, and he used that talent to forcibly present the issues of the day. He was a skilled parliamentarian and was the author of a book on parliamentary law which was widely read.

Mr. Luce served his State of Massachusetts in the legislature, as Lieutenant Governor of that State, and then came here and gave brilliant service. Massachusetts has lost a great statesman and the country has lost an able American. It is with great regret that I announce his death.

Born in Auburn, Maine, Mr. Luce was graduated in 1882 from Harvard College, a year later received a master of arts degree from Harvard, and took a position as submaster at Waltham High School. He served as a reporter on the Boston Globe from 1884 to 1888, and then, with his brother, Linn, established the press-clipping bureau which now operates as the Luce Press Clipping Bureau in New York.

He served in the Massachusetts House of Representatives from 1898 to 1899 and from 1901 to 1908. Mr. Luce was admitted to the bar in 1908, and 2 years later was presiding officer of the Republican State convention.

In 1912 he was elected Lieutenant Governor. Until he was elected to Congress from the old Thirteenth District in 1918, he served on the Massachusetts Retirement Board, the Massachusetts Commission on the Cost of Living, and the Massachusetts Constitutional Convention.

In Congress, Mr. Luce became the ranking member of the Committees on Banking, World War Veterans, and Library. He was a regent of the Smithsonian Institution from 1929 to 1931.

The record of Mr. Luce in Congress was the climax of a useful life. His ability and fairness won him the respect and esteem of all our membership.

The United States has lost a great statesman and Massachusetts one of its outstanding citizens. Those who were privileged to serve with him and to enjoy his friendship appreciate the greatness of his loss.

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

Mr. MARTIN of Massachusetts. I yield.

Mr. McCORMACK. Mr. Speaker, I am very sorry to hear of the death of my late friend, Bob Luce. In 1917 my first public office was as a member of the constitutional convention, of which our late friend, Mr. Luce, was also a member. Throughout the years there has been a close friendship existing between us.

I agree with everything my distinguished friend the gentleman from Massachusetts [Mr. MARTIN] has said. Mr. Luce was one of the most intellectual men I have ever known; and he was intellectually honest. He was a man of great courage and great stability; a man who devoted his entire life to the public service of the people of his State and of our country.

In the passing of Bob Luce Massachusetts has lost one of its most distinguished sons, and the country has lost a man who made great contributions in this very Chamber to the progress of our people; and I have lost a personal friend.

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

Mr. MARTIN of Massachusetts. I yield.

Mr. WIGGLESWORTH. Mr. Speaker, the passing of Robert Luce will carry with it a sense of loss for all those who were associated with him here in the House of Representatives or elsewhere during his long career in the public service.

A member of the Massachusetts Legislature for many years, a member of the Massachusetts Constitutional Convention, Lieutenant Governor of Massachusetts, and subsequently a Member of this House for some 20 years, he served both the State and Nation with devotion and distinction for upwards of 30 years.

Scholarly, distinguished also as an author, an authority in many fields, I think those who served with him here will agree that he never took the floor of the House without making a contribution of real value.

Bob Luce will be remembered by his former colleagues with both affection and the highest esteem. Personally, I shall always be grateful to him for all that he did for me when I first became a Member of this House.

In his death Massachusetts and the Nation lose a gifted statesman in the true sense of the word.

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

Mr. MARTIN of Massachusetts. I yield to the gentleman from Mississippi.

Mr. RANKIN. Mr. Speaker, as a Democrat from the deep South who probably crossed swords with Bob Luce as often as any other man in this body during the last 10 years of his services here, I want to join in paying tribute to the life of a great American.

He was one of the best-informed men I have ever met in debate, and in a heated contest with him, whether on a legislative issue or a point of order, one experienced what Scott called—

* * * the stern joy which warriors feel
In foemen worthy of their steel.

It is always a pleasure to debate with a man who knows what he is talking about and who possesses those qualities of sterling honesty that were manifested by Mr. Luce on all occasions.

The thing that impressed me most was his unswerving devotion to his country.

If I may paraphrase, or add to, an expression of Shakespeare, I would say that—

His life was gentle, and the elements
So mix'd in him, that Nature might stand up
And say to all the world, "This was a man."

And his devotion to his country was such that Columbia might stand up and say to all the world, "This was an American."

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, it was my privilege to serve with the outstanding American and former Member of this House, Mr. Robert Luce, for some 20 years. During those years I did not know a more cultured, intellectual, scholarly, and honorable gentleman. He had ability and patriotism, and in his death not only the Commonwealth of Massachusetts but the entire country loses a foremost citizen. I regret his death sincerely; we need more Americans such as he.

TO FIX THE SALARIES OF CERTAIN UNITED STATES JUDGES

Mr. SLAUGHTER, from the Committee on Rules, reported the following privileged resolution (H. Res. 585, Rept. No. 1880), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2181) to fix the salaries of certain judges of the United States. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

PERMANENT APPOINTMENT IN THE REGULAR NAVY AND MARINE CORPS

Mr. VINSON submitted a conference report and statement on the bill S. 1907, an act to authorize permanent appointment in the Regular Navy and Marine Corps, and for other purposes.

SPECIAL ORDER GRANTED

Mr. HARLESS of Arizona. Mr. Speaker, I ask unanimous consent that I may address the House for 20 minutes today following the special orders heretofore entered.

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

There was no objection.

EXTENSION OF REMARKS

Mr. McMILLAN of South Carolina asked and was given permission to extend his remarks in the Appendix of the RECORD and include a speech made before the State Legislature of South Carolina, by Mr. A. L. M. Wiggins.

Mr. ABERNETHY asked and was given permission to extend his own remarks in the Appendix of the RECORD and include a newspaper article.

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

Appendix of the RECORD in three separate instances, in one to include a newspaper article and in the other two letters from constituents with regard to OPA.

Mr. FLANNAGAN asked and was given permission to extend his remarks in the Appendix of the RECORD and to include an address by Mr. Joseph N. Cridlin, of Jonesville, Va.

Mr. LYLE asked and was given permission to extend his remarks in the Appendix of the RECORD and include an address recently delivered by the gentleman from Tennessee [Mr. PRIEST].

Mr. TRIMBLE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter from a constituent.

Mr. ANDERSON of California (at the request of Mr. ENGLE of California) was given permission to extend his remarks in the RECORD in regard to the cannery dispute in California.

Mr. CELLER asked and was given permission to extend his remarks in the RECORD in two instances, in one to include a statement of the president of the National Restaurant Association.

Mrs. DOUGLAS of Illinois asked and was given permission to extend her remarks in the RECORD.

Mrs. WOODHOUSE asked and was given permission to extend her remarks in the RECORD and include a statement from certain organizations in regard to extension of OPA.

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

Mr. LYNDON B. JOHNSON asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD on four subjects and include certain statements and excerpts.

Mr. JOHNSON of Indiana asked and was given permission to extend his remarks in the RECORD.

Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the RECORD on two subjects, namely, OPA meat control and socialized medicine.

Mr. WINTER asked and was given permission to extend his remarks in the RECORD and include an editorial by Frank Waldrop.

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include a statement by J. H. Leib, national legislative director, Amvets.

Mr. FARRINGTON asked and was given permission to extend his remarks in the RECORD in two instances, in one to include an editorial from the Chicago Tribune and in the other to include a resolution adopted by the Republican National Committee, both favoring statehood for Hawaii.

Mr. PITTENGER asked and was given permission to extend his remarks in the RECORD and include quotations from a couple of books dealing with Andrew Jackson.

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

PERMISSION TO ADDRESS THE HOUSE

Mrs. BOLTON. 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 gentlewoman from Ohio?

There was no objection.

[Mrs. BOLTON addressed the House. Her remarks appear in the Appendix.]

SPECIAL ORDER GRANTED

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that on Wednesday and Thursday next after disposition of matters on the Speakers table and at the conclusion of any special orders heretofore entered, I may be permitted to address the House for 15 minutes on each occasion.

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

There was no objection.

SPECIAL ORDER POSTPONED 1 DAY

Mr. PHILLIPS. Mr. Speaker, I have a special order for 30 minutes today. I ask unanimous consent that that be vacated and that I may be permitted to address the House for 30 minutes after disposition of matters on the Speaker's desk and at the conclusion of any other special orders on tomorrow, Tuesday.

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

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MERROW. 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 Hampshire?

There was no objection.

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

THE LATE COMMANDER JAMES W. ROBB

Mr. BUCK. 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. BUCK. Mr. Speaker, on Thursday, April 4, Commander James W. Robb, of Staten Island, was killed in Puerto Rico when an airplane from the carrier *Tarawa* accidentally dropped a bomb on an observation tower in which Commander Robb was supervising air-support exercises.

In the eyes of Staten Island and the country, Jimmy Robb was a hero. In his own eyes, he was nothing of the sort. When the Japanese made their sneak attack on Pearl Harbor, Jimmy Robb, as he would, rushed to the airfield. He found nothing flyable but an unarmored training plane with no fire power. A nearby soldier, however, was carrying a Springfield rifle. In a matter of seconds, Jimmy and the soldier were aloft in pursuit of the fleeing Japanese. Two fearless men in a flimsy plane with a popgun versus the might of the Japanese air force.

The Navy Department awarded Jimmy the Navy Cross. The people of Staten Island awarded Jimmy their affectionate admiration.

The country has now lost that gallant, outstanding naval aviator. I know I speak for Staten Island and for all who knew him when I say, "Good-by, Jimmy. We shall miss you and remember you pridefully. May pleasant skies, happy landings, and multitudes of friends be yours throughout eternity."

WE WILL ALWAYS HAVE A UNITED STATES OF AMERICA IF WE DO NOT GIVE IT AWAY

Mr. RICH. 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. RICH. Mr. Speaker, we will always have a United States of America if we do not give it away. I think one of the first things we should do is to do away with the Johnson Act. Our first loss is our best if we learn by experience. Then we should look at the statement of our Federal Treasury and see what position we are in—in the red $275,000,000,000. Where are you going to get the money? Then if the people of this country want to buy bonds issued by Great Britain through the banks of this country, that is all right with me. They have that right and I will not do anything to stop them, but I do not think that this Congress has any business or any right to loan $3,750,000,000 to any country, regardless of who it might be, and put that obligation on this country of ours—on future generations to pay. We cannot stand it. We can never be considered solvent if we do that. On top of this request, requests for loans will be coming from all the nations of the world, and we ought to look after our own country first and keep our own house in order. Balance our Budget and become solvent. For 16 years you have run this country in the red. You have spent, spent, spent. Now you talk of lent, lent, lent. It is suicide for our Treasury to go farther in the red. Stop it. Do it at once. Congress, it is your duty to your country.

SPECIAL ORDER GRANTED

Mr. HOOK. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 15 minutes.

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

There was no objection.

EXTENSION OF REMARKS

Mr. STEVENSON asked and was given permission to extend his remarks in the RECORD in two instances—to include in one an article entitled "Lest Ye Forget," and in the other a letter from T. W. Landschultz.

Mr. RICH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a statement entitled "No More Money Should Be Loaned or Given to Our Defaulting Debtors," by Charles F. Potter, a Californian 84 years of age, member of the bar, and permitted to practice before the Supreme Court of the United States.

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

There was no objection.

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

Mr. HOOK asked and was given permission to extend his remarks in the RECORD and include an article on the atomic bomb by Senator BRIEN MCMAHON.

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

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

COMMITTEE ON RULES

Mr. SABATH. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a privileged report on the agricultural bill.

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

There was no objection.

COMMUNISTS BOO NAME OF FORMER PRESIDENT HOOVER

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. Mr. Speaker, we learn from the press and from disgusted eyewitnesses that this Red conference held in Washington a day or two ago, which called itself the Win the Peace Conference, heard a Member of this House [Mr. DE LACY] attack former President Hoover and heard practically every Communist in the auditorium boo Mr. Hoover's name.

Decent Americans are utterly ashamed of such a proceeding. I never voted for Herbert Hoover in my life, but he is a former President of the United States. He is now 72 years old, and one of the most honored of all Americans. He has no ax to grind, but at the request of President Truman he is giving his time and his talents now to trying to feed the suffering people of Europe in order that the Christians as well as others may be taken care of and prevented from starving to death.

I say patriotic Americans everywhere are ashamed that his name was booed by these Communists in the Commerce Building, over which he used to preside.

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

FORMER PRESIDENT HERBERT HOOVER

Mr. CURTIS. 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 Nebraska?

There was no objection.

Mr. CURTIS. Mr. Speaker, as one humble American who has always voted for that great American, Mr. Hoover, I want to say that it is the finest compliment ever paid to any American that he was booed by the Communists. I hope the leadership of the Republican Party will always be such stanch, genuine, and loyal Americans, and that none will ever be welcome in a Communist assembly.

This Republic of ours would be far better off today if the New Deal Administration was not on such friendly terms with the "pinks," "punks," and Communists.

If former President Hoover had been asked to serve in our food program 3 or 4 years ago, it would have saved the lives of millions of human beings, and thereby advanced the cause of peace.

DISTRICT OF COLUMBIA BUSINESS

The SPEAKER. This is District of Columbia day. The Chair recognizes the gentleman from South Carolina [Mr. MCMILLAN], chairman of the Committee of the District of Columbia.

THE CHARLES A. LANGLEY BRIDGE

Mr. MCMILLAN of South Carolina, Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 5928) to name the bridge located on New Hampshire Avenue, Washington, D. C., over the Baltimore & Ohio Railroad tracks the Charles A. Langley Bridge, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

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

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain the bill?

Mr. MCMILLAN of South Carolina. Mr. Speaker, this bill was introduced by our colleague the gentleman from Maryland [Mr. SASSCER]. It seems that Mr. Langley, in whose honor this bridge is being named, was one of the leading citizens of that community. He had a great deal to do with the paving of New Hampshire Avenue, and it was through his efforts that a bridge was built across the railroad in his community.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the bridge located on New Hampshire Avenue in Washington, District of Columbia, over the Baltimore & Ohio Railroad tracks shall be known and designated as "The Charles A. Langley Bridge."

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

AMENDING AN ACT TO ESTABLISH STANDARD WEIGHTS AND MEASURES FOR THE DISTRICT OF COLUMBIA

Mr. MCMILLAN of South Carolina. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (S. 1841) to amend an act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the Superintendent of Weights, Measures, and Markets of the District of Columbia; and for other purposes," approved March 3, 1921, as amended, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

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

Mr. DIRKSEN. Reserving the right to object, Mr. Speaker, and I shall not object, may I ask that the chairman of the committee explain the bill?

Mr. MCMILLAN of South Carolina. This bill, which meets with the approval of the Board of Commissioners of the District of Columbia, will have the effect of conforming the District of Columbia to the mechanical method of measurement of gasoline which is used in all the 48 States. It does not compel a station to remove the pumps it has at the present time, but directs new stations to install decimal system pumps similar to what we have elsewhere throughout the United States.

The SPEAKER Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act of Congress entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the Superintendent of Weights, Measures, and Markets of the District of Columbia; and for other purposes," approved March 3, 1921, as amended, be further amended by striking out the period at the end of section 18, inserting in lieu thereof a colon, and adding the following: "*Provided*, That any automatic pump for the measurement of gasoline shall have graduations of fractional parts of a gallon in terms of either decimal or binary-submultiple subdivisions."

SEC. 2. Hereafter the Superintendent of Weights, Measures, and Markets shall be known as the Director of Weights, Measures, and Markets.

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

EXEMPTING TRANSFERS OF PROPERTY TO AMERICAN RED CROSS FROM DISTRICT OF COLUMBIA INHERITANCE TAX

Mr. MCMILLAN of South Carolina. Mr. Speaker, I call up the bill (H. R. 4654) to exempt transfers of property to the American National Red Cross from the District of Columbia inheritance tax, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, effective as of the effective date of title V of the District of Columbia Revenue Act of 1937, section 1 (e) of title V of such act is amended by inserting after "within the District of Columbia," the following: "and property transferred to the American National Red Cross,".

With the following committee amendment.

At the end of the bill, insert:

"SEC. 2. This act shall not authorize nor require the refund of any taxes paid for the transfer of any property to the American National Red Cross except such taxes as may have been paid under protest."

Mr. DIRKSEN. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, there is no objection to this bill. It simply provides tax exemption on transfers of property to the Red Cross in the District of Columbia in conformity with provisions of law existing in most of the States of the Union. There was some slight objection at the outset, but the objectionable feature has been deleted. Therefore, there is no objection to the bill that I can see.

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

Mr. DIRKSEN. I yield.

Mr. RICH. Does this mean that anyone who wants to make a bequest to the Red Cross will be exempt from taxation?

Mr. DIRKSEN. That is correct. This applies to inheritances that go to the Red Cross.

The committee amendment was agreed to.

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

AMENDING AN ACT TO AUTHORIZE BLACK-OUTS IN DISTRICT OF COLUMBIA

Mr. McMILLAN of South Carolina. Mr. Speaker, I call up the bill (H. R. 5719) to amend the act entitled "An act to authorize black-outs in the District of Columbia, and for other purposes," approved December 26, 1941, as amended, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

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

Mr. RICH. Mr. Speaker, reserving the right to object, may we have an explanation as to what this bill provides?

Mr. McMILLAN of South Carolina. Mr. Speaker, this bill adds a new section to the black-out act, as amended, which will authorize the Commissioners of the District of Columbia during the existence of a state of war between the United States and any foreign country or nation, and for not exceeding 1 year thereafter, to provide services to veterans and war workers, and for this purpose makes available any moneys otherwise available for expenditure under the black-out act.

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

Mr. RICH. I yield.

Mr. DIRKSEN. May I say to the gentleman from Pennsylvania that during the war we authorized a black-out program here in the District of Columbia and provided rather substantial funds for that purpose. Now, of course, the war emergency is over and black-outs are not necessary. But there is a fund of approximately $100,000 unallocated. Now comes the problem, however, not necessarily of rehabilitation but at least the establishment of some agencies and some facilities for returning veterans. All this does is to make that money available for that purpose. I think it is a very useful purpose.

Mr. RICH. It may be a very useful purpose, but it seems to me it ought to be stipulated what the money is to be used for. It ought to be stipulated more concretely. We ought to know just what they are going to use the money for.

Mr. DIRKSEN. It is definitely understood that is the one and only purpose for which the funds are to be used.

Mr. RICH. Is there anything now scheduled by the District to be constructed for the purpose for which it is intended?

Mr. DIRKSEN. As a matter of fact, a number of the so-called service centers have been taken over in the District of Columbia and those facilities have been made available for veterans who are still coming into the National Capital.

Mr. RICH. Of course, you all know that every $100,000 or every dollar that we can have turned back which was appropriated during the war is certainly needed by the Federal Treasury, and we ought to have every penny we can if we are ever going to be able to keep this country from floundering in a financial slough of despond.

Mr. DIRKSEN. We should not lose sight of the fact that soldiers who are domiciled in almost every State of the Union come into the Nation's Capital, perhaps for the first time in their lives, and they should have recreational facilities. That problem has constituted a rather onerous burden upon the District. I think it is only fair.

Mr. RICH. I think it is wise to take care of the veterans, especially those coming into the District visiting. But it seems to me that $100,000 is a lot of money, and when you appropriate that for the care of veterans without stipulating exactly what it is for, we ought to keep our eyes on those pennies.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Act entitled "An act to authorize black-outs in the District of Columbia, and for other purposes", approved December 26, 1941, as amended, be further amended by adding thereto the following new section:

"SEC. 15. During the existence of a state of war between the United States and any foreign country or nation and for not exceeding 1 year thereafter, the Commissioners of the District of Columbia are authorized and empowered, in their discretion, to provide services to veterans and war workers and to expend any moneys otherwise available for expenditure under this Act for all necessary expenses, including personal services without regard to civil service or classification laws."

SEC. 2. There is hereby authorized to be appropriated out of any moneys in the Treasury of the United States to the credit of the District of Columbia not otherwise appropriated such sums as may be necessary to carry out the provisions of this amendment.

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

Mr. McMILLAN of South Carolina. Mr. Speaker, that completes the business for the District of Columbia Committee today.

EXTENSION OF REMARKS

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD and include an article by Samuel Crowther.

Mr. WADSWORTH asked and was given permission to extend his remarks in the RECORD and include a letter written by Archibald G. Thatcher, as printed in the New York Times on or about March 20 of this year.

UNDER SECRETARY OF LABOR

Mr. SABATH. Mr. Speaker, I call up House Resolution 566 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3864) to establish the office of Under Secretary of Labor, and three offices of Assistant Secretary of Labor, and to abolish the existing office of Assistant Secretary of Labor and the existing office of Second Assistant Secretary of Labor. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Labor, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, later on I shall yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. Speaker, this rule makes in order the bill H. R. 3864, which provides for additional secretaries for the Secretary of Labor. It has been reported unanimously, I understand, from the committee. The rule also was granted by unanimous vote. In view of that and the fact that we all believe that the Secretary of Labor, whom we know so well as an able, hardworking gentleman, needs and should be given this additional help. I hope and trust there will be no opposition. Not only is he entitled to that help,

but I know that we in this House are entitled to a great deal of help, because the work is increasing from day to day.

I will not delay by making any long speech. I reserve the remainder of my time.

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

Mr. SABATH. I yield.

Mr. RICH. For 10 or 12 years you had Madam Perkins as Secretary of Labor and you did not need anybody then. Now, since you have got a gentleman in there, you are going to have to set up a new Assistant Secretary. What is the reason?

Mr. SABATH. The reason is the work has increased tremendously. I recollect the gentleman from Pennsylvania, if I am not mistaken, and others, at one time, complained bitterly, and assailed and attacked Miss Perkins while she was Secretary of Labor. But no sooner was she out, then everybody realized she was a splendid official who had rendered splendid service. However, unfortunately, due to the ever-increasing amount of work that has been forced on to the Secretary of Labor, I feel he needs this additional help. It is the additional duties that he has to perform that require these assistants.

Mr. RICH. Well, are they going to let the Secretary of Labor handle these labor questions instead of setting up a dozen other outside boards like they did when Madam Perkins was here? That was the trouble. They would not even go to the Labor Department. Are you going to permit them to remain in the Labor Department and let these disputes be settled there?

Mr. SABATH. I will say to the gentleman that this Secretary of Labor is a resourceful, able, and capable gentleman, and is desirous of doing a job in the interest of our country and at the same time bringing peace and harmony to industry and labor. Now we have an exceptionally able gentleman as Secretary of Labor and I know it is impossible even for him to do all the work required of him. He needs these additional assistants and we ought to give them to him.

Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, the chairman has told you that this bill would create three additional offices in the Department of Labor, one to be known as the Under Secretary of Labor and the others as assistants.

One of the newer Members asked me a minute ago what an under secretary was. That is a foreign term applying to the first assistant. A few years ago our Government had no under secretaries. The Treasury Department came to Congress and asked that the Chief Assistant be designated as Under Secretary because it would be easier to deal with certain foreign countries where they called their first assistants "under secretaries." Congress acceded to the request, and since that time practically all of the departments of Cabinet status have under secretaries. The Labor Department does not, and this will change the name of the first assistant to under secretary.

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

Mr. MICHENER. I yield.

Mr. RICH. I may state that the question I asked the gentleman from Illinois was for this purpose: I believe if it is necessary to have this under secretary the office should be established, but if it is established are we then going to permit the Department of Labor to handle the various things that come under the Department or are they going to be passed on to any one of a half dozen new bureaus and organizations that proved so terribly expensive during the past 12 years, as was done by the Miss Perkins reign as Secretary of Labor? We should not do that again. If you are going to do that then we should not set up this assistant secretaryship and three additional assistants at $10,000 per year; but if these assistant secretaryships will prove an economy in operation it should be established, provided you do not take things away from the Labor Department which should be retained there for the orderly procedure of the handling of Government functions that naturally belong to the Department of Labor. Cut out the bureaus handling labor outside of the Labor Department, that will mean economy in the Department.

Mr. MICHENER. My only reply to the gentleman from Pennsylvania is that I am speaking as a member of the Rules Committee, which is procedural entirely. We have not conducted the hearings. The Rules Committee is not as familiar with the details of the bill and its necessity as are the members of the Committee on Labor. After this rule is adopted the gentleman's question will then be most apropos, and I hope he gets the information from the legislative committee reporting the bill.

I now yield such time as he may require to the gentleman from South Dakota [Mr. CASE].

EXTENSION OF REMARKS

Mr. CASE of South Dakota. Mr. Speaker, I have a request I wish to propound at this time: To extend my remarks in the Appendix of the RECORD and include a letter from the Commissioner of the Bureau of Reclamation.

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

There was not objection.

Mr. MICHENER. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Speaker, I am in favor of this rule because our Government has now moved to a point in labor legislation and in labor relations where we have to strengthen the Department of Labor and at the same time make that Department more responsible to the people. Congress can help that situation a great deal by keeping labor problems within the Department of Labor more than it has in recent years.

In this connection I want to make just a few remarks pertaining to the Pace amendment submitted in the other body in connection with the wage and hour amendments, the Pace amendment having to do with the price of farm produce which a farmer places on the market and through the sale of that produce the farmer gathers in his wages. Whether it be on an hourly basis or on an annual basis is immaterial to this discussion.

I should like to see the Department of Labor and the proposed Under Secretary of Labor take a positive position on the proposition of it being fair for the Congress of the United States to consider the wages of farmers at the same time and in the same bill it considers minimum wages paid to those in industry, whether it be factory parollees or white-collar workers or what not.

It seems to me that the Pace amendment considered in the other body is entirely germane from the practical standpoint to the bill which has to do with increasing the minimum wages and hours of industrial labor. When the administration through the President takes the position that it will veto a bill from the Congress simply because the proposition of farm wages is mixed up with the proposition of industrial wages, I cannot see the logic of such a position being taken by the President.

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

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

Mr. RICH. Does not the gentleman see the point? They are not going to be able to have these subsidies, they are not going to be able to control the farmers, they are not going to be able to get them to vote for the administration; so give them subsidies. That is the reason why the President does not want that bill passed.

Mr. CRAWFORD. That probably enters into it and that is one reason why I wanted to discuss this proposition at the present time.

Mr. Speaker, insofar as I am concerned, I insist that the farm people of this country be paid as much for each productive hour which they perform in the way of stoop labor and physical exertion as is paid per hour to the person who works in an industrial plant.

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

Mr. CRAWFORD. I yield to the gentleman from West Virginia.

Mr. BAILEY. Does the gentleman think the matter can be approached by a differential in farm labor and placing a minimum scale for farm labor below that of the minimum for the country at large?

Mr. CRAWFORD. Does the gentleman mean a minimum for the farm worker below the industrial worker?

Mr. BAILEY. Yes.

Mr. CRAWFORD. That has always been the approach to the matter and that is the approach to which I object. Upon what ground, social, moral, or otherwise, can we justify a proposition that the farm people of this country should work in productive labor at from 15 cents to 30 cents per hour and at the same time establish by congressional edict a minimum wage of 65 cents or 75 cents

for the person who works in industry? I hope the farm people of this country will never accept such an inequitable deal from the Congress of this country. Let farm people have a fair wage along with others.

It is time that we begin to give consideration to those good people who perform stoop labor, who feed the world when it is starving, who never go on strike and who bull through as best they can without farm machinery and without repair parts for that machinery when the industrial workers are on strike. It is for those people I am speaking now.

Mr. Speaker, in this connection I wish to call the attention of the Members of the House to an editorial appearing in the Wall Street Journal of April 8, 1946.

The heading of it is "A grave for parliaments." The editorial writer, in part, says:

> When Congress begins to pass legislation which attempts to block the decisions of the free market, when it attempts to guide, channel, and restrict in the field of economics, what authority is there that can tell Congress you must do this and you must not do that? There is not any authority at all; or if there is such an authority, then there is no parliamentary government.

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

Mr. MICHENER. Mr. Speaker, I yield the gentleman three additional minutes.

Mr. CRAWFORD. The editorial continues:

> In effect that is what the President and his various economic advisers are saying to Congress. They are saying, "We have a plan and you cannot exercise your discretion in the way you want or you will interfere with that plan." They say, "We know what must be done, and you must not interfere even though you disagree."
>
> That is the iniquity of the situation surrounding the Pace bill.
>
> If it is bad—as we think it is—to raise and lower farm prices by legislative fiat, why is it not bad to set wages at what amounts to administrative decree? Obviously both are bad. The fact that a dominant sentiment was created which supported one action and that those responsible happen to have the means to create a sentiment adverse to the other does not change the essential nature of either action. The only difference between the two is the strength of their advocates. And it is highly significant that it is the parliament, and not those who are constitutionally supposed to be the creatures of the parliament, which is on the defensive.

I think, Mr. Speaker, that has a direct bearing on what the gentleman from Pennsylvania was just pointing out. On one hand, we have about 14,000,000 organized workers who have power in this Congress to dictate what legislation should be passed. On the other hand, we have some six or seven million farm operators, comprising a total family population on the farm of probably 30,000,000, but they are not protected as is organized labor, and, in my opinion, it is time for this Congress to give more attention and more protection to the farm people of this country, provided we intend to maintain planned economy in the United States. Wherein is there any substantial degree of fairness in protecting the group with great voting power and giving little protection to the group which is not so well organized or so vociferous? Let me again say that if the administration and the Congress are to force upon the citizen planned economy, then the administration and the Congress must assume some responsibility for all the people. But a return to the free market would make unnecessary paternalism on the part of the administration and the Congress.

Mr. SABATH. Mr. Speaker, I yield such time as he may require to the gentleman from North Carolina [Mr. BULWINKLE].

Mr. BULWINKLE. Mr. Speaker, I just want to announce to the Members of the House that the deadline is today on any orders that you may want to send in to the Government Printing Office for the Patman bulletin on the Government. You will remember that we had notice of it several weeks ago. So that if any of you want it, you better do it today.

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from Maryland [Mr. SASSCER].

Mr. SASSCER. Mr. Speaker, I should like to call to the attention of the Members of Congress a movement that has originated in my district through the efforts of an outstanding organization of small and independent business men and women. I believe this undertaking should benefit all small business men and women in every section of the United States and, therefore, should be encouraged.

The organization sponsoring this movement is the Independent Trade Association of Prince Georges County, Md. It has more than 200 members representing all types of small and independent business in Prince Georges County and has exercised effective and sound influence on many local matters affecting its members. It also is active in civic affairs. Among its accomplishments in this field is the establishing and operating of a highly successful office in the county which daily is assisting many veterans to reestablish themselves in civilian life. An average of over 300 a month of these cases is being handled by the committee.

What this group of Prince Georges County business leaders aim to accomplish is outlined in the following resolution which they unanimously adopted:

> Whereas studies made and information received over the past months by the Independent Trade Association, of Prince Georges County, Md., demonstrate that there is need for united and concerted action by independent businessmen throughout the country in order to assure the future of American small and independent business enterprises and prevent the continued concentration of economic power and the growth of monopoly; and
>
> Whereas there are many thousands of independent businessmen and business organizations of independent businessmen throughout the Nation all seeking these same broad objectives; and
>
> Whereas these organizations now are limited in what they can accomplish, because they operate as individual units: Therefore be it
>
> *Resolved*, That the officers of the Independent Trade Association of Prince Georges County are hereby authorized and directed to establish communication with the officers of organizations of independent businessmen with a view to establishing a national federation and affiliated State federations of these organizations and businessmen so that their activities, programs, and policies may be coordinated on State and National issues where there exists an area of common interest; and be it further
>
> *Resolved*, That the officers of this association are authorized to take such steps as they believe necessary and desirable to bring about the formation of such national federation and affiliated State federations.

Two of the leaders in this movement are Charles T. Hartley, prominent tire and auto accessory dealer of Hyattsville, Md., president of the Prince Georges business organization, and Frank B. Smith, of Mount Rainier, Md., editor and publisher of the Prince Georgean, a county newspaper, and holder of several important and official posts in the county and State government, chairman of the committee on organization of a national federation.

I believe Members of Congress will be interested in the practical approach these Prince Georges business men and women are taking to accomplish a betterment of the position of the small and independent business men and women because individual organizations affiliating are located in every congressional district. The best way I can do this is to quote from a statement of the Prince Georges group which appears in the current issue of American Small Business, and is being mailed to similar small and independent business groups throughout the country. The statement says:

> We have drafted and are submitting for your approval a constitution which we propose to submit to other organizations for ratification.
>
> We should like to point out that this constitution has been prepared so that coordinated action may be taken on any issue in which there is an area of mutual interest without any constituent organization relinquishing any of its autonomy, independence, or status as an independent organization.
>
> Under this proposed constitution the new national organization will be a federation of affiliated independent trade groups similar to the Independent Trade Association of Prince Georges County.
>
> It definitely will not be a top-side organization operated, directed, or controlled by a national headquarters or national officers primarily interested in perpetuating themselves in office and power or in the maintenance of membership, raising of funds, or collection of dues.
>
> Unfortunately, these appear to be the primary and major objectives of most so-called national organizations operating in Washington today. And for that reason Members of Congress do not regard these types of organizations as speaking for the people in their own districts and States.
>
> Instead, they discount the opinions and expressions of this type of organization because they believe the policies such top-side organizations advocate have been formulated by a small group of national officers or staff members and therefore do not represent the real "grass roots" thinking of the people in the States and congressional districts.
>
> All of us who are familiar in any degree with Washington and the many national organizations and pressure groups operating there know there are scores of these so-called top-side or staff-controlled organizations who claim to have members running into the thousands and who further claim that they speak for these members in appearing before Congress, legislative committees, and Government departments.
>
> Congressmen are realists. They know better than anyone else from experience, however, that spokesmen for such groups have

advocated courses of action that individuals in their State for whom they claimed to be speaking had not approved.

We want to meet and overcome these objections by setting up an organization in which Members of Congress and Government officials will have confidence because under the federation machinery they will be communicating and receiving expressions from individuals and groups in their own districts.

The constitution which we have drafted provides that the federation will serve as the machinery and mechanism through which each individual affiliated organization—such as the Independent Trade Association of Prince Georges County—may be kept promptly and accurately informed on all issues and questions involving National Government policy and legislation affecting independent business enterprises.

Thus completely and accurately informed, each individual group will be able to contact directly its Senators and Representatives as to their views and wishes on each issue at the appropriate time.

The national federation functions will be to coordinate by the dissemination of information the work and interests of all of these individual organizations located throughout the country.

Provision is also made for the affiliation of State federations when such federations are desired by the individual organizations within a State.

Mr. MICHENER. Mr. Speaker, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, I want to call attention to this fact, which appears in this bill. I did not notice it at first. In addition to the Under Secretary provided for in this bill, you have, in section 2, for the Department of Labor, three offices of Assistant Secretary of Labor, which will be filled by the President, by and with the advice and consent of the Senate. These are all $10,000 jobs. In other words, you are setting up four Assistant Secretaries here in this bill instead of one, as many of you believe is the case. I think the Members ought to know this. You know we gave the President 10 assistant secretaries a few years ago, and now instead of decreasing the cost of any Government enterprise, you are increasing it all the time, even in the President's own office, always going up, never a reduction of cost as should be the case. It seems to me that we ought to be eliminating Government bureaus instead of increasing them. We should be more economical rather than more extravagant.

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

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

Mr. MASON. I call the attention of the gentleman to the fact that the bill abolishes two offices and institutes four, which is simply an exchange of two for four.

Mr. RICH. It does not make any difference if it is two for four, we want to get one for four. We want to balance this budget pretty soon. We want to cut down on personnel and on expenses. This thing cannot continue, and have expenses added to all these bureaus. The more bureaus you get, the more secretaries you get, the greater you become befuddled and confounded. The first thing you know, you will go bankrupt. Where will you get the money to pay the bill?

(Mr. CRAWFORD asked and was given permission to revise and extend his remarks and include certain quotations.)

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

The previous question was ordered.

The resolution was agreed to.

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 consideration of the bill (H. R. 3864) to establish the office of Under Secretary of Labor, and three offices of Assistant Secretary of Labor, and to abolish the existing office of Assistant Secretary of Labor and the existing office of Second Assistant Secretary of Labor.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3864, with Mr. FOLGER in the chair.

The Clerk read the title of the bill.

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

Mr. RANDOLPH. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the legislation we are now considering has been passed unanimously by the Senate of the United States. It is in essence a request made by the Secretary of Labor which is presented in the form of a House bill (H. R. 3864) which would create an Under Secretary of Labor and three Assistant Secretaries of Labor.

I have listened with interest to the remarks that were made during the debate on the rule. Particularly was I attracted to the comment of my friend, the gentleman from Pennsylvania [Mr. RICH], in which he discussed the apparent creation of further positions within the Office of the Secretary of Labor. In connection with that observation, I would call the committee's attention to the report which has been filed by the House Committee on Labor, which unanimously reported this bill for your consideration. In that report this language is used:

> At the present time, the War Labor Board, the War Manpower Commission, the United States Employment Service, and the Retraining and Reemployment Service have already been brought under the scope of the Department, and it is planned to consolidate all of the remaining labor agencies in the Department just as soon as it is practicable.

The gentleman from Pennsylvania will recall that recently we were considering the coordination of the farm-lending agencies, and I believe he was one of those members who believed we should coordinate and consolidate these various activities so as to get a better administration and in the ultimate reduce the cost of the operations. I believe the testimony given by the Secretary of Labor before the House Committee on Labor and the communications of July 17 and October 9 directed to the committee indicate that it is his desire to bring about the coordination and consolidation of many functions and that, since he is responsible for doing the job, he feels it is absolutely necessary that he have additional assistance if he is to carry forward effectively the duties of the office. In the over-all, I believe he desires, and I know I personally desire, a consolidation wherever practical. We want a reduction in the number of individuals who are doing the task.

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

Mr. RANDOLPH. I yield.

Mr. RICH. That was the thing that was in my mind. The consolidation of these various agencies and organizations that we have created—and I say "we" because I am a Member of Congress and anything the Congress does, whether I voted against it or not, I am still one of the "we"—is something that should be done. The situation is that we have set up so many organizations in the last 10 years, and instead of putting them under the Department of Labor where they should have been put in the first place, they took them out and made separate organizations of them.

Mr. RANDOLPH. May I say in connection with the gentleman's observation that I feel many of our labor-management problems which became very critical were caused by the fact that we had too many agencies dealing with the subject of employer and employee relationships. I believe we could have gotten better results had it all been coordinated under the Secretary of Labor.

Mr. RICH. That is right. For that reason, instead of helping and assisting in the settlement of labor disputes, we have only added coals to the fire and created a chaotic condition. If by putting these four Under Secretaries in and if the Secretary of Labor is going to see that all these things are handled under the Department of Labor so that we know whom to criticize if they are not handled properly, then we are to blame here in the House of Representatives. But if we have set up the right kind of organization and eliminate these various organizations that were set up, then I can see where the passage of this bill will be a matter of economy, good business, and a matter of expediting the settlement of these various disputes between employers and employees that are happening all over the country.

Mr. RANDOLPH. Mr. Chairman, the gentleman mentions the word "economy." I think it might be well to read one paragraph from the letter of Secretary Schwellenbach to our committee. That letter was received in October of 1945.

The Secretary said:

> We are all conscious of the need for economy in the conduct of Government affairs. Indeed, one of the most attractive features of the reorganization of the Department of Labor is the resultant assurance that a better job can be done for less money. Before the end of the war, at least $100,000,000 was being spent annually outside the Department of Labor on labor matters. I think the peacetime job can be done far better for far less money in the Department. But to accomplish this, I must have enough competent, well-paid, adequately titled assistants. My

considered judgment is that I shall need an Under Secretary and three Assistant Secretaries. This is the purpose of the legislation involved. And this is the reason I urgently recommend its enactment by the Congress.

In other words, what the gentleman from Pennsylvania [Mr. RICH] wishes is what the Secretary desires.

Mr. RICH. If the President will appoint capable men—men who want to see the right thing done between management and labor—you will accomplish something if you will adopt this legislation. But if you put men there with the idea that we are going to rip and tear apart all the people of this country who are in business, and that every man who is in business is a crook and a scoundrel, then you will not get any place. But it is up to the President of the United States, if we pass this legislation, and to the Secretary of Labor, to get good, sound, honest, conscientious, and capable men appointed.

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

Mr. RANDOLPH. I yield to the gentleman from Illinois.

Mr. MASON. All I have to suggest in answer to the gentleman from Pennsylvania [Mr. RICH] is this: Let us do our part to streamline and make this Department efficient, and then expect, and probably demand, that the executive department do its part.

Mr. RANDOLPH. I think that observation is correct.

Further, on the item not only of economy but of good administration, I will read a letter from William Green, president of the American Federation of Labor, addressed to myself. In that communication dated April 5 he asks the passage of this bill, and says:

It is my opinion that the enactment of this measure into law will serve to promote efficiency in the administration of the affairs of the Department of Labor.

So, if we can get economy and efficiency, those are the two goals toward which we work. Certainly, as one individual in Congress who has repeatedly fought for consolidation of Federal agencies, I believe this measure should be passed in the interest of good and less costly Government.

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

Mr. RANDOLPH. I yield.

Mr. JACKSON. As a matter of fact, this legislation should have been passed long ago. It has been pending for some time, and it was passed unanimously by the Senate.

Mr. RANDOLPH. I think the gentleman is correct.

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

Mr. RANDOLPH. I am delighted to hear the gentleman from Minnesota because I feel he will be in favor of this legislation.

Mr. PITTENGER. I want to say to the gentleman that I have not yet been convinced on this bill, although I have listened to the gentleman's powerful and persuasive argument with a great deal of interest. If the passage of this bill will help the troubled situation in the United States, I certainly will be for it.

Mr. RANDOLPH. I thank the gentleman. This legislation should become law.

The CHAIRMAN. The time of the gentleman from West Virginia has again expired.

Mr. WELCH. Mr. Chairman, it is not my purpose to take the time of the Committee, except to say that this bill was carefully considered by the Committee on Labor, and unanimously reported.

At the present time, as has been said, the War Labor Board, the War Manpower Commission, the United States Employment Service, and the Federal Reemployment Service have all been brought under the scope of the Department, and it is planned to consolidate other agencies of labor under the Labor Department. The committee recommended strongly the enactment of this legislation in order that the Secretary of Labor may be equipped with sufficient help to do a greatly enlarged job so necessary to the rebuilding of our peacetime economy.

I yield back the balance of my time.

Mr. RANDOLPH. Mr. Chairman, I have no further request for time, and yield back the remainder of my time.

The Clerk read as follows:

Be it enacted, etc., That there is hereby established in the Department of Labor the office of Under Secretary of Labor which shall be filled by appointment by the President, by and with the advice and consent of the Senate. The Under Secretary shall receive compensation at the rate of $10,000 a year and shall perform such duties as may be prescribed by the Secretary of Labor or required by law. The Under Secretary shall (1) in the case of the death, resignation, or removal from office of the Secretary, perform the duties of the Secretary until a successor is appointed, and (2) in case of the absence or sickness of the Secretary perform the duties of the Secretary until such absence or sickness is terminated.

SEC. 2. There are hereby established in the Department of Labor three offices of Assistant Secretary of Labor which shall be filled by appointment by the President, by and with the advice and consent of the Senate. Each of the Assistant Secretaries of Labor shall receive compensation at the rate of $10,000 a year and shall perform such duties as may be prescribed by the Secretary of Labor or required by law

SEC. 3. The office of Assistant Secretary of Labor established by section 2 of the act entitled "An act to create a Department of Labor", approved March 4, 1913, is hereby abolished and such section is amended by striking out the first two sentences thereof. The office of Second Assistant Secretary of Labor established by the act entitled "An act creating the positions of Second Assistant Secretary and private secretary in the Department of Labor", approved June 30, 1922, is hereby abolished, and such act of June 30, 1922, is repealed.

The CHAIRMAN, Under the rule, the Committee rises.

Accordingly the Committee rose, and the Speaker pro tempore (Mr. LANHAM) having assumed the chair, Mr. FOLGER, 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. 3864) pursuant to House Resolution 566, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

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

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table an identical Senate bill (S. 1298) to establish an office of Under Secretary of Labor, and three offices of Assistant Secretary of Labor, and to abolish the existing office of Assistant Secretary of Labor and the existing office of Second Assistant Secretary of Labor, for immediate consideration.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby established in the Department of Labor the office of Under Secretary of Labor, which shall be filled by appointment by the President, by and with the advice and consent of the Senate. The Under Secretary shall receive compensation at the rate of $10,000 a year and shall perform such duties as may be prescribed by the Secretary of Labor or required by law. The Under Secretary shall (1) in case of the death, resignation, or removal from office of the Secretary, perform the duties of the Secretary until a successor is appointed, and (2) in case of the absence or sickness of the Secretary, perform the duties of the Secretary until such absence or sickness shall terminate.

SEC. 2. There are hereby established in the Department of Labor three offices of Assistant Secretary of Labor, which shall be filled by appointment by the President, by and with the advice and consent of the Senate. Each of the Assistant Secretaries of Labor shall receive compensation at the rate of $10,000 a year and shall perform such duties as may be prescribed by the Secretary of Labor or required by law.

SEC. 3. The office of Assistant Secretary of Labor established by section 2 of the act entitled "An act to create a Department of Labor," approved March 4, 1913, is hereby abolished, and such section 2 is amended by striking out the first two sentences thereof. The office of Second Assistant Secretary of Labor established by the act entitled "An act creating the positions of Second Assistant Secretary and private secretary in the Department of Labor," approved June 30, 1922, is hereby abolished, and such act of June 30, 1922, is repealed.

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

On motion of Mr. RANDOLPH, the proceedings of the House whereby the bill (H. R. 3864) to establish the office of Under Secretary of Labor, and three offices of Assistant Secretary of Labor, and to abolish the existing office of Assistant Secretary of Labor and the existing office of Second Assistant Secretary of Labor, was passed, were vacated, and the bill was laid on the table.

RETIREMENT PRIVILEGE EXTENDED OF JUDGES OF CERTAIN DISTRICT COURTS

Mr. BATES of Kentucky. Mr. Speaker, I call up House Resolution 509.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself

into the Committee of the Whole House on the State of the Union for the consideration of the act (S. 565) to extend the privilege of retirement to the judges of the District Court for the District of Alaska, the District Court of the United States for Puerto Rico, the District Court of the Virgin Islands, and the United States District Court for the District of the Canal Zone. That after general debate, which shall be confined to the act and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on the Judiciary, the act shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the act for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the act and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BATES of Kentucky. Mr. Speaker, this resolution, if adopted, makes in order consideration of the bill S. 565, which is a bill to extend retirement privileges to judges in the Canal Zone, Puerto Rico, Hawaii, and Alaska.

I have no requests for time on this side. At this time I yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, I have no requests for time. This matter should come before the House, but personally I am not so sure that the bill should pass.

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

Mr. BATES of Kentucky. Mr. Speaker, I yield 5 minutes to the gentleman from Utah [Mr. ROBINSON].

Mr. ROBINSON of Utah. Mr. Speaker, I ask unanimous consent to proceed out of order.

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

There was no objection.

Mr. ROBINSON of Utah. Mr. Speaker, within the past week my attention has been called, as perhaps also has yours, to the fact that during February of this year the highway fatality toll in the United States was 2,450 men, women, and children.

This tragic sacrifice to carelessness in February represents an increase of 45 percent over the total for the same month last year. In January 1946 traffic accidents claimed 3,000 lives, which was 49 percent over the corresponding month in 1945.

It is clearly evident that the fearful spiraling of highway deaths which began with the upsurge of traffic on VJ-day is rapidly approaching a critical and intolerable situation. The National Safety Council has estimated that at the present rate we are going the total lives lost in 1946 will be 38,000, a sensational increase of 10,000 over last year. That number, if we record it, will nearly equal the all-time peak fatality record of 1941, in spite of the fact that at present there are something like 5,000,000 fewer motor vehicles on the roads than there were before the war.

This is a grave problem, Mr. Speaker, which affects each one of us here—personally. It is a challenge to the public safety which has life-and-death importance to our constituents in every part of the land, in the cities and towns, and in the country areas.

The prevention of these accidents, most of them needless, is a matter of great economic concern. Losses to the family, community, the States, and the Nation are heavy. But more than this, highway safety is a great humanitarian challenge which transcends all partisan issues, and which can be met only by concerted, united, and aggressive effort.

In this spirit and to this end, President Truman some weeks ago announced his intention to call into conference here in Washington this spring the representatives of the States and municipalities, and of civic leadership throughout the land, for the purpose of devising ways and means to make our streets and highways safer.

The conference will be held in the departmental auditorium on May 8, 9, and 10. Governors of all the States have been invited to attend, and many of them already have indicated their intention to do so. Each governor has been asked by the President to head up his own State delegation, consisting of the heads of the governmental departments directly responsible for the several phases of traffic safety, together with mayors, police chiefs, engineers, city managers, and other local officials, and leading representatives from the public at large.

In addition, representatives of the Congress and of the Federal departments having jurisdiction in the matter of highway transportation have been invited, and representatives of the many great national organizations having a basic interest in highway safety.

Eight major committees are at work drafting the agenda of the President's highway safety conference, under the general chairmanship of Maj. Gen. Philip B. Fleming, the Federal Works Administrator, who was asked by President Truman to head up this conference.

The leadership and personnel of these committees, Mr. Speaker, speak eloquently of hope for constructive accomplishment by the conference. Among the chairmen engaged in the task are men like Owen J. Roberts, retired justice of the United States Supreme Court; Arthur T. Vanderbilt, distinguished jurist of New Jersey; Paul G. Hoffman, chairman of the Committee for Economic Development and of the Automotive Safety Foundation; W. J. Scripps, of the Detroit (Mich.) News and radio station WWJ; Dr. George D. Stoddard, president-elect of the University of Illinois; Roy A. Roberts, of the Kansas City (Mo.), Star; Dr. George Gallup, of the American Institute of Public Opinion; and Dr. Gibb Gilchrist, president of Texas Agricultural and Mechanical College.

A coordinating committee for the conference, composed of distinguished leaders, is headed by Thomas H. MacDonald, Commissioner of Public Roads, a man in the Federal service respected by us all, whose administration is most concerned with highway transportation matters.

The broad purpose of this conference, Mr. Speaker, is to provide through national leadership the means of focusing public attention on the highway accident problem and the proven methods of solving it, and to mobilize public support for those local, State, and Federal agencies who have legal responsibilities for safety on our streets and highways.

This is a timely and certainly a worthwhile objective. It is one in which I know that the Members of this body, and of the Senate, will wish unanimously to assist. In submitting a joint resolution for this purpose, Mr. Speaker, I ask that it be given prompt and vigorous approval, so that the leadership of the Congress may be felt in this great undertaking designed to save human lives and spare the other tragic consequences of accidents on the highway.

Whereas the President of the United States, deeply concerned by the alarming increase in traffic accidents since the end of gasoline rationing, has taken positive action to devise ways and means of making our streets and highways safer; and

Whereas to this end the President has called into conference on May 8, 9, and 10 the representatives of States, counties, and municipalities having legal responsibilities in matters of highway safety, together with representatives of national organizations which are concerned with highway safety; and

Whereas established standards and techniques for traffic accident prevention have proved effective when intelligently applied by public officials in States and communities where strong public support exists for these activities; and

Whereas the President's Highway Safety Conference will be dedicated to a review of these standards and techniques, and to the development of Nation-wide support for their prompt and uniform utilization: Therefore be it

Resolved, That the Senate of the United States, in recognition of the urgent need to curtail the loss of life, the bodily injuries, and the destruction of property resulting from traffic accidents, hereby pledges its full cooperation and support to the President's Highway Safety Conference and its objectives; and be it further

Resolved, That each Member of this body be encouraged to take all proper steps to bring before the American people their personal responsibilities for exercising utmost care in the avoidance of traffic accidents and supporting all sound and necessary highway safety programs.

Mr. BATES of Kentucky. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

Mr. BATES of Kentucky. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 565) to extend the privilege of retirement to the judges of the District Court for the District of Alaska, the District Court of the United States for Puerto Rico, the District Court of the Virgin Islands, and the United States District Court for the District of the Canal Zone.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky.

The question was taken; and on a division (demanded by Mr. KEEFE) there were—ayes 43, noes 5.

So the motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of Senate bill 565, with Mr. FOLGER in the chair.

The Clerk read the title of the bill.

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

Mr. BRYSON. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this bill came over to us from the Senate designated as S. 565 and has heretofore been duly considered by your Committee on the Judiciary, and a report has been filed designated as Report No. 1031.

To my amazement, and I imagine to the astonishment of other lawyers, although I had been engaged in the general practice of the law for two decades or so before coming here, Territorial judges, that is, judges commonly referred to by us as United States district judges, who serve in our Territorial possessions other than Hawaii, are not accorded the privilege of retirement as are other Federal judges. As you probably know, the general law of retirement provides that if, as, and when a United States district judge reaches the age of 70 and when he has served a period equal to 10 years, he has the privilege of retiring.

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

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

Mr. MICHENER. The gentleman does not mean to say that a Federal judge can receive retirement pay, regardless of his age if he has served 10 years. The law of course is that the condition of retirement is that a man must have served 10 years on the Federal bench and have reached the age of 70 years. There is no question about that.

Further, the judges referred to in this particular bill are not judges appointed for life. Federal judges are constitutional judges and are appointed for life. These judges in this bill are term judges. They have always been political judges, appointed usually for 4 years. They are appointed by the administration, whether it be Republican or Democratic. This bill would permit those judges to retire in 8 years. In other words, if a new administration came in, and a President stayed in office two terms and filled all of these places with new appointees, they could retire at the end of 8 years without contributing anything to the retirement fund.

Mr. BRYSON. I think the first part of the gentleman's statement is correct, that a judge must have attained the age of 70 before he is eligible to be retired.

I should like to give you this concrete example of why I am personally interested in this measure. Incidentally, it was introduced in the Senate by the junior Senator from my State. A former governor of our State, Judge Robert A. Cooper, is now 74 or 75 years of age. He has been serving as a district judge in Puerto Rico for more than 12 years. He is in bad health. Of course, he still discharges his official duties. He has served in political offices in our State beginning as prosecuting attorney of the district, later as governor, and then later with the Farm Loan Board. He has been in public life during his entire life, probably 25 or 30 years at least. He has no estate of any consequence. Pretty soon he is going to be incapacitated due to age or the failure of physical strength. He certainly is in a pitiful plight. Personally I do not think a man who has devoted the major portion of his life to public office ought to be thrown out without some privileges of retirement, especially when we have made provisions for those who happen to have been district judges of the United States.

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

Mr. BRYSON. I yield.

Mr. PITTENGER. Does this bill give judges outside the limits of the continental United States retirement privileges the same as judges within the continental limits?

Mr. BRYSON. That is right.

Mr. PITTENGER. How many judges are affected?

Mr. BRYSON. I do not know. There are some in Alaska, only one in Puerto Rico, I believe, and already the privilege has been given by the Congress to the judge in Hawaii. It is simply correcting an injustice that has crept into the law due to some oversight.

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

Mr. BRYSON. I yield.

Mr. SHORT. I can see no reason, from the standpoints of logic, morals, and justice, why the Federal judges serving in the Virgin Islands, Puerto Rico, or Alaska, or the Canal Zone, should not be given the same privileges as Federal judges serving in the continental United States or the Territory of Hawaii.

Mr. BRYSON. I fully agree with the gentleman's observation. It seems to me it would be more strenuous on a man's mental and physical health to serve in one of those foreign places than in this country.

Mr. SHORT. I do not think there is any question about that. Any judge who serves in the Virgin Islands, the Canal Zone, or in tropical regions for 8 years will have his strength sapped much more than if he served that length of time here in the United States, particularly if he lives down in Missouri.

Mr. BRYSON. I believe that is correct.

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

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

Mr. MICHENER. Will the gentleman discuss the basic question involved here? When Federal judges were placed on the retirement roll, the purpose behind the law was that a Federal judge should be independent. He was to serve following nomination by the President and confirmation by the Senate. His appointment was for life. No one could remove him except the Congress by impeachment. In other words, he was an independent agent permitted to act on behalf of all the people. Now we are changing that plan and providing that a judge appointed to serve for a definite term under certain circumstances can retire after 8 years, even though he has never been appointed as a regular Federal judge for life. When these judges accept these positions, they accept the office for a term of years, which term is generally coincident with the administration in power. It so happens we have had one administration in power longer than has been the custom. As a result, we have more judges in these off-shore possessions and territories holding office for a longer period of time. I do believe this is a very important matter.

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

Mr. BRYSON. I yield to the distinguished majority leader.

Mr. McCORMACK. Without undertaking to express an opinion on the bill, following the observation made by our friend from Michigan, may I say that the basic proposition here involved is the independence of the judiciary. We know that the purpose of appointing a judge for life is to give that judge independence, not as an individual, but as a representative of the judicial branch of the Government in the administration of justice. An appointment for life should remove a judge from the impact of the emotions of temporary public opinion where decisions are to be made involving property rights or the rights of life or liberty. We depend upon a judge to make decisions based upon the law and the evidence without thought of himself as an individual or of results that may be harmful to himself as an individual. I know about it because I have always believed in the independence of our judiciary, and the appointive system as being the best approximation of human perfection under our system of government. I campaigned against the election of judges years ago in one of my early campaigns for public office, because of the practical considerations, because I felt that where there were questions involving the life and freedom and property rights of persons, judges should be as independent as the law of the land would permit.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. BRYSON. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. WALTER].

The CHAIRMAN. The gentleman from Pennsylvania [Mr. WALTER] is recognized for 10 minutes.

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

Mr. WALTER. I yield.

Mr. HOFFMAN. Some of us would be willing to vote for this retirement if we could be assured that when they retired they would stay retired and not come back into some political activity again. What bothers us is to have them get a pension and then have them come back into active political life again.

Mr. WALTER. I know of no such instance.

Mr. HOFFMAN. Why, Judge Murphy, now of the Supreme Court, is a shining example of that.

Mr. WALTER. Mr. Chairman, I do not yield further.

Mr. Chairman, I think if you consider the fact that it is difficult to find the type of men that you want to sit on the Federal bench, without giving them some

security more than the salary they happen to be receiving at the time of appointment, you will reach the conclusion that this is the way to do it.

After all, when a man takes an appointment to one of these outlying districts, he necessarily severs all of his ties at home. Of course, he does it with his eyes open. There is no question about that. But when he goes, he has placed himself in a position where, if his tenure is suddenly terminated, he will have to start from scratch with some other lawyer. It seems to me if you continue to follow that system you will not get the high type of men that you would get if, after serving faithfully for 8 years, he is entitled to retirement pay. After all, he cannot retire until he reaches the age of 70. What kind of a lawyer are you going to get to sit on the bench, who has experience, at the salary that Federal judges receive?

The reason for the 8 years is because these appointments are for various periods. Some of them 6 years, some 8 years, and some 10 years. We had in mind fixing the retirement pay on the percentage that 8 bears to 16, so that if a judge serves only 8 years and reaches the age of 70, he is entitled to only one-half retirement pay. If he serves the full 16 years—and he has to serve 16 years and reach the age of 70—he is entitled to the privileges enjoyed by Federal judges in other Federal courts of the land.

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

Mr. WALTER. I yield.

Mr. BUCK. What salary do these positions carry?

Mr. WALTER. The salaries vary from $6,500 to $8,500.

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

Mr. WALTER. I yield.

Mr. SHORT. While it might be argued that this bill under consideration might show favoritism to these judges, I would like to point out that we already have a precedent, because we pay all members of our armed services more money for service overseas than we pay those men who serve here at home. It is the same principle.

Mr. WALTER. That is quite true, but the thing that appeals to me most is the fact that when these men take these positions they just disconnect themselves from any of the means of support they had before. You are not going to get the type of men you want on the bench unless you give them more inducements.

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

Mr. WALTER. I yield.

Mr. BARTLETT. The judges are now appointed for a term of 4 years. In the judgment of the gentleman, should they retire before reaching the age limit set forth in this bill or before serving 8 years would they be eligible for retirement under the Ramspeck Act?

Mr. WALTER. Yes; I think so, because as I understand it, the judges in Alaska make their contributions as do all Federal employees who participate in the retirement plan.

Mr. BARTLETT. I thank the gentleman.

Mr. GWYNNE of Iowa. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. BENNETT].

Mr. BENNETT of Missouri. Mr. Chairman, I hesitate to oppose this bill, but I shall have to do so, for it continues our present hodgepodge manner of providing Government pensions or retirement annuities. I think it comes here at an unfortunate time and there is considerable doubt in my mind as to whether it is needed at all in view of the statement just made by the Delegate from Alaska, who indicates that the Federal Territorial judges now participate in the retirement system on a basis similar to that of civil-service employees.

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

Mr. BENNETT of Missouri. I yield.

Mr. MICHENER. But those men must contribute. Under this bill there would be no contribution. A man would just be guaranteed a pension for life when he retired without any contribution at all.

Mr. BENNETT of Missouri. Yes; that is another reason I think we should pass over this matter at the present time. If it is good for Federal judges, it ought to be good for everybody. The Ways and Means Committee is now conducting hearings on the matter of revising social security and providing compensation for the senior citizens of this Nation who have been neglected for a long time. It is difficult for me to satisfy my own mind that it is right to give thousands of dollars in pensions to Federal judges drawing fine salaries and who can afford to pay for their retirement annuities, when we do not even give a pension adequate to purchase necessities of life to thousands of our aged and disabled citizens, who as taxpayers have supported the judges.

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

Mr. BENNETT of Missouri. I yield.

Mr. HALE. Does the gentleman feel that the present system of giving full noncontributory pensions to Federal judges is wrong?

Mr. BENNETT of Missouri. I do. I think they should be on the same basis as any other Government employee, and that we should not, as you here propose, extend such a system to Federal judges serving outside of the United States.

We hear a lot about the difficulty of finding competent men to fill these positions, but I fail to see any dearth of applicants or any flood of resignations because additional inducements are not given them. Yet, you are proposing here to retire these political appointees on pensions of several thousand dollars per year, after they have served only 8 years in office, if they have reached 70 years of age. If you applied such provisions to retirement of Members of Congress, everyone of you who voted for it would be defeated, and should be. What then makes it right for Federal judges? If it is right for Federal judges why do you require lower-paid civil-service and postal employees to contribute to their retirement? I do not like to see these discriminations and this haphazard method of operating the Government. It especially comes with poor grace on part of Congress to be providing these liberal pensions to political appointees at a time when there are thousands of citizens of this country who really need pensions and who cannot afford to contribute toward them. They are the forgotten men and women today.

I want to take this opportunity to urge Congress to straighten out the mess which exists in the matter of pensions and retirement annuities, sponsored by Government. We have a good opportunity to do that now. The Ways and Means Committee of the House is now holding hearings on revision of the Social Security Act. I hope that the Members of Congress will all avail themselves of the opportunity to appear before the committee to express their views on this vital subject, as I have been pleased to do.

All of us are familiar with the shocking conditions on every hand among the old people of this nation dependent on public assistance. We see them in our districts and we receive letters and petitions about them. For years campaign orators have been promising to do something about these conditions. Very little has been done although conditions have continued to grow worse due to the increased cost of living. Numerous good bills have been introduced to improve conditions but they have died in committee without hearings. I have signed discharge petitions to take these bills away from committee so that they could be debated and voted upon. Such efforts have failed because a majority of the Members have not signed these discharge petitions. Now the Ways and Means Committee is trying to work something out to meet the needs of today. It will soon, I hope, report a bill to amend the Social Security Act.

A DOUBLE STANDARD

In 1935 the Congress passed the Federal Social Security Act containing provisions for old-age pensions. It set up a system under which the Federal Government matches contributions of State governments for this purpose. Thus, in 48 States we have about 48 different amounts paid in old-age pensions—most of the amounts pitifully small. The size of the pensions and who gets them is decided by State officials and not by Congress. The so-called Social Security Act set up a dual system, with a different type of treatment for different kinds of people. It provided that those with fairly steady jobs in private business could get pensions subsidized by their employers. A small amount is deducted from the wage earner's check and the employer also contributes. Thus, we see that some contribute to their opportunities for retirement and others get a hand-out. No self-respecting citizen wants a hand-out. But, the self-employed citizens are denied the opportunity to contribute to a government retirement fund and have no other recourse when adversity besets them.

The industrial revolution has made most aged people dependent upon society for existence. Before our entry into World War II it was estimated that in 1941, of the persons 60 years of age and over in the United States, 54.9 percent were supported wholly or partially by public or private social agencies or were

dependent on relatives or friends for subsistence and care. This being a fact admitted by all, various pressure groups have been organized to obtain legislation to insure their members against want in old age. Those who have the most political influence and can yell loudest have been taken care of while others just as deserving have been left out in the cold. Special privileges have thus been established for civil-service workers, organized labor, Regular Army and Navy personnel who can retire on pensions without contributing a dime to the retirement fund, Federal judges who can retire on full pay ranging from $10,000 to $20,500 per year, also without contributing a dime for this specific purpose, and others, while the small businessman, the self-employed, the professional people, lawyers, doctors, teachers, city and county officials and employees, housewives, and farmers have been ignored under the social-security law and no other retirement program has been provided them. If they are unable to save enough out of their earnings to retire on, an increasingly difficult and almost impossible task because of the increased cost of living, they have only two alternatives facing them. They can accept the old-age pension provided for those who are down and out and willing to suffer the indignities I will now describe, or they can join the ranks of over 1,000 unfortunate elderly citizens of Missouri who have been committed to State institutions for the insane since they are senile and our old-age pension is inadequate for their care. A shameful situation. I hope to see the day when these seniles, who really are not insane, of course, are provided cheerful quarters separate and apart from the institutions they must now occupy or see them provided with adequate pensions to secure proper care in the twilight of their lives in their own homes among their loved ones if in a given case that seems the best course.

TIED DOWN

Let me point out that the favored groups under the social-security law and other Government retirement systems who have earnings big enough to build up a nice retirement fund, do not have to make any accounting as to their wealth or income to anybody. They spend it as they please and move around as they please. When they die, they can will their property to whom they please. On the other hand, let us consider those whose only resort is to old-age assistance. As taxpayers, many of them have contributed all their lives to pensions for their employees in Government classified civil service. As consumers, buying in the market place, they have contributed all their lives to pay the employer's share of the pension of those private employees who have been brought under the Social Security Act's contributory scheme. But, when it comes to their own old age they find a $40 monthly maximum pension in Missouri. The Missouri State average is only $27.19 per month and the national average is $29.97. Some States pay as high as $49.25 and others as low as $12.79. And, to get this pitiful sum on which to live, they must surrender their independence and freedom to a modern form of slavery.

What do I mean? To be specific, these citizens must surrender their privacy. They must give some stranger, a welfare worker, a complete accounting of their possessions and income. After waiting several months, and probably accepting grocery orders from relief headquarters in the meantime to keep from starving, they are placed on a meager budget made out by some often indifferent young woman who could not buy her own clothing on what she allows for food, clothing, shelter, recreation, and health for the pensioner.

As a further indignity the pensioner is tied to his place like a medieval serf in the Dark Ages was tied to his lord's estate. He cannot move around or he will lose his pension. He cannot live with a child in another State who, with the aid of the pension, would be able to provide better than a subsistence existence for the pensioner. He cannot have any more savings than $500 or possess property of a value exceeding $1,500. He must be down and out and stay there for at regular intervals some snooper will come around to find out whether or not the pensioner has had any good luck and if so will reduce or take away the assistance. This brings me to a very important point. The present inadequate and undemocratic pension system provided under the Social Security Act not only creates class distinctions in this Republic, but it sets up a bureaucracy of the worst kind. Provisions of the law make bureaucracy inevitable. People have been divided into classes and separate savings accounts for each individual have been set up. This has required establishment of an army of bookkeepers, investigators, supervisors, administrators, case workers, and just plain snoopers. The unemployed have been put to work regulating and checking up and keeping books on each other. If any doubt this they have only to take a trip through the offices of the Social Security Commission or through the State offices of this organization. The 1946 Official Manual of the State of Missouri, the so-called blue book, carries a list of 113 employees in the State social security office at Jefferson City and 1,291 in the 114 counties of Missouri. Criticism is being leveled today against old age pressure groups who want Congress and the President to make good on their promises. But the most powerful old age pension pressure group in this country is the great horde of administrators of the Social Security Act in Washington and in every county of the United States, lobbying for continuance of the system which provides them with jobs. You cannot blame them. Why should they try to beat the system? Congress set it up, and it has relieved much suffering and has performed some good in a haphazard way. But let us give the money appropriated for pensions to those who need it by abolishing the means test and all other red tape which simply increases the expense and bureaucracy and lessens the effectiveness of the law. Administrative expense of the present program in Missouri is $2,750,000 annually.

Mrs. Glenn Turner, of Madison, Wis., writing to one of my colleagues, made a very interesting argument in favor of revising the social-security law. I quote her:

It is strange that we who did such a remarkably fine piece of work in setting up an institution for the instruction of the young, should have made such a bungling job in our attempts to care for the old.

The American public school is, in my opinion, one of the finest and best-conceived institutions to be found anywhere in democratic civilization. The principles on which it is based are worthy of serious thought, for they are the fundamental principles necessary to a democratic institution.

The principles on which the American public school is founded are simple and obvious. First, it is paid for by taxation on the basis of ability to pay. Everyone who can, pays. Second, it is open to all on exactly the same basis. No one has to prove either wealth or poverty before he can make use of it. No line of parents forms on the first day of school waiting to be examined on their financial condition. Third, parents may prefer to use agencies which they think are better than the public school, or they may desire to supplement the public-school service with other services. That is permissible, but they do not lose their right to use the public school nor their duty and requirement to support it.

Henry David Thoreau had a saying, "Beware of enterprises that require new clothes." I think we might well say, "Beware of public enterprises that provide inequality of treatment." Insofar as we have inequality of treatment under the law, we do not have democracy.

I hope that I shall live to see the same sort of democratic treatment of the old which we provide for the young. Under a democratic pension system, the pension would be raised by a system of general taxation. An invested fund is necessary for a private insurance system and a private school system. It has no more place in a public pension system than in a public school system.

Under a democratic pension system, the pension would be the same for all, rich and poor. No pension should be higher than we can afford for all. If people want pensions larger than we can afford to provide for all, they should secure them through private investment of their own funds. It seems strange that people who constantly proclaim their devotion to the principle of private enterprise, will seek not only public assistance in the investment of their own money for their own old age but also public subsidy of that investment.

A fair pension system for the people of the United States demands a third feature. It must be national, not State, if we are to free the old from the peculiar form of serfdom which we have originated under our Federal-State pension system.

CHARITY BEGINS AT HOME

I would like to see a law which provides revenue for old age pensions, derived from a special tax and prorated among aged annuitants who do not pay income taxes. Annuities would be on pay-as-you-go bases. Annuitants would retire from gainful employment, leaving their jobs to younger people. They would be required to spend their annuity within 30 days of receipt, assuring a constant turn-

over of money and a constant stimulus to the market for American goods. If we can finance a new deal for the entire world and give foreigners billions in money and equipment without admitted expectation of getting it back any better than we did after the last war, then I think that we can take care of our own people too.

I would like to touch on another point before closing this discussion. I think that this plan should be on a pay-as-you-go basis. Under the Social Security Act, a trust fund is set up for payment of pensions, but the fund is used for other purposes and the Government puts its I O U's or bonds in place of the fund, which means a man who pays for his retirement has to do so twice. If a banker or trustee juggled his books like Uncle Sam does this so-called trust fund, he would be put in jail for embezzlement. As to the best form of taxation to pay for this plan, if one form does not work, another can be tried. The form of the tax is less important than that we abolish the slavery and bureaucracy and special privilege inherent in the present methods of caring for needs of the old. Yes; we owe it not only to ourselves but also to the world, which looks to us for leadership in establishing democratic principles of life and republican form of government, to find a way to do this.

IN SUMMARY

There is no use to talk about doing away with present pension or retirement systems authorized by the Federal Government. It cannot and will not be done. I am not advocating it. What I am pointing out is the necessity of better treatment for those who are ignored under the present set-up and for those whose pensions, in the form of gratuities, are inadequate. I suggest that if social security is good for some it is good for all and should be extended to cover all self-employed and others not now included, except for those covered by other systems—civil service, postal, and so forth—and that for those who under such extension are unable because of low income, or other reasons, to build up an adequate retirement annuity by Government standards, a pension be granted without the strings now attached and which hamstring and eat up the funds which should go direct to the old people. The time to act is now.

The magnitude of this problem and importance of doing something about it is very well illustrated by the following informative letter I have received from the Administrator of the State Social Security Commission of Missouri. It relates especially to conditions in my own congressional district, but is also of general interest. The letter follows:

STATE SOCIAL SECURITY
COMMISSION OF MISSOURI,
Jefferson City, Mo.

DEAR CONGRESSMAN BENNETT: We are very glad to have the opportunity to supply the information requested in your letter of March 14. The following table indicates the number of old-age assistance recipients, the total amount of payments, and the average payment for the State and for each of the counties in your district for the month of March 1946.

	Number of recipients	Total payments	Average per recipient
State	103,015	$2,800,539	$27.19
Sixth District:			
Barton	709	20,282	28.61
Bates	1,030	30,292	29.41
Cass	717	18,086	25.22
Cedar	673	18,464	27.44
Greene	3,167	97,482	30.78
Henry	1,101	27,917	25.36
Johnson	774	18,420	23.80
Pettis	1,384	41,379	29.90
Polk	932	26,150	28.06
St. Clair	644	15,521	24.10
Vernon	974	24,423	25.07
Total	12,105	338,416	

The Missouri Legislature initially appropriated $14,255,520 from the general revenue fund for old-age assistance during the fiscal year ending June 30, 1946. Due to the increase in the number of recipients since the end of the war and an increase in maximum payments which might be made, which became effective in July 1945, and other increases in payments which were found to be needed upon reinvestigation, this amount was insufficient and an additional appropriation of $2,050,000 has been passed by the Missouri House of Representatives and is now pending in the senate. This total amount of $16,295,520 is subject to Federal matching under title I of the Social Security Act of a like amount.

The Federal Government does not participate in the general relief (direct relief) program. With the exception of local contributions, which account for slightly more than 1 percent of the amount expended, this program is financed entirely by State appropriation from the general revenue fund. The appropriation for the present fiscal year is $2,275,000, which permits only 55 percent of the amount determined to be needed to be provided, with any other income deducted from this amount in determining the payment to an individual case. General relief is limited in Missouri to unemployable persons and families which do not contain an employable member. The estimated need for the present fiscal year was almost $5,000,000.

Percentage comparisons with aged populations in Missouri offer some difficulties due to the changes in population which have occurred since the 1940 census, which was taken almost 6 years ago. In the 1940 census, a total of 325,745 persons past age 65 were enumerated, of which the 103,015 who received old-age-assistance payments this month would constitute 31.7 percent. If a fairly conservative estimate of the increase in the number of aged persons of 5,000 per year is used—the total increase from 1930 to 1940 was approximately 80,000—it would indicate approximately 355,000 persons past age 65 at the present time, of whom the March recipients would represent 29 percent. The distribution of recipients throughout the State is naturally quite uneven, the lowest proportions of the aged population receiving assistance being in St. Louis, Kansas City, and adjacent areas, and the highest proportions in some of the Ozarks counties such as Ripley and Ozark. In your own district, the latest studies we have made indicate the smallest proportion of population to be receiving assistance is in Cass, Johnson, and Vernon Counties, and the largest in Barton and St. Clair Counties where almost one-half of the number of persons past 65 enumerated in the 1940 census are receiving assistance payments.

From the beginning of the old-age-assistance program until July 1945 the State law provided a maximum of $30 on payments which might be made to an individual and a maximum of $45 which might be paid to a married couple living together and both eligible for assistance. The present legislature removed this maximum and substituted as a maximum the amount in which the Federal Government would participate, which is, under the Social Security Act, $40 per person ($80 per couple). A total of about 41,000, or two-fifths of all recipients, were receiving maximum payments in July 1945. At present there are approximately 13,000 recipients who are receiving payments in the amount of $40, the new maximum. The average payment to recipients has been increasing rather rapidly, both as a result of the larger payments possible to recipients at the earlier maximum and as a result of increased costs of food, shelter, and other necessary items which are budgeted. The average payment has risen from $23.07 in March 1945 to the present $27.19 this month, an increase of $4.12 during the year. A comparable increase is necessarily anticipated during the coming year. This, coupled with the increase in number of recipients which has occurred each month since last August when the war ended, is substantially increasing the cost of the program.

Missouri, with per capita income lower than the national average and with a relatively high proportion of old-age assistance recipients—about ninth among States in proportion to aged population—is accordingly faced with greatly increased costs and may find it difficult to provide sufficient funds to meet the present high living costs of recipients. Relatively high recipient rates can probably be attributed to the fact that the State law has never contained provisions with respect to responsibility of relatives, liens on property, or local participation in costs. Obviously, a considerable number of Missouri counties would be unable to participate in the large costs of the program.

In the aid-to-dependent-children program, the Federal Government also matches, dollar for dollar, State appropriations under title IV of the Social Security Act. The problem of meeting living costs under this program is even more acute than under old-age assistance due to the limitation in the Social Security Act, which places a maximum of $18 in payment which can be made for the first eligible child and $12 in payment for each additional eligible child. These amounts are wholly insufficient to maintain a mother or other relative and dependent children unless there is other income available. About five-sixths of the payments under this program are and have been for the maximum amount permitted by law.

We will be very glad to supply any additional information which will be helpful to you in your consideration of these very large and important programs.

Very sincerely yours,

PROCTOR N. CARTER,
Administrator.

Mr. GWYNNE of Iowa. Mr. Chairman, I yield myself 5 minutes.

The CHAIRMAN. The gentleman from Iowa is recognized for 5 minutes.

Mr. GWYNNE of Iowa. Mr. Chairman, this bill is a very simple one. It proposes to extend the retirement privileges to certain judges not now covered. The judges included are these: Judges of the District Court for the District of Alaska; the District Court of the United States for Puerto Rico, the District Court of the Virgin Islands, and the United States District Court for the District of the Canal Zone.

The history of retirement for judges is substantially this: Some years ago

Congress passed the first law which allowed judges of the circuit court of appeals and judges of the district courts of continental United States to resign and become eligible to a full pension if they had served 10 years and had reached the age of 70. Later, in order to protect those judges who resigned from suffering reduction in compensation we amended the law so they could also retire, thereby still remaining judges, still being subject to some duties and yet be in a position where their pensions or their salaries could not be reduced. Later we extended that privilege of resigning or retiring to the judges of the Supreme Court of the United States; then, later, a bill introduced by the Delegate from Hawaii, Mr. King, was passed by the Congress which extended to the judges of Hawaii the privilege of resigning or retiring. There we took on a new class of judge.

The judges that had heretofore been covered by the Retirement Act were what might be termed constitutional judges. They were judges appointed for life and they exercised the constitutional authority as derived under the Constitution. The judges in Hawaii and in the Territories, and the judges mentioned here, are not constitutional judges; these judgeships were created under that provision of the Constitution which gives the Congress the authority to create inferior courts. We did, however, extend the retirement privilege to the judges of Hawaii with this exception: Then, of course, we had no life tenure, and, incidentally, I think that is one thing that should be done. Why should not a judge in Hawaii, in Alaska, or in the Canal Zone be appointed for life? That is something that could be easily done by this Congress because it is a subject upon which we have legislative authority. However, we have not done so. We gave the Hawaiian judges the right to retire after 10 years of service and upon reaching 70 years of age. In order to arrive at an amount they should receive we took 16 years as the base. The minimum then would be ten-sixteenths of their salary. So I have no objection to this bill. It simply extends the same privilege we have already given Hawaiian judges to these other judges.

Mr. Chairman, the objection I do have to the bill is the amendment proposed here by the House Judiciary Committee which would reduce the 10-year period to eight. I do not quite understand why any difference should be made between these judges and other judges who must serve 10 years; therefore, so far as I am concerned, I intend to vote against the amendment reducing the time from 10 to 8 years, then I shall vote for the bill.

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

Mr. GWYNNE of Iowa. I yield to the gentleman from Maine.

Mr. HALE. Will the gentleman tell the committee what the terms of these respective judges are at the present time?

Mr. GWYNNE of Iowa. They are appointed for 4 years, as I understand it.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE of Iowa. I yield to the gentleman from Kansas.

Mr. REES of Kansas. I assume that the reason for the 8-year period is this: These judges are appointed by the President. Assuming that the President appoints them for a period of 4 years, that he has a second term, then they have an extra 4 years. If he does not get reelected they would not be eligible under the 10-year provision. Does not the gentleman think we are sort of garbling the thing a little when we put this group under the regular tenure of judges? In other words, as I understand the situation, the intention of the other act was to give security to these men who are appointed for life. Under this act we are giving security to appointees of the administration for 10 years without their making any contribution to the retirement fund. All other appointees of the Federal Government are required to contribute.

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

Mr. GWYNNE of Iowa. Mr. Chairman, I yield myself two additional minutes.

I get the gentleman's question. Let me say in answer to his question that every judge is a political appointee in the sense he is appointed by the President, even though he may be appointed for life.

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

Mr. GWYNNE of Iowa. I yield to the gentleman from Tennessee.

Mr. KEFAUVER. Perhaps the reason for reducing the number of years from 10 to 8 is that in the Virgin Islands and Puerto Rico I believe the judges are appointed for a term of 4 years.

Mr. GWYNNE of Iowa. That is right.

Mr. KEFAUVER. In the Canal Zone they are appointed for a term of 8 years.

Mr. GWYNNE of Iowa. That is correct.

Mr. KEFAUVER. If those who are appointed for 4 years serve two terms then they would be entitled to retire for half the amount they would otherwise receive had they served 16 years. If a judge had served 8 years in the Canal Zone and retired under the present law he would not receive any retirement benefit, whereas a Hawaiian judge, who served 10 years, would receive ten-sixteenths of his retirement.

Mr. GWYNNE of Iowa. That is correct. But it seems to me that the solution is this: Let us give them the same retirement privileges that we give justices of the Supreme Court and the judges of your and my State and take care of the other situation by amending the law so that all of these judges will be appointed for life. The weak spot of our judicial system, that no one can deny, is in the appointment of judges. How long is the public going to put up with this rewarding of judgeships to political henchmen? It should not be allowed. It has been done by both parties, and it is a national disgrace.

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

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

Mr. COLE of New York. Is it possible under this bill for a judge who has served 10 years and who retires, but who has not reached the age of 70, after he becomes 70 years of age, to come in and qualify for the annuity?

Mr. GWYNNE of Iowa. My understanding is that he could not. He must be 70 years of age when he retires and must have served 10 years. That is the general law, and that is not changed by including these judges.

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

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

Mr. BUCK. In other words, the judge must be in office when he reaches 70 years of age.

Mr. GWYNNE of Iowa. That is right. That is my understanding of it. That is certainly the general law, and I see nothing in this bill that would change that. He must have served 10 years; he must be 70 years of age, and he must retire from the bench.

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

Mr. BRYSON. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. Chairman, I certainly join in the sentiments expressed by the gentleman from Iowa in that these judges of the Territories ought to be appointed for life or good behavior, just as the Federal judges in the districts are appointed. We all agree that we need just as competent men as judges in Hawai, Alaska, the Canal Zone, and Puerto Rico as in any other district of the United States. In many ways these judges should be entitled to some additional consideration over an ordinary district judge, and that is true for this reason. A judge who remains in the United States and retires still has his connections; he has his friends; he has not been taken away from the members of the bar where he has practiced law, so he would be in a better position to go back into the practice of law than a judge who had removed from his home to one of these possessions.

Let us see what the situation is. Suppose a judge takes an assignment in the Canal Zone or in Puerto Rico for 4 or 8 years. During that time he will have lost all of the connections he had at home. It would be very difficult for him to go back into the practice of law at his home. It seems to me that it is entirely equitable to provide that after one of these Territorial judges has served 8 years he shall be given his proportionate retirement pay.

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

Mr. KEFAUVER. I yield to the gentleman from Missouri.

Mr. SHORT. Another point is the health factor. Any judge who serves down in the jungles where he is subjected to jungle rot and fungus and other diseases, as the gentleman knows, does not have healthful conditions or the comfortable living quarters that they have in this country.

Mr. KEFAUVER. The point of the gentleman is well made. As has already been pointed out, and this should be emphasized again, the fact is that men serving overseas in the armed services, or even in the possessions, are given more consideration and pay than when they

serve in the continental United States. If we want to continue to get members on the judiciary in these outlying possessions, I think it is only fair that we give them a retirement privilege, as is provided in this bill. I think the amendment allowing a proportionate retirement after 8 years' service should be sustained. There is no logic of not allowing a judge who served 8 years a proportionate part of his retirement, when we already allow some Territorial judges who served 10 years a proportionate part of his.

Mr. HANCOCK. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, this bill, S. 565, has been passed by the Senate. When the Senate considered it they passed it containing the provision that these particular judges, to whom we are now referring, could retire upon reaching 70 years of age if they had served 10 years as judges of that court. That was the Senate version. It came to the House and the Committee on the Judiciary amended it by striking out 10 years and substituting 8 years, thereby changing this entire plan of retirement insofar as the judges are concerned.

All of our judges under the present law have the right and privilege of retiring when they reach the age of 70 years, if they have served 10 years. That has already been extended to the judges in Hawaii. If we pass this law, we are going to classify these judges; in other words, we will have some judges who can retire when they reach 70 years of age, after they have served 10 years, and we will also have retirement provisions in our law that certain of our judges will have the right and privilege of retiring when they reach the age of 70 years, if they have served 8 years.

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

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

Mr. WALTER. I do not think the gentleman is entirely correct, because after all this bill applies to the Supreme Court of the Territory of Hawaii and the district courts of the Territory of Hawaii, so that we do not classify them. They all go into the same category.

Mr. SPRINGER. But our Federal judges will retire at 70 years, after having served 10 years; consequently, you have that confusion, and that confusion would continue. The passage of this bill would not clarify or correct the matter to which I have just referred.

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

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

Mr. COLE of New York. What representation was made before the Committee on the Judiciary in support of the 8-year limitation?

Mr. SPRINGER. As I recall, there was one instance. I do not want to give out any matter that is not entirely proper, but the Members of the House are entitled to know all of the facts and circumstances here involved, but there was one instance of one judge; I think it is Judge Gardner, from Kentucky, who is now serving in Panama. His health is not very good. He has not served 10 years yet. This amendment was proposed in order to qualify one judge for retirement. I think I am correct in that statement. If I am incorrect, I hope some member of the Judiciary Committee will correct me.

Mr. COLE of New York. That is the only instance presented to the committee insofar as the 8-year provision is concerned?

Mr. SPRINGER. That is the only instance that came to my attention.

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

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

Mr. KEFAUVER. May I call the gentleman's attention to the fact that we already have judges classified. The Federal judges in the continental United States are in a category different from that of those serving in the Territories. In the continental United States a judge who serves 10 years and reaches the age of 70 retires with full retirement compensation.

Mr. SPRINGER. That is correct. Our Federal district judges, serving in the continental United States, are appointed for life.

Mr. KEFAUVER. However, in Hawaii now, for instance, if he serves 10 years and retires at the age of 70 he gets only 50 percent of his retirement pay, half the amount.

Mr. SPRINGER. As I understand, those judges who are now serving in our possessions receive their salary plus certain other emoluments in connection with their office, I have been informed, such as living quarters and other items, which judges serving in the United States of America do not get at all. I have been informed that such is the case.

Mr. KEFAUVER. I am not certain about it, but I have talked with a number of these judges. I think the gentleman must be mistaken about it.

Mr. SPRINGER. I have been advised exactly contrary to what the gentleman is now stating.

Mr. KEFAUVER. As I recall, the judge in Puerto Rico told me one time of the higher rental that he has to pay for his living quarters. I think the gentleman must be in error, but I am not certain about it. However, the point I wanted to bring out to the gentleman is that we have already classified the territorial judges in a different category from the continental judges. The classification is to the disadvantage of the territorial judges because under this law a judge who served under 8 years, and retired at 70 years of age would get only half of his retirement, whereas the continental judge serving 10 years and retiring at the age of 70 would get the full amount. Therefore, we are not yet giving the territorial judge an even break with the continental judges even though this amendment to the bill is adopted.

Mr. SPRINGER. There is one thing that I want to call to the gentleman's attention. As has been stated by the distinguished gentleman from Iowa, it is my considered judgment that these judges serving in our insular possessions and outside the continental limits of the United States of America should be appointed for life. I think that would aid materially in this matter because, as has been so well stated, we want to establish the independence of the judiciary of this country. That is one of the very important factors involved in this particular matter. But with respect to the particular pending legislation, I cannot convince myself that we should change from a 10-year service to an 8-year service in giving these judges retirement.

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

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

Mr. BUCK. Is it the gentleman's opinion that life in Hawaii and Alaska is less healthful than life in the continental United States?

Mr. SPRINGER. Well, I do not know that it is. But these judges are appointed for a term. They understand that term when they accept the appointment. The gentleman from Pennsylvania mentioned something about the fact that they are taken away from their communities and from the lawyers that they know and that they are taken away from their practice. Of course, that is true of every lawyer who goes on the bench. The man who goes on the Supreme Court bench is taken away from his community and from the lawyers he knows so well, and also taken away from his practice. He practically divorces himself entirely from his practice in his community. He is faced with the same problem that these judges face who accept appointment in one of our possessions.

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

Mr. SPRINGER. I yield to the gentleman.

Mr. MATTHEWS. Do I understand the effect of this as a practical matter would be that a judge appointed at a fairly young age and serving 25 or 20 years, but who has not reached the age of 70, but whose term expires and is not reappointed, possibly because of a change in the political picture, would not receive any retirement, but a man appointed at the age of 63 and serving 8 years, would receive his retirement?

Mr. SPRINGER. I think the gentleman is entirely correct. That is true in many instances involving retirement. Some limit must be fixed. I think, under this law, a person who reaches the age of 70 years, and who has served 10 years, that is, under the version of the Senate, is entitled to retire under the provisions of this bill. If it should be passed in the manner in which it is amended by the Committee on the Judiciary of the House, when he reaches 70 years of age if he has served continuously for 8 years, then he is entitled to retirement privileges under the bill. Many judges never reach the age of retirement fixed by statute.

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

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

Mr. MICHENER. Referring to the inquiry made by the gentleman from New Jersey [Mr. MATHEWS] I would like to point out this exception in the case of Alaska where the district judges in these off-shore possessions come under the civil-service retirement law if they

so desire. But in doing that they must contribute just the same as other appointees serving in some other capacity in the same offshore possession at the time. This would not discriminate against other employees, but it would be giving privileges to some term appointees which the other term appointees do not have. I think they ought to all pay for their own retirement just as Congress will pay for its retirement, if it ever has courage enough to pass a retirement law.

Mr. SPRINGER. May I say to my distinguished friend, I have heard the question raised that if this pending bill should be passed in the form in which it is now presented to the House, it would probably entirely eliminate the civil-service retirement features. That is another question that must be considered carefully in analyzing this particular bill. I hope the committee amendment is defeated and the bill as passed by the Senate is approved—if approval of this measure is granted.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. SPRINGER] has expired.

Mr. BRYSON. Mr. Chairman, I have no other requests for time.

Mr. HANCOCK. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, as a member of the Judiciary Committee of the House, I voted to favorably report this measure. It has developed in the course of the debate that there is a judge serving in Panama who has been on the bench for 8 years. He was appointed when he was about 62 years of age. He has lost his health and he desires to retire. I do not think a man ought to have to pay with his life for the privilege of retiring, after having served 8 years and having served honorably. I think he should have that privilege.

I want to concur here and now with the statement that has been made in the course of this debate that a man from Iowa or Maine or Kentucky or Tennessee, who leaves these States where we have a climate that is conducive to long life and happiness and goes down to the miasma of the swamp, among the mosquitoes, where he might get yellow fever or contract some other tropical disease that will shorten his life, that serving 8 years down there is the equivalent of 16 years in the United States.

In addition, if we pass this measure and a man retires at 70, after having served 8 years, he gets only half the salary for which he has been serving. I have always desired to retain in my makeup a large measure of the milk of human kindness. I cannot measure in cold dollars and cents the value of human life. Suppose this man had served 10 years, under the law as it now is he could retire at ten-sixteenths of the salary at which he had been drawing. Of course, when I reach 70 years, having lived in Tennessee all of my life, I shall consider that I shall have about reached the threshold of middle life. I propose to grow young and not grow old, and I will tell you how I do it. I associate with young people. I look at life through the eyes of youth. But some men do not have the vitality and the vigor and ruggedness and toughness that was ingrained in me when I was growing up in the mountains of Campbell County, Tenn. I just grew strong because we just grow strong down there.

Here is a man who is broken in health, who has served conscientiously, faithfully, ably, for 8 years. So far as I am concerned I do not propose to ring down the black curtain of disappointment upon his career, force him to leave his office because he is physically incapacitated, without a dime. I think it is a just measure, and, I repeat, I would rather work for 16 years in the continental confines of the United States than go among strangers down in the miasma of the swamps where life may be cut short by some disease to which we are not immune who go down there from this north central climate, the finest in the world.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the distinguished gentleman from Kansas; I could not resist yielding to him.

Mr. REES of Kansas. The gentleman has made a very wonderful plea on behalf of one judge.

Mr. JENNINGS. I am talking about all judges. This act, my good brother, is all-inclusive; it covers them all; but since that was brought out I just wanted to reply to a feature of it which ought not to affect the merits of this measure.

Mr. REES of Kansas. Does the gentleman feel we ought to reduce the period of service generally to 8 years?

Mr. JENNINGS. No. I think this is a good measure. I would not go to Alaska for twice the salary of a Federal judge.

Mr. SHORT. And the gentleman would not go to Panama where the ants are bigger than grasshoppers?

Mr. JENNINGS. No. I do not wish to go down there under any circumstances.

Mr. GWYNNE of Iowa. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. GWYNNE of Iowa. Is it not true that in the case of many judges in the continental United States before they have served their 10 years, before they have reached 70 years of age they have become incapacitated and therefore not able to qualify for pension?

Mr. JENNINGS. Absolutely. I was elected to a judgeship when I was 38 for a period of 8 years, and I served nearly 5 when I saw it was going to kill me, and I quit. I did not want to be an umpire, I wanted to play on the team.

Mr. WALTERS. Mr. Chairman, I yield 2 minutes to the gentleman from Alaska [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, I want to emphasize that as long as appointments to judgeships in the territories are made politically it is almost essential that the 8-year provision prevail if these judges are ever going to benefit from any retirement provision. In Alaska the judges are appointed for 4-year terms. In the Canal Zone the term is 8 years. In Hawaii the term is either 4 or 6, depending upon the type of the court. In Puerto Rico the term is 8 years and in the Virgin Islands 4. I think the system ought to be changed. I have a bill now pending before the Committee on the Judiciary for the appointment of judges in Alaska for an indefinite term dependent on good behavior.

It is essential that this 8-year provision be included in the bill because under ordinary circumstances a man simply will not have opportunity to serve 10 years and will not be able to take advantage of any of the benefits of this bill.

In connection with the remarks of the gentleman from Indiana I wish to assure the House that judges in the territories do not receive any special emoluments; they receive their salaries only. For this reason I think it is most important that these judges be allowed to make a choice between legislation of this kind and the Civil Service Retirement Act. Most of them are appointed in their early fifties. They serve a few years, but few indeed can possibly meet the requirements as to length of service and as to age. It is necessary to keep this provision in the bill.

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

If there are no other requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the act entitled "an act relating to the retirement of the justices of the Supreme Court of the Territory of Hawaii and judges of the United States District Court for the Territory of Hawaii," approved May 31, 1938 (Public, No. 566, 75th Cong.), be, and the same is hereby, amended to read as follows:

"That every justice of the Supreme Court of the Territory of Hawaii, and every judge of the United States District Court for the Territory of Hawaii, the District Court for the District of Alaska, the District Court of the United States for Puerto Rico, the District Court of the Virgin Islands, and the United States District Court for the District of the Canal Zone, may hereafter retire after attaining the age of 70 years. If such justice or judge retires after having served as a justice or judge of any of the aforementioned courts for a period or periods aggregating 10 years or more, whether continuously or not, he shall receive annually in equal monthly installments, during the remainder of his life, a sum equal to such proportion of the salary received by such justice or judge at the date of such retirement as the total of his aggregate years of service bears to the period of 16 years, the same to be paid by the United States in the same manner as the salaries of the aforesaid justices and judges: *Provided, however,* That in no event shall the sum received by any such justice or judge hereunder be in excess of the salary of such justice or judge at the date of such retirement.

"SEC. 2. In computing the years of service under this act, service in any of the aforesaid courts shall be included whether such service be continuous or not and whether rendered before or after the enactment hereof. The terms 'retire' and 'retirement' as used in this act shall mean and include retirement, resignation, failure of reappointment upon the expiration of the term of office of an incumbent, or removal by the President of the United States upon the sole ground of mental or physical disability."

With the following committee amendment:

Page 2, line 9, strike out "ten" and insert "eight."

Mr. GWYNNE of Iowa. Mr. Chairman, I rise in opposition to the committee amendment which raises the only question the committee members have in regard to this bill. I am personally for the bill but I do not see any reason for adopting the committee amendment reducing the number of years from 10 to 8.

Judges often say that hard cases make bad law. We seem to be legislating here for one particular case without giving consideration to the fact that for years after considering probably many hard cases, after considering the subject generally, we have concluded that 10 years is the proper period for a judge to serve. Now we propose to reduce that to 8 years apparently because some particular case is involved.

Mr. Chairman, I know of instances, and every Member here knows of instances, where district judges in continental United States before they had served 10 years or before they had arrived at the age of 70 have become disabled and were not able to qualify for these retirement benefits. We did not enact special legislation for their benefit.

Mr. Chairman, I trust at this time we will look at the pending bill from the standpoint of the future and not jeopardize what has been a successful retirement plan just to suit the convenience of one particular judge.

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

Mr. GWYNNE of Iowa. I yield to the gentleman from Arkansas.

Mr. CRAVENS. The purpose of the 8-year period that the committee has placed in the bill is obvious. It is not for the purpose of showing favoritism to any particular judge but is based on the theory that most of these judges are appointed for terms of 4 years. The judge who serves two terms should be entitled to the benefits that this act gives on retirement and not place a possible barrier there by making him serve more than two terms. The tenure of office is for 4-year periods.

Mr. GWYNNE of Iowa. When we extended the law to the judges of Hawaii we were not influenced by that argument. The answer, in my opinion, is to appoint the judges for life.

Mr. CRAVENS. I agree with that, but this bill does not do that. So to be practical we should make it 8 years—in other words, two 4-year terms. That is the practical number of years that we should agree to.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE of Iowa. I yield to the gentleman from Kansas.

Mr. REES of Kansas. Does not the gentleman think this is sort of setting a precedent by reducing the number of years of service required by the judges of the Federal courts? Will there not be some excuse and some grounds for somebody coming in later on and saying, "Now, you provided for 8 years' tenure in place of 10 for those outside of the continental limits of the United States; you ought to do the same thing for those within this country"?

Mr. GWYNNE of Iowa. That is the purpose of my amendment.

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

Mr. GWYNNE of Iowa. I yield to the gentleman from Michigan.

Mr. MICHENER. I want again to call the gentleman's attention to the fact that these men are appointed for a term and not for life.

Mr. GWYNNE of Iowa. That is right.

Mr. MICHENER. They know, when they take office, that they are not assured of more than 10 years, and if they want to come in under the civil-service retirement law and receive the pension for which they pay, they can do so.

Mr. GWYNNE of Iowa. The gentleman is correct.

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

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

Mr. HANCOCK. Does the gentleman know whether there has been any dearth of competent candidates for appointment as Territorial judges under the present salary and retirement benefits?

Mr. GWYNNE of Iowa. I understand that the supply equals the demand.

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

Mr. Chairman, this is the most extravagant retirement plan, either public or private, that has ever come to my attention. That a man after serving 8 years on a noncontributory basis can receive a half salary pension for life, or after serving 16 years, again noncontributory, can be pensioned at full salary for life, is just beyond belief. If this is an entering wedge to be applied to other judicial positions and then to be applied to our entire civil service, heaven help us.

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

Mr. BUCK. I yield to the gentleman from Arkansas.

Mr. CRAVENS. Before any judge can get the benefit of this act he must have reached the age of 70. I am sure that the gentleman well knows from observation that judges of this country, with very, very few exceptions, live but a very short period of time after reaching 70 years of age and getting retirement benefits, so it is not going to cost the Government much.

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

The question is on the committee amendment.

The question was taken; and on a division (demanded by Mr. HANCOCK) there were—ayes 35, noes 45.

Mr. BRYSON. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. BRYSON and Mr. GWYNNE of Iowa.

The Committee again divided, and the tellers reported that there were—ayes 47, noes 57.

So the committee amendment was rejected.

The Clerk read as follows:

SEC. 3. That the title of the act entitled "An act relating to the retirement of the justices of the Supreme Court of the Territory of Hawaii and judges of the United States District Court for the Territory of Hawaii", approved May 31, 1938 (52 Stat. 591; 48 U. S. C. 634b and 634c), be amended to read as follows: "An act relating to the retirement of certain justices and judges in the various Territories and possessions."

Mr. KEFAUVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEFAUVER:

On page 2, beginning in line 7, strike out "after having served as a justice or judge of any of the afore-mentioned courts for a period aggregating 10 years or more, whether continuously or not" and insert "after service, whether continuous or not, and whether rendered before or after the enactment hereof, of not less than 10 years."

Strike out lines 20 to 23, both inclusive, and insert the following:

"SEC. 2. In computing the years of service under this act, all service as an officer or employee of the United States shall be included if not less than 8 years of service was performed as a justice or judge of any of the afore-mentioned courts. The terms 'retire'."

Mr. KEFAUVER. Mr. Chairman, when we consider the fact that judges in the continental United States reaching the age of 70 and after having served 10 years retire with full retirement benefits, certainly judges in the Territories, if they do not have a sufficient length of service to come within the present law of 10 years, but if they have other Federal service, ought to have that included in bringing up their number of years. That is what this amendment does. For instance, if a territorial judge has served his 8 years as a territorial judge and, say, 8 years as a district attorney in some possession or Territory, his district attorney time would be included in computing his years.

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

Mr. KEFAUVER. I yield.

Mr. KEEFE. In such a case then, if the gentleman's amendment is adopted, he would be entitled, as I understand it, to full compensation rather than the eight-sixteenths. That is the way the gentleman explained it. Is that true?

Mr. KEFAUVER. No. He would only be entitled to ten-sixteenths under the amendment. You cannot include the other service except to bring it up to 10 years. The other only can be added to bring it up to 10 years. In the case I gave he would only be entitled to ten-sixteenths of his time. I think this amendment is in the public interest because these judges who go to the Territories have to decide cases which are just as important as the cases which must be decided by the district judges in this country. On the other hand, district judges in this country who serve 10 years and reach the age of 70, get full retirement pay. They remain in this country. In case they return to the practice of law, they still have their friends and connections whereas the judge who goes to a Territory, not only has to sever all his connections, but must leave his friends and leave people whom it would be valuable for him to keep in contact with in the event he should return to the practice of law.

Mr. GWYNNE of Iowa. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield.

Mr. GWYNNE of Iowa. Does the gentleman's amendment mean that a judge may serve 6 years as district attorney and 2 years as a judge and then get his retirement pension?

Mr. KEFAUVER. If he serves 8 years as a judge and then serves 4 years as district attorney, then he would come within the act. He has to serve 8 years as a judge in any event.

Mr. GWYNNE of Iowa. Then 4 years in some other capacity is the minimum, is that correct?

Mr. KEFAUVER. Eight years is the minimum.

Mr. GWYNNE of Iowa. I mean that he must serve 4 years in some other capacity?

Mr. KEFAUVER. No, he must serve enough years to bring it up to 10 years. If he serves 8 as a judge and 2 as a district attorney, he would come within the provisions of the act.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield.

Mr. BATES of Massachusetts. Is not the real question involved the difficulty of getting judges to fill these positions, rather than establishing this precedent of 8 years' service?

Mr. KEFAUVER. I am advised that there is difficulty in securing the right types of men. There is that difficulty, and I think it is natural because their salaries are not high and their tenure is short. Therefore, they have difficulty in securing the best men.

Mr. BATES of Massachusetts. Then we are speaking about the inability of getting men because they have to give up their practice and their friends. Is that not true with many members of the legal profession who come here to Washington for 2 years and then remain for 4 years and 6 years, and who spend the major part of their life here and give up everything for what little they get?

Mr. KEFAUVER. Yes, that is true. I think we ought to do something about it in our case also.

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

Mr. KEFAUVER. I yield to the gentleman from Kentucky.

Mr. CHAPMAN. I have personally known four men who served in the judiciary of Panama. An eminent jurist from my own congressional district was appointed by President Harding. He stayed down there a few months and had to come back because he could not stand the conditions of climate. Another man from my district served in one of the minor judicial capacities in Panama for a few years and he came home and died. Another, the former law partner of the late Senator Logan, of Kentucky, served 4 years and could not stand it any longer. He came home and died in a very short while. Another who has served down there with great distinction will now have to abandon his hope of retirement unless this bill is passed; and unless this amendment is adopted, will have to remain there to the detriment of his health another 2 years, even if the Senate bill becomes a law.

The question of independence has been raised. I maintain that it is just as important to have independence in a judge appointed for 4 years or 8 years as it is in a judge appointed for life. The great Chief Justice John Marshall said that the greatest curse that an angry God can send on a wicked and unrepentant people is an ignorant, corrupt, or dependent judiciary. I agree with statements that have been made here today that the territorial judges should be appointed for life, as a further assurance of their independence, but the fact that they are appointed for a shorter term at the present time makes no less important the assurance that they shall feel independent in accepting and serving in these positions.

I hope this amendment will be adopted.

Mr. KEFAUVER. I appreciate the contribution of the gentleman from Kentucky [Mr. CHAPMAN].

May I point out to the members of the Committee that if these judges were appointed for life, as they undoubtedly should be, and they served 10 years, they would get full retirement pay. As it is now they serve 10 years and get only half retirement pay. So they are discriminated against. Is it not fair for a judge serving 8 years as judge and 4 years or 2 years or 6 years as district attorney in one of these possessions, that his time served as district attorney be included to bring up the number of years to 10? I think it is just.

In appreciation of the service that these men have rendered and will render on the judiciary in our territories, I think this amendment should be adopted.

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. KEFAUVER] has expired.

Mr. SPRINGER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am not quite certain whether I understand the amendment which the distinguished gentleman has offered or not. I notice at the conclusion he has the term "retire." That is all there is to that particular feature. Is that supposed to be a part of the amendment? I am glad the gentleman has clarified that matter by striking out that surplusage.

Now, since that has been clarified, if you will turn to the pending bill on page 2, in line 7, I can get this amendment before the Members of the House so you will understand it.

The amendment is, beginning in line 7, strike out the words following "retires" in that line, and continuing from that point until you get down to the comma following the word "not," in line 10. That is all stricken out. Then, this language is substituted instead of it, making it read:

> If such justice or judge retires after having served as a justice or judge of any of the afore-mentioned courts for a period aggregating 10 years or more, whether continuously or not.

Then the amendment contains the following further statement: To insert after the word "service"—the gentleman does not say on what line that is. Will he indicate that?

Mr. KEFAUVER. Line 14.

Mr. SPRINGER. In line 14, after the word "service", insert "whether continuous or not and whether rendered before or after the enactment hereof, of not less than 10 years."

That is the first part of the amendment. The second part of the amendment refers to section 2, and it strikes out section 2 as written in the bill, and contains the following language:

> In computing years of service under this act, all service of an officer or employee of the United States shall be included, if not less than 8 years of service was performed as a justice or judge of any of the aforementioned courts.

My interpretation of that language is this: That a person may serve on the bench for 8 years, and if he has served as an employee in any agency of the Government for any additional period of time, which, added to the service on the bench of 8 years, if that would aggregate 10 years or more, then he would come within the provisions of this law. I think I am correct. Is that the intention of the gentleman who offered the amendment? In other words, he would be putting a part of our judges upon a continuous judicial service for 10 years before they could retire when they reached the age of 70 years, and this other class of judges would be placed upon a basis of retirement if they had served 8 years on the bench and 2 years or more in any other governmental capacity, regardless of what it was. They could serve on OPA, they could serve as clerk in any department of the Government, and then would be entitled to this retirement.

Do you feel it is fair to put part of the judges on a 10-year continuous judicial service basis and the others on an 8-year judicial service plus 2 years of any other character of service as an employee of the Government?

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

Mr. SPRINGER. I yield.

Mr. CARLSON. I wonder if I understand the amendment correctly. As I understand it a man may serve as a judge in an outlying territory for 8 years, then come back in some Federal agency at $2,000 a year or whatever figure it may be, and after 2 years then be eligible for his pension.

Mr. SPRINGER. That is just exactly what this amendment means as I interpret it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SPRINGER. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

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

There was no objection.

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

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

Mr. RICH. What would be his rate of compensation if he were to accept a lesser paying job than that of judge?

Mr. SPRINGER. As far as this amendment is concerned it makes no difference what the rate of compensation would be, he must serve for 8 years in the capacity of judge or justice and then the additional time in order to make the 10 years' service he may serve in any capacity, for any salary, and in

any agency of the Government as far as this amendment is concerned and it would apply to that service.

Mr. RICH. Does the gentleman think that is the right thing to do?

Mr. SPRINGER. I do not think that is right and I do not think it is proper.

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

Mr. SPRINGER. I yield.

Mr. KEFAUVER. I call the gentleman's attention to the fact that the amendment states that he must serve as an officer. He could not serve as just a regular employee.

Mr. SPRINGER. The amendment states: "All such service as an officer or employee." That is the language of the gentleman's amendment. That would mean in any service in the Government at which he drew any compensation, regardless of the amount of the compensation. I do not believe that would be a fair basis upon which to predicate a matter of this kind because it would be entirely unfair to every judge who goes under the retirement provisions of the law.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. REES of Kansas. Instead of putting these judges under retirement why not put them under civil service and be done with it rather than use this hodgepodge method?

Mr. SPRINGER. May I say to my distinguished friend from Kansas that that would be far better than the plan provided for in this amendment.

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

Mr. SPRINGER. I yield.

Mr. JACKSON. Is it not true that at the present time a Member of Congress who serves in this body a given period of time, in excess of 5 years I believe it is, under existing law, may work for any agency of the Government for 1 day and qualify under the retirement law?

Mr. SPRINGER. They cannot work in any department or agency of our Government, and that time apply on retirement as a judge.

Mr. JACKSON. No; not as a judge. I mean for retirement purposes.

Mr. SPRINGER. It does not apply to the retirement of judges. That is far different from the matter to which the gentleman refers.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Kansas.

Mr. REES of Kansas. The thing to which the gentleman has called our attention should not be an excuse to do this sort of thing.

Mr. SPRINGER. The gentleman is entirely correct.

Mr. REES of Kansas. This would make it worse.

Mr. SPRINGER. May I say in conclusion, I hope the amendment just presented by the gentleman from Tennessee will be defeated.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. KEFAUVER. Mr. Chairman, I ask unanimous consent that in the second line of section 2 of the amendment, after the words "as an officer" the words "or employee" be stricken out and that in lieu thereof there be inserted the words "of a court."

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

There was no objection.

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

Mr. Chairman, I would like to ask the gentlemen in charge of this legislation whether or not these judges in the Territories, the Virgin Islands, Puerto Rico, Hawaii, and Alaska, have the benefits of the contributory retirement program?

Mr. BRYSON. No. It is my understanding they do not.

Mr. KEEFE. Well, I just got through talking to the Delegate from Alaska. I listened to his speech on the floor, and I have received the very definite impression that at least so far as the judges in Alaska are concerned they are subject to the general retirement program and are making contributions to that program out of their salaries. Does the Delegate from Alaska so understand?

Mr. BARTLETT. That is correct with respect to Alaska.

Mr. KEEFE. What is the situation? Here we have the gentlemen in charge of the bill who state different things. The Delegate from Alaska, who certainly ought to know, says one thing, and the other gentlemen say something else, yet we are expected to vote intelligently upon this legislation. I think it is a sad commentary on the Judiciary Committee that we cannot have positive information. May I ask if there is anyone else who can answer whether or not men holding judicial positions in Hawaii are permitted to contribute to the general retirement fund and receive retirement under the civil-service retirement law? What is the answer?

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

Mr. KEEFE. I would like somebody to answer the question. I do not know whether the gentleman from Pennsylvania can or not. I do not like to vote for this legislation until I know what the facts are. If these people are already subject to retirement and can become members of the regular Government program by making their contribution we ought to know that fact. The chairman of the committee says they cannot, the Delegate from Alaska says that so far as Alaska is concerned they can. Now, what about the rest of them?

Mr. BRYSON. Insofar as the gentleman's question relates to Hawaii, may I say that the judges in that particular Territory, unlike the judges in other Territorial possessions, have a right to the same retirement benefits that the district judges in the States have.

Mr. KEEFE. What about the Virgin Islands, Puerto Rico, and the Canal Zone?

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

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

Mr. WALTER. The retirement laws applicable to judges are the laws passed by the Congress. As far as the retirement of civil employees is concerned, that law is applicable only to those people in the executive branch of the Government. Where similar provisions apply to judges, it is through a special statute.

Mr. KEEFE. Has there been a special statute enacted for Alaska?

Mr. WALTER. Yes; there has been.

Mr. KEEFE. Has there been a special statute enacted for Puerto Rico?

Mr. WALTER. No; there has not been; nor the Canal Zone, nor the Virgin Islands. Those judges are not entitled to participate in retirement plans.

Mr. KEEFE. Where is this particular judge that the so-called scuttlebutt around the House indicated this legislation is being enacted for? Where is he located—in the Virgin Islands, Panama, or where? Let us be fair about this thing. If we are legislating in the interest of some one individual, I would like to know who that individual is and where he is, and not be legislating general legislation here under the guise that it is to affect all judges, when, as a matter of fact, as near as I can learn conversations on the floor of this House and from seeing what is going on, we are legislating in behalf of some one judge and trying to get him qualified in some way so that he can retire.

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

Mr. KEEFE. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

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

There was no objection.

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

Mr. KEEFE. I will be glad to yield to my distinguished friend from Pennsylvania.

Mr. WALTER. Having served in the Navy for a few years, I know how reliable the scuttlebutt is that the gentleman is talking about. The fact of the matter is, I do not think that any attempt is being made to legislate for the benefit of any particular judge; at least, if that is the case, I have not heard about it.

Mr. KEEFE. I am willing to take the gentleman's word, but still the rumor persists, and I listened carefully to the remarks of my very good friend from Kentucky who indicated to me—after the amendment was defeated to reduce the years of service to 8, and then this other amendment immediately is proposed—that it is intended and designed to fit the particular affairs of some one individual who can conform today by saying that he has had 2 years of service as an aide or employee to some judge in one of these departments. I am only asking something that is fair and honest, and as a legislator I think I have a right to know, and if there is nothing in this situation that is floating around here that we are legislating to take care of some private individual that wants to be taken care of, that is one thing.

Mr. ENGEL of Michigan. Mr. Chairman will the gentleman yield?

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

Mr. ENGEL of Michigan. Perhaps the gentleman who just spoke could inform

us who, if anybody, would be eligible to retirement if this bill is passed, and who the first judge is that would be retired if the bill is passed.

Mr. KEEFE. I take it that they could, but that information is not made available.

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

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

Mr. SPRINGER. During the time this bill was under consideration—and I want some of my distinguished friends and colleagues to correct me if I am in error—it was discussed in the committee that Judge Gardner was the judge, and he is now serving in Panama; that his health is bad, and he could not qualify under the general law that is now on the statute books, and this is intended to make him eligible.

Mr. KEEFE. Judge Gardner of Panama?

Mr. SPRINGER. That is what I understood.

Mr. KEEFE. Will Judge Gardner qualify under this bill if we pass the amendment?

Mr. SPRINGER. If I am incorrect, will somebody correct me?

Mr. WALTER. No.

Mr. KEEFE. Is that correct? I would like to know what the situation is. If we are passing legislation here under the guise of general legislation to help out some one judge, then it seems to me that the matter is being very badly misrepresented to the House.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and four Members are present; a quorum.

Mr. HARE. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, it is not my purpose to speak of the merits or demerits of the resolution before us, but as there seems to be some confusion or difference of opinion as to the retirement status of our judges in the Territories, I will endeavor to offer some clarification of the status. It is my understanding that by special action of the Congress some time ago the judges in the Territory of Hawaii were placed in the same retirement status as judges of the United States district courts. Then a few years ago, by special action of the Congress, the judge or judges in the Territory of Alaska were placed in the same retirement status as that provided for employees under the classified civil service. No special action has been taken by the Congress providing a retirement status for judges in other Territories, as the Virgin Islands, Puerto Rico, and the Canal Zone, and it is my understanding the purpose of the bill now before us undertakes to provide a similar retirement status for all of our judges in Territories, which would modify the retirement status of judges both in Alaska and Hawaii and provide a similar retirement status for the judges in the Virgin Islands, Puerto Rico, and the Canal Zone.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. HARE. I yield to the gentleman from Kansas.

Mr. REES of Kansas. All Federal judges serving outside the United States that do not come under any other retirement system are under the civil-service retirement system. That is correct, is it not?

Mr. HARE. No, that is not my impression.

Mr. REES of Kansas. I have just discussed the matter with the legal adviser of the retirement division of the Civil Service Commission. If I am not mistaken, under the act of 1942 any Federal judge who is not under the present retirement system comes under the civil-service retirement system, whereby he makes a contribution the same as Government employees under executive departments and under the civil-service retirement system. Therefore, all of these judges with the one exception the gentleman mentioned do come under the civil service.

Mr. HARE. If they make contributions to the retirement fund they do come under it, but if they do not they have an entirely separate status, and my understanding of this bill is to provide a similar retirement status for all.

Mr. REES of Kansas. Under this bill they just do not contribute, that is the difference.

Mr. HARE. You may be correct.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. KEFAUVER].

The question was taken; and on a division (demanded by Mr. KEFAUVER) there were—ayes 17, noes 51.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and Mr. SPARKMAN, having assumed the chair as Speaker pro tempore, Mr. FOLGER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 565) to extend the privilege of retirement to the judges of the District Court for the District of Alaska, the District Court of the United States for Puerto Rico, the District Court of the Virgin Islands, and the United States District Court for the District of the Canal Zone, pursuant to House Resolution 509, he reported the same back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the third reading of the bill.

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

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. BRYSON) there were—ayes 69, noes 34.

So the bill was passed.

A motion to reconsider was laid on the table.

FEDERAL EMPLOYEES' PAY ACT OF 1946

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 1415, an act to increase the rates of compensation of officers and employees of the Federal Government, and for other purposes, with a House amendment; insist on the amendment of the House; and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]? [After a pause]. The Chair hears none and appoints the following conferees: Mr. RANDOLPH, Mr. JACKSON, Mr. MILLER of California, Mr. REES of Kansas, and Mr. BYRNES of Wisconsin.

FARMERS' HOME CORPORATION ACT OF 1946

Mr. BATES of Kentucky, from the Committee on Rules, submitted the following resolution (H. Res. 587) for printing in the RECORD:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5991) 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. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 333, to provide for the reappointment of Dr. Vannevar Bush as citizen regent of the Board of Regents of the Smithsonian Institution.

The Clerk read as follows:

Resolved, etc., That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, which will occur by the expiration of the term of Dr. Vannevar Bush, of Washington, D. C., on April 4, 1946, be filled by the reappointment of the present incumbent for the satutory term of 6 years.

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

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the resolution?

Mr. CANNON of Missouri. Certainly. As the gentleman is aware, the Smithsonian Institution is managed by a Board of Regents consisting of Members of the Senate, Members from the House, and an equal number of men of high scientific and scholarly attainment. Dr. Vannevar Bush, one of the most distinguished scientists of the country, and one who probably had as great a part in the scientific development which assisted in winning the war as any other man living, has been serving on this Board for a number of years. His term expired on the 4th of April. This resolution continues him on the Board.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, in the final analysis, the war was won through our superiority in scientific development. The gallantry of our armies and navies and the overwhelming production of our factories would have been unavailing without radar, the proximity fuse, the atomic bomb, and similar discoveries and inventions which gave our forces the advantage in equipment and arms.

Dr. Vannevar Bush, director of the Office of Scientific Research and Development, contributed as much as any man, in any theater of the war, to the application of science to modern warfare, and thereby to ultimate victory. And similarly, he has in the same way, and by the same tokens, contributed to the assurance that nations will not again resort to warfare which science has rendered so deadly as to approximate annihilation for the victor as well as the vanquished.

Under the provision of the statutes, the Board of Regents of the Smithsonian Institution consists of the Chief Justice and the Vice President of the United States, three Members of the Senate and the House of Representatives, respectively, and six citizens other than Members of Congress.

There is a vacancy on the Board due to the expiration of the term of Dr. Bush on April 4, 1946. The pending bill provides for his election for another statutory term of 6 years ending April 4, 1952.

I include a brief résumé from Dr. Bush's academic and professional dossier:

Dr. Vannevar Bush, Washington, D. C. Physics, electrical engineering. Everett, Mass., March 11, 1890. B. S., M. S., Tufts College, 1913; Hon. Sc. D., 1933; D. E., Massachusetts Institute of Technology and Harvard, 1916. Instructor and assistant professor electrical engineering, Tufts College, 1914–17; associate professor, Massachusetts Institute of Technology, 1919–23, professor electrical power transmission, 1923–32, dean engineering and vice president, 1932–39; president, Carnegie Institution of Washington, 1939– . Consulting engineer, 1919–32. Trustee, Tufts College; special committee, National Broadcasting Co., 1937– ; committee scientific aids to learning, National Research Council, 1937. Levy Medal, Franklin Institute, 1928; Lamme Medal, American Institute Electrical Engineers, 1935. National Academy; American Association (secretary engineering, 1933–36); fellow Electrical Engineers; Mechanical Engineers; Engineering Education; fellow Physical Society; Philosophical Society; fellow American Academy. Circuit theory; analyzing machines; gaseous conduction; dielectrics.

Mr. Speaker, I ask for a vote on the engrossment of the resolution.

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

EXTENSION OF REMARKS

Mr. MARTIN of Massachusetts asked and was given permission to extend his remarks in the Appendix of the RECORD and include a biographical sketch of the gentleman from Tennessee, Hon. CARROLL REECE.

Mr. McDONOUGH asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter concerning a bill he has introduced, H. R. 5449.

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

THE PASSING OF THE LEAGUE OF NATIONS

Mr. FLOOD. Mr. Speaker, I ask unanimouss 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. FLOOD. Mr. Speaker, today is the last session of the League of Nations in Geneva, and I should like to say to the shades of those who 25 years ago sponsored this League that it is not dead, that it is not forgotten, because from this League there is reborn a new spirit of international cooperation among the nations for world peace. We do not say good-by to the idea of the League, but we say hail and farewell to a society of nations and welcome a new spirit of cooperation to the United Nations for collective security and world peace.

True it is that the first really great opportunity of a practical plan for world peace was missed by the nations of the world, and this fact will linger in the minds of the nations' representatives in Geneva today as they ring the curtain down on the League of Nations. But we hasten to add that the curtain has already been rung up on a new society of nations, dedicated to the age-old dream of peace on earth, good will among men and the prevailing of law and order in our society.

It is significant that this event takes place in the spring of the year. Because this new concept of world cooperation, as found in the Charter of the United Nations, is in the springtime of its life, and all mankind hopes and prays that the budding United Nations will have the virility and the long life so fervently hoped for in all mankind. This is not the end of what the League of Nations was born to accomplish. This is not the finish of its embodied hope. Rather, this is the end of the beginning, as Winston Churchill said not long ago of a changing phase during the war.

This is not the end of a family or the end of a line of ancestors with great traditions. This is not the terminal point of a proud genealogy with no offspring to carry on. Because born from the trials and tribulations of the old League of Nations the newly born United Nations firmly holds aloft the torch of life for a new world, and it has already weathered and survived its first storm. The League was not a failure. Its success is proclaimed because of its successor, and the thing that lends emphasis to this fact is the much more significant fact that the greatest of the nations which did not join the old League is now the leader in the organization and the direction of the new United Nations—the United States of America.

The thing that is clear today as the member nations preside at the dissolution of the old League of Nations is the established fact that all nations and all peoples everywhere have reached the inescapable conclusion that peace among the nations can result only from unity among those nations to achieve and maintain that goal.

Let us pause to salute the memory of the great Woodrow Wilson for his spirit and his followers must get great joy and satisfaction from this transmitting of the unfinished business of the League of Nations to the United Nations. This is vindication at its fullest. And finally, as was said by the brilliant writer of the New York Times, Anne O'Hare McCormick:

> Woodrow Wilson will be remembered in the valedictory of the League, not as the leader of a lost cause, but as a prophet who was honored at last in his own country.

Truly can those who survive today and who were present at the original meeting a quarter of a century ago, pronounce from the fullness of their hearts the belief that:

They are not dead,
As we that are left shall die,
Age shall not weary them,
Nor the years condemn,
At the going down of the sun, and in the morning,
We shall remember them.

A new life is born in the New World, and to this new organization the New World will give its vigor, courage, and confidence. It is good that the United Nations has its permanent headquarters here because there is no doubt at all that everybody, every place is certain in their hearts that the success of the United Nations is entrusted to the leadership of the United States. With our motto of "In God We Trust," God grant we succeed.

The SPEAKER. Under the previous order of the House, the gentleman from Kansas [Mr. COLE] is recognized for 20 minutes.

THE PAN-AMERICAN HIGHWAY

Mr. COLE of Kansas. Mr. Speaker, a hundred-million-dollar farcial dream, or a sound investment for the future? A phony fraud and scandal involving millions of dollars of wasted money, or a project to guarantee future peace and prosperity of the Western Hemisphere?

These questions have been asked concerning the Pan-American Highway. I

recently had the privilege, as a member of a subcommittee of the Committee of Roads, to investigate this highway. We visited each country through which the highway is being constructed, and I traveled by car, station wagon, and jeep over a thousand miles of completed and uncompleted sections of the road.

This report, Mr. Speaker, is my personal impression of the highway and of some of its problems.

Pan American unity is not an idea of recent origin. In 1826, Bolivar called a conference to discuss problems of mutual interest and security, and, throughout the succeeding years, many such conferences and plans for cooperation have been proposed and activated. The Pan-American Highway is one such plan.

Congress in 1930 appropriated $50,000 for the purpose of surveying and locating a route of the Pan-American Highway, and drawing plans and specifications. In 1934, a million dollars was appropriated to be used to match funds of Central American countries for the construction of critical items on the route of the highway. In 1941, $20,000,000 was appropriated under a plan which called for a cooperative project in which the United States would pay two-thirds of the cost of construction of the highway, and the other countries would pay one-third. It should be noted that neither Mexico nor Guatemala participated in this cooperative venture, but have built the highway without a direct grant from the United States.

Mexico and the countries of Central America have received loans from the Export-Import Bank, the proceeds of which were used in constructing the highway.

The credit extended to each country is as follows:

Mexico, $40,000,000. Salvador, $680,000. Honduras, $1,000,000. Nicaragua, $3,815,000. Costa Rica, $3,000,000. And Panama, $2,500,000. The total credit thus advanced amounts to $50,995,000.

It should be noted, however, that Mexico has used only ten million of the credit, and that the total authorization to Mexico includes money for highways other than the Pan American. I understand all payments of interest and principal on all of these loans have been met promptly.

Upon completion of the highway, John Tourist may pile his family into the old bus and drive from Laredo, Tex., to Panama City. This excursion, in distance, would equal a trip from Boston to San Francisco. He would travel over quite an excellent black-top road, similar to the secondary road system in the United States—no sharp curves or difficult grades. The dexterity required in dodging oxcarts would not give concern to one accustomed to our traffic. Car trouble in some locations would cause considerable delay, and John should give some thought to the food he eats. Some of our modern conveniences would not be found—filling stations are now few and far between—gasoline is 30 cents to 40 cents a gallon—no tourist cabins or hot dogs. The larger cities have some excellent hotels and the rates are not prohibitive. The tourist would encounter many miles of drab, uninteresting country which would be compensated for by long stretches through magnificent scenic beauty. If the tourist is not too critical of things unfamiliar, and does not want to hang up a record for speedy driving from, "here to there," he will have an intensely absorbing experience, take home mental pictures of quaint and unusual scenes and a knowledge and feeling of sympathy with some of the sweetest, most contented and friendly people in the world.

Today, the tourist may drive on a well improved, oil-mat highway from the northern Mexican border, south through Mexico City to Juchitan, a distance of approximately 1,270 miles. Segments of the highway thereafter are in various stages of completion. Only 410 miles of the entire road are impassable. However, one may drive on all-weather and black-top roads entirely through Guatemala, Salvador, and Honduras. Except for a segment of miles near the border, all-weather roads stretch through Nicaragua and Panama. Some of this "all-weather surfacing" is, however, quite rugged.

Costa Rica, due to its exceedingly difficult terrain, has been a bottleneck which is now being conquered. Clinging for dear life to a jeep, I drove out to view the construction of what is said to be the most difficult road building the world has ever known. From an elevation of 5,000 feet, the highway rises to 11,500 feet and then drops to 2,500 feet above sea level in a distance of 72 miles. The road is chiseled out of almost perpendicular cliffs, and this through the most dense jungle known to man. One segment of the construction required moving of dirt at the rate of 750,000 cubic yards per mile. Compared to ordinary road construction the same work might be encountered in 15 miles of operation.

The United States has had a policy of furnishing supervisory engineering and auditing services, but utilizing local labor for all other personnel, including engineering as well as skilled and unskilled labor. If the construction of the highway is not delayed by lack of funds or political difficulties, it can be completed within 3 years. I am favorably impressed with the work which has been done, and believe the Public Roads Administration has, in general, done an excellent job.

To return to our questions. It has been said that some people are so prejudiced, they will not play both sides of a phonograph record. The record I have will be played upon both sides—the critical and the favorable. Both critical and favorable observations are solely my own, as our committee has made no report.

First, the critical side:

It is my opinion that too much money has been spent by the United States on road building in Central America. Also, much of the construction has been carried on during the war and at a time when road building in the United States was prohibited. This was a serious mistake unless the highway was a military necessity.

A curious situation developed when the War Department, in May 1942, decided that a highway should be constructed to Panama, but said it was of doubtful military necessity. This deprived the construction work of all priorities, and compelled the purchase of equipment and material in the open and limited market.

The War Department spent $38,000,000 on this project, which is in addition to the sums I have heretofore mentioned.

The Army was interested in building the most direct route to Panama. The Pan-American Highway was required, by political as well as practical implications, to connect large communities by a somewhat more circuitous route. A great deal of the Army-constructed road can be and is utilized, but many miles will be of no value to the Pan-American Highway.

It is my opinion that when the Army declared the road of doubtful military necessity, a closer correlation between the two roads could have been accomplished, resulting in obvious economies.

It would also be interesting to know how the Army expected to complete the road under these conditions in time for any military use during the war.

I recognize full well that installations of doubtful military necessity may become extremely critical in time of war, but it is my considered opinion that the Army is subject to severe criticism for this expenditure unless these questions can be satisfactorily answered.

One cost-plus contract has been let in the construction, the remainder of the work has been done by force account. This contract is in a mountainous section of Costa Rica, and may be the only method by which such work could be accomplished. The contractor is doing an excellent job. Cost-plus contracts, however, are subject to much criticism, and full public disclosure and accounting should be had of this contract.

Literally thousands of miles of farm-to-market roads in the United States are in desperate need of being lifted out of the mud. Can road building by the United States in foreign countries be justified in the face of this need at home?

With the return of many capable engineers and technicians from the service, it might be well to reexamine our personnel in these countries and possibly strengthen our supervisory force.

Now, let us turn over the record and examine the favorable side.

I have mentioned the tourist, the cultural and educational phases of the highway, offering as it does, foreign travel within the pocketbook range of most of us. The highway has many advantages economically to the United States, Mexico, and Central America. The outstanding mutual advantage is the fact that we are not economic competitors, but that our needs are complementary. We need their coffee, bananas, rubber, chicle, and many other products. They have a great market for our consumer goods, wheat, corn, and other agricultural commodities.

"The vanishing frontier" has been the concern of economists in America. This road opens up a frontier of vast potential production. Great fertile valleys and thousands of acres of grazing lands await the coming of the pioneer.

As progress quickly followed the building of transcontinental railroads in the

United States, so it is that transportation will be an immeasurable boon to these Central American countries. As they progress and develop, new and valuable markets will be opened.

I cannot overemphasize the tremendous impression I received of the opportunities offered in these countries—in business, the professions, and agriculture.

In areas other than economic, we have long recognized a common interest with Mexico and Central America. Our common goal of democracy and freedom has been cemented by the recent war. It is to our advantage that this continued mutual understanding be promoted.

The highway, therefore, is not only material evidence of our friendship, but it provides a means of association of our people with our neighbors on the south with the resultant better understanding.

Without question, the forces of both communism and fascism are interested in Mexico and Central America. These doctrines thrive on poverty, misery, fear, and discontent. Self-sustaining, free people are not interested in these principles of despair. Economically strong neighbors, familiar with us and friendly to our ideals, offer not only military but also political defense for our mutual protection. The highway, therefore, is not only an instrument of defense, but is a common bond of solidarity for our hemisphere.

I have examined some of the problems on both sides of the issue. I hasten to summarize my own opinion, lest I suffer the same fate as the justice of peace to whom argument on both sides of an issue was only confusing.

First. We must either complete our share of this highway or else abandon it to an uncertain future. It is my opinion that we should complete it.

Our commitment to this obligation was made many years ago. Now, it is not only a question of the integrity of the United States, it involves also the peace and security of the hemisphere.

Second, by "completion of our share of the highway" I do not necessarily mean that we should thrust money upon these people. Perhaps the all-weather construction and other refinements should be left to the initiative of our friends. They are a proud, intelligent, and progressive people.

The impassable sections, other than Costa Rica, are largely at the borders of the countries. Perhaps all we need to do is connect the road, and, as traffic conditions require improvements, the need will be met by the nation itself.

The average person in the United States views the road as a transcontinental highway. In Central America, it is considered a means of transportation to neighboring cities and adjacent countries. After the borders are opened and the highway completed sufficiently to permit travel from one end to the other, the means, as well as the desire to improve it, may be present.

It is interesting to note that change of administrations in these governments do not affect their cooperation and active participation in the Pan-American Highway.

We were impressed with the sincere friendship which they evidenced toward the United States. We were received with the utmost graciousness and hospitality, and returned home convinced that Central America and Mexico will uphold their part in the program of peace and solidarity which has been the mutual goal of our people throughout the years.

Yes; we must do our share. We desire the cooperation and friendship of our neighbors. But true friendship sometimes consists of a hand extended to assist in self-help. Friendship cannot be bought or sold. Parenthetically, I might add it was my observation that the average citizen of Central America is not overwhelmed by his gratitude to us for our part in this project.

Before additional funds are appropriated, therefore, it is my recommendation that these policies be carefully examined.

Thirdly, a direct and positive commitment should be secured from the Central American countries with respect to their obligation to maintain the highway after it is completed. There should be no misunderstanding of the fact that our financial obligations end with the completion of the road and that we do expect it to be properly maintained.

Fourthly, full public disclosure should be had with respect to fiscal matters, including cost-plus contracts, and plans carefully made to prevent waste or improper use of funds.

In conclusion, I again repeat that we should carry out our obligation to complete the highway. We should not sully our friendly relations with these neighbors by petty quibblings, but we should approach the problem in a cooperative manner consistent with diplomacy and good judgment.

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

Mr. COLE of Kansas. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. Prior to the visit of the House Roads Committee to Central America, which I made with the gentleman from Kansas, I had not become well acquainted with him. It was my opportunity during those weeks to find he was a hard worker and to learn he was doing a real job in cooperation with the other members of this subcommittee. I personally commend the young man from Kansas who is now speaking. He has the qualifications of a very fine Member.

Mr. COLE of Kansas. I thank the gentleman.

The SPEAKER pro tempore (Mr. BIEMILLER). Under previous order of the House, the gentleman from Kansas [Mr. SCRIVNER] is recognized for 30 minutes.

RESTORE CONSTITUTIONAL FUNCTIONS OF CONGRESS

Mr. SCRIVNER. Mr. Speaker, the regulators must be regulated. Congress must reassume its constitutional power and position by writing the laws governing this Nation. Congress must curb the unconstitutional, un-American practice of Government agencies issuing regulations having the force and effect of laws, many of which have been contrary to the expressed intent and purpose of the laws of Congress.

Article I of the Constitution declares:

> All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and a House of Representatives.

The abdication of Congress from its law-writing duty and the seizure of law-making powers by bureaus, boards, and agencies have been the subject of proper criticism twice in recent days.

The beloved gentleman from Texas [Mr. SUMNERS], in announcing his retirement from Congress after 32 years of service in this Chamber, expressed grave concern over the abuses by the ever-growing, rapidly expanding powers of Government bureaus. In his comments, he said:

> By concentration of governmental power, we have now a confusion beyond human comprehension, impossible of democratic control, extravagant, wasteful, inefficient, and by its nature the instrumentality of favoritism, tyranny, oppression, and corruption. * * * The more basic powers of Congress have largely been shifted to executive agencies and organized minorities.

Lest some may think that is the thought of an isolated individual who, for some personal reason, might have desired to vent his spleen, let us look at the report of the Joint Committee on the Reorganization of Congress—a bipartisan committee from the House and the Senate. This committee views with alarm the dangerous growth of government by men and regulations and the decline of government by laws written by the Nation's elected representatives. In almost the opening paragraph of the report we find these serious charges and grave warnings:

> Public affairs are now handled by a host of administrative agencies headed by nonelected officials with only casual oversight by Congress. The course of events has created a breach between Government and the people. Behind our inherited constitutional pattern a new political order has arisen which constitutes a basic change in the Federal design. Meanwhile, government by administration is the object of group pressures which weaken its protection of the public interest.

That these indictments are true is self-evident. Congress has abdicated. Congress has "passed the buck." Congress has permitted the form of our Government to be changed almost completely from a constitutional representative republic to a bureaucracy.

Part of this situation undoubtedly arose because, in the days when "rubber-stamp" charges were made and sustained, Congress did not function as the Constitution anticipated. The line of least resistance was followed—with the excuse of meeting proclaimed emergencies, real or fancied, the brain trust downtown wrote the laws; a subservient and obedient Congress passed them. Like a sleeping potion, the practice became habit forming.

Then came another, a greater emergency—the war—demanding rush, rush, rush. Time could not be taken to analyze and scrutinize each measure, weigh it, draft it, and redraft it. The easy way was to create an agency, provide it with an administrator, empower him to

issue regulations with the force and effect of laws, the penalty for violation in some instances as much as 2 years in the penitentiary and a $5,000 fine. By this process, just what did Congress do? Congress, in effect, appointed a law-writing agent—a law-making agent—which wrote, interpreted, and enforced its own laws or regulations after it had passed its own judgment on the intent of Congress.

In the creation of governmental bureaus, the delegation of law-making powers has been almost unlimited, especially in these later years.

It is a basic principle of law that in the appointment of an agent the principal may prescribe all the conditions upon which the power of the agent shall rest. The powers may be broad or narrow.

If, under such unlimited delegation, these agencies usurped power, cut a wide swath, wrote and enforced regulations having results never even conceived in the mind of the principal, the Congress, who is to be blamed? Power feeds upon power, and if Congress does not check that power or put on the brakes, who will stop them? Congress should! Congress must!

How?

The law-making power of these bureaus, as long as it is within the bounds of reason, as long as the regulations are fulfilling the intent of Congress, as long as no unusual or unexpected use is made of the law-writing power, is not subject to undue criticism. But, when the agencies go beyond the bounds of proper action, they should and must be stopped.

The rational constitutional way is for Congress itself to write the laws, going into detail in its expressions and definitions—doing in committee, after hearings and on the floor, in public sessions, what the bureaus do in the quiet of remote offices behind closed doors. If more attorneys and legislative experts are needed, hire them—but to draft laws for Congress, instead of regulations for bureaus.

Another method to be followed, where every detail cannot be written into the law, is to provide for congressional scrutiny of the regulations; provide that as a condition of the appointment of the law-writing agent, that agent, before its regulations become effective, must submit them for scrutiny to the congressional committee which reported the legislation creating that agency and giving it the power, so that the committee may be sure the agent has not exceeded the power granted it. Committees know best what they intended. After long days and weeks of work on it, they know the purpose of the bill and can readily ascertain the propriety of regulations.

Upon several occasions, I have offered an amendment embodying this idea. In June of 1945, the Servicemen's Readjustment Act was amended by unanimous vote, including therein a section similar to the following which was later offered as part of the bill creating a new Medical Department in the Veterans' Administration:

(a) Before any proposed regulation or order to carry out the purposes of this act shall be issued by the Administrator exercising authority conferred hereunder, other than administrative rules or orders governing the conduct of the activities of the Department of Medicine and Surgery or interagency rules governing its relations with other agencies of the Government, a draft thereof shall be submitted on the same day to the Committee on Finance of the Senate of the United States and to the Committee on World War Veterans' Legislation of the House of Representatives for study, to consider whether such rule or regulation is made in conformity with the spirit, letter, intent and purpose of this act, and that no unusual or unexpected use of powers herein granted is proposed. Such regulation or order may be approved or disapproved by the Committee on Finance of the Senate or by the Committee on World War Veterans' Legislation of the House of Representatives. In the absence of action by either committee approving or disapproving such regulation or order, it may go into effect not earlier than the fifteenth day following, but not including, the date of the receipt of the draft of such proposed regulation or order by the chairman of such committees. Disapproval of such regulation or order by either committee shall suspend its issuance: *Provided*, That such disapproval of such regulation or rule by the Administrator shall be in writing and shall clearly set forth their reasons therefor.

(b) For the purpose of this section, the Committee on Finance of the Senate and the Committee on World War Veterans' Legislation of the House of Representatives are authorized to sit and act by duly authorized subcommittees during the recesses and adjourned periods of the Congress.

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

Mr. SCRIVNER. I yield.

Mr. JENNINGS. I want to say in that connection that within the last 3 days I have received a letter from a lady in Knox County, Tenn. She is a school teacher. Her salary is barely enough to support the family. She is the wife of a preacher who has had a stroke and is incapacitated and cannot earn a dollar. They own a home. They fitted up an apartment in it, equipped it with an electric stove and a frigidaire, and it is well furnished. She was told by the man in charge of the OPA rent program in that county that she could rent that apartment for $40 a month. She did rent it. There was no complaint on the part of the tenant. Yet this same man who told her she could rent that apartment for $40 a month wrote her a letter threatening her with a suit involving three times the excess charge that he claims she has made, plus attorney's fees. She sends me that and states that heart-rending situation that has been imposed upon her by a man drunk with power.

Mr. SCRIVNER. Yes; but he got drunk on the power which Congress gave him when we wrote the Price Control Act.

Mr. JENNINGS. These men have consciously and deliberately violated the law.

Mr. SCRIVNER. Then perhaps this suggestion has some merit and will be considered by my colleagues in the House.

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

Mr. SCRIVNER. I yield.

Mr. ELLSWORTH. As I understand the proposed amendment, there would not be very much delay in the final issuance of the order or enforcement of the order; it could not be more than 15 days.

Mr. SCRIVNER. The agency can appear immediately before the committee and if the regulation is proper it will be approved immediately. I do not see how it could take much time.

Mr. ELLSWORTH. But the maximum under the gentleman's amendment would be 15 days.

Mr. SCRIVNER. The gentleman is correct.

Mr. ELLSWORTH. One agency has been working 4 weeks on one form relating to surplus commodities. I do not feel, therefore, that the gentleman's proposal of a maximum of 15 days would hamper the operations of the executive departments in any way, if they do not move any faster than that.

Mr. SCRIVNER. I thank the gentleman for his observation.

This is not interference with the administrative functions of the executive branch of the Government; it is merely the retention of legislative power. The wisdom of a regulation, if within the power granted, is not to be questioned. If Congress has erred in the exercise of its power, the remedy lies in an amendment of the law. As long as the bureau does not go beyond the act, as long as the regulation is within the intent, purpose, and spirit of the act, its conduct is proper. If it does not make unusual or unexpected use of the power given it, its action is not subject to limitation by the creating committee acting on behalf of Congress.

In substance, this amendment says: "Congress deems it advisable to make you its agent to prepare detailed laws relating to this subject, but Congress desires to retain its law-making power—to keep control of the proposed measures—hence, you must submit for the approval of the Congress those laws you propose as our law-writing agent."

Every Member of Congress knows of one or many instances where governmental agencies have gone far afield in their regulations; where they have not carried out the intent of Congress; where they have gone absolutely contrary to the expressed purpose of the original act; where they have made unusual uses of powers granted.

The OPA Act, for instance, specifically provides that price controls shall not necessitate changes in established methods of doing business. Yet there is not a business in America which hasn't been required to make many changes in business practices, cost practices, and methods, all directly contrary to the express words of the law. Congress said, "No"—the OPA said, "Yes." If changes are essential, they should be written in the law—not in the regulations contrary to the law.

I suggest Congress give serious consideration to the inclusion of a section similar to the one above suggested in the proposed extension of OPA. This is not interference with the administrative function of the executive branch in its enforcement of laws enacted by Congress, as some objectors contend. We have seen these agencies write their own laws, thereby encroaching upon the constitutional function of the legislative branch. If there is to be encroachment, the Nation is safer under encroachment by

Congress, which is subject to frequent elections.

Another objection to this proposal has been that committees of Congress have neither the time nor adequate clerical and professional personnel. Congress can remedy that situation in short order by providing properly staffed committees which will give members more help and time.

When that is done, when the laws written by Government agencies are scrutinized by Congress and put into force and effect only after congressional approval, the Congress will have recaptured its constitutional power—and the regulators will be regulated.

Then, and then only, knowing they must face a critical principle, will our agents hesitate to bring before our committees wild-eyed, irrational, revolutionary regulations. This agent will then bring in carefully prepared, easily justifiable regulations, conforming in all respects with the spirit, letter, intent, and purpose of the basic law which the regulations are to implement.

Then, and then only, will the Congress, the creator of the administrative agencies, have regained its proper constitutional position and assumed its responsibility for the laws enacted, and we will have no further cause to complain about unwise or unlawful regulations promulgated by Government bureaus, the legislative creatures of Congress.

Then, and then only, will this Nation again be a Nation governed by laws enacted by its duly elected Representatives.

Then, and then only, will it cease to be ruled by men.

Then, and then only, will all legislative power be again vested in Congress.

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

Mr. SCRIVNER. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I have listened with great interest to the gentleman's statement on this very important subject and, as the gentleman well knows, I was intensely interested in the amendments which he has frequently offered in an attempt to carry out the spirit and purpose of the thesis contained in today's remarks. The gentleman has partially answered a question I am about to ask in his prepared statement. I wonder whether or not it is going to be possible under the general policy of delegation of authority to administrative agencies of Government to impose upon that delegated authority these restrictions, and not come into some conflict with adjudications of the Supreme Court bearing upon that question. That is the one thing that concerns me in the gentleman's proposal.

Congress, of course, under the general theory of delegation of power to an administrative agency of Government, lays out a broad principle, an outline, within which the delegated authority is to carry out the congressional will; but here we go beyond that and we say that in carrying out the congressional will, even though we have laid out this broad outline of delegation of power and authority, we are not going to permit you as the delegated authority in the executive branch of the Government to carry that out in accordance with the ideas of the Executive; we are going to insist that you bring up to the Congress every time you issue an order under this broad delegation of power, acting for the Congress, each one of those orders or directives which has the full force and effect of law, then allow the Congress through its committees to determine whether or not the Executive authority and administrative authority are, in fact, carrying out the will of the Congress. I wonder whether we will not run into some very definite law on that subject as to this nebulous line of division between the executive and the legislative branch of the Government.

Mr. SCRIVNER. I have tried to answer that in substance in my prepared statement. What some of the members of the judiciary would say, I do not know, but if they read the Constitution as I read it, they would approve such limitations of power. That Constitution says that all legislative power is in the Congress, and nothing whatsoever about any agency or any administrative bureau having power to write regulations having the full force and effect of law.

To point out the dangers that might arise, any student who has studied the downfall of Italy, any student who has studied the downfall of Germany, will find that the beginning of that downfall came with the surrender of legislative powers by their parliamentary bodies and the ensuing control of the entire government by agencies and commissions, which eventually wound up with one man telling every one of those agencies and commissions exactly what they should do and how they should run the country. We have prided ourselves that this is a Union governed by laws and not governed by men, and as long as any law is passed by Congress with that ideal and that goal, I see no reason why the judicial branch should not hold that Congress can say "You can do that and no more."

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

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

Mr. LEFEVRE. In the last few days I have had letters from automobile dealers in my district calling my attention to the full page ad of Gimbel Bros. in New York, a large department store, offering several thousand automobile trucks that were built for the Army to the public, and not through dealers. I hope an amendment such as this will go through because Congress is being blamed for allowing such transactions.

Mr. SCRIVNER. I appreciate the observation of the gentleman, and I ask him, if he has not already done it, to go back and read the entire statement made by the gentleman from Texas [Mr. SUMNERS] when he announced his retirement after 32 years of service. He stated, more clearly than I can say it, that the form of government that has arisen in this country has become by its nature the instrumentality of favoritism—and that answers the gentleman's question; of tyranny—to answer the gentleman from Tennessee; of oppression—which answers it in many cases where we have seen these agents go out and by their belligerent tactics domineer the public. He ends his statement by saying "of corruption."

We have seen many examples of this throughout the country. Some person has inside knowledge, or knows somebody who has a friend in some agency, and when some regulation is to be drafted he gets the inside track. What happens? He invests some money and purchases property prior to the issuance of that regulation, and thereby he benefits himself. I do not say that this suggestion I have made is the solution to our troubles; I do not say it is the only one. I am merely presenting it as an idea upon which some sound solution to our problems can be based and as a sound proposal by which we can stop the rule by governmental bureaus and agencies.

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

Mr. SCRIVNER. I yield to the gentleman from Oregon.

Mr. ELLSWORTH. Was it the gentleman's thought to handle this matter by a separate piece of legislation which then would be held to apply to all existing law, or to incorporate the principle in future legislation, following the remarks of the gentleman from Wisconsin?

Mr. SCRIVNER. There is a bill coming before the Congress, the McCarran-Sumners bill, which takes a step in this direction. I understand there will also be another bill presented as a step in this direction. At present, my thought is that probably this sort of language should be in each act from now on, because if you have tried, as I know you have, to unravel the red tape with which we are entangled without completely eliminating these agencies, I doubt if you could put any provision in a measure now which would go back and unwind the red tape.

Mr. ELLSWORTH. My question had to do with the comment by the gentleman from Wisconsin [Mr. KEEFE]. I can see where there might be some difficulty in overriding existing bodies with a bill covering that subject, but I cannot see any reason in the world why amendments could not be placed on bills having to do with the creation of new agencies.

Mr. SCRIVNER. My recommendation is that this language be incorporated in future measures which will bring about new agencies, so that they will be properly controlled agencies.

EXTENSION OF REMARKS

Mr. ROBINSON of Utah. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article by Almo Beals Simmons entitled "Income Tax Insomnia." I am informed by the Public Printer that this will make four pages of the CONGRESSIONAL RECORD and will cost $240, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. DOLLIVER asked and was given permission to extend his remarks in the Appendix of the RECORD and include therein a letter from Robert D. Blue, Governor of Iowa, and Harry D. Linn, Secretary of Agriculture of Iowa.

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. MASON] is recognized for 20 minutes.

SENTINELS ON THE WATCHTOWER OF LIBERTY

Mr. MASON. Mr. Speaker, on February 28, 1946, I discussed on this floor the Supreme Court's decision in the AP case. I did that in connection with H. R. 4665, "a bill to amend the act of July 2, 1890, commonly known as the Sherman Antitrust Act, as amended, so as to exempt therefrom the activities and operations of mutual news-gathering cooperatives."

Today I want to discuss a controversy that has arisen between the AP and the State Department, a controversy that arose when the AP served notice on the State Department that it would not continue in peacetime to make its services available to the State Department's proposed Office of Peace Information as it had done for the OWI during the war. This controversy has not been given the attention that its importance warrants. It is a controversy that is national in its scope and international in its ramifications. It is a controversy in which we, as Members of Congress under oath to support the Constitution, must line up on the side of the Associated Press.

Mr. Speaker, the proper function of a democracy is to preserve for its people the basic principles of a free press—the kind of press that we in America have guaranteed to us by the Bill of Rights, and without which our way of life and form of government cannot long survive. The founding fathers of our Republic realized this when they made the preservation of a free press a part of the first article in our Bill of Rights. Without a free press, truth is distorted and vicious government propaganda is substituted. This imperils any hope for a better understanding among the nations of the world, and opens wide the road to war and aggression. We need only to recall the Hitler propaganda machine of yesterday, or to note Stalin's propaganda machine of today, in order to realize the dangerous potentialities of state subsidized propaganda machines.

In the early days of the recent war, the world, especially the European world, was at the mercy of government-subsidized propaganda machines, machines that flooded Europe with processed and tainted news that distorted the truth, thereby setting the stage for Hitler, Stalin, and Mussolini as the main characters in the great tragedy now known as World War II. These subsidized propaganda machines masqueraded as government news agencies.

Mr. Speaker, in view of these recent world-wide, bitter experiences, and in view of the fact that our founding fathers guaranteed the free flow of news at home and abroad, we might do well to consider the purposes and the possibilities of the State Department's proposed OPI—the Office of Peace Information. We are told that the purpose of this new OPI—designed to replace OWI—is "that the story of America, the American conception of democratic freedom, the American way of life, American thought, might be told to the world in the fullest and most unbiased manner." A very laudable and plausible objective, one that we all approve. However, the point at issue in the controversy between the AP and the State Department is: How can the voice of America best be heard without compromising the integrity of the news, the objectivity of the news, which the voice of America is pledged to protect, and which our founding fathers guaranteed would be protected when they adopted the Bill of Rights? The board of directors of the AP had this thought in mind when they served notice upon the State Department that they would not become a party to, nor become a servant of, the new Office of Peace Information. They are to be commended for the courage they have shown, and we, as Members of Congress, should emulate their example.

Mr. Speaker, Daniel Webster once referred to the representatives of the people in Congress as "sentinels on the watchtower of liberty." If ever there was need for the protection of American liberty by Congress, that need is today; when, to protect rights fundamental to our conception of democracy, we must be on guard against foreign ideologists, whose sole aim is first to control the press, and then to control the people. In all too many instances today we see Government power vested in the hands of incapable or malicious individuals, many of whom by their own utterances have committed themselves to the policy of overthrowing our American form of government, first by subterfuge and then by force, if necessary. The power to suppress the news or to distort the news is their most powerful weapon. They know that with false or suppressed news they are better able to commit this country and its people to subversive foreign influences.

Mr. Speaker, we know, the AP knows, the UP knows, the INS knows, how our news was shaped and twisted, used and abused, by the Office of War Information. This was done for the purpose of aiding in the defeat of our common enemy. During war that perhaps might be considered legitimate activity toward a desirable objective. The recent action of the AP in serving notice on the State Department, however, constitutes both a challenge and a warning to all news-gathering agencies to ask themselves the question, To what extent can we, or dare we, permit our name to be associated with, or permit ourselves to become a party to, a high-powered subsidized Government propaganda machine in time of peace? That is a question we as Members of Congress must also face. We cannot evade that responsibility.

Mr. Speaker, at a time when the attention of the world is centered upon the atomic bomb, when the need to keep secret atom bomb and other security information is so essential, we were startled at the disclosure that some 2,000 active Communist spies hold top Federal Government jobs right here in Washington. A Catholic clergyman in a recent address revealed the horrifying story that Communists in our State Department have actually succeeded in photographing secret State Department documents and have regularly submitted official reports to Soviet Russia. We should not have been startled, however, because Congressman Dies from the well of this House, more than 3 years ago, made the same charge and offered proof in substantiation thereof. At that time many Members of Congress "pooh-poohed" the idea, and so nothing was done about it.

Mr. Speaker, this same State Department now proposes to embrace within its sphere of diplomacy a world-wide news dissemination agency, whose function would be to foster and encourage the free flow of news among world governments. The State Department asserts that dissemination of news under its control will engender a better understanding among nations of the world. I question that assertion. Does this mean, Mr. Speaker, that the loss of a free press is the price the American people must pay for the State Department's promise of achieving a better understanding with foreign countries? Have we not been cautioned that an enslaved press is doubly fatal in that it not only takes away the true light, but it also sets up a false one that decoys us to our destruction?

Mr. Speaker, as "sentinels on the watchtower of liberty" we must, in this crisis, pledge ourselves anew to the preservation of our American guaranty of a free press, or resign ourselves to a state of infamous indifference by permitting these assassins of liberty to make a travesty of our Constitution.

Freedom of the press is fundamental to our concept of democracy. It is at the very heart of the problem of individual liberty. It is synonymous with the basic tenet of our political philosophy—that truth will prevail only if the people are correctly informed.

Mr. Speaker, our American press has the proud tradition of adhering to the principle of honesty in news. To vest the State Department with control of American news in order to dominate American thinking would be a betrayal of American trust and a mockery of American tradition. The State Department cannot engage in newscasting "without creating the fear of propaganda"; nor can the State Department afford to speak the truth when it engages in power politics and participates in world crimes. It is hard to believe that the State Department could ever tell all the truth in short-wave broadcasts to Poland explaining its partition; or to Yugoslavia explaining its reign of terror; or to the Baltic States explaining the exiling and interning of large segments of their populations. The task, if it is to be done at all—truthfully and impartially—must be left to the American press. It alone has merited the respect of the American public and it alone should carry on the untrammeled exchange of unbiased news among nations. Truth is an American ideal. It must be preserved at all costs.

Mr. Speaker, during the era just ahead the world will look more and more to America for leadership, for guiding principles, for an example as the leading exponent of democracy. The peoples of the world will place their confidence and their hope in the spirit and traditions

which have always typified America. They will give their attention to postwar peace formulas, and to the meaning of freedom, particularly freedom of speech and of the press, because they have witnessed what has happened in nations where these basic freedoms were suppressed. If we once begin to tamper with news, to color or distort the truth in any way, even with the highest and noblest motives, we will find ourselves headed down the same slope that Mussolini traveled, that Hitler traveled, to the bottomless pit of perdition. Truth is sacred. Facts are sacred. That is why news should be sacred and should be guarded as such. No government, and therefore no government agency, can be trusted to handle news objectively. When governments go into the news business the freedom of the people is endangered, and democracy is placed in jeopardy. It is our duty and our responsibility as Members of Congress to prevent this. And so, we, the "sentinels on the watchtower of liberty," must be ever on our guard to see that democracy is preserved here at home, to see that our news agencies shall ever be clearing-houses for truth, if our Nation is to continue to be a beacon light of hope to an embittered world.

The SPEAKER. Under special order of the House, the gentleman from Arizona [Mr. HARLESS] is recognized for 20 minutes.

FEDERAL AID FOR EDUCATION

Mr. HARLESS of Arizona. Mr. Speaker, we are now closing our books on the greatest war in history. We have spent more than $350,000,000,000 to prosecute that war, which was thrust upon us. We fought to preserve our country against tyrants, dictators, and invaders. We fought to preserve our way of life. This great expense in lives and money was necessary to protect our democracy, yet, now that the war has ended, we have within our own borders a condition which might eventually weaken and even destroy this Government which we have fought to protect. I refer to the inadequacies in educating the youth of this country. As it is the business of this Government to protect itself from foreign invaders, it is equally important that we should protect ourselves from inward deterioration.

For years we have had before Congress proposals to give Federal aid to the educational institutions of this land. Recently the House of Representatives passed a bill which would guarantee that the school children of this country might have adequate lunches. It was refreshing and encouraging to have this proposal pass the House of Representatives, in view of strong opposition on the part of shortsighted and selfish interests. This indicates that the representatives of this Government are becoming aware of the necessity of the Federal Government to see that all the people of this country are adequately cared for. In line with this legislation, it is time that the Federal Government provided funds to properly pay the teaching profession of this country and to provide buildings and other facilities so that the children of this Nation might be educated.

I have had some experience in the field of education, having received a degree in education from my State university and having taught for 2 years. The knowledge I have concerning the educational conditions of our country compels me to urge immediate consideration and passage of Federal aid for this field of activity.

We all agree that the foundation of a democracy is built upon the education of the masses, yet we have only to take a casual glance to know that there are inequalities of opportunity in the school systems of our States. There are appalling differences both among and within our States. These differences are caused by economic conditions that are largely beyond the control of the States and their communities. There are differences in wealth, income, taxpaying ability, in the extent of absentee ownerships of national resources and industries, and there are differences in the number of educable children in proportion to the adults. The poor States and communities usually have the largest proportionate number of children. In many of the States a high degree of effort is exerted—high taxes are levied—but there is not enough wealth to properly support the schools.

The population of our country is constantly shifting. The people who grow to maturity in the have-not States frequently live their adult lives in the wealthier States as industrial workers. Why should not the communities which are better able to pay be instrumental in educating those who eventually are to become citizens of the same communities?

With the development of modern transportation, there is constant intermingling of the peoples of all sections of the country, so no section of our land can afford to smugly isolate itself and have no interest in the welfare of those in other States. The lifting of the educational standards of any portion of our country, which have heretofore been inadequate, will bring a happier and more abundant life to all of our country. As the understanding of all the people is improved, the economic life of all the people will be made more secure.

It has been contended by some that Federal aid for education would cause our schools to be dominated by the National Government. During this period when everyone is conscious of orders, regulations, and controls from Washington, it is natural that most people should be conscious of the dangers which might come from Federal domination of our school systems. However, I believe, after making a thorough study of the subject, that this fear is without ground. Our school systems will remain under the control of the State and community governments. The need is not for new machinery to run the educational systems, but for financial resources.

The Federal Government has been operating a program without undesirable controls since 1862. There are 69 land-grant colleges, and approximately one-third of their revenue comes from Federal appropriations. There has been no undue influence or domination over those colleges. This proves that the Government can adopt a policy consistent with the State and local autonomy in educational administration. The States have established agencies of administration, and educational institutions and their policies are controlled by the States. Vocational education as a part of the program of the AAA is an example wherein the Supreme Court held provisions invalid which undertook, through the appropriation of money, to take over the powers reserved to the States.

The education of the youth of this Nation faces a critical future. The salaries of the teachers are pitifully low. With the increase in the cost of living, the teaching profession has been drastically hit. It is a sorry situation for us to permit these faithful public servants to undergo the hardships they are suffering. We place in their trust our most precious possessions—our children—and we can hardly expect to keep a superior type of teacher unless we adequately care for members of that profession.

Hearings have been held on House bill 4929, and the evidence taken clearly shows the urgent necessity for Federal participation in our educational budget. The cost of living has continued to mount, yet the teachers of this country have not received a proportionate increase in salary. The annual turn-over in the teaching profession is appalling. During the war years it has increased from 10 percent to more than 20 percent per year. Economic conditions have forced the trained teachers of this country to leave their profession and seek better-paying positions. Something must be done soon to prevent great future loss and disaster to the youth of this country. Juvenile delinquency is mounting every day. The future generation is now in the balance. We must bring to the floor of this House as soon as possible H. R. 4929, which provides an adequate Federal-aid program for the schools of this Nation.

The SPEAKER. Under special order of the House, the gentleman from Michigan [Mr. HOOK] is recognized for 15 minutes.

THE NATIONAL ASSOCIATION OF MANUFACTURERS AND THE OPA

Mr. HOOK. Mr. Speaker, the National Association of Manufacturers has just spent $200,000 on a series of four advertisements in daily and weekly newspapers throughout the country. According to the trade journal Advertising Age these advertisements marked the opening of a million-dollar campaign.

The objectives of the campaign are clear. The association wants to undermine the Government's stabilization program. It wants price controls abolished and labor placed in a straitjacket. It wants, in other words, to return to the short-sighted policies that led the Nation to the brink of economic disaster after World War I.

Every Member of Congress is familiar with the program of the National Association of Manufacturers. The association's lobby is one of the most aggressive and experienced of the high-pressure groups now operating on Capitol Hill.

But the NAM lobby has not been entirely successful. The majority of the

Members of this Congress have insisted upon voting their own convictions, and the convictions of a majority of their constituents, as to what is best for their country. And so, time and time again, we have repudiated the policies of the National Association of Manufacturers. We repudiated them just a few weeks ago when the House voted to extend the Second War Powers Act and we shall do so again when the bill to extend the life of the Office of Price Administration reaches the floor.

The congressional independence has outraged the National Association of Manufacturers. And so it has dipped into its slush fund for a million dollars to go behind the backs of Congress and appeal to our constituents to join it in bringing pressure upon the Congressmen and Senators who refuse to do the bidding of the NAM.

It is no accident that these ads are appearing in the home-town newspapers of every Member of this House. Oh, no. The association saw to that. The advertising firm handling the NAM account took particular pains, we learned from Advertising Age, to be sure that all of the weekly publications on its schedule are published in the home towns of Senators and Congressmen. Each advertisement concludes, as all of you know, with an appeal to the home folks to bring pressure to bear upon their Representatives in Congress. "Talk to your Congressman, write to your Congressman," the advertisements implore.

The ads have been drafted very cunningly. They are concocted of one part truth, one part half truth, and one part falsehood. Let us analyze one, Mr. Speaker—the advertisement which appeared in the Washington Post of February 18, for instance.

In large type it is headed "Let's tackle inflation while we can," and it starts out truthfully enough. I will quote:

You don't want your dollars to buy less and less.

You don't want your savings to melt away, or the value of your life insurance dwindle.

Yet that is what inflation can do to all of us. Therefore, thoughtful people everywhere are concerned with ways to smother it before it gets out of hand.

One major cause of inflation is a shortage of goods when people have money to spend for things they want.

That cause can be eliminated by the production of goods fast—in quantity.

Mr. Speaker, with those simple truths no one can disagree. The American people are—as this advertisement points out—very deeply concerned with ways to smother inflation before it gets out of hand. They are overwhelmingly behind the stabilization program.

So the NAM copywriter at this point in the advertisement knows he has his readers agreeing with him. Now he starts dragging in his half-truths and falsehoods. Listen to how skillfully he goes about it:

During the war there wasn't enough labor and materials to meet the needs of war and still produce all the civilian goods people wanted and could buy.

Therefore, price controls on civilian goods were substituted for competition to keep prices down.

That is perfectly true. Of course, the NAM writer does not think this is the proper place to point out that under price control, industrial and farm production in this war rose fully five times as much as in World War I, and that during each year of the war more civilian goods were produced than had ever been produced before in peacetime. The NAM writer at this point is in a hurry to get away from the facts. Let us pick up his story:

Today this country has all the labor and materials necessary to turn out all the things people want.

Mr. Speaker, that statement just is not true, and the National Association of Manufacturers knows that it is a deliberate falsehood.

Every manufacturer knows that there is not enough capacity in this country to produce over night all of the things the people want. Mr. Henry Kaiser who is a manufacturer—and a very productive one—told the Banking and Currency Committee of the House that he, for one, cannot produce all of his products that the people want because there are not enough materials in the country right now to make them. He said:

The consumer demand for products requiring sheet steel is so great that it will require the operation for at least 3 years of all the steel capacity of the United States, including the additional capacity installed during the war.

Mr. Kaiser further pointed out that his company had been advised only recently that the earliest delivery of aluminum it could expect was 48 weeks.

The National Association of Manufacturers is fully aware of the acute shortage of building materials. It knows full well that even if there was no shortage of materials there would not be enough labor with the required kinds of skills to build all the houses the people want to buy.

The National Association of Manufacturers is fully aware of the acute shortages of tin, lead, raw rubber, cordage fibers and other imported raw materials which the country now faces and will continue to face for some time.

Mr. Speaker, the National Association of Manufacturers displays a calculated contempt for the freedom of the press when it buys newspaper space to carry such deliberate falsehoods.

But let us get back to the advertisement. It continues:

Yet goods are still scarce. Store shelves are still bare. The national pocketbook continues to bulge. Inflation grows.

Why? Because price controls in peacetime hinder the production of goods. Business cannot live by producing at a loss. And so, goods that cannot be made to sell at the prices fixed by the Government just don't get made.

Mr. Speaker, let us look at the record. The quarterly report of the Director of War Mobilization and Reconversion reports that in the first 3 months of 1946—the period in which the National Association of Manufacturers' advertisements appeared — total civilian production climbed to the highest level ever reached by the Nation in war or in peace—to an annual rate of more than $150,000,000,000.

Total nonagricultural employment increased by approximately 1,500,000 and today is higher than it was before VJ-day.

Private wage and salary payments which dropped to an annual rate of $65,000,000,000 after VJ-day have now returned almost to the VJ-day level of $82,000,000,000.

This happened, mind you, in a period of great industrial unrest while labor and management struggled to readjust their relationships and wages on a peacetime basis. During January, for instance, more than half as many man-days were lost as a result of labor-management disputes as were lost during the entire war. But even at the height of this unrest the great majority of workers kept on producing.

What happened to the things these workers produced? The NAM would have us believe they never reached the people who wanted to buy them. They say the store shelves are bare. Let us look at the record again.

After a Christmas buying boom such as the country experienced in the last quarter of 1945, the rate of consumer and business purchases ordinarily would have fallen by ten or twelve billion dollars. But this year the upsurge in demand and in production was such that private expenditures in the first quarter actually equaled those of the Christmas boom, according to the Director of War Mobilization and Reconversion. The Board of Governors of the Federal Reserve System point out in their March bulletin that the value of department stores' sales in January was 15 percent above last year and in the first half of February the increase was larger. Sales of major household appliances were 430 percent above a year ago. Retail sales at stores selling furniture, building materials, and other durable goods were from 25 to 40 percent above a year ago in January and the total value of retail trade since the first of the year has been about one-fifth higher than during the same period last year.

Does this sound like price control is preventing the production of goods? Of course it does not. More goods are being produced than ever before and the people are buying more of the things they want than ever before.

The National Association of Manufacturers chooses deliberately to disregard this unprecedented record of production because it has its own program. Here it is, as outlined in the advertisement:

Remove price controls on manufactured goods and production will step up fast.

Goods will then pour into the market and within a reasonable time—

What a reasonable time would be they do not say—

within a reasonable time prices will adjust themselves naturally—as they always have—in line with the real worth of things.

Competition has never failed to produce this result.

This is the way you can get the goods you want at prices you can afford to pay.

Mr. Speaker, that is bunkum, pure unadulterated bunkum. Mr. Bernard M. Baruch, one of this Nation's stoutest champions of free enterprise, told the

House Banking and Currency Committee the other day that the National Association of Manufacturers did not really know what it was talking about when it advocated removal of price controls at this time. If such advice is followed, Mr. Baruch said, the country will fall flat on its face. He was Chairman of the War Industries Board in 1918 and Mr. Baruch should know. He saw this country fall flat on its face after it listened to the NAM kind of advice following World War I.

The Armistice celebrations had scarcely died down in 1918 when price controls were lifted. Prices went up and up and up. Wages tried to follow. Businessmen could not figure their costs from day to day and they tried to accumulate abnormally large inventories. In so doing they placed duplicate and triplicate orders with producers. This wild scramble for goods created artificial scarcities and helped boom prices even higher.

It was in May 1920 that the bust came. I suppose the National Association of Manufacturers would call that a "reasonable time" for the adjustment of prices. It is true that prices came down, and competition had something to do with it. But those adjustments were not natural. When distributors hastened to cancel their excess orders, the factories laid off men. Purchasing power faded. There was no demand for the excess inventory stocks at the boom prices. Businessmen began to unload, cutting prices below cost, in an effort to stave off complete ruin. The loss on inventories in a single year amounted to $11,000,000,000. This was enough to wipe out completely the business resources accumulated during the war period. As a result 106,000 businesses failed; 450,000 farmers lost their farms through foreclosures; almost 6,000,000 people lost their jobs.

The National Association of Manufacturers is willing to gamble on a repetition of that catastrophe. I suppose some of its members did all right in the last disaster; some of them grabbed quick profits and unloaded before the bust came.

But the memory of that bust is too fresh in the minds of the American people for them to be fooled by false prophets again.

After the National Association of Manufacturers had spent its $200,000 the Gallup Poll made a survey which shows how many people were fooled by the misstatements in the series of advertisements. The question was: "The present price-ceiling law ends in June. Do you think the price-ceiling law should be continued or should it end in June?"

Mr. Speaker, 73 percent of the people polled said they wanted the law continued. Only 21 percent wanted it to end in June. Six percent had no opinion.

Dr. Gallup in announcing the results made this conservative observation:

> It would appear from the above that complaints made by manufacturers and others about OPA, however justified in the eyes of the complainants themselves, do not reflect general public sentiment and have not aroused much public sympathy as yet.

Mr. Speaker, the National Association of Manufacturers is entitled to fight the Office of Price Administration and the Government's stabilization program with every medium of expression at its command. The American people are entitled to hear all sides of every controversy. I would oppose any action that might attempt to restrict the legitimate arguments of an opponent, no matter how personally distasteful his arguments might be to me.

Nevertheless, the newspapers of this country recognize a very definite obligation to prevent abuses of the freedom of the press. They resist the efforts of pressure groups to use their news columns for false persuasion of the people. They will not print the press releases of pressure groups without first checking the facts and, when statements are clearly untrue, the editor will, in almost every instance, either kill the release or incorporate in it a statement of the truth of the situation.

The pressure groups attempt to avoid the removal of untruths from their statements by purchasing advertising space. In a paid advertisement they feel they can say what they please without regard to truth.

Because of the freedom which the press of our country extends so liberally to all parties in a dispute, provided they can pay the fee, the use of expensive advertising space as a medium for economic and political arguments is growing increasingly popular.

This freedom imposes serious responsibilities to abide by the truth upon those who use this medium.

Mr. Speaker, the National Association of Manufacturers and other wealthy organizations with funds to spend on million-dollar advertising campaigns would do well to remember the homely advice of Abraham Lincoln. He said:

> If you once forfeit the confidence of your fellow citizens you can never regain their respect and esteem. It is true that you may fool all of the people some of the time; you may even fool some of the people all of the time; but you can't fool all of the people all of the time.

The Gallup poll indicates that the NAM may still have some of the confidence of some of the people in the little minority of those polled who believed price control should be ended now. Obviously it has lost the confidence of 71 percent of the people. They do not believe what the National Association of Manufacturers spent $200,000 trying to make them believe.

If the association would retain some of the confidence of the minority it had better stop trying to fool them all of the time. In the future advertisements in its campaign it should stick to the truth.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. ANDERSON of California, Mr. ROWAN, Mr. FOGARTY, Mr. FALLON, and Mr. LATHAM (at the request of Mr. VINSON), April 8 to 11, inclusive, 1946, on account of being in attendance with the Board of Visitors, United States Naval Academy.

To Mr. WASIELEWSKI, for April 8 and 9, 1946, on account of official business.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1349. An act to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes; to the Committee on Labor.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following title:

S. 63. An act to amend title V of the Communications Act of 1934 so as to prohibit certain coercive practices affecting radio broadcasting; and

S. 1425. An act to revive and reenact the act entitled "An act to authorize the county of Burt, State of Nebraska, to construct, maintain, and operate a toll bridge across the Missouri River at or near Decatur, Nebr.," approved June 8, 1940.

ADJOURNMENT

Mr. HOOK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 11 minutes p. m.) the House adjourned until tomorrow, Tuesday, April 9, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON FLOOD CONTROL

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.
Abescon 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:

1201. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated December 17, 1945, submitting a report, together with accompanying papers and illustrations, on a review of reports on, and a preliminary examination and survey of, the Schuylkill River, Pa., requested by resolutions of the Committee on Rivers and Harbors, House of Representatives, adopted on March 8, 1945, and the Committee on Commerce, United States Senate, adopted on May 20, 1944, and also authorized by the River and Harbor Act approved on March 2, 1945 (H. Doc. No. 529); to the Committee on Rivers and Harbors and ordered to be printed, with six illustrations.

1202. A letter from the Attorney General, transmitting a report reciting the facts and pertinent provisions of law in the cases of 42 individuals whose deportation has been suspended for more than 6 months by the Commissioner of the Immigration and Naturalization Service under the authority vested in the Attorney General, together with a statement of the reason for such suspension; to the Committee on Immigration and Naturalization.

1203. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill to amend the act of July 11, 1919 (41 Stat. 132), relating to the interchange of property between the Army and the Navy so as to include the Coast Guard within its provisions; to the Committee on the Merchant Marine and Fisheries.

1204. A letter from the Administrator, Federal Security Agency, transmitting a draft of a proposed bill to authorize assistance to repatriated American nationals, and for other purposes; to the Committee on Ways and Means.

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. SLAUGHTER: Committee on Rules. House Resolution 585. Resolution providing for the consideration of H. R. 2181, a bill to fix the salaries of certain judges of the United States; without amendment (Rept. No. 1880). Referred to the House Calendar.

Mr. BATES of Kentucky: Committee on Rules. House Resolution 587. Resolution providing for the consideration of 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. 1886). Referred to the House Calendar.

Mr. FLANNAGAN: Committee on Agriculture. H. R. 5645. A bill to regulate the marketing of economic poisons and devices, and for other purposes; with amendment (Rept. No. 1887). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DOLLIVER: Committee on Immigration and Naturalization. H. R. 4254. A bill for the relief of Sarah Holmes Beeman; with amendment (Rept. No. 1882). Referred to the Committee of the Whole House.

Mr. BARRETT of Pennsylvania: Committee on Immigration and Naturalization. H. R. 4672. A bill for the relief of Francesco and Natalia Picchi; with amendment (Rept. No. 1883). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on Immigration and Naturalization. H. R. 4958. A bill for the relief of Edith Joyce Crosby; with amendment (Rept. No. 1884). Referred to the Committee of the Whole House.

Mr. BOYKIN: Committee on Patents. H. R. 5896. A bill to extend the term of design patent No. 21,053, dated September 22, 1891, for a badge, granted to George Brown Goode, an dassigned to the National Society, Daughters of the American Revolution; without amendment (Rept. No. 1885). 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. McGEHEE:

H. R. 6034. A bill to amend the act of August 19, 1937, relating to the incorporation of the Southeastern University of the Young

Men's Christian Association of the District of Columbia; to the Committee on the District of Columbia.

By Mr. ANDREWS of New York:

H. R. 6035. A bill to provide that there shall be no liability for acts done or omitted in accordance with regulations of the Director of Selective Service, and for other purposes; to the Committee on Military Affairs.

By Mr. BRADLEY of Michigan:

H. R. 6036. A bill to exempt certain vessels from filing passenger lists; to the Committee on the Merchant Marine and Fisheries.

By Mrs. DOUGLAS of Illinois:

H. R. 6037. A bill to eliminate certain oppressive labor practices affecting interstate and foreign commerce, and for other purposes; to the Committee on Labor.

By Mr. FLANNAGAN:

H. R. 6038. A bill to amend the Federal Crop Insurance Act; to the Committee on Agriculture.

H. R. 6039. A bill to amend the Federal Crop Insurance Act; to the Committee on Agriculture.

By Mr. HARNESS of Indiana:

H. R. 6040. A bill to increase the base pay of every member of the Army, Navy, and Marine Corps by $400 per year; to the Committee on Military Affairs.

By Mr. JOHNSON of Indiana:

H. R. 6041. A bill authorizing the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River at or near Montezuma, Ind.; to the Committee on Interstate and Foreign Commerce.

By Mr. SPENCE:

H. R. 6042. A bill to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. GRANGER:

H. R. 6043. A bill to provide support for wool, to amend the Agricultural Marketing Agreement Act of 1937 by including wool as a commodity to which orders under such act are applicable, to authorize the Secretary of Agriculture to fix wool standards, and for other purposes; to the Committee on Agriculture.

By Mr. ROBERTSON of North Dakota:

H. R. 6044. A bill to increase and stabilize the United States domestic wool production and to further stabilize the importation of raw wool from foreign countries; to the Committee on Agriculture.

By Mr. VINSON:

H. R. 6045. A bill to provide for voluntary enlistments in the armed services; to the Committee on Military Affairs.

By Mr. WALTER:

H. R. 6046. A bill authorizing the construction of flood-control work on Lehigh River in Pennsylvania; to the Committee on Flood Control.

By Mr. D'EWART:

H. R. 6047. A bill authorizing the use of certain appropriations for the education of Indian children of less than one-quarter Indian blood whose parents reside on nontaxable Indian lands; to the Committee on Indian Affairs.

By Mr. ROBINSON of Utah:

H. Res. 586. House resolution for prevention of highway traffic accidents; to the Committee on Roads.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Commonwealth of Kentucky, memorializing the President and the Congress of the United States to pass House bill 5059; to the Committee on the Post Office and Post Roads.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. CHENOWETH:

H. R. 6048. A bill for the relief of J. Don Alexander; to the Committee on Claims.

By Mr. D'EWART:

H. R. 6049. A bill to authorize the Secretary of the Interior to sell certain lands in the State of Montana to Pershing Griffith; to the Committee on Indian Affairs.

By Mr. PFEIFER:

H. R. 6050. A bill for the relief of Nunzio Signorelli; to the Committee on Immigration and Naturalization.

By Mr. ROGERS of New York:

H. R. 6051. A bill for the relief of Laura Spinnichia; to the Committee on Claims.

By Mr. STARKEY:

H. R. 6052. A bill for the relief of Alfred O. Oslund; to the Committee on Pensions.

H. R. 6053. A bill for the relief of Jean M. Deiman; to the Committee on Claims.

By Mr. WICKERSHAM:

H. R. 6054. A bill for the relief of Mr. and Mrs. Frank Smith; to the Committee on Claims.

H. R. 6055. A bill for the relief of Grover F. Smith; 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:

1768. By Mr. HOPE: Petition signed by railroad employees of Pratt, Kans., regarding the wording of the Railroad Retirement Act so as to make retirement optional at 60 years of age with 30 years of service without the reduction in annuity between ages 60 and 65 without being disabled; to the Committee on Interstate and Foreign Commerce.

1769. By Mr. STIGLER: Petition of R. Eager and others, regarding pensions for widows; to the Committee on Pensions.

1770. By the SPEAKER: Petition of the Townsend Clubs of the Fourth Congressional District, Fla., petitioning consideration of their resolution with reference to endorsement of House bills 2229 and 2230; to the Committee on Ways and Means.

1771. Also, petition of the Townsend Clubs of the Sixth Congressional District of the State of Florida, petitioning consideration of their resolution with reference to endorsement of House bills 2229 and 2230; to the Committee on Ways and Means.

1772. Also, petition of the Town Board of the Town of Lewisboro, N. Y., petitioning consideration of their resolution with reference to objection to the possible location of a portion or all of the headquarters of the UNO in their town; to the Committee on Foreign Affairs.

1773. Also, petition of various citizens of Atlantic City, petitioning consideration of their resolution with reference to renewing the powers of the OPA; to the Committee on Banking and Currency.

SENATE

TUESDAY, APRIL 9, 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:

God of all grace and love, who coverest the earth with a tapestry of beauty, who art the source of our being and the goal of our striving, hallowed be Thy name. In the midst of the high concerns of public service in this demanding and confusing day of global change, we are grateful for quiet cloisters of the spirit where in moments of reverential calm Thou dost restore our souls. In a violent world we seek Thy rest and the refuge of Thy sheltering wing, yet we desire not the rest of those whose hands are folded and whose swords are sheathed. Weary and heavy laden, grant us inward rest, the peace and poise of the Master Workman who steadfastly faced hate's worst, and who says to all who follow in His train, "My yoke is easy and my burden is light." In His name we pray. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, April 8, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations 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. Swanson, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 565. An act to extend the privilege of retirement to the judges of the District Court for the District of Alaska, the District Court of the United States for Puerto Rico, the District Court of the Virgin Islands, and the United States District Court for the District of the Canal Zone;

S. 1298. An act to establish an office of Under Secretary of Labor, and three offices of Assistant Secretary of Labor, and to abolish the existing office of Assistant Secretary of Labor and the existing office of Second Assistant Secretary of Labor; and

S. 1841. An act to amend an act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the Superintendent of Weights, Measures, and Markets of the District of Columbia; and for other purposes," approved March 3, 1921, as amended.

The message also announced that the House insisted upon its amendments to the bill (S. 1415) to increase the rates of compensation of officers and employees of the Federal Government, 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. RANDOLPH, Mr. JACKSON, Mr. MILLER of California, Mr. REES of Kansas, and Mr. BYRNES of Wisconsin were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 4654. An act to exempt transfers of property to the American National Red Cross from the District of Columbia inheritance tax;

H. R. 5719. An act to amend the act entitled "An act to authorize black-outs in the District of Columbia, and for other purposes," approved December 26, 1941, as amended;